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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

FOR ANNUAL AND TRANSITION REPORTS
PURSUANT TO SECTIONS 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

(Mark One)
[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For Fiscal Year Ended December 31, 2001

OR

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________ to __________

Commission File 001-14195

AMERICAN TOWER CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	65-0723837
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

116 Huntington Avenue
Boston, Massachusetts 02116
(Address of principal executive offices and Zip Code)

(617) 375-7500
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

(Title of Class)	(Name of exchange on which registered)
Class A Common Stock, $0.01 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

(Title of Class)

None

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [_]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of the Form 10-K or any amendment to this Form 10-K. [_]

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of March 25, 2002 was approximately $951,059,506. As of March 25, 2002, 185,018,963 shares of Class A Common Stock, 8,001,769 shares of Class B Common Stock and 2,267,813 Shares of Class C Common Stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement (the "Definitive Proxy Statement") to be filed with the Securities and Exchange Commission relative to the Company's 2002 Annual Meeting of Stockholders are incorporated by reference into Part III of this Report.

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FORM 10-K ANNUAL REPORT FISCAL YEAR ENDED DECEMBER 31, 2001

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements relating to our goals, beliefs, plans or current expectations and other statements that are not of historical facts. For example, when we use words such as "project," "believe," "anticipate," "plan," "expect," "estimate," "intend," "should," "would," "could" or "may," or other words that convey uncertainty of future events or outcome, we are making forward-looking statements. These forward-looking statements may be found under the headings "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business," as well as in this annual report generally. They include, but are not limited to, our statements regarding the following topics: (1) the continued rise in the use and the number of subscribers of wireless communication services; (2) our belief that wireless carriers will need to add more cell sites to meet that demand and its impact on our revenues; (3) our belief that we can utilize our existing tower portfolio to give us continued organic revenues and cash flows growth; (4) our ability to continue to access availability under our credit facilities to fund our business plan and to comply with the covenants contained in our credit facilities; (5) the impact of the slowdown in capital expenditures by wireless carriers on our future financial performance, long-term growth rates, liquidity and free cash flow position; and (6) our estimate that our operations will become free cash flow positive during 2003. Certain important factors may cause actual results to differ materially from those indicated by our forward-looking statements, including those set forth under the caption "Business-Factors That May Affect Future Results". Forward-looking statements represent management's current expectations and are inherently uncertain. We do not undertake any obligation to update forward-looking statements made by us.

PART I

ITEM 1. BUSINESS

OVERVIEW

We are a leading wireless and broadcast communications infrastructure company. Our primary business is leasing antenna space on multi-tenant communication towers to wireless and broadcast companies. We operate the largest portfolio of wireless communications towers in North America and are the largest independent operator of broadcast towers in North America, based on number of towers. Our tower portfolio provides us with a substantial recurring base of leasing revenues from our existing customers, the additional capacity to add more antennae to these towers, and the network of towers capable of addressing the needs of wireless service providers on a national basis.

To complement our core business of leasing antennae space, we also provide a full array of related services, including network design, radio frequency engineering, site acquisition, zoning, tower construction, component parts, antennae and line installation, maintenance and tower monitoring. These capabilities enable us to provide a full service solution to our customers' tower infrastructure needs and generate related revenues that are additive to our core leasing business. In addition, our service capabilities enable us to respond cost-effectively to demand for new towers by giving us the flexibility to construct and operate our own towers at costs to us that are generally less than acquiring towers.

Our goal is to capitalize on the increasing use of wireless communication services by actively marketing space available for leasing on our existing towers, providing related tower services to our leasing customers, and selectively developing or acquiring new towers that meet our return on investment criteria. We target as customers financially sound wireless service providers that are improving or extending their infrastructure.

We operate our business in three segments: rental and management; network development services; and satellite and fiber network access services. Our operating revenues and divisional cash flows for the year ended December 31, 2001 were $1.1 billion and $300.5 million, respectively. Our three business segments accounted for the following percentages of operating revenues and divisional cash flows for the year ended December 31, 2001:

Business Segment	Operating Revenues	Divisional Cash Flows*
. Rental and management	39.2%	81.3%
. Network development services	40.0%	16.2%
. Satellite and fiber network access services	20.8%	2.5%

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* Divisional cash flows means (loss) income from operations before depreciation and amortization and restructuring, development, and corporate general and administrative expenses, plus interest income - TV Azteca, net.

Our rental and management segment tower leasing activities generate the highest profit margins. We believe those activities are likely to grow more rapidly than our other segments because of increased utilization of our existing towers. For more financial information about our business segments and geographic information about our operating revenues and long-lived assets, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" and note 15 to our consolidated financial statements included in this annual report.

STRATEGY

Our strategy is to capitalize on the increasing use of wireless communication services. From December 1995 to December 2000, the number of wireless phone subscribers increased from 33.8 million to 109.5 million and the minutes of use of wireless phone services increased from 37.8 billion to 258.9 billion among major wireless carriers in the United States. During the same period, the number of cell sites increased from 22,700 to 104,300 sites.* We expect that the continued growth of wireless subscribers and minutes of use of wireless phone services will further require wireless carriers to add a significant number of additional cell sites to maintain the performance of their networks in the areas in which they currently cover. In addition, we believe that when data wireless services, such as email and internet access, are deployed on a widespread basis they will require wireless carriers to increase further the cell density of their existing networks, and require geographical expansion of their network coverage. To meet this demand, we believe wireless carriers will continue to outsource their tower infrastructure needs as a means of speeding access to their markets and preserving capital, rather than constructing and operating their own towers and maintaining their own tower service and development capabilities.

We believe that our existing portfolio of towers, our tower related services and network development capabilities, and our management team, position us to benefit from these trends and to play an increasing role in addressing the needs of wireless service providers and broadcasters. The key elements of our strategy include:

- MAXIMIZE UTILIZATION OF OUR TOWER CAPACITY. We believe that our existing portfolio of towers provides us with a significant base to continue our organic growth in our rental and management business by leasing additional antennae space on these towers. Organic same tower revenues and cash flows growth in our rental and management segment for the 8,751 towers that we owned both at the beginning of the fourth quarter 2000 and at the beginning of the fourth quarter 2001 was 20% and 26%, respectively. We anticipate continuing to grow our revenues and cash flows because many of our towers have significant capacity available for additional antenna space rental that we can utilize at low incremental costs to us. Because the costs of operating a tower are largely fixed, increasing utilization significantly improves tower operating margins. We will continue to use our targeted sales and marketing techniques to increase utilization of, and investment return on, our existing towers.

- LEVERAGE OUR EXTENSIVE TOWER SERVICE CAPABILITIES. We intend to use our extensive service capabilities to generate related revenues that are additive to our core leasing business and to minimize the cost of any new tower sites we may add based on our return on investment criteria. Tenants who lease antenna space on our towers need a variety of additional products and services, including network design, radio frequency engineering, site acquisition, zoning, tower construction, component parts, antennae and line installation, maintenance and tower monitoring. Tenants often outsource some or all of these services to third parties, including us. We believe our ability to offer a full array of products and services and our preexisting relationship with the tenants on our towers position us well to provide these products and services and to capture more incremental revenues.

  We also intend to take advantage of our extensive experience and capabilities as a developer of new towers when responding to demand by wireless carriers for new towers. We can construct and operate towers at costs to us that are generally less than the cost related to acquiring towers. This cost-efficiency enables us to reduce the average cost to own and operate our towers. As a result, we plan to emphasize selective new tower development for the foreseeable future in responding to demand by wireless carriers.

- CONTINUE OUR FOCUS ON CUSTOMER SERVICE. Since speed to market and reliable network performance are critical components to the success of wireless service providers, our ability to assist our customers in meeting their goals will ultimately define our success. To that end, we intend to continue to focus on our customer service by, for example, reducing cycle time for key functions, such as lease processing and antennae and line installations.

- BUILD ON STRONG RELATIONSHIP WITH MAJOR WIRELESS CARRIERS. Our understanding of the network needs of our wireless carrier customers and our ability to convey effectively how we can satisfy those needs is key

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* Subscriber and use information includes only cellular, personal communication services, and enhanced specialized mobile radio wireless services. The term cell site above refers to the number of antennae and related equipment in commercial operation, not the number of towers on which that equipment is attached.

to our efforts to add new antennae leases, cross-sell our services and win desirable new tower development projects. We are building on our strong relationship with our customers to gain more familiarity with their evolving network plans so we can identify opportunities where our nationwide portfolio of towers, extensive service offerings and seasoned construction capabilities can be used to satisfy their needs. We believe that we are well positioned to be a preferred partner to major wireless carriers in leasing tower space and new tower development projects because of our proven operating experience and the national scope of our tower portfolio and services.

- EMPLOY SELECTIVE CRITERIA FOR NEW TOWER CONSTRUCTION AND ACQUISITIONS. We believe that the unused capacity of our existing tower portfolio is capable of addressing the current needs of many wireless service providers. Because of this capacity and our desire to increase the near term returns on our capital, we have adopted more selective criteria for new tower development and acquisitions. We expect that the application of these new criteria will increase our return on investments in new towers we build or acquire.

- ACTIVELY MANAGE OUR TOWER PORTFOLIO. We plan to pursue exchanges and sales of towers or tower clusters with other tower operators and other entities. Our goal is to enhance operating efficiencies by either acquiring towers in regions where we have insufficient coverage or disposing or exchanging towers in areas where we do not have operating economies of scale. If we are successful in disposing of certain tower assets, we may redeploy proceeds received in more productive tower assets.

OPERATIONAL INITIATIVES

In the latter half of 2001, the major wireless carriers reduced their planned capital expenditures for geographic network expansion. In the near term, we expect wireless carriers to make capital expenditures primarily to increase the density of their current network coverage and improve the quality of service to their existing subscribers, while selectively investing to expand network coverage. We believe that the increasing minutes of use of wireless phone service and number of wireless phone subscribers will continue to require wireless carriers to add a significant number of additional cell sites to maintain the performance of their networks in the areas which they currently cover.

Because we believe that our existing tower portfolio has the scope and available capacity to address a significant portion of these needs, we have lowered our planned capital expenditures for 2002 on new tower development and acquisitions. Our 2002 capital budget provides for total expenditures of approximately $200.0 million to $225.0 million, which includes towers to be built under existing build-to-suit agreements, compared to total capital expenditures of approximately $568.0 million in 2001. In contrast to 2001, during which we built approximately 1,300 towers, including five broadcast towers, our 2002 plans call for the construction of between 400 and 500 towers, including nine broadcast towers. In addition, we have adopted more selective criteria for new tower development. We will not undertake new tower development unless the project is likely to meet our heightened near term return on investment criteria.

PRODUCTS AND SERVICES

We offer our products and services through three business segments:

- Rental and management;

- Network development services; and

- Satellite and fiber network access services.

RENTAL AND MANAGEMENT

Leasing of Antennae Sites. Our primary business is renting antenna space to wireless and broadcast companies on multi-tenant communications towers. We operate a tower network of approximately 14,500 multi- user sites in the United States, Mexico and Brazil, including more than 300 broadcast tower sites. Approximately 13,600 of these towers are owned or leased sites and approximately 900 are managed sites or lease/sublease sites under which we hold a position as lessee that is co-terminus with a related sublease. Our networks in the United States and Mexico are national in scope. Our U.S. network spans 49 states and the District of Columbia. In addition, 83% of our U.S. network provides coverage in the top 100 markets or core areas such as high traffic interstate corridors. Our Mexican network includes more than 1,100 sites in highly populated areas, including Mexico City, Monterrey, Guadalajara and Acapulco. Our Brazilian network is located in the high-growth southern part of Brazil, as well as in certain northern and central-western cities that have a total population of approximately 40.0 million.

We lease antenna space on our towers to tenants in a diverse range of wireless communications and broadcast industries. Wireless industries we serve include: personal communications services, cellular, enhanced specialized mobile radio, specialized mobile radio, paging, fixed microwave and fixed wireless. Our major customers include ALLTEL, AT&T Wireless Services, Cingular Wireless, Nextel, Sprint PCS, Verizon and Voicestream.

The number of antennae that our towers can accommodate varies depending on whether the tower is broadcast or non-broadcast, and on the tower's location, height, and the loaded capacity at certain wind speeds. An antenna's height on a tower and the tower's location determine the line-of-sight of the antenna with the horizon and, consequently, the distance a signal can be transmitted. Some of our customers, including paging companies and specialized mobile radio providers in rural areas, need higher elevations for broader coverage. Other customers, such as personal communications services, enhanced specialized mobile radio and cellular companies in metropolitan areas, usually do not need to place their equipment at the highest tower point. We believe that many well engineered and well located towers built to serve the specifications of an initial anchor tenant in the wireless communications sector will attract three or more wireless tenants over time, thereby increasing revenue and enhancing margins.

Lease Terms. Our leases, like most of those in the industry, generally vary depending upon the region and the industry user. Television and radio broadcasters prefer long-term leases, while wireless communications providers favor leases in the range of five to ten years in duration. In both cases, the leases often have multiple renewal terms at the option of the tenant.

Tenants tend to renew their leases because of the complications and costs associated with moving antennae. For example, in the case of cellular, personal communications services and other wireless users, moving one antennae might necessitate moving or adjusting several others because of the interlocking grid-like nature of wireless systems. Moreover, a move by a television or radio broadcaster would necessitate FCC approval and could entail major dislocations and the uncertainty associated with building antennae in new coverage areas. In addition, the increasing difficulty of obtaining local zoning approvals, the increasing environmental concerns of communities, and the restrictions imposed by the Federal Aviation Administration and FCC tend to reduce the number of choices available to a tower user.

Most of our leases have escalator provisions. These automatic increases are most frequently based on a fixed amount. They are also sometimes based on increases in the consumer price index.

Annual rental payments vary considerably depending upon:

- size of the transmission line and the number and weight of the antennae on the tower;
- geographic location of the tower;
- existing capacity of the tower;

- the placement of the customer's antenna on the tower;

- frequency spectrum;

- the location and height of the tower on which antenna space is rented; and

- the competitive environment.

Tower Development. Historically, cellular and other wireless service providers had constructed and owned a majority of the towers for their antennae needs, rather than leasing space on towers from a third party. Beginning a few years ago, wireless service providers expressed a growing interest in having independent companies own and operate the towers for their antennae. This trend resulted in our entering into agreements with a number of wireless carriers to construct and subsequently lease space on towers in key areas identified as optimal for their network expansion requirements. In most cases, because we own the constructed towers, we are able to lease space on them to other tenants, as well as to the anchor tenant.

Communications Site Management Business. We are a leading manager of communications sites. A central aspect of this business is the development by us of new sources of revenue for building owners by effectively managing all aspects of rooftop and ground tower telecommunications, including rooftop infrastructure construction services.

Our management contracts for these sites are generally for a period of five years and contain automatic five-year renewal periods, subject to termination by either party before renewal. Under these contracts, we are responsible for a wide range of activities, including: marketing antennae sites on the tower, reviewing existing and negotiating future license agreements with tenant users, managing and enforcing those agreements, supervising repairs and maintenance and installation of equipment by tenants and site billing, collections and contract administration. For such services, we are entitled to a percentage of lease payments, which is higher for new tenants than for existing tenants.

NETWORK DEVELOPMENT SERVICES

Through ATC Integrated Services, we provide comprehensive network development services for both wireless service providers and broadcasters. We offer full turnkey network development solutions to our customers, including network design, radio frequency engineering, site acquisition, zoning, tower construction, component parts, antennae and line installation, maintenance and tower monitoring. We provide network development services to most of the major wireless service providers. and have constructed or are constructing towers for a variety of wireless and broadcast companies. We also construct towers for our rental and management segment.

Our ability to provide this full range of services is an important component in our business model because these services:

- enhance our overall returns as our costs for constructing towers for our rental and management segment are generally lower than those we acquire;

- strengthen our existing customer relationships by increasing our knowledge of their network needs, which we believe leads to greater customer satisfaction and the opportunity to offer them other services;

- increase recurring revenues and cash flow from our towers; and

- make us a more attractive choice for turnkey projects since we believe wireless carriers prefer to work with a national company, rather than contract with multiple vendors, to address their tower-related needs.

Construction and Antennae and Line Installation. We are one of the leading builders of wireless and broadcast towers. Our ATC Tower Services unit has over 30 years of wireless tower construction and equipment installation experience. We also own and operate Kline Iron & Steel, an experienced steel fabricator and builder of broadcast towers. The following table shows the approximate number of towers that we constructed, utilizing various areas of expertise within our network development services segment, for our own account during 1999, 2000, and 2001 and our projection for 2002:

Year	Number of Towers Constructed
1999	1,000
2000	1,600
2001	1,300
2002--Projection	400-500

For third party construction, we bill customers on a fixed price or time and materials basis, and we may negotiate fees on individual sites or for groups of sites. The cost of construction of a tower varies both by site location and terrain, tower type and height, and any governmental or environmental requirements. Non-broadcast towers, whether on a rooftop or the ground, generally cost between $200,000 and $250,000. Broadcast towers are generally much taller and are built to bear a greater load. The costs of broadcast towers are significantly greater than non-broadcast towers and vary considerably based on size, location and terrain.

As part of our construction services and as a separate service offering, we provide antennae and line installation and maintenance services. These services use not only our construction-related skills, but also our technical expertise to ensure that new installations do not cause interference with other tenants. We believe that in 2002 our antennae and line installation services and maintenance capabilities will provide us with a significant opportunity to capture incremental revenue on existing and newly built sites, as carriers shift their focus from geographic network expansion to maximizing their existing network capacity.

Kline Iron & Steel also performs non-tower related steel fabrication, including its current work on a large office project pursuant to a multi-year agreement.

Wireless Components. We sell tower related parts and equipment to wireless and broadcast companies, including antennae fasteners and other mounting components, waveguide bridge products, square support rail, tower lighting systems, and tower safety products. We also manufacture wireless components for several large wireless communications equipment vendors who market these products under their own brand names.

Engineering Consulting Services and Network Design. We provide a number of engineering services that enable our customers to plan new wireless networks, modify existing tower networks, and improve the quality of their networks. These engineering services include design of wireless broadband and data and radio frequency networks, drive testing, performance engineering, and wireless broadband and data network design and implementation, upgrading networks to the next generation of broadcast technology, which is often referred to as "3G" or third-generation technologies, transport engineering, and interconnection and microwave services.

Site Acquisition and Zoning Services. We engage in site acquisition services for our own account, in connection with tower development projects and other proprietary construction, as well as for third parties. The site selection and acquisition process begins with the network design. We identify highway corridors, population centers and topographical features within the carrier's existing or proposed network. We then select the most suitable sites, based on demographics, traffic patterns and signal characteristics. Upon customer approval of the site, we typically provide zoning related services, working with the local zoning/planning board to obtain the necessary approval. If we receive approval, our customer typically engages us to supervise the construction of the towers or to construct the towers ourselves.

SATELLITE AND FIBER NETWORK ACCESS SERVICES

Our Verestar subsidiary is a leading provider of integrated satellite and fiber network access services for telecommunications companies, internet service providers (ISP), broadcasters, maritime customers, and governmental organizations, both domestic and international. We own and operate more than 175 satellite antennae at ten satellite network access points, which we refer to as SNAPs, in Florida, California, Massachusetts, New Jersey, Texas, Washington state, and the Washington, D.C. area and one in Switzerland. Our satellite network access points in the U.S. and in Switzerland enable us to access the majority of commercial satellites around the world. Our customers include many of the major U.S. and foreign broadcasters. Our maritime customers include a number of major cruise lines.

Verestar transmits Internet traffic and voice, video and other data through the integration of the following services:

- Teleport Services. Verestar operates ten satellite network access points. These SNAPs consist of over 175 satellite antennae, transmitting and receiving electronics and connectivity to major terrestrial fiber routes and the Internet. These SNAPs are capable of uplinking and downlinking data, voice and video (both analog and digital) to satellites in the Atlantic, Pacific and Indian Ocean regions. Some of our SNAPs also provide telemetry, tracking and control and communication systems for the launch and maintenance of satellites in orbit. Each SNAP is operated 24 hours a day, 365 days a year.

- Satellite Services. Verestar is one of the largest independent lessees of satellite capacity for the transmission of Internet and other data around the world. Verestar sells capacity through contracts generally with a minimum term of one year and also offers spot market capacity on an as-needed basis to news networks in the United States.

- Network Access Services. Verestar offers customers connections to their choice of leading Internet services and high-speed fiber backbone providers. Certain services allow customers to select the fastest available Internet connection on a per packet basis. Verestar also offers long-haul fiber connectivity between select markets in the United States and internationally.

- Switching Services. Verestar operates carrier-class voice switches in New York, Miami, and Los Angeles, which enable international telephone companies to connect their voice traffic to the U.S. public telephone network and to exchange their traffic with other international long distance carriers. These switches are connected to satellite and fiber networks, which provide customers with end-to-end solutions from the call origination to termination on the U.S. telephone network.

During 2001, Verestar refocused its business away from second and third tier telecom carriers to global telecom providers, governmental organizations and broadcast companies. In addition, during the later stages of 2001 and into 2002, Verestar is focusing on implementing cost reduction measures aimed at reducing infrastructure costs, consolidating transponder space and renegotiating certain transponder agreements. These initiatives are designed to improve Verestar's operating margins and position Verestar for structural independence.

SIGNIFICANT AGREEMENTS

We are a party to three agreements that we consider to be material to our business:

ALLTEL transaction. In December 2000, we entered into an agreement with ALLTEL to sublease up to 2,193 communications towers through a 15-year sublease agreement for up to $657.9 million in cash. As of December 31, 2001, we had subleased 1,748 towers and paid ALLTEL $524.4 million in cash. During the first quarter of 2002, we closed on 28 towers and paid ALLTEL $8.4 million in cash. As permitted by the agreement, we have decided not to sublease the remaining 417 towers. The ALLTEL towers are located primarily in the Southeast and, to a lesser extent, in the Midwest region of the United States.

We are entitled to all income generated from leasing space on the towers and are responsible for all expenses, including ground rent. ALLTEL has reserved space on the towers for its antennae, for which it pays a site maintenance fee of $1,200 per tower per month, escalating at a rate equal to the lower of 5% per annum or the increase in Consumer Price Index plus 4% per annum.

We have an option to purchase the 1,776 towers subleased from ALLTEL at the end of the 15-year sublease term. The purchase price per tower will, at ALLTEL's option, be $27,500 plus interest accrued at 3% per annum, payable in cash, or 769 shares of our Class A common stock.

As part of the transaction, we entered into a five-year exclusive build-to-suit agreement that gives us the right but not the obligation to develop towers for ALLTEL. We also entered into a separate master lease with ALLTEL for the build-to-suit towers. The initial term is ten years, except for our sites that were not constructed pursuant to the build-to-suit agreement, for which it is for five years. ALLTEL has three five-year renewal options. The rent for lease supplements entered into pursuant to the master lease agreement is $1,200 per tower per month, escalating at a rate equal to the lower of 5% per annum or the increase in Consumer Price Index plus 4% per annum.

AirTouch transaction. Pursuant to an August 1999 agreement, we leased on a long-term basis (99 years) 1,862 towers from AirTouch Communications, which is now a part of Verizon Wireless. We paid AirTouch $709.4 million in cash and issued warrants for approximately 3.0 million shares of our Class A common stock. These towers are located in all of AirTouch's major markets, other than Los Angeles and San Diego, including Albuquerque, Atlanta, Cleveland, Denver, Detroit, Minneapolis, Omaha, Phoenix, Portland, Sacramento and Seattle.

We are entitled to all income generated from leasing space on the towers and are responsible for all tower expenses, including ground rent. AirTouch has reserved space on the towers for its antennae, for which it has agreed to pay us a site maintenance charge equal to $1,500 per month for each non-microwave reserved space and $385 per month for each microwave reserved space, with 3% annual increases.

We have also entered into an exclusive three-year build-to-suit agreement with AirTouch expiring in 2002. Under that agreement, we have the right to construct and own all of AirTouch's towers in all markets covered by the agreement. AirTouch entered into a separate master lease covering all towers to be constructed pursuant to the build-to-suit agreement. AirTouch will lease space for a period of ten years and has the option to extend each lease for five five-year periods. The rent is $1,500 per month for each non-microwave antenna site and $385 per month for each microwave antenna site, with 3% annual increases.

AT&T transaction. Pursuant to a September 1999 agreement, we purchased 1,931 towers from AT&T for an aggregate purchase price of approximately $258.2 million in cash. These towers are located throughout the United States and were constructed by AT&T for its microwave operations.

AT&T entered into a master lease agreement with us covering 468 of these towers on which it then conducted microwave operations. The aggregate annual base rent payment is approximately $1.0 million, payable in January of each lease year. The master lease agreements provides that we will adjust, but not below the base rent, the rent payable by AT&T based on its actual usage of the towers.

As part of this transaction, we entered into a build-to-suit agreement that gives us the right but not the obligation to develop towers for AT&T Wireless Services. We entered into a separate master lease with AT&T Wireless Services for the build-to-suit towers. The initial term is ten years, and AT&T Wireless Services has three five-year renewal options. The rent for lease supplements entered into pursuant to the master lease agreement in the initial year was $1,350 per month per antenna site, increasing annually by $50.00 per year for lease supplements entered into in subsequent years. All rents are subject to 4% annual increases.

YEAR 2001 TRANSACTIONS

During 2001, we consummated more than 30 transactions in the United States involving the acquisition of approximately 2,270 communications sites and related businesses and certain satellite and fiber network access service assets for an aggregate purchase price of approximately $827.2 million. Of this total purchase price,

$782.2 million related to the acquisition of tower assets, $36.8 million related to our purchase of network development services business and $8.2 million related to Verestar. This total purchase price includes approximately $809.6 million in cash and 377,394 shares of our Class A common stock. Other than the ALLTEL transaction described above, none of these acquisitions was material.

In May 2001, we expanded our tower network into Brazil as ATC Brazil our Brazilian subsidiary, entered into arrangements with Global Village Telecom Ltd. ("GVT") for the acquisition of the rights to approximately 156 communications towers from GVT for an aggregate purchase price of approximately $29.2 million. As part of those arrangements, we entered into a build-to-suit agreement and a master lease agreement providing for the leasing of space to GVT on the towers we own or control in Brazil. Under the arrangements, we are entitled to all income generated by and responsible for all expenses of the towers for a period of 35 years with an option to purchase the towers after seven years.

MANAGEMENT ORGANIZATION

Our corporate headquarters is in Boston, Massachusetts. Our rental and management segment is organized on a regional basis, with each region being headed by a vice president who reports to our Executive Vice President of Tower Operations who, in turn, reports to our President and Chief Operating Officer. Our current regional centers are based in Boston, Atlanta, Chicago, Houston, the San Francisco Bay area and Mexico City. Our regional centers are further subdivided into 18 area operations centers. We are currently in the process of completing a reorganization of our regional centers to consolidate lease administration, accounting and various administrative and developmental functions. Upon completion of this reorganization, our regional centers will be focused on sales, operations, customer service, and tower development. We believe our regional and area operations centers are capable of responding effectively to the opportunities and customer needs of their defined geographic areas. Our area operations centers are staffed with skilled engineering, construction management and marketing personnel.

Our network development services segment has its headquarters in Waterbury, Connecticut and is headed by President, ATC Integrated Services, who reports to our President and Chief Operating Officer. Our satellite and fiber network access services segment maintains its headquarters in Washington, D.C. and is headed by its President who reports to our Chairman and Chief Executive Officer.

HISTORY

In early 1995, Steven B. Dodge, the then chairman of the board, president and chief executive officer of American Radio Systems Corporation and other members of its management, recognized the opportunity in the communications site industry as a consequence of its ownership and operation of broadcast towers. American Radio formed our company to capitalize on this opportunity. American Radio distributed its stock in our company to its securityholders in connection with its merger with CBS in June 1998.

REGULATORY MATTERS

Towers. Both the FCC and the FAA regulate towers used for wireless communications and radio and television broadcasting. These regulations govern the siting, lighting, marking and maintenance of towers. Depending on factors such as height and proximity to public airfields, the construction of new antenna structures or modifications to existing antenna structures must be reviewed by the FAA prior to initiation to ensure that the structure will not present a hazard to aircraft navigation. After the FAA issues a "No Hazard" determination, the tower owner must register the antenna structure with the FCC and paint and light the structure in accordance with the FAA determination. The FAA review and the FCC registration processes are prerequisites to FCC authorization of communications devices placed on the antenna structure.

The FCC separately regulates and licenses wireless communications devices operating on towers based upon the particular frequency used. In addition, the FCC separately licenses and regulates television and radio stations broadcasting from towers. Tower owners bear the responsibility for notifying the FAA of any tower lighting failures and the repair of those lighting failures. Tower owners also must notify the FCC when the ownership of a tower changes. We generally indemnify our customers against any failure to comply with applicable standards. Failure to comply with applicable tower-related requirements may lead to monetary penalties.

In January 2001, the FCC concluded investigations of several operators of communications towers, including us. The FCC sent us a Notice of Apparent Liability for Forfeiture ("NAL") preliminarily determining that we had failed to file certain informational forms, had failed to properly post certain information at various tower sites, and on one occasion had failed to properly light a tower. The FCC also ordered an additional review of our overall procedures for and degree of compliance with the FCC's regulations. We reached a settlement with the FCC regarding the compliance issues arising out of the NAL in the form of a Consent Decree. As part of the Consent Decree, the FCC has rescinded the NAL and terminated the further investigation ordered in the NAL. In September 2001 we made a voluntary contribution of $0.3 million to the U.S. Treasury and agreed to maintain an active compliance plan. Failure to comply with the Consent Decree may lead to monetary penalties and loss of the right to hold our various registrations and licenses.

The Telecommunications Act of 1996 amended the Communications Act of 1934 by limiting state and local zoning authorities' jurisdiction over the construction, modification and placement of wireless communications towers. The law preserves local zoning authority but prohibits 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 the FCC regulations. The 1996 Telecom Act also requires the federal government to help licensees of wireless communications services gain access to preferred sites for their facilities. This may require that federal agencies and departments work directly with licensees to make federal property available for tower facilities.

Local regulations include city and other local ordinances, zoning restrictions and restrictive covenants imposed by local authorities. These regulations vary greatly, but typically require tower owners and/or licensees to obtain approval from local officials or community standards organizations prior to tower construction or collocations on existing towers. Local zoning authorities generally have been hostile to construction in their communities and these regulations can delay or prevent new tower construction, colocations or site upgrade projects, thereby limiting our ability to respond to customer demand. In addition, those regulations increase costs associated with new tower construction and colocation. Existing regulatory policies may adversely affect the timing or cost of new tower construction and colocations and additional regulations may be adopted which increase delays or result in additional costs to us. These factors could adversely affect our construction program and operations.

Our tower operations in Mexico and Brazil are also subject to regulation. If we pursue additional international opportunities, we will be subject to regulations in additional foreign jurisdictions. In addition, our customers, both domestic and foreign, also may be subject to new regulatory policies that may adversely affect the demand for communications sites.

Verestar. We are required to obtain authorization from the FCC for our use of radio frequencies to provide satellite and wireless services in the United States. We are also required to obtain authorizations from foreign regulatory agencies in connection with our provision of these services abroad. We hold a number of point-to-point microwave radio licenses that are used to provide telecommunications services. Additionally, we hold a number of satellite earth station licenses in connection with our operation of satellite-based networks. We are required to obtain consent from the FCC prior to assigning these licenses or transferring control of any of our companies holding an FCC license.

We also provide maritime communications services pursuant to a Special Temporary Authority from the FCC, but we have not been able to obtain a permanent license from the FCC or any other sovereign nation holding the registration of the vessels from which we operate. The FCC has issued a Notice of Inquiry which invites comments on possible licensing methods applicable to earth stations on vessels operating within United States territory. It is possible that this proceeding could lead to other FCC actions including, without limitation, a Notice of Proposed Rulemaking, that could result in regulations that are restrictive and costly to our operations. In addition, the Special Temporary Authority currently being used may not be renewed for future terms.

ENVIRONMENTAL MATTERS

Our operations are subject to federal, state and local and foreign laws relating to the management, use, storage, disposal, emission and remediation of, and exposure to, hazardous and non-hazardous substances, materials, and waste. As the owner and/or operator of real property and facilities, we may have liability under those laws for the costs of investigation, removal or remediation of soil and groundwater contaminated by hazardous substances or wastes. Certain of these laws impose cleanup responsibility and liability without regard to whether we, as the owner 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.

In addition, some environmental regulations affect the registration of communications towers with the FCC. The FCC's decision to register a proposed tower may be subject to environmental review under the National Environmental Policy Act of 1969 ("NEPA"), which requires federal agencies to evaluate the environmental impacts of their decisions under certain circumstances. The FCC has issued regulations implementing NEPA as well as the National Historic Preservation Act, the Endangered Species Act and the American Indian Religious Freedom Act. These regulations place responsibility on each applicant to investigate potential environmental and other effects of operations and to disclose any significant effects in an environmental assessment prior to constructing a tower. In the event the FCC determines the proposed tower would have a significant environmental impact based on the standards the FCC has developed, the FCC would be required to prepare an environmental impact statement. This process could significantly delay the registration of a particular tower. In January 2002, the FCC's Wireless Bureau dismissed, for lack of standing, challenges to the registration of seven of our towers filed by certain environmental groups. The challenges alleged that we had failed to comply with NEPA and that the FCC's rules implementing NEPA are inadequate. The petitioners have appealed the Bureau's decision to the FCC. If the Bureau's decision is overturned, we could be subject to monetary penalties or increased compliance obligations.

As previously disclosed, in October 2001, we entered into a settlement agreement with a local district attorney in California. The county had filed a civil suit against us alleging that we had failed to make certain filings and maintain certain records relating to environmental compliance and hazardous materials. As a result of the settlement agreement, we paid the county $0.2 million and agreed to maintain an active compliance plan. We have not received any other written notice from any governmental authority or third party asserting, and we are not otherwise aware of, any material environmental non-compliance, liability or claim.

COMPETITION AND NEW TECHNOLOGIES

Rental and Management Segment Competition. We compete for antennae site customers with other national independent tower companies, wireless carriers that own and operate their own tower networks and lease tower space to other carriers, site development companies that acquire space on existing towers for wireless service providers and manage new tower construction, and traditional local independent tower operators. We believe that tower location and capacity, price and quality of service historically have been and will continue to be the most significant competitive factors affecting owners, operators and managers of communications sites. In January 2002, the United States Supreme Court upheld the FCC's determination that wireless carriers are entitled to mandatory access on utility poles and regulated rates for those attachments. While we do not believe that utility poles are an adequate substitute for our towers, we are unable to predict whether the Court's decision will cause a reduction in our leasing business.

Network Development Services Segment Competition. Our network development services compete 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, construction companies, tower owners/managers, radio frequency engineering consultants, telecommunications equipment vendors, which provide turnkey site development services through multiple subcontractors, and carriers' internal staffs. We believe that carriers base their decisions on network development services on various criteria, including a company's experience, track record, local reputation, price, and time for completion of a project. Various elements of our components business compete with numerous other companies. Kline Iron & Steel competes with numerous other steel fabricators, many of which have substantially greater financial and other resources.

Satellite and Fiber Network Access Services Segment Competition. We compete with other full service teleports in the United States, satellite communications companies, and other communications service providers. Competition is based primarily on reliability, price, transmission quality and the ability to offer complete solutions. Some of Verestar's existing and potential competitors consist of companies from whom Verestar currently leases satellite and fiber network access in connection with its providing services to its customers. Increased competition could result in Verestar being forced to reduce its fees and may limit its ability to obtain, on economical terms, services that are critical to its business. Verestar's competitors may develop or acquire services that provide functionality similar to that provided by Verestar's services and that those competitive services may be offered at significantly lower prices or bundled with other services. Many of Verestar's existing and potential competitors have financial and other resources significantly greater than those available to it. In the maritime telecommunications market, Verestar competes primarily with several companies, certain of which have FCC licenses that are similar to Verestar's and own their own satellites.

We believe that we compete favorably as to the key competitive factors relating to each of our business segments.

New Technologies. The emergence of new technologies could reduce the need for tower-based transmission and reception and may, thereby, have a negative impact on our operations. For example, the development and implementation of signal combining technologies, which permit one antenna to service two different frequencies of transmission and, thereby, two customers, may reduce the need for tower-based broadcast transmission and hence demand for tower space. Technologies that enhance spectral capacity, such as beam forming or "smart antennas" can increase the capacity at existing sites and can reduce the number of additional sites a given carrier needs to serve any given subscriber base. In addition, the emergence of new technologies could reduce the need for tower-based transmission and reception and have an adverse effect on our operations. Similarly, the growth in delivery of video services by direct broadcast satellites could reduce the demand for tower space. Indoor distribution systems relieve some capacity on existing networks and could have an adverse effect on our operations. Capacity enhancing technologies such as lower-rate vocoders and more spectrally efficient airlink standards potentially relieve network capacity problems without adding sites and could adversely effect our operations.

Any increase in the use of network sharing or roaming or resale arrangements by wireless service providers could adversely affect the demand for tower space. These arrangements enable a provider to serve customers 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. Wireless service providers might consider such sharing or roaming and resale arrangements superior to constructing their own facilities or leasing our antenna space. Conversely, in some cases network sharing arrangements may stimulate network development in areas where a single carrier network is economically unattractive.

CONSTRUCTION, MANUFACTURING AND RAW MATERIALS

We build, maintain and install land based wireless communications and broadcast transmitting and receiving facilities by obtaining sheet metal and other raw material parts and components from a variety of vendors. We also engage third party contract manufacturers to construct certain of these facilities. We have historically obtained the majority of our sheet metal and other raw materials parts and components, including for our components business, from a limited number of suppliers. However, substantially all of these items are available from numerous other suppliers. We have not, to date, experienced any significant difficulties in obtaining the needed quantities of materials from suppliers in a timely manner.

EMPLOYEES

As of December 31, 2001, we employed approximately 3,200 full time individuals and consider our employee relations to be satisfactory.

FACTORS THAT MAY AFFECT FUTURE RESULTS

We operate in a rapidly changing environment that involves a number of risks, some of which are beyond our control. The following discussion highlights some of the risks that may affect future operating results.

DECREASE IN DEMAND FOR TOWER SPACE WOULD MATERIALLY AND ADVERSELY AFFECT OUR OPERATING RESULTS AND WE CANNOT CONTROL THAT DEMAND.

Many of the factors affecting the demand for tower space, and to a lesser extent our services business, materially affect our operating results. Those factors include:

- consumer demand for wireless services;
- the financial condition of wireless service providers and their preference for owning rather than leasing antenna sites;
- the ability and willingness of wireless service providers to maintain or increase their capital expenditures;
- the growth rate of wireless communications or of a particular wireless segment;
- the number of wireless service providers in a particular segment, nationally or locally;
- governmental licensing of broadcast rights;
- mergers or consolidations among wireless service providers;
- increased use of network sharing arrangements or roaming and resale arrangements by wireless service providers;
- delays or changes in the deployment of 3G or other technologies;
- zoning, environmental, health and other government regulations; and
- technological changes.

The demand for antenna space is dependent, to a significantly lesser extent, on the needs of television and radio broadcasters. Among other things, technological advances, including the development of satellite-delivered radio, may reduce the need for tower-based broadcast transmission. We could also be affected adversely should the development of digital television be delayed or impaired, or if demand for it were to be less than anticipated because of delays, disappointing technical performance or cost to the consumer.

CONTINUATION OF THE CURRENT U.S. ECONOMIC SLOWDOWN COULD MATERIALLY AND ADVERSELY AFFECT OUR BUSINESS.

The existing slowdown in the economy has negatively affected the factors described under the prior heading, influencing demand for tower space and tower related services. For example, the slowdown, coupled with the deterioration of the capital markets, has caused certain wireless service providers to delay and, in certain cases, abandon expansion and upgrading of wireless networks, implementation of new systems, or introduction of new technologies. The economic slowdown has also harmed, and may continue to harm, the financial condition of some wireless service providers. Many wireless service providers operate with substantial leverage and some wireless service providers, including customers of ours, have filed for bankruptcy.

OUR SUBSTANTIAL LEVERAGE AND DEBT SERVICE OBLIGATIONS MAY ADVERSELY AFFECT OUR CASH FLOW AND OUR ABILITY TO MAKE PAYMENTS ON OUR DEBT.

We have a substantial amount of outstanding indebtedness. As of December 31, 2001, we had approximately $3.6 billion of consolidated debt. We will be required to borrow additional funds during 2002 to fund our construction program, even at the significantly reduced activity level that we anticipate, and other capital expenditures. We anticipate aggregate incremental borrowing needs for 2002 and 2003 of under $200.0 million.

Our substantial leverage could have significant negative consequences, including:

- our being unable to meet one or more of the financial ratios contained in our debt agreements or to generate cash sufficient to pay interest or principal, including periodic principal amortization payments, which events could result in an acceleration of some or all of our outstanding debt as a result of cross-default provisions;

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

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

- 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 industries in which we compete; and

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

A significant portion of our outstanding debt bears interest at floating rates. As a result, our interest payment obligations on that debt will increase if interest rates increase.

RESTRICTIVE COVENANTS IN OUR CREDIT FACILITIES AND OUR SENIOR NOTES COULD ADVERSELY AFFECT OUR BUSINESS BY LIMITING FLEXIBILITY AND CAUSING US TO BREACH OUR TOWER DEVELOPMENT OBLIGATIONS.

The indenture for our senior notes and our credit facilities contain restrictive covenants and, in the case of the credit facilities, requirements of complying with certain leverage and other financial tests. These limit our ability to take various actions, including the incurrence of additional debt, and engage in various types of transactions, including mergers and sales of assets. These covenants could have an adverse effect on our business by limiting our ability to take advantage of financing, new tower development, merger and acquisition or other opportunities.

We are a party to a number of build-to-suit agreements with wireless carriers that obligate us to develop new tower sites at the direction of the wireless carrier, subject to previously agreed upon approval criteria. We do not expect to have the ability to fund our planned level of capital expenditures with our operating cash flows until during 2003 and hence we will need to borrow under our credit facilities until then. To do so, we must comply with various financial tests. If we are not able to fund our capital expenditures through this borrowing under our credit facilities, we might have to attempt to raise money in the debt or equity capital markets. Alternatively, we would be required to dispose of assets on terms that might not be favorable to us or to curtail our construction activities. That curtailment could adversely affect us if it caused us to breach any of our build-to-suit agreements, because we could be subject to penalties, damage claims, and contract terminations.

IF OUR WIRELESS SERVICE PROVIDER CUSTOMERS CONSOLIDATE OR MERGE WITH EACH OTHER TO A SIGNIFICANT DEGREE, OUR GROWTH, OUR REVENUE AND OUR ABILITY TO GENERATE POSITIVE CASH FLOWS COULD BE ADVERSELY AFFECTED.

Significant consolidation among our wireless service providers customers may result in reduced capital expenditures in the aggregate because the existing networks of many wireless carriers overlap, as do their expansion plans. Similar consequences might occur if wireless service providers engage in extensive sharing or roaming or resale arrangements as an alternative to leasing our antennae space. In December 2001, the FCC announced that the spectrum cap, which previously prohibited wireless carriers from owning more than 45 MHz of spectrum in any given geographical area, would be removed in January 2003. Some wireless carriers may be encouraged to consolidate with each other as a result of this regulatory change and as a means to strengthen their financial condition. Consolidation among wireless carriers would also increase our risk that the loss of one or more of our major customers could materially decrease revenues and cash flows.

DUE TO THE LONG-TERM EXPECTATIONS OF REVENUE FROM TENANT LEASES, THE TOWER INDUSTRY IS SENSITIVE TO THE CREDITWORTHINESS OF ITS TENANTS.

Due to the long-term nature of our tenant leases, we, like others in the tower industry, are dependent on the continued financial strength of our tenants. During the past two years, several of our customers have filed for bankruptcy, although to date these bankruptcies have not had a material adverse effect on our business or revenues. Many wireless service providers operate with substantial leverage. If one or more of our major lease customers experienced financial difficulties, it could result in uncollectable accounts receivable and our loss of significant customers and anticipated lease revenues.

INCREASING COMPETITION IN THE SATELLITE AND FIBER NETWORK ACCESS SERVICES MARKET MAY ADVERSELY AFFECT VERESTAR'S BUSINESS.

Verestar competes with other satellite communications companies that provide similar services, as well as other communications service providers. Some of its existing and potential competitors are companies from whom Verestar currently leases satellite and fiber network access in order to provide services to its customers. Increased competition could force Verestar to reduce its fees and may limit its ability to obtain, on economical terms, services that are critical to its business. Verestar's competitors may develop or acquire services that provide functionality similar to that provided by Verestar's services and these competitive services may be offered at significantly lower prices or bundled with other services. Many existing and potential competitors have financial and other resources significantly greater than those available to Verestar.

IF OUR CHIEF EXECUTIVE OFFICER LEFT, WE WOULD BE ADVERSELY AFFECTED BECAUSE WE RELY ON HIS REPUTATION AND EXPERTISE.

The loss of our chief executive officer, Steven B. Dodge, has a greater likelihood of having a material adverse effect upon us than it would on most other companies of our size because of our reliance on Mr. Dodge's expertise. Our growth strategy is highly dependent on the efforts of Mr. Dodge. Our ability, even when capital markets are more receptive than they presently are, to raise capital also depends significantly on the reputation of Mr. Dodge. You should be aware that we do not have an employment agreement with Mr. Dodge.

OUR FOREIGN OPERATIONS COULD CREATE EXPROPRIATION, GOVERNMENTAL REGULATION, FUNDS INACCESSIBILITY, FOREIGN EXCHANGE EXPOSURE AND MANAGEMENT PROBLEMS.

Our expansion into Mexico and Brazil, and any other possible foreign operations in the future, could result in adverse financial consequences and operational problems not experienced in the United States. We have made a substantial loan to a Mexican company, own towers in Mexico and are committed to construct a sizable number of towers in that country. We have also acquired the rights to 156 communications towers in Brazil and entered into a build-to-suit agreement to construct towers in that country. We may, should economic and capital market conditions improve, also engage in comparable transactions in other countries in the future. Among the risks of foreign operations are governmental expropriation and regulation, inability to repatriate earnings or other funds, currency fluctuations, difficulty in recruiting trained personnel, and language and cultural differences, all of which could adversely affect our operations.

NEW TECHNOLOGIES COULD MAKE OUR TOWER ANTENNA LEASING SERVICES LESS DESIRABLE TO POTENTIAL TENANTS AND RESULT IN DECREASING REVENUES.

The development and implementation of signal combining technologies, which permit one antenna to service two different transmission frequencies and, thereby, two customers, may reduce the need for tower-based broadcast transmission and hence demand for our antenna space. Technologies that enhance spectral capacity, such as beam forming or "smart antennas" can increase the capacity at existing sites and can reduce the number of additional sites a given carrier needs to serve any given subscriber base.

In addition, the emergence of new technologies could reduce the need for tower-based transmission and reception and have an adverse effect on our operations. The growth in delivery of video services by direct broadcast satellites could also adversely affect demand for our antenna space.

Indoor distribution systems relieve some capacity on existing networks and could have an adverse effect on our operations. Capacity enhancing technologies such as lower-rate vocoders and more spectrally efficient airlink standards potentially relieve network capacity problems without adding sites and could adversely effect our operations

WE COULD HAVE LIABILITY UNDER ENVIRONMENTAL LAWS.

Under various federal, state and local environmental laws, we, as an owner, lessee or operator of more than 14,500 real estate sites may be liable for the substantial costs of remediating soil and groundwater contaminated by hazardous wastes. For a discussion of our risks relating to environmental matters, see "Environmental Matters" above.

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.

We are subject to federal, state and local and foreign regulation of our business. Both the FCC and the FAA regulate towers used for wireless communications and radio and television antennae and, the FCC separately regulates wireless communication devices operating on towers. Similar regulations exist in Mexico, Brazil and other foreign countries regarding wireless communications and the operation of communications towers. Local zoning authorities generally have been hostile to construction in their communities and these regulations can delay or prevent new tower construction, colocations or site upgrade projects, thereby limiting our ability to respond to customer demand. Existing regulatory policies may adversely affect the timing or cost of new tower construction and locations and additional regulations may be adopted which increase delays or result in additional costs to us. These factors could adversely affect our construction program and operations. For a more complete discussion of the regulatory risks affecting the various aspects of our business, including the Consent Decree, see "Regulatory Matters" above.

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 media 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.

If a connection between radio emissions and possible negative health effects, including cancer, were established, our operations, costs and revenues would be materially and adversely affected. We do not maintain any significant insurance with respect to these matters.

ITEM 2. PROPERTIES

Our corporate headquarters are at 116 Huntington Avenue, Boston, Massachusetts, where we occupy approximately 41,000 square feet of office space in a building that we own. A description of the principal properties of each of our business segments is as follows:

- our rental and management segment owns an aggregate of approximately 171,000 square feet and leases an aggregate of approximately 82,000 square feet of office space in Atlanta, the Chicago metropolitan area, Houston, the San Francisco Bay area, San Paulo and Mexico City;

- our network development services segment owns approximately 876,000 square feet and leases approximately 330,000 square feet of commercial property in several cities around the United States. These properties include an aggregate of approximately 472,000 square feet of space at five locations that we use in our component part business to manufacture and store inventory, and a 240,000 square foot steel fabrication facility; and

- The primary properties of our satellite and fiber network access services segment are the parcels of land on which the satellite dishes and related facilities of our SNAPs are located. In the aggregate, our SNAPs occupy over 310 acres of land, including 304 owned acres and six leased acres. All of these properties are located throughout the United States, except for one in Switzerland. The properties that the SNAPs occupy range in size from two to one hundred-acre parcels.

Our interests in communications sites are comprised of a variety of fee and leasehold interests created by long-term lease agreements, private easements and easements, licenses or rights-of-way granted by government entities. In rural areas, a communications site typically consists of a three-to-five-acre tract, which supports towers, equipment shelters and guy wires to stabilize the structure. Less than 2,500 square feet are required for a monopole or self-supporting tower structure of the kind typically used in metropolitan areas. Land leases generally have 20 to 25-year terms, with three five-year renewals, or are for five-year terms with automatic renewals.

Pursuant to our credit facilities, the lenders have liens on, among other things, all towers, leasehold interests, tenant leases, contracts relating to the management of towers for others, cash, accounts receivable, the stock and other equity interests of virtually all of our subsidiaries and all inter-company debt, fixtures, inventory and other personal property, including intellectual property, certain fee interests, and the proceeds of the foregoing.

We believe that our owned and leased facilities are suitable and adequate to meet our anticipated needs.

ITEM 3. LEGAL PROCEEDINGS

As previously disclosed in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2001, on April 23, 2001 the District Attorney for the County of Santa Clara, California filed a civil complaint against us in the Superior Court of California. The complaint alleged record keeping, registration, hazardous materials management and filing violations under California environmental laws. The complaint did not allege any contamination of the environment occurred as a result of the alleged violations. We have taken measures to ensure that these sites are in compliance with applicable California environmental laws and believe that we are currently in compliance with such laws. On December 5, 2001 a judgment was entered ending the lawsuit and incorporating the terms of an agreement we negotiated previously with the District Attorney's office. Under the judgment, we paid civil penalties of $150,000, reimbursed the County for more than $25,000 in costs and attorney's fees, and agreed to operate our facilities in the County in compliance with the relevant environmental requirements in the future.

In addition, we periodically become involved in various claims and lawsuits that are incidental to our business. We believe that no matters currently pending would, in the event of an adverse outcome, have a material impact on our consolidated financial position, results of operations or liquidity.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of our security holders in the fourth quarter of 2001.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Our Class A common stock commenced trading on the New York Stock Exchange on June 5, 1998, the day after we separated from American Radio. The following table presents reported high and low sale prices of our Class A common stock on the Composite Tape of the NYSE for the years 2000 and 2001.

2000	High	Low
Quarter ended March 31....	$55.50	$28.56
Quarter ended June 30.....	50.44	36.31
Quarter ended September 30	47.63	27.63
Quarter ended December 31.	42.44	28.75
2001		
Quarter ended March 31....	41.00	18.50
Quarter ended June 30.....	28.00	14.45
Quarter ended September 30	20.24	11.00
Quarter ended December 31.	16.27	5.98

On March 25, 2002, the closing price of our Class A common stock was $5.35 as reported on the NYSE.

The outstanding shares of common stock and number of registered holders as of December 31, 2001 were as follows:

	Class		
	A	B	C
Outstanding shares	185,018,034	8,001,769	2,267,813
Registered holders	881	65	1

DIVIDENDS

We have never paid a dividend on any class of common stock. We anticipate that we will retain future earnings, if any, to fund the development and growth of our business. We do not anticipate paying cash dividends on shares of common stock in the foreseeable future. Our credit facilities and our senior note indenture restrict the payment of cash dividends by us and our subsidiaries.

ITEM 6. SELECTED FINANCIAL DATA

The financial data set forth below has been derived from our audited consolidated financial statements, certain of which are included in this Annual Report on Form 10-K. The data should be read in conjunction with our audited consolidated financial statements and with "Management's Discussion and Analysis of Financial Condition and Results of Operations." Prior to June 4, 1998, we operated as a subsidiary of American Radio and not as an independent public company. Therefore, the results of operations and the financial conditions shown below for such periods may be different from what they might have been had we operated as a separate, independent public company.

We do not consider divisional cash flow and EBITDA as a substitute for other measures of operating results or cash flow from operating activities or as a measure of our profitability or liquidity. Divisional cash flow and EBITDA are not calculated in accordance with generally accepted accounting principles. However, we have included them because they are generally used in the communications site industry as a measure of a company's operating performance. More specifically, we believe they are a useful indicator of our ability to meet debt service and capital expenditure requirements and can also assist in comparing company performances on a consistent basis without regard to depreciation and amortization. Our concern is that depreciation and amortization can vary significantly among companies depending on accounting methods, particularly where acquisitions are involved, or non-operating factors such as historical cost bases. We believe divisional cash flow is useful because it enables you to compare divisional performance before the effect of depreciation and amortization, and restructuring, development, corporate general and administrative, and tower separation expenses that do not relate directly to such performance.

	Year Ended December 31,				
	2001	2000	1999	1998	1997
	(in thousands)				
Statements of Operations Data:					
Operating revenues	$1,134,191	$ 735,275	$ 258,081	$ 103,544	$ 17,508
Operating expenses:					
Operating expenses (1)	848,042	524,074	155,857	61,751	8,713
Depreciation and amortization	440,371	283,360	132,539	52,064	6,326
Restructuring expense	69,174				
Development expense (2)	8,630	14,517	1,607		
Corporate general and administrative expense	26,478	14,958	9,136	5,099	1,536
Tower separation expense (3)				12,772	
Total operating expenses	1,392,695	836,909	299,139	131,686	16,575
(Loss) income from operations	(258,504)	(101,634)	(41,058)	(28,142)	933
Interest expense	(282,291)	(156,839)	(27,492)	(23,229)	(3,040)
Interest income and other, net	26,742	15,556	17,442	9,217	251
Interest income--TV Azteca, net (4)	14,377	12,679	1,856		
(Loss) gain on investments	(40,551)	(2,538)	253		
Note conversion expense (5)	(26,336)	(16,968)			
Minority interest in net earnings of subsidiaries (6)	(318)	(202)	(142)	(287)	(193)
Loss before income taxes and extraordinary losses	(566,881)	(249,946)	(49,141)	(42,441)	(2,049)
Benefit (provision) for income taxes	116,787	59,656	(214)	4,491	473
Loss before extraordinary losses	$ (450,094)	$ (190,290)	$ (49,355)	$ (37,950)	$ (1,576)
Basic and diluted loss per common share before extraordinary losses (7)	$ (2.35)	$ (1.13)	$ (0.33)	$ (0.48)	$ (0.03)
Weighted average common shares outstanding (7)	191,586	168,715	149,749	79,786	48,732
Other Operating Data:					
Divisional cash flow (8)	$ 300,526	$ 223,880	$ 102,224	$ 41,793	$ 8,795
EBITDA (9)	274,048	208,922	93,088	36,694	7,259
EBITDA margin (9)	24.2%	28.4%	36.1%	35.4%	41.5%

	December 31,				
	2001	2000	1999	1998	1997
	(in thousands)				
Balance Sheet Data:					
Cash and cash equivalents (including restricted cash)	$ 130,029	$ 128,074	$ 25,212	$ 186,175	$ 4,596
Property and equipment, net	3,287,573	2,296,670	1,092,346	449,476	117,618
Total assets	6,829,723	5,660,679	3,018,866	1,502,343	255,357
Long-term obligations, including current portion	3,561,960	2,468,223	740,822	281,129	90,176
Total stockholders' equity	2,869,196	2,877,030	2,145,083	1,091,746	153,208

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(1) Consists of operating expenses other than depreciation and amortization, restructuring, development, corporate general and administrative, and tower separation expenses.

(2) Development expense includes uncapitalized acquisition costs, costs to integrate acquisitions, costs associated with new business initiatives, abandoned acquisition costs and costs associated with tower site inspections and related data gathering which are not capitalized in accordance with generally accepted accounting principles. Development expenses prior to 1999 were not material.
(3) Tower separation expense refers to the one-time expense incurred as a result of our separation from American Radio.
(4) Interest income--TV Azteca, net of interest expense of $1.2 million in 2001 and $1.0 million in 2000.
(5) Note conversion expense represents the fair value of incremental stock issued to encourage noteholders to convert their holdings prior to the first scheduled redemption date.
(6) Represents the minority interest in net earnings of our non-wholly-owned subsidiaries.
(7) We computed basic and diluted loss per common share before extraordinary losses using the weighted average number of shares outstanding during each period presented. Shares outstanding following the separation from American Radio are assumed to be outstanding for all periods presented prior to June 4, 1998. We have excluded shares issuable upon exercise of options and other common stock equivalents from the computations as their effect is anti-dilutive.
(8) Divisional cash flow means (loss) income from operations before depreciation and amortization and restructuring, development, corporate general and administrative, and tower separation expenses, plus interest income--TV Azteca, net for the years ended December 31, 2001 and 2000.
(9) EBITDA means (loss) income from operations before depreciation and amortization and restructuring, development, and tower separation expenses, plus interest income--TV Azteca, net for the years ended December 31, 2001 and 2000. EBITDA margin, as used above, means EBITDA divided by operating revenues.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The discussion and analysis of our financial condition and results of operations that follows are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses, and 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 our consolidated financial statements and the accompanying notes and the information set forth under the heading "Critical Accounting Policies" on page 37.

During the years ended December 31, 2001, 2000, and 1999, we acquired various communications sites, service businesses and satellite and fiber network access related businesses for aggregate purchase prices of approximately $827.2 million, $1.8 billion, and $1.2 billion, respectively. Our results of operations only reflect the acquired towers and businesses in the periods following their respective dates of acquisition. As such, our results of operations for the year ended December 31, 2001 are not comparable to the year ended December 31, 2000, and the results for the year ended December 31, 2000 are not comparable to the year ended December 31, 1999.

RESULTS OF OPERATIONS

YEARS ENDED DECEMBER 31, 2001 AND 2000

As of December 31, 2001, we owned or operated approximately 14,500 communications sites, as compared to approximately 11,000 communications sites as of December 31, 2000. The acquisitions and construction completed in 2001 and 2000 have significantly affected operations for the year ended December 31, 2001, as compared to the year ended December 31, 2000.

	Year Ended December 31, 2001	Year Ended December 31, 2000	Amount of Increase (Decrease)	Percent Increase (Decrease)
	(in thousands)			
Revenues:				
Rental and management	$ 444,560	$ 278,153	$166,407	60%
Network development services	454,238	311,921	142,317	46
Satellite and fiber network access services	235,393	145,201	90,192	62
Total operating revenues	1,134,191	735,275	398,916	54
Operating Expenses:				
Rental and management	214,506	139,240	75,266	54
Network development services	405,582	274,769	130,813	48
Satellite and fiber network access services	227,954	110,065	117,889	107
Total operating expenses excluding depreciation and amortization, restructuring, development and corporate general and administrative expenses	848,042	524,074	323,968	62
Depreciation and amortization	440,371	283,360	157,011	55
Restructuring expense	69,174		69,174	N/A
Development expense	8,630	14,517	(5,887)	(41)
Corporate general and administrative expense	26,478	14,958	11,520	77
Interest expense	282,291	156,839	125,452	80
Interest income and other, net	26,742	15,556	11,186	72
Interest income--TV Azteca, net of interest expense of $1,160 and $1,047 in 2001 and 2000, respectively	14,377	12,679	1,698	13
Loss on investments	40,551	2,538	38,013	1,498
Note conversion expense	26,336	16,968	9,368	55
Minority interest in net earnings of subsidiaries	318	202	116	57
Benefit for income taxes	116,787	59,656	57,131	96
Extraordinary losses on extinguishment of debt, net		4,338	(4,338)	N/A
Net loss	$ (450,094)	$(194,628)	$255,466	131%

Rental and Management Revenue

Rental and management revenue for the year ended December 31, 2001 was $444.6 million, an increase of $166.4 million from the year ended December 31, 2000. The increase is primarily attributable to several factors: the leasing activity on towers acquired and constructed during 2001, the leasing activity on towers acquired and constructed in 2000 for a full year in 2001, and an increase in same tower revenue on towers that existed as of January 1, 2000. Our acquisition, construction and leasing activity in 2001 has significantly increased revenue, and the scope, depth and strength of our national and international tower footprint, providing us with a much larger base of tower revenue in 2001 as compared to 2000. Specifically, during 2001, we acquired more than 2,400 towers and constructed more than 1,300 towers. Additionally, during 2001, we added more than 4,600 broadband equivalent tenants to both newly acquired/constructed and existing towers. We anticipate that the majority of our leasing activity during 2002 will continue to come from broadband type customers.

We continue to believe that leasing revenues from the rental of space on our towers, which comprises our core business, are likely to grow at a more rapid rate than revenues from our other segments because of increasing utilization of existing tower capacity.

Network Development Services Revenue

Network development services revenue for the year ended December 31, 2001 was $454.2 million, an increase of $142.3 million from revenue for the year ended December 31, 2000. The significant growth in revenues during 2001 resulted primarily from increased volume related to construction management, antennae and line installation and related colocation services, and tower site maintenance. The increase was also driven by a full year of revenue in 2001 related to acquisitions consummated in 2000. These acquisitions helped increase revenue in 2001 related to component part sales and steel fabrication. These increases were partially offset by decreases in revenue related to radio frequency engineering services.

Satellite and Fiber Network Access Services Revenue

Satellite and fiber network access services revenue for the year ended December 31, 2001 was $235.4 million, an increase of $90.2 million from revenue for the year ended December 31, 2000. The majority of the increase resulted from the consummation of several key acquisitions that occurred in 2001 and 2000 including: General Telecom, U.S. Electrodynamics, Publicom, Interpacket Networks and a SNAP facility in Switzerland. These acquisitions significantly increased our service capabilities, revenue base, and geographical scope of customers, leading to significant incremental revenues in 2001. This increase in revenue was partially offset by the loss of many of its second and third tier telecom customers and a decrease in demand for services in Latin America, which we believe are attributable, at least in part, to the general worldwide economic slowdown and the significant decrease in the activity of international ISPs.

Rental and Management Expense

Rental and management expense for the year ended December 31, 2001 was $214.5 million, an increase of $75.3 million from the year ended December 31, 2000. The majority of the increase resulted from incremental operating expenses incurred in 2001 for the more than 3,700 towers that were acquired or constructed during 2001 as discussed above. The remaining increase reflects higher operating expenses related to towers that existed as of December 31, 2000 (due to a full year of inclusion in our results of operations in 2001).

Network Development Services Expense

Network development services expense for the year ended December 31, 2001 was $405.6 million, an increase of $130.8 million from the year ended December 31, 2000. The majority of the increase is due to overall increases in the volume of services work performed, incremental expenses related to the consummation of strategic acquisitions and increases in the overhead costs necessary to support both internal construction and external sales.

Satellite and Fiber Network Access Services Expense

Satellite and fiber network access services expense for the year ended December 31, 2001 was $228.0 million, an increase of $117.9 million from the year ended December 31, 2000. The majority of the increase is due to incremental expenses related to the consummation of the strategic acquisitions discussed above. Other components of the increase include increased personnel and infrastructure costs to help manage the growth of this segment, increased overhead related to the development and marketing of new product lines and, to a lesser extent, increased bad debt expense.

During the later stages of 2001 and into 2002, our satellite and fiber network access services segment is focusing on implementing cost reduction measures aimed at reducing infrastructure costs, consolidating transponder space and renegotiating certain transponder agreements. These inititives are designed to improve operating margins and position Verestar for structural independence. Such initiatives could result in us recording a restructuring charge in 2002 of between $5.0 million and $15.0 million.

Depreciation and Amortization

Depreciation and amortization for the year ended December 31, 2001 was $440.4 million, an increase of $157.0 million from the year ended December 31, 2000. The principal component of the increase is an increase in depreciation expense of $104.0 million. This is primarily a result of our purchase, construction and acquisition of approximately $1.4 billion of property and equipment during 2001 and a full year of depreciation on aquisitions and additions made in 2000. The other component of the increase is increased amortization of $53.0 million, resulting from our recording and amortizing approximately $184.1 million of goodwill and other intangible assets related to acquisitions consummated during 2001, and a full year of amortization on goodwill and other intangible assets related to acquisitions made in 2000.

Restructuring Expense

On November 6, 2001, we announced a restructuring of the organization to include a reduction in the scope of our tower development activities and the centralization of certain operating functions. As part of that operational initiative, we are applying more selective criteria for evaluating construction and acquisitions of towers. As a result, we abandoned a number of tower construction sites, resulting in a non-cash charge in the fourth quarter of 2001 of approximately $62.6 million. In addition, we implemented an initiative to consolidate operations in each of our business segments and, as a consequence, incurred employee separation and office closing costs. As a result of this initiative, we recorded approximately $6.6 million of restructuring charges in the fourth quarter of 2001 and expect we will record approximately $3.0 million of additional restructuring costs in the first quarter of 2002. No similar charges were incurred in 2000.

Development Expense

Development expense for the year ended December 31, 2001 was $8.6 million, a decrease of $5.9 million from the year ended December 31, 2000. This decrease resulted primarily from reduced expenses related to tower site inspections, data gathering and acquisition integration in 2001.

Corporate General and Administrative Expense

Corporate general and administrative expense for the year ended December 31, 2001 was $26.5 million, an increase of $11.5 million from the year ended December 31, 2000. The majority of the increase is a result of increased personnel and information technology costs to support our overall growth, coupled with expenses incurred to implement a new company-wide Enterprise Resource Planning (ERP) system.

Interest Expense

Interest expense for the year ended December 31, 2001 was $282.3 million, an increase of $125.5 million from the year ended December 31, 2000. The majority of the increase, $113.0 million, resulted primarily from increased borrowings outstanding under our credit facilities and the issue of $1.0 billion of senior notes in January 2001, offset by a decrease in interest rates under our credit facilities. The remaining component of the increase represents increases in interest on capital leases and other notes payable and incremental deferred financing amortization.

Interest Income and Other, Net

Interest income and other, net for the year ended December 31, 2001 was $26.7 million, an increase of $11.2 million from the year ended December 31, 2000. The increase resulted primarily from an increase in interest earned on invested cash on hand, resulting principally from the sale of our senior notes in January 2001, partially offset by losses on the fair value of certain derivative instruments.

Interest Income--TV Azteca, Net

Interest income--TV Azteca, net for the year ended December 31, 2001 was $14.4 million, an increase of $1.7 million from the year ended December 31, 2000. The increase resulted from interest earned on the entire principal amount of the note, $119.8 million, during 2001 as compared to 2000 when less than the entire principal amount of the note was outstanding for the year.

Loss on Investments

Loss on investments for the year ended December 31, 2001 was $40.6 million, an increase of $38.0 million from the year ended December 31, 2000. The increase resulted primarily from the write off of our investment in US Wireless of $23.4 million, coupled with additional investment impairment losses of $8.2 million and losses on equity investments of $9.0 million.

Note Conversion Expense

During the year ended December 31, 2001, we acquired a portion of our 2.25% convertible notes in exchange for shares of our Class A common stock. As a consequence of those negotiated exchanges with certain of our noteholders, we recorded a non-cash charge of $26.3 million. In similar transactions during the year ended December 31, 2000, we acquired a portion of our 6.25% and 2.25% convertible notes in exchange for shares of our Class A common stock. As a result, we recorded a non-cash charge of $17.0 million during that year. These charges represent the fair value of incremental stock issued to noteholders to encourage them to convert their holdings prior to the first scheduled redemption date.

Benefit for Income Taxes

The income tax benefit for the year ended December 31, 2001 was $116.8 million, an increase of $57.1 million from the year ended December 31, 2000. The primary reason for the increase is a result of an increase in our loss before income taxes and extraordinary losses, partially offset by an increase in amortization of non-deductible intangible assets arising from stock acquisitions, non-deductible note conversion expense, and the valuation allowance primarily related to our state net operating loss carryforwards. The effective tax rate differs in both periods from the statutory rate due to state and international taxes, the valuation allowance and the effect of non-deductible items, principally the amortization of goodwill on certain stock acquisitions and non-deductible note conversion expense.

Financial Accounting Standards Board (FASB) Statement No. 109, "Accounting for Income Taxes," requires that we record a valuation allowance when it is "more likely than not that some portion or all of the deferred tax assets will not be realized." At December 31, 2001, we provided a valuation allowance primarily related to our state net operating loss carryforwards of approximately $56.3 million. We have not provided a valuation allowance for the remaining deferred tax assets, primarily our federal net operating loss carryforwards, as management believes that we will have sufficient time to realize these assets during the carryforward period.

Extraordinary Losses on Extinguishment of Debt, Net

We incurred extraordinary losses on the extinguishment of debt, net in 2000 of $4.3 million. The losses were incurred as a result of an amendment and restatement of our primary credit facilities ($3.0 million, net of a tax benefit of $2.0 million) and our early retirement of debt assumed in the UNISite, Inc. merger ($1.3 million, net of a tax benefit of $0.9 million). No comparable losses were recorded in 2001.

YEARS ENDED DECEMBER 31, 2000 AND 1999

As of December 31, 2000, we owned or operated approximately 11,000 communications sites, as compared to approximately 5,100 communications sites as of December 31, 1999. The acquisitions and construction completed in 2000 and 1999 have significantly affected operations for the year ended December 31, 2000, as compared to the year ended December 31, 1999.

	Year Ended December 31, 2000	1999	Amount of Increase (Decrease)	Percent Increase (Decrease)
	(in thousands)			
Revenues:				
Rental and management	$ 278,153	$135,303	$142,850	106%
Network development services	311,921	90,416	221,505	245
Satellite and fiber network access services	145,201	32,362	112,839	349
Total operating revenues	735,275	258,081	477,194	185
Operating Expenses:				
Rental and management	139,240	62,441	76,799	123
Network development services	274,769	69,318	205,451	296
Satellite and fiber network access services	110,065	24,098	85,967	357
Total operating expenses excluding depreciation and amortization, development and corporate general and administrative expenses	524,074	155,857	368,217	236
Depreciation and amortization	283,360	132,539	150,821	114
Development expense	14,517	1,607	12,910	803
Corporate general and administrative expense	14,958	9,136	5,822	64
Interest expense	156,839	27,492	129,347	470
Interest income and other, net	15,556	17,442	(1,886)	(11)
Interest income--TV Azteca, net of interest expense of $1,047 in 2000	12,679	1,856	10,823	583
(Loss) gain on investments	(2,538)	253	(2,791)	(1,103)
Note conversion expense	16,968		16,968	N/A
Minority interest in net earnings of subsidiaries	202	142	60	42
Benefit (provision) for income taxes	59,656	(214)	59,870	27,977
Extraordinary losses on extinguishment of debt, net	4,338	1,372	2,966	216
Net loss	$(194,628)	$(50,727)	$143,901	284%

Rental and Management Revenue

Rental and management revenue for the year ended December 31, 2000 was $278.2 million, an increase of $142.9 million from the year ended December 31, 1999. The increase is primarily attributable to two factors: the acquisition and construction of towers in 2000 and the latter part of 1999 and increased lease-ups (utilization) of new and existing towers. During 2000, we continued to implement our growth strategy by aggressively acquiring and building new towers. With the consummation of the AirTouch, AT&T and other transactions, we acquired more than 4,600 towers in 2000. This coupled with the construction of over 1,600 towers in 2000, increased the scope, depth and strength of our national and international tower footprint providing us with a much larger base of towers generating revenue in 2000 as compared to 1999.

During 2000, we also focused on implementing an area management structure that enhances sales and marketing, enabling us to increase the utilization of both previously existing (prior to January 2000) and newly acquired/constructed towers. Increased utilization resulted in increases in revenue in 2000 for towers that were in our portfolio as of January 1, 2000.

Network Development Services Revenue

Network development services revenue for the year ended December 31, 2000 was $311.9 million, an increase of $221.5 million from revenue for the year ended December 31, 1999. The significant growth in revenues during 2000 resulted from strategic acquisitions and increased demand for installation work and component parts from major wireless carriers.

During 2000, we acquired several key services companies that added additional revenue and expanded our in-house services capabilities. Among the acquisitions were Galaxy Engineering Services, which enables us to perform an array of radio frequency engineering and network design services, such as drive testing, voice quality analysis and transport engineering, and Kline Iron & Steel Co., a steel fabrication company with expertise in broadcast towers. In addition, increased demand for some of our network development services, such as equipment installation, maintenance and sales of component parts, also created additional revenue in 2000. Much of this increased demand was a result of aggressive network expansion programs initiated by major wireless communications carriers during the year. In contrast, our revenues from site acquisition and construction work for others, which are also part of our network development services segment, have declined. This decline is attributable to the trend in the wireless communications industry to outsource tower infrastructure needs. This trend means we are increasingly applying our site acquisition and construction capabilities to our build-to-suit projects and for other construction for our own account.

Satellite and Fiber Network Access Services Revenue

Satellite and fiber network access services revenue for the year ended December 31, 2000 was $145.2 million, an increase of $112.8 million from revenue for the year ended December 31, 1999. The majority of the increase can be attributed to the consummation of several key acquisitions that occurred in 2000 and the fourth quarter of 1999 including: ICG Satellite Services, General Telecom, U.S. Electrodynamics, and Publicom. These acquisitions significantly increased our service capabilities, revenue base, and geographical scope of our customers as well as providing significant incremental revenues in 2000. We also experienced an increase in demand of the Internet and data requirements of our Internet service provider customers in 2000.

Rental and Management Expense

Rental and management expense for the year ended December 31, 2000 was $139.2 million, an increase of $76.8 million from the year ended December 31, 1999. A significant portion of the increase is attributable to incremental operating expenses incurred in 2000 for towers that were acquired or constructed during 2000 and the latter part of 1999 as discussed above. The remaining component of the increase is primarily related to additional expenses incurred by us in 2000 to implement our area management structure together with, to a lesser extent, increases in operating expenses on towers that existed prior to January 1, 2000.

Network Development Services Expense

Network development services expense for the year ended December 31, 2000 was $274.8 million, an increase of $205.5 million from the year ended December 31, 1999. The significant increase in expense is primarily due to the strategic acquisitions consummated in 2000 as discussed above. In addition, we incurred expenses in 2000 to transition a portion of our construction services unit from tower construction work to equipment installation and other services. This transition was related, in part, to an ongoing process to decentralize some of our tower construction capabilities and develop some of those capabilities at our regional and area locations. Remaining increases in expense are directly related to a charge for a bad debt reserve of approximately $7.0 million recorded in the fourth quarter and overall increases in the amount of services and component sales to customers.

Satellite and Fiber Network Access Services Expense

Satellite and fiber network access services expense for the year ended December 31, 2000 was $110.1 million, an increase of $86.0 million from the year ended December 31, 1999. Substantially all of the increase can be attributed to the strategic acquisitions discussed above, together with additional expenses related to integrating those acquisitions. Remaining increases are related to the building of infrastructure to help manage the growth of this segment and overall increases in volume.

Depreciation and Amortization

Depreciation and amortization for the year ended December 31, 2000 was $283.4 million, an increase of $150.8 million from the year ended December 31, 1999. One component of the increase is attributable to an increase in depreciation expense of $74.8 million. This is a direct result of our purchase, construction and acquisition of approximately $1.3 billion of property and equipment during 2000 and a full year of depreciation on acquisitions and additions made in 1999. The remaining component of the increase is an increase in amortization of $76.0 million, resulting from our recording and amortizing approximately $1.3 billion of goodwill and other intangible assets related to acquisitions consummated during 2000, and a full year of amortizaton on goodwill and other intangible assets related to acquisitions made in 1999.

Development Expense

Development expense for the year ended December 31, 2000 was $14.5 million, an increase of $12.9 million from the year ended December 31, 1999. The majority of the increase represents costs related to tower site inspections, related data gathering and certain integration expenses related to acquisitions consummated in 2000. The remaining component of the increase represents expenses incurred in connection with abandoned acquisitions and other acquisition related costs which are not capitalized in accordance with generally accepted accounting principles.

Corporate General and Administrative Expense

Corporate general and administrative expense for the year ended December 31, 2000 was $15.0 million, an increase of $5.8 million from the year ended December 31, 1999. The majority of the increase is a result of higher personnel, marketing, professional services and information technology costs associated with supporting our increasing number of towers, the growth of our other businesses, our expanding revenue base and our growth strategy.

Interest Expense

Interest expense for the year ended December 31, 2000 was $156.8 million, an increase of $129.3 million from the year ended December 31, 1999. This increase is primarily related to increased borrowings to finance acquisitions and construction. The net change, specifically, is attributable to increases in interest incurred on our outstanding debt obligations of $131.7 million and deferred financing amortization of $5.6 million. These interest increases were offset by an increase in capitalized interest related to construction projects of $8.0 million.

Interest Income and Other, Net

Interest income and other, net for the year ended December 31, 2000 was $15.6 million, a decrease of $1.9 million from the year ended December 31, 1999. The decrease is primarily attributable to a decrease in interest earned on invested cash on hand as a consequence of such cash being used to finance acquisitions and construction.

Interest Income--TV Azteca, Net

Interest income--TV Azteca, net for the year ended December 31, 2000 was $12.7 million, an increase of $10.8 million for the year ended December 31, 1999. Amounts included within this caption at December 31, 2000 represent interest earned on our note receivable from TV Azteca of $13.7 million offset by interest expense of $1.0 million.

(Loss) Gain on Investments

Loss on investments for the year ended December 31, 2000 was $2.5 million, an increase of $2.8 million from the year ended December 31, 1999. The increase resulted primarily from losses on equity investments made in 2000.

Note Conversion Expense

During the year ended December 31, 2000, we acquired a portion of our 6.25% and 2.25% convertible notes in exchange for shares of our Class A common stock. As a consequence of those negotiated exchanges with certain of our noteholders, we recorded an expense of approximately $17.0 million during the second quarter of 2000, which represents the fair value of incremental stock issued to noteholders to encourage them to convert their holdings prior to the first scheduled redemption date.

Benefit (Provision) for Income Taxes

The income tax benefit for the year ended December 31, 2000 was $59.7 million, an increase of $59.9 million from the year ended December 31, 1999. The primary reason for the increase is a result of an increase in our loss before income taxes and extraordinary losses, partially offset by an increase in amortization of non-deductible intangible assets arising from stock acquisitions, non-deductible note conversion expense and the valuation allowance primarily related to certain state net operating loss carryforwards. The effective tax rate differs in both periods from the statutory rate due to the effect of non-deductible items, principally the amortization of goodwill on certain stock acquisitions and, for the year ended December 31, 2000, the non-deductible note conversion expense on which we have recorded no tax benefit.

FASB Statement No. 109, Accounting for Income Taxes, requires that we record a valuation allowance when it is "more likely than not that some portion or all of the deferred tax assets will not be realized". At December 31, 2001, we provided a valuation allowance of approximately $6.0 million. We have not provided a valuation allowance for the remaining deferred tax assets, primarily our federal net operating loss carryforwards, as management believes that we will have sufficient time to realize these assets during the twenty-year carryforward period.

Extraordinary Losses on Extinguishment of Debt, Net

We incurred extraordinary losses on the extinguishment of debt in 2000 of $4.3 million. The losses were incurred as a result of an amendment and restatement of our primary credit facilities ($3.0 million, net of a tax benefit of $2.0 million) and our early retirement of debt assumed in the UNISite, Inc. merger ($1.3 million, net of a tax benefit of $0.9 million).

LIQUIDITY AND CAPITAL RESOURCES

OVERVIEW

We plan to fund our current business plan with cash generated from our operations and by borrowing under our credit facilities. Historically, we have met our operational liquidity needs and interest expense related to our debt obligations primarily with internally generated funds. We have financed our tower acquisitions and construction activities with a combination of capital funds from sales of our equity and debt securities and bank borrowings.

In the latter half of 2001, major wireless carriers reduced their planned capital expenditures for geographic network expansion. We expect that wireless carriers will make capital expenditures in 2002 primarily to increase the density of their current network coverage and improve the quality of service to existing subscribers while selectively investing to expand network coverage. During the later part of the year we began to reduce our tower construction program, and in November 2001 we announced new operational initiatives to reduce significantly our tower development activities and to consolidate operations in each of our business segments.

We expect that during 2003 we will become free cash flow positive, meaning that our operating cash flows will be sufficient to meet our operational needs, interest expense and capital expenditures. We believe we will have sufficient liquidity and capital resources from our operating cash flows and borrowings under our credit facilities to support our business plan until that occurs.

USES OF LIQUIDITY

Our uses of liquidity include: operational needs; capital expenditures for tower construction and acquisitions; and debt service.

Tower Construction and Acquisition Needs. We have significantly reduced our planned level of tower construction and acquisitions for 2002. As a result, we anticipate that our liquidity needs for new tower development and acquisitions in 2002 will be significantly less than in previous years.

- Tower Construction. Our 2002 capital budget provides for total capital expenditures of approximately $200.0 million to $225.0 million, which includes towers to be built under existing build-to-suit agreements. In contrast, we spent $568.0 million on total capital expenditures in 2001. We plan to build in 2002 between 400 and 500 towers, including nine broadcast towers. In contrast, we built approximately 1,300 towers, including five broadcast towers, in 2001.

- Tower Acquisitions. As of December 31, 2001, we were committed to make capital expenditures of approximately $30.0 million for pending acquisitions, including $8.4 million for ALLTEL, which we closed in January and February 2002. We spent approximately $809.6 million in cash in 2001 for acquisitions.

Debt Service. We use a significant portion of our liquidity to service our outstanding indebtedness. As of December 31, 2001, we had outstanding total long-term debt of about $3.6 billion, consisting primarily of the following:

- our credit facilities-$1.45 billion;

- our senior notes-$1.0 billion; and

- our convertible notes, net of discount-$866.9 million

Our credit facilities, senior notes and convertible notes require us to make significant principal payments at their respective maturity dates. In addition, in the case of our credit facilities, we must make scheduled amortization payments of principal prior to maturity. Beginning March 31, 2003, our credit facilities require amortization of the term loans in increasing annual amounts designed to repay the loans by maturity. Interest on our senior notes is payable semiannually on February 1 and August 1. Under our credit facilities, we are required to maintain an interest reserve for our senior notes through the August 2002 interest payment. These funds can only be used to make scheduled interest payments on those notes. As of December 31, 2001, we had approximately $94.1 million of restricted cash related to that interest reserve. Interest on our convertible notes is payable semi-annually. Prior to maturity, there are no mandatory redemption provisions for cash in the senior notes or the convertible notes. The holders of the convertible notes, however, have the right to require us to repurchase their notes on specified dates prior to maturity, but we may pay the repurchase price by issuing shares of our Class A common stock. For a more complete description of our outstanding indebtedness, see "Contractual Commitments" below and note 6 to our consolidated financial statements.

SOURCES OF LIQUIDITY

Our primary sources of liquidity historically have been internally generated funds from operations, borrowings under our credit facilities, proceeds from equity and debt offerings and cash on hand.

Internally Generated Funds. Our operating revenues, divisional cash flow and EBITDA for the year ended December 31, 2001 were $1.1 billion, $300.5 million and $274.0 million, respectively. Our tower leasing activities generate the highest profit margins. We believe those activities are likely to grow more rapidly than our other segments because of increased utilization of our existing towers.

Credit Facilities. As of December 31, 2001, we had not drawn on the $650.0 million revolving line of credit under our credit facilities. As of December 31, 2001, based on financial covenants and giving effect to the repayment of our Mexican credit facility described below, we had the ability to draw $555.0 million on this revolving line of credit. Because of existing cash on hand, our anticipated borrowing needs and the unused capacity in our credit facilities, in January 2002, we chose to cancel our incremental $250.0 million Term C Loan. As a result, our maximum borrowing capacity under the credit facilities was reduced from $2.25 billion to $2.0 billion.

Proceeds from Equity and Debt Offerings. Historically, we have been successful at raising funds in the capital markets through equity and debt offerings. We have used these proceeds mostly to fund new tower development and acquisitions. For example, in January 2001, we completed a public offering of 10.0 million shares of our Class A common stock for total net proceeds of approximately $360.8 million. We also completed in that month a private placement of $1.0 billion of our senior notes for total net proceeds of $969.0 million.

Cash On Hand. As of December 31, 2001, we had approximately $130.0 million in cash and cash equivalents. Approximately $94.1 million is restricted under our credit facilities and can only be used to make scheduled interest payments on the senior notes. As of December 31, 2001, we had approximately $179.5 million of working capital.

PLANS TO FUND OUR LIQUIDITY NEEDS

We plan to fund our operational liquidity needs through internally generated funds from operations. We plan to fund our capital expenditures for new tower construction and acquisitions and our interest expense through a combination of internally generated funds and borrowings under our credit facilities. We anticipate aggregate incremental borrowing needs for 2002 and 2003 of under $200.0 million. During 2003, we expect that our operating cash flows will become sufficient to fund both our capital expenditures for new tower construction and acquisitions and the interest expense on our outstanding debt.

We may, in the future, need to raise cash from external sources to meet our debt service obligations and to pay the principal amounts of our indebtedness when due.

CONTRACTUAL COMMITMENTS

Below is a summary of our credit facilities, senior notes, convertible notes and certain other contractual obligations. It is qualified in its entirety by the terms of the actual agreements which are summarized. Also see note 6 and note 8 of our consolidated financial statements for more information about the terms of our indebtedness and our commitments and contingencies.

Credit Facilities. Our credit facilities provide us with a borrowing capacity of up to $2.0 billion, with the option, subject to lender approval, to increase the capacity up to an additional $500.0 million. Our principal operating subsidiaries are the borrowers under our credit facilities. Borrowings under the credit facilities are subject to compliance with certain financial ratios as described below. Our credit facilities currently include:

- a $650.0 million revolving credit facility which was fully available, subject to compliance with those financial ratios, on December 31, 2001, maturing on June 30, 2007;

- an $850.0 million multi-draw Term Loan A, which was fully drawn on December 31, 2001, maturing on June 30, 2007; and

- a $500.0 million Term Loan B, which was fully drawn on December 31, 2001, maturing on December 31, 2007.

The credit facilities are scheduled to amortize quarterly commencing in March 2003. In January 2002, we terminated a $250.0 million multi-draw Term Loan C facility, none of which facility had been drawn. As a result of this termination, we will record a non-cash charge of $7.5 million to "other expense" in the first quarter of 2002 related to the write-off of certain deferred financing fees. We believe the $650.0 million revolving credit facility remaining under the $2.0 billion of credit facilities will be sufficient to finance our business plan.

Our credit facilities contain certain financial ratios and operational covenants and other restrictions with which the borrower subsidiaries and the restricted subsidiaries must comply. Any failure to comply with these covenants would not only prevent us from being able to borrow more funds, but would also constitute a default. For more information about these covenants, see "Factors Affecting Sources of Liquidity - Credit Facilities". They also restrict our ability, as the parent company of the borrower subsidiaries, to incur any debt other than that presently outstanding and refinancings of that debt. We and our restricted subsidiaries have guaranteed all of the loans. We have secured the loans by liens on substantially all assets of the borrower subsidiaries and the restricted subsidiaries and substantially all outstanding capital stock and other debt and equity interests of all of our direct and indirect subsidiaries.

Under our credit facilities, we are also required to maintain an interest reserve for our senior notes through the August 2002 interest payment. These funds can only be used to make scheduled interest payments on those notes. As of December 31, 2001 we had approximately $94.1 million of restricted cash related to that interest reserve.

In February 2001, our Mexican subsidiary and two of its subsidiaries consummated a loan agreement with a group of banks providing a credit facility of an initial aggregate amount of $95.0 million. As of December 31, 2001, an aggregate of $95.0 million was outstanding under this loan agreement. In February 2002 we repaid all of the loans with borrowings under our credit facilities, and our Mexican subsidiaries became restricted subsidiaries under our credit facilities. As a result of such repayment, we will recognize an extraordinary loss on extinguishment of debt in the first quarter of 2002 of approximately $1.3 million (net of an income tax benefit of $0.7 million).

9 3/8% Senior Notes. As of December 31, 2001, we had outstanding an aggregate principal amount of $1.0 billion of 9 3/8 % senior notes. The senior notes mature on February 1, 2009. Interest on the senior notes is payable semiannually on February 1 and August 1. The indenture governing the senior notes contains certain restrictive covenants, including restrictions on our ability to incur more debt, guarantee debt, pay dividends and make certain investments. For more information about these covenants, see "Factors Affecting Sources of Liquidity - Senior Notes".

October 1999 Convertible Notes. In October 1999, we issued 6.25% convertible notes due 2009 in an aggregate principal amount of $300.0 million and 2.25% convertible notes due 2009 at an issue price of $300.1 million, representing 70.52% of their principal amount at maturity of $425.5 million. The difference between the issue price and the principal amount at maturity of the 2.25% convertible notes will be accreted each year as interest expense in our consolidated financial statements. The 6.25% convertible notes are convertible into shares of Class A common stock at a conversion price of $24.40 per share. The 2.25% convertible notes are convertible into shares of Class A common stock at a conversion price of $24.00 per share. The indentures under which the convertible notes are outstanding do not contain any restrictions on the payment of dividends, the incurrence of debt or liens or the repurchase of our equity securities or any financial covenants.

We may not redeem the 6.25% convertible notes prior to October 22, 2002. Thereafter, we can redeem the 6.25% convertible notes, at our option, in whole or in part at a redemption price initially of 103.125% of the principal amount. The redemption price declines ratably immediately after October 15 of each following year to 100% of the principal amount in 2005. We may not redeem the 2.25% convertible notes prior to October 22, 2003. Thereafter, we can redeem the 2.25% convertible notes, at our option, in whole or in part at increasing redemption prices designed to reflect the original issue discount. We are also required to pay accrued and unpaid interest in all redemptions of notes.

Holders may require us to repurchase all or any of their 6.25% convertible notes on October 22, 2006 at their principal amount, together with accrued and unpaid interest. Holders may require us to repurchase all or any of their 2.25% convertible notes on October 22, 2003 at $802.93, which is its issue price plus accreted original issue discount, together with accrued and unpaid interest. We may, at our option, elect to pay the repurchase price of each series in cash or shares of Class A common stock, or any combination thereof. Our credit facilities restrict our ability to repurchase the convertible notes for cash.

In the third quarter of 2001, we acquired a portion of our outstanding convertible notes. During this period, approximately $82.5 million in face amount ($61.6 million carrying amount) of our 2.25% convertible notes was converted into shares of Class A common stock. All of these conversions were pursuant to exchange agreements that we negotiated with a limited number of noteholders. Pursuant to these exchange agreements, we issued an aggregate of approximately 2.4 million shares of Class A common stock that these noteholders were entitled to receive based on the conversion price set forth in the applicable indenture, plus an additional approximately 1.5 million shares of Class A common stock to induce them to convert their holdings prior to the first scheduled redemption date. As a result of these transactions, in the third quarter of 2001 we recorded a non-cash charge of $26.3 million, which represents the fair market value of the inducement shares. We may negotiate similar exchanges for our outstanding convertible notes from time to time in the future, subject to market conditions. To the extent that we issue inducement shares as part of any future exchanges, we expect to record additional non-cash charges.

As of December 31, 2001, the total amount outstanding under the 2.25% convertible notes was $204.1 million and $212.8 million for the 6.25% convertible notes.

February 2000 Convertible Notes. In February 2000, we issued 5.0% convertible notes due 2010 in an aggregate principal amount of $450.0 million. The 5.0% convertible notes are convertible into shares of our Class A common stock at a conversion price of $51.50 per share. The indenture under which the 5.0% convertible notes are outstanding does not contain any restrictions on the payment of dividends, the incurrence of debt or the repurchase of our equity securities or any financial covenants.

We may not redeem the 5.0% convertible notes prior to February 20, 2003. Thereafter, we can redeem the 5.0% convertible notes, at our option, in whole or in part, at a redemption price initially of 102.50% of the principal amount. The redemption price declines ratably immediately after February 15 of each following year to 100% of the principal amount in 2006. We are also required to pay accrued and unpaid interest in all redemptions of notes.

Holders may require us to repurchase all or any of the 5.0% convertible notes on February 20, 2007 at their principal amount, together with accrued and unpaid interest. We may, at our option, elect to pay the repurchase price in cash or shares of Class A common stock or any combination thereof. Our credit facilities restrict our ability to repurchase the notes for cash.

The total amount outstanding under the 5.0% convertible notes as of December 31, 2001 was $450.0 million.

Other Long-Term Debt. As of December 31, 2001, we had approximately $250.1 million of other long-term debt, including capital lease obligations and mortgage indebtedness. See note 6 to our consolidated financial statements.

Liquidity Table For Contractual Obligations. The following table sets forth information with respect to our long-term obligations payable in cash as of December 31, 2001 (in thousands):

Contractual Obligations	Cash Payments Due by Period: Less than 1 year	1-3 years	4-5 years	After 5 years	Total
Long-term debt*......................	$ 1,579	$345,450	$567,758	$2,470,201	$3,384,988
Capital lease obligations............	11,006	22,458	22,204	121,304	176,972
Operating leases.....................	163,178	235,688	136,706	383,610	919,182
Pending acquisitions.................	30,000	--	--	--	30,000
Total contractual cash obligations.	$205,763	$603,596	$726,668	$2,975,115	$4,511,142

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* The holders of our convertible notes have the the right to require us to repurchase their notes on specified dates prior to their maturity dates in 2009 and 2010, but we may pay the purchase price by issuing shares of our Class A common stock.

In addition, as of December 31, 2001, we were party to various arrangements relating to the construction of tower sites under existing build-to-suit agreements. We expect that for the foreseeable future we will have substantial leverage from our bank borrowings, other debt and capitalized leases.

FACTORS AFFECTING SOURCES OF LIQUIDITY

Internally Generated Funds. The key factors affecting our internally generated funds are the demand for antennae space on wireless communication towers and for related services, our ability to maximize the utilization of our existing towers and our ability to minimize costs and fully realize our operating efficiencies.

Credit Facilities. Our credit facilities contain borrowing ratio covenants that limit our ability to borrow funds. Our credit facilities contain four financial tests:

- a leverage ratio (Total Debt to Annualized Operating Cash Flow). As of December 31, 2001, we were required to maintain a ratio of not greater than 7.75 to 1.00, decreasing to 7.50 to 1.00 on January 1, 2002, to 7.00 to 1.00 on April 1, 2002, to 6.75 to 1.00 on July 1, 2002, to 6.50 to 1.00 at October 1, 2002, and with additional reductions every six months thereafter;

- a pro forma debt service test (Annualized Operating Cash Flow to Pro Forma Debt Service) requires us to maintain a ratio of not greater than 1.10 to 1.00;

- an interest coverage test (Annualized Operating Cash Flow to Interest Expense). As of December 31, 2001, we were required to maintain a ratio of not less than 1.50 to 1.00 through June 30, 2002, increasing by 0.25 on July 1, 2002 and October 1, 2002, and by 0.50 on January 1, 2003 and January 1, 2004; and

- a fixed charge coverage test (Annualized Operating Cash Flow to Fixed Charges) which begins in 2003 and requires us to maintain a ratio of not less than 1.0 to 1.0.

Since our credit facilities are with certain of our subsidiaries, our parent company debt (the senior notes and the convertible notes) is not included in the computations of any of the tests, except in the case of the pro forma debt service test in which case interest includes the amount of funds that we will require to be distributed by our subsidiaries to pay interest on our senior notes and our convertible notes. Annualized Operating Cash Flow is based, among other things, on four times the Operating Cash Flow for the most recent quarter of our tower rental and management business and trailing 12 months for our other businesses and corporate general and administrative expenses. In the case of the leverage ratio, we may include the Operating Cash Flow from Brazil and Mexico only to the extent of 10% of Annualized Operating Cash Flow and we receive credit for only 75% of Annualized Operating Cash Flow from our services and Verestar businesses.

As of December 31, 2001, we were in compliance with these borrowing ratio covenants.

Senior Notes. Our senior note indenture restricts us from incurring additional debt or issuing certain types of preferred stock unless our Consolidated Debt is not greater than 7.5 times our Adjusted Consolidated Cash Flow. However, we are permitted, even if we are not in compliance with the ratio, to incur debt under our credit facilities, or renewals, refundings, replacements or refinancings of them, up to the greater of $2.65 billion or a formula based on the number of towers we own and our Non-Tower Cash Flow. Even if not in compliance with the ratio, we are also permitted to, among other things, have certain types of capital leases and to refund our convertible notes. For these purposes, Consolidated Debt means all debt, including guarantees, of our parent company and all of our restricted subsidiaries, which presently include all of them, other than Verestar and its subsidiaries, and the aggregate liquidation value of Disqualified Stock. Disqualified Stock means capital stock maturing, mandatorily redeemable, or redeemable at the holder's option, prior to 91 days after the maturity of the senior notes. Adjusted Consolidated Cash Flow is substantially similar to the definition of Annualized Operating Cash Flow, as defined in the credit facilities, except it applies to our parent company and our restricted subsidiaries.

Capital Markets. Our ability to raise additional funds in the capital markets depends on, among other things, general economic conditions, the condition of the wireless industry, our financial performance and the state of the capital markets.

CASH FLOWS SUMMARY

For the year ended December 31, 2001, cash flows provided by operating activities were $26.1 million, as compared to $37.1 million used for operating activities for the year ended December 31, 2000. This change is primarily related to an overall reduction in our investment in working capital.

For the year ended December 31, 2001, cash flows used for investing activities were $1.4 billion, as compared to $2.0 billion for the year ended December 31, 2000. The decrease is primarily due to a decrease in cash expended for mergers and acquisitions.

For the year ended December 31, 2001, cash flows provided by financing activities were $1.4 billion, as compared to $2.1 billion for the year ended December 31, 2000. The decrease is primarily related to a reduction in the aggregate net cash inflows from bank borrowings and equity offerings, offset by an increase in proceeds from the issue of debt securities.

CRITICAL ACCOUNTING POLICIES

In December 2001, the SEC requested that all registrants disclose their most "critical accounting policies" in "Management's Discussion and Analysis of Financial Condition and Results of Operations". The SEC indicated that a "critical accounting policy" is one which is both important to the portrayal of the company's financial condition and results and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Further, "critical accounting policies" are those that are reflective of significant judgments and uncertainties, and potentially result in materially different results under different assumptions and conditions.

We believe that our accounting policies described below fit the definition of "critical accounting policies".

- Revenue Recognition. A portion of our network development services revenue is derived under contracts or arrangements with customers that provide for billings on a fixed price basis. Revenues under these contracts are recognized using the percentage-of-completion methodology. Under the percentage-of-completion methodology, revenues are recognized in accordance with the percentage of contract costs incurred to date compared to the estimated total contract costs. Due to uncertainties and estimates inherent within percentage-of-completion accounting it is possible that estimates will be revised as project work progresses. Changes to total estimated contract costs or losses, if any, are recognized in the period in which they are determined.

- Income Taxes. The company records a valuation allowance to reduce its net deferred tax asset to the amount that management believes is more likely than not to be realized. At December 31, 2001, we provided a valuation allowance primarily related to our state operating loss carryforwards of approximately $56.3 million. We have not provided a valuation allowance for the remaining deferred tax assets, primarily our federal net operating loss carryforwards, as management believes that we will have sufficient time to realize these assets during the carryforward period.

  The ultimate realization of these deferred tax assets depends on our ability to generate sufficient taxable income in the future. Based on our current outlook of future taxable income during the carryforward period, we believe our net deferred tax asset will be realized. If we are unable to generate sufficient taxable income in the future, we will be required to reduce our net deferred tax asset through a charge to income tax expense, which would result in a corresponding decrease in stockholders' equity.

- Impairment of Assets. We review long-lived assets, including intangibles, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We assess recoverability by determining whether the net book value of the related assets will be recovered through projected undiscounted cash flows. If we determine that the carrying value of an asset may not be recoverable, we will measure any impairment based on the projected future discounted cash flows to be provided from the asset as compared to its carrying value. We record any related impairment losses in the period in which we identify such impairment.

  During the year ended December 31, 2001, we recorded impairment charges relating to our long-lived assets of approximately $11.6 million. Those charges are reflected in depreciation and amortization in our 2001 consolidated statement of operations.

- Investment Impairment Charges. Investments in those entities where we own less than twenty percent of the voting stock of the individual entity and do not exercise significant influence over operating and financial policies of the entity are accounted for using the cost method. Investments in entities where we own less than twenty percent but have the ability to exercise significant influence over operating and financial policies of the entity or where we own more than twenty percent of the voting stock of the individual entity, but not in excess of fifty percent, are accounted for using the equity method. As of December 31, 2001, all of our investments were in companies that are not publicly traded, and, therefore, no established market for their securities exists. We have a policy in place to review the fair value of our investments on a regular basis to evaluate the carrying value of the investments in these companies. If we believe that the carrying value of an investment is carried at an amount in excess of fair value, it is our policy to record an impairment charge to adjust the carrying value to the market value.

During the year ended December 31, 2001, we recorded impairment charges on our investments of $31.6 million. These charges are reflected in loss (gain) on investments in our consolidated statement of operations.

The above listing is not intended to be a comprehensive list of all of our accounting policies. See our audited consolidated financial statements and notes thereto which begin on page F-1 of this annual report where our significant accounting policies are discussed.

RECENT ACCOUNTING PRONOUNCEMENTS

On January 1, 2001, we adopted the provisions of Statement of Financial Accounting Standard (SFAS) No. 133 "Accounting for Derivative Instruments and Hedging Activities," as amended. Our 2001 consolidated financial statements were prepared in accordance with the provisions of SFAS No. 133. The 2000 and 1999 consolidated financial statements were prepared in accordance with the applicable literature for derivatives and hedging instruments in effect at that time. The cumulative effect of adopting this statement resulted in a charge to other comprehensive loss of $7.9 million (net of a tax benefit of $4.2 million)

In June 2001, the FASB issued SFAS No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangible Assets". SFAS No. 141 supersedes Accounting Principles Board (APB) Opinion No. 16 "Business Combinations" and SFAS No. 38 "Accounting for Pre-acquisition Contingencies" and eliminates pooling-of-interest accounting for business combinations. SFAS No. 141 also includes enhanced criteria for identifying intangible assets separately from goodwill. The requirements of SFAS No. 141 were effective for any business combination consummated by us subsequent to June 30, 2001. We did not consummate any acquisitions subsequent to June 30, 2001 that gave rise to goodwill.

SFAS No. 142 supersedes APB Opinion No. 17, "Intangible Assets", and requires that goodwill and intangible assets with indefinite lives will no longer be amortized, but reviewed for impairment at least annually. Intangible assets that are not deemed to have an indefinite life will continue to be amortized over their useful lives.

The adoption of SFAS No. 142 is expected to reduce our annual amortization of goodwill by approximately $90.0 million. We are in the process of assessing the transitional impairment test and the related valuation of goodwill under SFAS No. 142 for our company. However, upon completion of the transitional impairment test, it is likely we will record a non-cash impairment charge in our statement of operations related to Verestar. Although the amount of the charge has not been determined, goodwill related to Verestar was approximately $185.0 million as of December 31, 2001. We will reflect this charge, if necessary, as a cumulative effect of a change in accounting principle in our 2002 statement of operations.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". This statement supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of". The statement retains the previously existing accounting requirements related to the recognition and measurement of the impairment of long-lived assets to be held and used while expanding the measurement requirements of long-lived assets to be disposed of by sale to include discontinued operations. It also expands the previously existing reporting requirements for discontinued operations to include a component of an entity that either has been disposed of or is classified as held for sale. We implemented SFAS No. 144 on January 1, 2002. The adoption of this statement was not material to our consolidated financial position or results of operations.

INFORMATION PRESENTED PURSUANT TO THE INDENTURE FOR OUR 9 3/8% SENIOR NOTES

The following table sets forth information that is presented solely to address certain reporting requirements contained in our senior note indenture. This information presents certain financial data for us on a consolidated basis and on a restricted group basis, as defined in the senior note indenture. All of our subsidiaries are part of this restricted group, except our wholly-owned subsidiary, Verestar, and its subsidiaries.

	Consolidated		Restricted Group(1)	
	Year Ended December 31,		Year Ended December 31,	
	2001	2000	2001	2000
	(in thousands)			
Statement of Operations Data:				
Operating revenues	$1,134,191	$ 735,275	$ 898,798	$ 590,074
Operating expenses:				
Operating expenses excluding depreciation and amortization and restructuring, development and corporate general and administrative expenses	848,042	524,074	620,088	414,009
Depreciation and amortization	440,371	283,360	377,138	256,286
Restructuring expense	69,174		67,992	
Development expense	8,630	14,517	7,895	14,433
Corporate general and administrative expense	26,478	14,958	26,478	14,958
Total operating expenses	1,392,695	836,909	1,099,591	699,686
Loss from operations	(258,504)	(101,634)	(200,793)	(109,612)
Interest expense	(282,291)	(156,839)	(271,098)	(155,006)
Interest income and other, net	26,742	15,556	26,125	15,199
Interest income--TV Azteca, net	14,377	12,679	14,377	12,679
Loss on investments	(40,551)	(2,538)	(36,797)	(2,538)
Note conversion expense	(26,336)	(16,968)	(26,336)	(16,968)
Minority interest in net earnings of subsidiaries	(318)	(202)	(318)	(202)
Loss before income taxes and extraordinary losses	$ (566,881)	$(249,946)	$ (494,840)	$(256,448)

	December 31, 2001	
	Consolidated	Restricted Group
	(in thousands)	
Balance Sheet Data:		
Cash and cash equivalents	$ 35,958	$ 33,113
Restricted cash	94,071	94,071
Property and equipment, net	3,287,573	2,980,031
Total assets	6,829,723	6,194,397
Long-term obligations, including current portion	3,561,960	3,436,324
Net debt(2)	3,431,931	3,309,140
Total stockholders' equity	2,869,196	2,869,196

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(1) Corporate overhead allocable to Verestar and interest expense related to intercompany borrowings to Verestar (unrestricted subsidiary) have not been excluded from results shown for the restricted group.

(2) Net debt represents long-term obligations, including current portion, less cash and cash equivalents and restricted cash.

Tower Cash Flow, Adjusted Consolidated Cash Flow and Non-Tower Cash Flow for the Company and its restricted subsidiaries, as defined in our senior note indenture, are as follows:

Tower Cash Flow, for the three months ended December 31, 2001	$ 71,690
Consolidated Cash Flow, for the twelve months ended December 31, 2001	$ 287,292
Less: Tower Cash Flow, for the twelve months ended December 31, 2001	(244,431)
Plus: four times Tower Cash Flow, for the three months ended December 31, 2001	286,760
Adjusted Consolidated Cash Flow, for the twelve months ended December 31, 2001	$ 329,621
Non-Tower Cash Flow, for the twelve months ended December 31, 2001	$ 34,966

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk from changes in interest rates on long-term debt obligations. We attempt to reduce these risks by utilizing derivative financial instruments, namely interest rate caps, swaps, and collars pursuant to our policies. All derivative financial instruments are for purposes other than trading. For the year ended December 31, 2001, we increased our borrowings under our credit facilities by approximately $95.0 million. In addition, we completed a private placement of $1.0 billion of our senior notes issued at 100% of their face amount. The proceeds from the above were used to finance capital expenditures and acquisitions. In the short-term, we invested any unused proceeds in marketable debt securities, commercial paper and cash and cash equivalents. In June 2001 we entered into an interest rate collar agreement with a total notional amount of $47.5 million expiring in June 2003. In August 2001 we acquired an aggregate of $82.5 million face amount ($61.6 million carrying amount) of our 2.25% convertible notes for shares of our Class A common stock. Lastly, in November 2001, we terminated an interest rate collar agreement with a total notional amount of $185.0 million originally expiring in May 2002, and simultaneously entered into an interest rate swap agreement with a total notional amount of $185.0 million expiring in November 2003.

The following tables provide information as of December 31, 2001 and 2000 about our market risk exposure associated with changing interest rates. For long-term debt obligations, the tables present principal cash flows by maturity date and average interest rates related to outstanding obligations. For interest rate caps, swaps, collars and swaptions, the tables present notional principal amounts and weighted-average interest rates by contractual maturity dates.

As of December 31, 2001
Principal Payments and Interest Rate Detail by Contractual Maturity Dates (In thousands)

Long-Term Debt	2002	2003	2004	2005	2006	Thereafter	Total	Fair Value
Fixed Rate Debt(a)	$12,585	$ 12,133	$ 12,775	$ 64,860	$ 26,352	$1,988,255	$2,116,960	$1,654,718
Average Interest Rate(a)	7.83%	7.82%	7.81%	7.78%	7.78%	7.78%		
Variable Rate Debt(a)		$151,000	$192,000	$243,000	$255,750	$ 603,250	$1,445,000	$1,445,000
Average Interest Rate(a)								

Aggregate Notional Amounts Associated with Interest Rate Caps, Swaps and Collars in Place
As of December 31, 2001 and Interest Rate Detail by Contractual Maturity Dates
(In thousands)

Interest Rate CAPS	2002	2003	2004	2005	2006	Thereafter	Total	Fair Value
Notional Amount..................	$ 364,980(c)							
Cap Rate.........................	9.00%							
Interest Rate SWAPS								
Notional Amount..................	$ 580,000(d)	$ 550,000(e)						$(21,601)
Weighted-Average Fixed Rate Payable(b)......................	5.86%	5.80%						
Interest Rate COLLARS								
Notional Amount..................	$ 327,500(f)	$ 232,500(g)						$(13,579)
Weighted-Average Below Floor Rate Payable, Above Cap Rate Receivable(b)..............	5.96%, 8.27%	5.96%, 8.18%						

As of December 31, 2000
Principal Payments and Interest Rate Detail by Contractual Maturity Dates (In thousands)

Long-Term Debt	2001	2002	2003	2004	2005	Thereafter	Total	Fair Value
Fixed Rate Debt(a).......	$11,178	$11,474	$10,493	$ 10,900	$ 46,953	$1,027,225	$1,118,223	$1,385,971
Average Interest Rate(a).	6.29%	6.26%	6.22%	6.19%	6.07%	6.07%		
Variable Rate Debt (a)...			$56,000	$192,000	$243,000	$ 859,000	$1,350,000	$1,350,000
Average Interest Rate (a)								

Aggregate Notional Amounts Associated with Interest Rate Caps, Swaps, Collars and Swaptions in Place
As of December 31, 2000 and Interest Rate Detail by Contractual Maturity Dates
(In thousands)

Interest Rate CAPS	2001	2002	2003	2004	2005	Thereafter	Total	Fair Value
Notional Amount.......	$ 364,980	$ 364,980(c)						
Cap Rate.............	9.00%	9.00%						
Interest Rate SWAPS								
Notional Amount.......	$ 395,000	$ 395,000(d)	$ 365,000(h)					$(7,680)
Weighted-Average Fixed Rate Payable (b)..........	6.69%	6.69%	6.67%					
Interest Rate COLLARS								
Notional Amount.......	$ 465,000	$ 465,000(i)	$ 185,000(j)					$(6,107)
Weighted-Average Below Floor Rate Payable, Above Cap Rate Receivable (b).......	6.35%,8.90%	6.35%,8.90%	6.46%,9.00%					
Interest Rate SWAPTIONS								
Notional Amount.......	$ 290,000(k)							$ 1,707
Weighted-Average Swaption Rate(b).....	6.56%							

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(a) December 31, 2001 variable rate debt consists of our credit facilities (including our Mexican credit facility) ($1.45 billion) and fixed rate debt consists of the 2.25% convertible notes ($204.1 million), the 6.25% convertible notes ($212.8 million), the 5.0% convertible notes ($450.0 million), the 9 3/8% senior notes ($1.0 billion), and other debt of $250.1 million. Interest on the credit facilities is payable in accordance with the applicable London Interbank Offering Rate (LIBOR) agreement or quarterly and accrues at our option either at LIBOR plus margin (as defined) or the Base Rate plus margin (as defined). The average interest rate in effect at December 31, 2001 for the credit facilities was 4.76%. For the year ended December 31, 2001, the weighted average interest rate under the credit facilities was 7.26%. The 2.25% and 6.25% convertible notes each bear interest (after giving effect to the accretion of the original discount on the 2.25% convertible notes) at 6.25% per annum, which is payable semiannually on April 15 and October 15 of each year beginning April 15, 2000. The 5.0% convertible notes bear interest at 5.0% per annum, which is payable semiannually on February 15 and August 15 of each year, beginning August 15, 2000. The 9 3/8% senior notes bear interest at 9 3/8% per annum, which is payable semiannually on February 1 and August 1 of each year beginning August 1, 2001. Other debt consists of notes payable, capital leases and other obligations bearing interest at rates ranging from 7.09% to 14.25%, payable monthly.

December 31, 2000 variable rate debt consists of our credit facilities ($1.35 billion) and fixed rate debt consists of the 2.25% and 6.25% convertible notes ($470.9 million), the 5.0% convertible notes ($450.0 million), and other debt of $197.3 million. The average interest rate in effect at December 31, 2000 for the credit facilities was 9.65%. For the year ended December 31, 2000, the weighted average interest rate under the credit facilities was 9.56%. Other debt consists of notes payable, capital leases and other obligations bearing interest at rates ranging from 7.93% to 14.25%, payable monthly.

(b) Represents the weighted-average fixed rate or range of interest based on contract notional amount as a percentage of total notional amounts in a given year.
(c) Includes notional amount of $364,980 that expired in February 2002.
(d) Includes notional amount of $30,000 that expired in March 2002.
(e) Includes notional amounts of $75,000, $290,000 and $185,000 that will expire in January, February and November 2003, respectively.
(f) Includes notional amount of $95,000 that will expire in July 2002.
(g) Includes notional amounts of $185,000 and $47,500 that will expire in May and June 2003, respectively.
(h) Includes notional amounts of $75,000 and $290,000 that will expire in January and February 2003, respectively.
(i) Includes notional amounts of $185,000 and $95,000 that will expire in May and July 2002, respectively.
(j) Includes notional amount of $185,000 that will expire in May 2003.
(k) Includes notional amount of $290,000 that expired in August 2001.

We maintain a portion of our cash and cash equivalents in short-term financial instruments that are subject to interest rate risks. Due to the relatively short duration of such instruments, we believe fluctuations in interest rates with respect to those investments will not materially affect our financial condition or results of operations.

Our foreign operations in 2001 and 2000 were not significant. Accordingly, foreign currency risk has not been material for the years ended December 31, 2001 and 2000.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See Item 14(a).

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Our executive officers, and their respective ages and positions, as of March 1, 2002 are set forth below:

Name	Age	Position
Steven B. Dodge....	56	Chairman of the Board and Chief Executive Officer
Justin D. Benincasa	40	Senior Vice President and Corporate Controller
James S. Eisenstein	43	Executive Vice President--Corporate Development
J. Michael Gearon, Jr...	37	Vice Chairman, Director and President of American Tower International
Steven J. Moskowitz.....	38	Executive Vice President--Tower Division
David J. Porte..........	38	Executive Vice President--Technology and Strategy
Bradley E. Singer.......	35	Chief Financial Officer and Treasurer
James D. Taiclet, Jr....	41	President and Chief Operating Officer
Joseph L. Winn..........	50	Vice Chairman

Steven B. Dodge has served as our Chairman of the Board and Chief Executive Officer since our separation from American Radio in June 1998 (the "ATC Separation"). He also served as our President until September 2001. Mr. Dodge was the Chairman of the Board of Directors, President and Chief Executive Officer of American Radio from its founding in November 1993 until the ATC Separation. In 1988, Mr. Dodge founded Atlantic Radio, one of the predecessor entities of American Radio. Mr. Dodge currently serves as a director of Citizens Financial Group, Inc., Nextel Partners, Inc., and Sothebys Holdings, Inc.

Justin D. Benincasa is our Senior Vice President and Corporate Controller. Mr. Benincasa was a Vice President and Corporate Controller of American Radio from its founding in 1993 until the ATC Separation.

James S. Eisenstein is our Executive Vice President--Corporate Development. Mr. Eisenstein helped form our company in the summer of 1995. From 1990 to 1995, he was Chief Operating Officer for Amaturo Group Ltd., a broadcast company operating 11 radio stations and four broadcasting towers, several of which were purchased by American Radio. Mr. Eisenstein is a director of U.S. Wireless Corporation.

J. Michael Gearon, Jr. is one of our Vice Chairmen and the President of American Tower International, and has been a director since our acquisition of Gearon Communications in January 1998. From January 1998 until January 2002, Mr. Gearon served as an Executive Vice President. Prior to joining us, Mr. Gearon had been the founder and Chief Executive Officer of Gearon Communications since September 1991.

Steven J. Moskowitz is our Executive Vice President--Tower Division. Mr. Moskowitz joined us in January 1998, initially as a Vice President and General Manager of our Northeast Region, and was Executive Vice President--Marketing from March 1999 until his appointment to his present position in January 2002. From 1989 until 1998, Mr. Moskowitz served as a Vice President of The Katz Media Group, the largest broadcast media representation firm in the United States.

David J. Porte is our Executive Vice President--Technology and Strategy. Mr. Porte joined us in July 2001, prior to which time he had served as Chairman and Chief Executive Officer of Telicor, a company providing operations and business support systems solutions to the telecommunications industry. Prior to organizing Telicor in 2000, Mr. Porte had been a Vice President and General Manager of the Internet service group of General Communications, a regional integrated communications provider in the Pacific Northwest, since 1997 when it acquired Astrolabe of which he had been President.

Bradley E. Singer is our Chief Financial Officer and Treasurer. Mr. Singer joined us in September 2000 as Executive Vice President--Strategy, and was appointed Vice President and General Manager of the Southeast region in November 2000, positions he held until July 2001. He was appointed Executive Vice President--Finance in July 2001. Prior to joining us, Mr. Singer was an investment banker with Goldman, Sachs & Co. focusing on the telecommunications industry.

James D. Taiclet, Jr. is our President and Chief Operating Officer. Prior to joining us in that capacity in September 2001, Mr. Taiclet had been President of Honeywell Aerospace Services, a part of Honeywell International since March 1999. Mr. Taiclet was with United Technologies from March 1996 until March 1999, serving as a Vice President of Pratt & Whitney Engine Services and of Military Programs, Pratt & Whitney Eagle Services.

Joseph L. Winn is one of our Vice Chairmen, a position he assumed in January 2002. Prior to that time he was our Chief Financial Officer and Treasurer. Mr. Winn was Treasurer, Chief Financial Officer and a director of American Radio from its founding in 1993 until the ATC Separation.

The information under "Election of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance" from the Definitive Proxy Statement is hereby incorporated by reference herein.

ITEM 11. EXECUTIVE COMPENSATION

The information under "Compensation and Other Information Concerning Directors and Officers" from the Definitive Proxy Statement is hereby incorporated by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information under "Securities Ownership of Certain Beneficial Owners and Management" from the Definitive Proxy Statement is hereby incorporated by reference herein.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information under "Certain Relationships and Related Transactions" from the Definitive Proxy Statement is hereby incorporated by reference herein.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) Financial Statements and Schedules. See index to Financial Statements, which appears on page F-1 hereof.

(b) Reports on Form 8-K.

Form 8-K (Item 2) filed on October 4, 2001.
Form 8-K (Item 2) filed on December 13, 2001.

(c) Exhibits. The exhibits listed on the Exhibit Index hereof are filed herewith in response to this Item.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, this Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on the 1st day of April 2002.

AMERICAN TOWER CORPORATION
(Registrant)

By: /s/ STEVEN B. DODGE
Steven B. Dodge
Chief Executive Officer
and Chairman

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been duly signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ STEVEN B. DODGE Steven B. Dodge	Chief Executive Officer and Chairman (Principal Executive Officer)	April 1, 2002
/s/ BRADLEY E. SINGER Bradley E. Singer	Chief Financial Officer and Treasurer (Principal Financial Officer)	April 1, 2002
/s/ JUSTIN D. BENINCASA Justin D. Benincasa	Senior Vice President and Corporate Controller (Principal Accounting Officer)	April 1, 2002
/s/ ALAN L. BOX Alan L. Box	Director	April 1, 2002
/s/ ARNOLD L. CHAVKIN Arnold L. Chavkin	Director	April 1, 2002
/s/ DAVID W. GARRISON David W. Garrison	Director	April 1, 2002
/s/ J. MICHAEL GEARON, JR J. Michael Gearon, Jr.	Director	April 1, 2002
/s/ FRED R. LUMMIS Fred R. Lummis	Director	April 1, 2002
/S/ PAMELA D. A. REEVE Pamela D. A. Reeve	Director	April 1, 2002
/s/ THOMAS H. STONER Thomas H. Stoner	Director	April 1, 2002
/s/ MAGGIE WILDEROTTER Maggie Wilderotter	Director	April 1, 2002

AMERICAN TOWER CORPORATION

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
American Tower Corporation:

We have audited the accompanying consolidated balance sheets of American Tower Corporation and subsidiaries (the "Company") as of December 31, 2001 and 2000, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2001 and 2000, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America.

As discussed in notes 1 and 7 to the consolidated financial statements, in 2001 the Company adopted the provisions of Statement of Financial Accounting Standard No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended.

/s/ Deloitte & Touche LLP

Boston, Massachusetts
February 25, 2002

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2001 and 2000
(In thousands, except share data)

	2001	2000
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 35,958	$ 82,038
Restricted cash	94,071	46,036
Accounts receivable, net	182,612	194,011
Prepaid and other current assets	89,645	42,377
Inventories	49,332	47,872
Costs and earnings in excess of billings on uncompleted contracts and unbilled receivables	46,453	43,652
Deferred income taxes	24,136	15,166
Total current assets	522,207	471,152
PROPERTY AND EQUIPMENT, net	3,287,573	2,296,670
GOODWILL AND OTHER INTANGIBLE ASSETS, net	2,507,911	2,505,681
DEFERRED INCOME TAXES	245,215	140,395
NOTES RECEIVABLE	120,554	123,945
DEPOSITS AND OTHER LONG-TERM ASSETS	110,598	73,298
INVESTMENTS	35,665	49,538
TOTAL	$6,829,723	$5,660,679
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term obligations	$ 12,585	$ 11,178
Accrued tower construction costs	39,618	45,315
Accounts payable	50,125	74,046
Accrued expenses	124,796	87,291
Billings in excess of costs and earnings on uncompleted contracts and unearned revenue	56,098	48,248
Accrued interest	59,492	31,708
Total current liabilities	342,714	297,786
LONG-TERM OBLIGATIONS	3,549,375	2,457,045
OTHER LONG-TERM LIABILITIES	54,501	12,472
Total liabilities	3,946,590	2,767,303
COMMITMENTS AND CONTINGENCIES (Note 8)		
MINORITY INTEREST IN SUBSIDIARIES	13,937	16,346
STOCKHOLDERS' EQUITY:		
Preferred Stock: $.01 par value; 20,000,000 shares authorized; no shares issued or outstanding		
Class A Common Stock: $.01 par value; 500,000,000 shares authorized; 185,162,631 and 170,180,549 shares issued, 185,018,034 and 170,035,952 shares outstanding, respectively	1,851	1,701
Class B Common Stock: $.01 par value; 50,000,000 shares authorized; 8,001,769 and 8,095,005 shares issued and outstanding, respectively	80	81
Class C Common Stock: $.01 par value; 10,000,000 shares authorized; 2,267,813 shares issued and outstanding, respectively	23	23
Note receivable	(6,720)	
Additional paid-in capital	3,639,510	3,174,622
Accumulated other comprehensive loss	(16,057)	
Accumulated deficit	(745,151)	(295,057)
Less: treasury stock (144,597 shares at cost)	(4,340)	(4,340)
Total stockholders' equity	2,869,196	2,877,030
TOTAL	$6,829,723	$5,660,679

See notes to consolidated financial statements.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended December 31, 2001, 2000, and 1999
(In thousands, except per share data)

	2001	2000	1999
REVENUES:			
Rental and management	$ 444,560	$ 278,153	$135,303
Network development services	454,238	311,921	90,416
Satellite and fiber network access services	235,393	145,201	32,362
Total operating revenues	1,134,191	735,275	258,081
OPERATING EXPENSES:			
Operating expenses excluding depreciation and amortization, restructuring, development and corporate general and administrative expenses:			
Rental and management	214,506	139,240	62,441
Network development services	405,582	274,769	69,318
Satellite and fiber network access services	227,954	110,065	24,098
Depreciation and amortization	440,371	283,360	132,539
Restructuring expense	69,174		
Development expense	8,630	14,517	1,607
Corporate general and administrative expense	26,478	14,958	9,136
Total operating expenses	1,392,695	836,909	299,139
LOSS FROM OPERATIONS	(258,504)	(101,634)	(41,058)
OTHER INCOME (EXPENSE):			
Interest expense	(282,291)	(156,839)	(27,492)
Interest income and other, net	26,742	15,556	17,442
Interest income--TV Azteca, net of interest expense of $1,160 in 2001 and $1,047 in 2000	14,377	12,679	1,856
(Loss) gain on investments	(40,551)	(2,538)	253
Note conversion expense	(26,336)	(16,968)	
Minority interest in net earnings of subsidiaries	(318)	(202)	(142)
TOTAL OTHER EXPENSE	(308,377)	(148,312)	(8,083)
LOSS BEFORE INCOME TAXES AND EXTRAORDINARY LOSSES	(566,881)	(249,946)	(49,141)
BENEFIT (PROVISION) FOR INCOME TAXES	116,787	59,656	(214)
LOSS BEFORE EXTRAORDINARY LOSSES	(450,094)	(190,290)	(49,355)
EXTRAORDINARY LOSSES ON EXTINGUISHMENT OF DEBT, NET OF INCOME TAX BENEFIT OF $2,892 IN 2000, and $914 IN 1999		(4,338)	(1,372)
NET LOSS	$ (450,094)	$(194,628)	$(50,727)
BASIC AND DILUTED LOSS PER COMMON SHARE AMOUNTS:			
Loss before extraordinary losses	$ (2.35)	$ (1.13)	$ (0.33)
Extraordinary losses		(0.02)	(0.01)
Net loss	$ (2.35)	$ (1.15)	$ (0.34)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	191,586	168,715	149,749

See notes to consolidated financial statements.

AMERICAN TOWER CORPORATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Years Ended December 31, 2001, 2000, and 1999
(In thousands, except share data)

	Common Stock Class A		Common Stock Class B		Common Stock Class C		Treasury Stock	
	Issued Shares	Amount	Issued Shares	Amount	Issued Shares	Amount	Shares	Amount
BALANCE, JANUARY 1, 1999	96,291,111	$ 963	9,001,060	$90	3,002,008	$30		
Cash contributions from ARS								
Adjustment to ATC separation tax liability								
Transfers/payments to ARS/CBS								
Issuance of common stock and options-mergers	20,691,428	207						
Wauka escrow release--treasury stock							(76,403)	$(1,528)
Issuance of common stock--February offerings	26,200,000	262						
Expiration of redeemable common stock	336,250	3						
Issuance of options--acquisition								
Exercise of options	254,480	3						
Share class exchanges	1,192,354	12	(613,150)	(6)	(579,204)	(6)		
Tax benefit of stock options								
Net loss								
Total comprehensive loss								
BALANCE, DECEMBER 31, 1999	144,965,623	$1,450	8,387,910	$84	2,422,804	$24	(76,403)	$(1,528)
6.25% and 2.25% convertible notes exchanged for common stock	6,126,594	61						
Issuance of common stock--June offering	12,500,000	125						
Issuance of common stock, options and warrants--mergers	4,522,692	45						
Issuance of common stock--Employee Stock Purchase Plan	33,794							
Exercise of options	1,418,560	14	165,390	2				
Share class exchanges	613,286	6	(458,295)	(5)	(154,991)	(1)		
Treasury stock							(68,194)	(2,812)
Tax benefit of stock options								
Net loss								
Total comprehensive loss								
BALANCE, DECEMBER 31, 2000	170,180,549	$1,701	8,095,005	$81	2,267,813	$23	(144,597)	$(4,340)
2.25% convertible notes exchanged for common stock	3,962,537	40						
Issuance of common stock--January offering	10,000,000	100						
Issuance of common stock, options and warrants--mergers	377,394	4						
Issuance of common stock--Equity investment	100,000	1						
Issuance of common stock--Employee Stock Purchase Plan	231,257	2						
Issuance of note to executive officer (secured by Class A common stock)								
Exercise of options	217,658	2						
Share class exchanges	93,236	1	(93,236)	(1)				
Net change in fair value of cash flow hedges, net of tax								
Reclassification adjustment for realized losses on derivative instruments, net of tax								
Cumulative effect adjustment recorded upon adoption of SFAS No. 133, net of tax								
Foreign currency translation adjustment								
Tax benefit of stock options								
Net loss								
Total comprehensive loss								
BALANCE, DECEMBER 31, 2001	185,162,631	$1,851	8,001,769	$80	2,267,813	$23	(144,597)	$(4,340)

	Note Receivable	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity	Total Comprehensive Loss
BALANCE, JANUARY 1, 1999		$1,140,365		$ (49,702)	$1,091,746	

Cash contributions from ARS		507			507	
Adjustment to ATC separation tax liability		12,003			12,003	
Transfers/payments to ARS/CBS		(1,070)			(1,070)	
Issuance of common stock and options-mergers		446,035			446,242	
Wauka escrow release--treasury stock					(1,528)	
Issuance of common stock--February offerings		630,889			631,151	
Expiration of redeemable common stock		9,937			9,940	
Issuance of options--acquisition		1,794			1,794	
Exercise of options		3,573			3,576	
Share class exchanges						
Tax benefit of stock options		1,449			1,449	
Net loss				(50,727)	(50,727)	$ (50,727)
Total comprehensive loss						$ (50,727)
BALANCE, DECEMBER 31, 1999		$2,245,482		$(100,429)	$2,145,083	
6.25% and 2.25% convertible notes exchanged for common stock		153,306			153,367	
Issuance of common stock--June offering		513,780			513,905	
Issuance of common stock, options and warrants--mergers		227,462			227,507	
Issuance of common stock--Employee Stock Purchase Plan		865			865	
Exercise of options		23,461			23,477	
Share class exchanges						
Treasury stock					(2,812)	
Tax benefit of stock options		10,266			10,266	
Net loss				(194,628)	(194,628)	$(194,628)
Total comprehensive loss						$(194,628)
BALANCE, DECEMBER 31, 2000		$3,174,622		$(295,057)	$2,877,030	
2.25% convertible notes exchanged for common stock		86,403			86,443	
Issuance of common stock--January offering		360,687			360,787	
Issuance of common stock, options and warrants--mergers		8,454			8,458	
Issuance of common stock--Equity investment		2,463			2,464	
Issuance of common stock--Employee Stock Purchase Plan		2,750			2,752	
Issuance of note to executive officer (secured by Class A common stock)	$(6,720)				(6,720)	
Exercise of options		3,130			3,132	
Share class exchanges						
Net change in fair value of cash flow hedges, net of tax			$(17,506)		(17,506)	$ (17,506)
Reclassification adjustment for realized losses on derivative instruments, net of tax			9,405		9,405	9,405
Cumulative effect adjustment recorded upon adoption of SFAS No. 133, net of tax			(7,852)		(7,852)	(7,852)
Foreign currency translation adjustment			(104)		(104)	(104)
Tax benefit of stock options		1,001			1,001	
Net loss				(450,094)	(450,094)	(450,094)
Total comprehensive loss						$(466,151)
BALANCE, DECEMBER 31, 2001	$(6,720)	$3,639,510	$(16,057)	$(745,151)	$2,869,196	

See notes to consolidated financial statements.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2001, 2000, and 1999
(In thousands)

	2001	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (450,094)	$ (194,628)	$ (50,727)
Adjustments to reconcile net loss to cash provided by (used for) operating activities:			
Depreciation and amortization	440,371	283,360	132,539
Minority interest in net earnings of subsidiaries	318	202	142
Note conversion expense	26,336	16,968	
Loss (gain) on investments	40,551	2,538	(253)
Restructuring expense--asset write down	62,550		
Amortization of deferred financing costs	11,959	6,945	1,466
Provision for losses on accounts receivable	25,146	16,737	2,639
Extraordinary losses, net		4,338	1,372
Amortization of debt and note receivable discount	7,286	8,712	2,642
Deferred income taxes	(120,411)	(60,876)	(1,140)
Changes in assets and liabilities, net of acquisitions:			
Accounts receivable	(11,132)	(108,473)	(17,368)
Costs and earnings in excess of billings on uncompleted contracts and unbilled receivables	(2,801)	(26,153)	(5,919)
Prepaid and other assets	(48,110)	(31,017)	(9,497)
Inventories	788	(18,643)	(6,210)
Accounts payable and accrued expenses	1,793	23,637	9,944
Accrued interest	27,784	24,631	5,436
Billings in excess of costs and earnings on uncompleted contracts and unearned revenue	(3,291)	9,135	3,981
Other long-term liabilities	17,027	5,413	2,145
Cash provided by (used for) operating activities	26,070	(37,174)	71,192
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for purchase of property and equipment and construction activities	(568,158)	(541,347)	(272,670)
Payments for acquisitions, (net of cash acquired)	(812,782)	(1,368,024)	(588,384)
Advances of notes receivable	(10,179)	(76,116)	(119,282)
Proceeds from notes receivable	255	2,749	1,587
Proceeds from sale of 8.7% of Mexican subsidiary	1,680		
Distributions to minority interest	(763)	(667)	(396)
Deposits, investments and other long-term assets	(55,356)	(15,809)	(133,132)
Cash used for investing activities	(1,445,303)	(1,999,214)	(1,112,277)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowings under notes payable and credit facilities	181,500	1,777,000	224,779
Repayments of notes payable, credit facilities and capital leases.	(81,133)	(584,155)	(512,856)
Proceeds from issuance of debt securities	1,000,000	450,000	600,063
Net proceeds from equity offerings, stock options and employee stock purchase plan	366,671	535,435	634,727
Restricted cash	(48,035)	(46,036)	
Cash payments from (to) CBS		5,735	(48,752)
Contributions from ARS			507
Deferred financing costs	(45,850)	(44,765)	(18,346)
Cash provided by financing activities	1,373,153	2,093,214	880,122
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(46,080)	56,826	(160,963)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	82,038	25,212	186,175
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 35,958	$ 82,038	$ 25,212

See notes to consolidated financial statements.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business--American Tower Corporation and subsidiaries (collectively, ATC or the Company), is an independent owner, operator and developer of wireless and broadcast communications sites in North America, Mexico and Brazil. The Company's primary businesses, as discussed in note 15, are the leasing of antenna space to a diverse range of wireless communications and broadcast industries, providing network development services and components to wireless service providers and broadcasters and providing satellite and fiber network access services to telecommunication companies, internet service providers, governmental organizations, broadcasters and maritime customers worldwide.

Principles of Consolidation and Basis of Presentation--The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany accounts and transactions have been eliminated. The Company consolidates those entities in which it owns greater than fifty percent of the entity's voting stock.

Use of Estimates--The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates, and such differences could be material to the accompanying consolidated financial statements. The significant estimates in the accompanying consolidated financial statements include revenue recognition under the percentage of completion method, impairment of investments, impairment of long-lived assets and valuation allowances related to deferred tax assets.

Revenue Recognition--Rental and management revenues are recognized on a monthly basis under lease or management agreements when earned. Escalation clauses, excluding those tied to the Consumer Price Index (CPI), and other incentives present in lease agreements with the Company's customers are recognized on a straight-line basis over the term of the lease. Amounts billed or received prior to being earned are deferred until such time as the earnings process is complete.

Network development service revenues are derived under service contracts or arrangements with customers that provide for billings on a time and materials, cost plus profit or fixed price basis. Revenues are recognized as services are performed with respect to the time and materials and cost plus profit contracts. Revenues are recognized using the percentage-of-completion method for fixed price contracts. Under the percentage-of-completion methodology, revenues are recognized in accordance with the percentage of contract costs incurred to date compared to estimated total contract costs. Costs and earnings in excess of billings on uncompleted contracts represent revenues recognized in excess of amounts billed. Billings in excess of costs and earnings on uncompleted contracts represent billings in excess of revenues recognized. Changes to total estimated contract costs or losses, if any, are recognized in the period in which they are determined.

Revenue from the sale of component parts is reflected within network development service revenue in the accompanying consolidated statements of operations. Revenue from the sale of these components is recognized when products are shipped. Provisions are recorded for estimated sales returns and allowances at the time of shipment.

Satellite and fiber network access service revenues are recognized as such services are provided. Amounts billed or received prior to services being performed are deferred until such time as the earnings process is complete.

Development Expense--Development expense consists of uncapitalized acquisition costs, costs to integrate acquisitions, costs associated with new business initiatives, abandoned acquisition costs and costs associated with tower site inspections and related data gathering. Such costs are expensed as incurred.

Corporate General and Administrative Expense--Corporate general and administrative expense consists of corporate overhead costs not specifically allocable to any of the Company's individual business segments.

Note Conversion Expense--Note conversion expense represents the fair value of incremental stock issued to induce convertible noteholders to convert their holdings prior to the first scheduled redemption date. Such amounts were expensed as incurred in accordance with Statement of Financial Accounting Standard (SFAS) No. 84 "Induced Conversions of Convertible Debt." (See note 6).

Concentrations of Credit Risk--Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash and cash equivalents, restricted cash, notes receivable, trade receivables and derivative instruments. The Company mitigates its risk with respect to cash and cash equivalents, restricted cash and derivative instruments by maintaining its deposits and contracts at high quality financial institutions and monitoring the credit ratings of those institutions.

The Company mitigates its concentrations of credit risk with respect to notes and trade receivables by actively monitoring the creditworthiness of its borrowers and customers. Accounts receivable are reported net of allowances for doubtful accounts of $23,804,000, $19,809,000 and $3,386,000 as of December 31, 2001, 2000 and 1999, respectively. Amounts charged against the allowance for doubtful accounts for the years ended December 31, 2001, 2000, and 1999 approximated $23,613,000, $3,112,000 and $721,000, respectively. Bad debt recoveries for the years ended December 31, 2001, 2000 and 1999 approximated $2,462,000, $2,798,000 and $238,000, respectively.

Discount on Convertible Notes--The Company amortizes the discount on its convertible notes using the effective interest method over the term of the obligation. Such amortization is recorded as interest expense in the accompanying consolidated statements of operations.

Derivative Financial Instruments--As part of the overall strategy to manage the level of exposure to the risk of interest rate fluctuations under its variable rate credit facilities, the Company utilizes interest rate swaps, caps, collars and swaptions. The Company does not hold derivative financial instruments for trading purposes. (See note 7).

Foreign Currency Translation--The Company's foreign subsidiaries in Mexico and Brazil have designated the U.S. dollar as their functional currency. Monetary assets and liabilities related to the Company's Mexican and Brazilian operations are remeasured from the local currency into U.S. dollars at the rate of currency exchange at the end of the applicable fiscal period. Non-monetary assets and liabilities are remeasured at historical exchange rates. Revenues and expenses are remeasured at average monthly exchange rates. All remeasurement gains and losses are included in the Company's consolidated statement of operations within the caption interest income and other, net. Such amounts were not material for the years ended December 31, 2001, 2000 and 1999.

The Company also operates a teleport business within its satellite and fiber network access services segment in Switzerland and has designated the Swiss franc as its functional currency. Accordingly, assets and liabilities are translated from the Swiss franc into U.S. dollars at the end of period exchange rate, and revenues and expenses are translated at average monthly exchange rates. Translation gains and losses are recorded in stockholders' equity and reflected as a component of other comprehensive loss.

Cash and Cash Equivalents--Cash and cash equivalents include cash on hand, demand deposits and short-term investments with remaining maturities (when purchased) of three months or less.

Restricted Cash--Restricted cash represents amounts required to be held in escrow under the Company's Amended Credit Facilities to pay interest on its convertible and senior note obligations. The requirement to hold funds in escrow expires in August 2002.

Inventories--Inventories, which consist primarily of finished goods and raw material component parts, are stated at the lower of cost or market, with cost being determined on the first-in, first-out (FIFO) basis. The components of inventories as of December 31, 2001 and 2000 are as follows (in thousands):

	2001	2000
Raw materials	$37,387	$20,887
Finished goods	11,300	25,947
Work in process	645	1,038
Total	$49,332	$47,872

Property and Equipment--Property and equipment are recorded at cost or at estimated fair value (in the case of acquired properties). Cost for self-constructed towers includes direct materials and labor, indirect costs associated with construction and capitalized interest. Approximately $15,321,000, $11,365,000 and $3,379,000 of interest was capitalized for the years ended December 31, 2001, 2000 and 1999, respectively.

Depreciation is provided using the straight-line method over the assets' estimated useful lives. Property and equipment acquired through capitalized leases are amortized using the straight-line method over the shorter of the lease term or the estimated useful life of the asset. Asset useful lives are as follows:

Equipment	3-15 years
Towers	15 years
Buildings	32 years
Building improvements and land improvements	15-32 years

Expenditures for repairs and maintenance are expensed as incurred. Betterments and improvements that extend an asset's useful life or enhance capacity are capitalized.

Goodwill and Other Intangible Assets--The consolidated financial statements reflect the preliminary allocation of purchase prices for certain transactions consummated in 2001, as certain appraisals for these acquisitions have not been finalized. Goodwill represents the excess of purchase price over the estimated fair value of net assets acquired. The Company amortizes goodwill over an estimated useful life of fifteen years. Other intangible assets primarily represent acquired customer base, workforce, network locations, licenses, non-competition agreements and deferred financing costs. The Company amortizes these other intangible assets over periods ranging from two to fifteen years. (See note 4).

Income Taxes--The consolidated financial statements reflect provisions for federal, state, local and foreign income taxes. The Company recognizes deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, as well as operating loss and tax credit carryforwards. The Company measures deferred tax assets and liabilities using enacted tax rates expected to apply to taxable income in the years in which those temporary differences and carryforwards are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company provides valuation allowances if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. (See note 11).

Loss Per Common Share--Basic and diluted income or loss per common share has been computed by dividing the Company's net loss by the weighted average number of common shares outstanding during the period. For the years ended December 31, 2001, 2000 and 1999, potential common shares, including options, warrants and shares issuable upon conversion of the Company's convertible notes, have been excluded from the computation of diluted loss per common share, as the effect is anti-dilutive. Potential common shares excluded from the calculation of loss per share were approximately 46.4 million, 52.4 million and 41.5 million for the years ended December 31, 2001, 2000 and 1999, respectively.

Impairment of Long-Lived Assets-- The Company reviews long-lived assets, including intangibles, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company assesses recoverability by determining whether the net book value of the related assets will be recovered through projected undiscounted future cash flows. If the Company determines that the carrying value on an asset may not be recoverable, it measures any impairment based on the projected future discounted cash flows to be provided from the asset as compared to its carrying value. The Company records impairment losses in the period in which it identifies such impairment.

During the year ended December 31, 2001, the Company recorded impairment charges related to its long-lived assets of approximately $11.6 million. Such charges are reflected in depreciation and amortization in the accompanying 2001 consolidated statement of operations.

Investments--Investments in those entities where the Company owns less than twenty percent of the voting stock of the individual entity and does not exercise significant influence over operating and financial policies of the entity are accounted for using the cost method. Investments in entities where the Company owns less than twenty percent but has the ability to exercise significant influence over operating and financial policies of the entity or where the Company owns more than twenty percent of the voting stock of the individual entity, but not in excess of fifty percent, are accounted for using the equity method. As of December 31, 2001, all of the Company's investments were in companies that are not publicly traded, and, therefore, no established market for their securities exists. The Company has a policy in place to review the fair value of its investments on a regular basis to evaluate the carrying value of the investments in these companies. If the Company believes that the carrying value of an investment is carried at an amount in excess of fair market value, it is the Company's policy to record an impairment charge to adjust the carrying value to fair market value.

During the year ended December 31, 2001, the Company recorded impairment charges on its cost and equity investments of approximately $31.6 million. In addition, during the years ended December 31, 2001, 2000 and 1999, the Company recorded losses (gains) on equity method investments of approximately $9.0 million, $2.5 million and $(0.3) million, respectively. Losses on equity method investments are recorded in accordance with Emerging Issues Task Force No. 99-10 "Percentage Used to Determine the Amount of Equity Method Losses."

Stock-Based Compensation--The Company accounts for equity grants and awards to employees, officers and directors using the intrinsic value method prescribed by Accounting Principles Board Opinion (APB) No. 25 "Accounting For Stock Issued To Employees," and related interpretations. In addition, the Company also provides the required disclosures under SFAS No. 123, "Accounting For Stock Based Compensation," as if the fair-value based method (defined in SFAS No. 123) had been applied. (See note 12).

Fair Value of Financial Instruments--As of December 31, 2001, the carrying amount of the Company's 5.0% convertible notes, the 2.25% and 6.25% convertible notes and the senior notes was approximately $450.0 million, $416.9 million and $1.0 billion, respectively, and the fair value of such notes was $268.3 million, $331.3 million and $805.0 million, respectively. Fair values were determined based on quoted market prices. The carrying values of all other financial instruments reasonably approximate the related fair values as of December 31, 2001.

Retirement Plan--The Company has a 401(k) plan covering substantially all employees who meet certain age and employment requirements. Under the plan, the Company matched 35% in 2001 and 2000 and 30% in 1999 of participants' contributions up to a maximum 5% of a participant's compensation. The Company contributed approximately $2,289,000, $1,875,000 and $461,000 to the plans for the years ended December 31, 2001, 2000 and 1999, respectively.

Recent Accounting Pronouncements--On January 1, 2001, the Company adopted the provisions of SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended. The 2001 consolidated financial statements were prepared in accordance with the provisions of SFAS No. 133. The 2000 and 1999 consolidated financial statements were prepared in accordance with the applicable professional literature for derivatives and hedging instruments in effect at that time. (See note 7).

In June 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS No. 141 supersedes Accounting Principles Board ("APB") Opinion No. 16 "Business Combinations" and SFAS No. 38 "Accounting for Pre-acquisition Contingencies" and eliminates the pooling-of-interests method of accounting for business combinations. SFAS No. 141 also includes enhanced criteria for identifying intangible assets separately from goodwill. The requirements of SFAS No. 141 were effective for any business combination consummated by the Company subsequent to June 30, 2001. The Company did not consummate any acquisitions subsequent to June 30, 2001 that gave rise to goodwill.

SFAS No. 142, supersedes APB Opinion No. 17, "Intangible Assets," and requires that goodwill and intangible assets with indefinite lives no longer be amortized, but reviewed for impairment at least annually. Intangible assets that are not deemed to have an indefinite life will continue to be amortized over their useful lives.

The Company adopted SFAS No. 142 on January 1, 2002. The adoption of SFAS No. 142 is expected to reduce the Company's annual amortization of goodwill by approximately $90.0 million. The Company is in the process of assessing the transitional impariment test and the related valuation of goodwill under SFAS No. 142 for the Company. However, upon completion of the transitional impairment test, it is likely the Company will record a non-cash impairment charge in its statement of operations related to its wholly owned subsidiary, Verestar, Inc. (Verestar). Although the amount of the charge has not been determined, goodwill related to Verestar was approximately $185.0 million as of December 31, 2001. This charge, if necessary, will be reflected as a cumulative effect of a change in accounting principle in the Company's 2002 statement of operations.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." This statement supercedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." The statement retains the previously existing accounting requirements related to the recognition and measurement of the impairment of long-lived assets to be held and used while expanding the measurement requirements of long-lived assets to be disposed of by sale to include discontinued operations. It also expands the previously existing reporting requirements for discontinued operations to include a component of an entity that either has been disposed of or is classified as held for sale. The Company implemented SFAS No. 144 on January 1, 2002. The adoption of this statement did not have a material impact on the Company's consolidated financial position or results of operations.

Reclassifications--Certain reclassifications have been made to the 2000 and 1999 financial statements to conform with the 2001 presentation.

2. COSTS AND EARNINGS IN EXCESS OF BILLINGS ON UNCOMPLETED CONTRACTS AND UNBILLED RECEIVABLES

The Company derives a portion of its network development services revenue from customer contracts that provide for billing only after certain milestones within contracts have been achieved. As the Company recognizes revenue on these contracts using the percentage-of-completion, cost plus profit and time and materials methodologies, such contracts give rise to revenue which has been earned, but, as of a certain point in time, remains unbilled. Such amounts (along with unbilled rental revenue) are included in costs and earnings in excess of billings on uncompleted contracts and unbilled receivables in the accompanying consolidated balance sheets.

The Company also enters into contracts within its network development services segment that provide for progress billings as the Company fulfills its obligation under the related contracts. These contracts may give rise to billings that are in excess of amounts actually earned as of a certain point in time. The excess of amounts billed over the amount earned on these contracts is reflected (along with customer rent received in advance) in billings in excess of costs and earnings on uncompleted contracts and unearned revenue in the accompanying consolidated balance sheets.

The following are the components of costs and earnings in excess of billings on uncompleted contracts and unbilled receivables and billings in excess of costs and earnings on uncompleted contracts and unearned revenue as of December 31, (in thousands):

	2001	2000
Costs incurred on uncompleted contracts	$ 275,663	$ 165,982
Estimated earnings	82,112	67,222
Unbilled receivables	7,311	10,113
Billings to date	(374,731)	(247,913)
	$ (9,645)	$ (4,596)
Included in the accompanying consolidated balance sheets:		
Costs and earnings in excess of billings on uncompleted contracts and unbilled receivables	$ 46,453	$ 43,652
Billings in excess of costs and earnings on uncompleted contracts and unearned revenue	(56,098)	(48,248)
	$ (9,645)	$ (4,596)

3. PROPERTY AND EQUIPMENT

Property and equipment (including assets held under capital leases) consist of the following as of December 31, (in thousands):

	2001	2000
Towers	$2,588,616	$1,579,616
Equipment	459,369	366,343
Buildings and improvements	287,732	224,836
Land and improvements	182,260	115,151
Construction in progress	180,042	206,069
Total	3,698,019	2,492,015
Less accumulated depreciation and amortization	(410,446)	(195,345)
Property and equipment, net	$3,287,573	$2,296,670

4. GOODWILL AND OTHER INTANGIBLE ASSETS

The Company's goodwill and other intangible assets consist of the following as of December 31, (in thousands):

	2001	2000
Goodwill	$1,402,432	$1,372,399
Acquired customer base and network location intangibles	1,437,799	1,292,631
Deferred financing costs	104,957	60,996
Acquired workforce, licenses and other intangibles	78,187	68,398
Total	3,023,375	2,794,424
Less accumulated amortization	(515,464)	(288,743)
Goodwill and other intangible assets, net	$2,507,911	$2,505,681

5. NOTES RECEIVABLE

In December 1999, the Company signed agreements to loan up to $120.0 million to TV Azteca S.A. de C.V. (TV Azteca), the owner of a major national television broadcast network in Mexico. In 2000, the Company loaned TV Azteca $119.8 million. The loan, which bears interest at 12.87%, payable quarterly, was discounted by the Company, as the fair value interest rate at the date of the loan was determined to be 14.25%. As of December 31, 2001, approximately $119.8 million undiscounted ($108.2 million discounted) was outstanding. The term of the loan is seventy years. The loan may be prepaid by TV Azteca without penalty during the last fifty years of the agreement. The discount recorded on the note is being amortized to interest income-TV Azteca using the effective interest method over the term of the loan.

Simultaneous with the signing of the loan agreement, the Company also entered into an agreement with TV Azteca that entitles the Company to assume the marketing responsibility and future economic rights for approximately 190 broadcasting towers owned by TV Azteca. Under the terms of the agreement the Company pays TV Azteca $1.5 million annually and is entitled to receive 100% of the revenues generated from leases with new tenants and is responsible for any incremental operating expenses associated with those new leases during the term of the loan.

In anticipation of the loan described above, the Company made an interim loan of $60.0 million to TV Azteca in September 1999. The interim loan, which bore interest at approximately 11%, matured at the closing of the loan described above.

An executive officer and director of the Company became a director of TV Azteca in December 1999.

As of December 31, 2001 and 2000, the Company also had several other notes receivable outstanding totaling approximately $12.3 million and $15.0 million, respectively. These notes bear interest at rates ranging from 7% to 14% and mature in periods through 2011.

6. FINANCING ARRANGEMENTS

Outstanding amounts under the Company's long-term financing arrangements consisted of the following as of December 31, (in thousands):

	2001	2000
Credit facilities	$1,445,000	$1,350,000
Senior notes	1,000,000	
Convertible notes, net of discount	866,852	920,908
Notes payable and capital leases	250,108	197,315
Total	3,561,960	2,468,223
Less current portion	(12,585)	(11,178)
Long-term debt	$3,549,375	$2,457,045

The following is a description of the Company's outstanding long-term debt as of December 31, 2001:

Credit Facilities--In January 2000, the Company through certain of its subsidiaries completed its amended and restated credit facilities (Amended Credit Facilities). Under the Amended Credit Facilities, the borrowing capacity of the Company, giving effect to the termination of the term loan C facility discussed below, is up to $2.0 billion, with the option to increase the capacity up to an additional $500.0 million subject to lender approval. All borrowings under the Amended Credit Facilities are subject to borrowing base restrictions based primarily on a multiple of operating cash flow.

As of December 31, 2001, components of the Amended Credit Facilities include:

- $650.0 million revolving credit facility maturing on June 30, 2007;
- $850.0 million multi-draw term loan A maturing on June 30, 2007;
- $500.0 million term loan B maturing December 31, 2007; and
- $250.0 million multi-draw term loan C maturing June 30, 2008.

In January 2002, the Company terminated the $250.0 million multi-draw term loan C facility, none of which facility had been drawn. As a result of this termination, the Company will record a charge of $7.5 million to "other expense" in the first quarter of 2002 related to the write-off of certain deferred financing fees associated with this facility.

In February 2001, the Company's Mexican subsidiary, American Tower Corporation de Mexico, S. de R.L. de C.V. (ATC Mexico) and two of its subsidiaries consummated a loan agreement with a group of banks providing a credit facility of an initial aggregate amount of $95.0 million (the "Mexican Credit Facility"). As of December 31, 2001, an aggregate of $95.0 million was outstanding under this loan agreement. In February 2002, the Company repaid all loans outstanding under the ATC Mexico loan agreement with borrowings under the Amended Credit Facilities and substantially all of the Mexican subsidiaries became restricted subsidiaries under the Amended Credit Facilities. As a result of such repayment, the Company will recognize an extraordinary loss on extinguishment of debt in the first quarter of 2002 of approximately $1.3 million (net of an income tax benefit of $0.7 million).

The Amended Credit Facilities are scheduled to amortize quarterly commencing on March 31, 2003 based on defined percentages of outstanding commitment and principal balances. The Company may also be required to make additional principal payments should operating cash flows exceed certain amounts. As of December 31, 2001, the Company had $850.0 million outstanding under the multi-draw term loan A and $500.0 million outstanding under the term loan B. Any amounts repaid under the multi-draw term loan A and the term loan B will reduce future borrowing capacity under these facilities to the extent of the amount repaid.

Interest rates for the revolving credit facility and the multi-draw term loan A are determined at the option of the Company (at a margin based on leverage) at either 1.5% to 2.75% above the LIBOR Rate or 0.5% to 1.75% above the defined Base Rate. Interest rates for the term loan B are determined (at a margin based on leverage) at either 3.0% to 3.25% above LIBOR or 2.0% to 2.25% above the defined Base Rate. The Company is required to pay quarterly commitment fees on the undrawn portion of the facility, ranging from 0.5% to 1.0% per annum, depending on the level of facility usage. In addition, the Amended Credit Facilities require compliance with financial coverage ratios that measure operating cash flow against total debt, interest coverage, pro forma debt service and fixed charges, as defined in the Amended Credit Facilities. The Amended Credit Facilities also contain financial and operational covenants and other restrictions which the Company must comply with, whether or not there are borrowings outstanding. Such covenants and restrictions include restrictions on certain types of acquisitions, indebtedness, liens, capital expenditures, and the ability of the Company to pay dividends and make other distributions. The borrowers under the Amended Credit Facilities include the Company's principal domestic operating subsidiaries. The Company and the restricted subsidiaries (as defined in the Amended Credit Facilities) have guaranteed all of the loans under the Amended Credit Facilities. These loans are secured by liens on substantially all assets of the Company, the borrowers and the restricted subsidiaries. The Amended Credit Facilities also restrict the borrowers' and the restricted subsidiaries' ability to transfer funds to the Company. Substantially all assets of the Company are held by the borrowers and the restricted subsidiaries, giving effect to the repayment of the Mexican Credit Facility.

Availability at December 31, 2001 under the revolving credit facilities contained in our Amended Credit Facilities, after giving effect to the payoff of the Mexican Credit Facility, was $555.0 million.

Prior to the consummation of the Amended Credit Facilities described above, the Company maintained credit facilities that provided for total capacity of $925.0 million. Interest rates under the prior credit facilities were determined at the option of the Company as either LIBOR plus margin (as defined) or the Base Rate plus margin (as defined). As of December 31, 1999, the Company had $90.0 million outstanding under the prior credit facilities. All amounts outstanding under the prior credit facilities were repaid in January 2000 with proceeds from the Amended Credit Facilities. In connection with the repayment of borrowings under the Company's prior credit facilities, the Company recognized an extraordinary loss on extinguishment of debt of approximately $3.0 million, net of a tax benefit of $2.0 million, in January 2000.

For the years ended December 31, 2001, 2000 and 1999, the combined weighted average interest rate related to the Company's credit facilities was 7.26%, 9.56% and 7.94%, respectively. Commitment fees incurred by the Company related to the credit facilities aggregated approximately $7,478,000, $9,777,000 and $1,504,000 for the years ended December 31, 2001, 2000 and 1999, respectively.

As a result of a reduction in borrowing capacity under prior credit facilities in October of 1999 associated with the issuance of the 2.25% and 6.25% convertible notes, the Company recognized an extraordinary loss on extinguishment of debt during the year ended December 31, 1999 of approximately $1.4 million, net of an income tax benefit of $0.9 million.

9 3/8% Senior Notes--In January 2001, the Company completed a private notes placement of $1.0 billion 9 3/8% senior notes (senior notes), issued at 100% of their face amount. The senior notes mature on February 1, 2009. Interest on the senior notes is payable semiannually on February 1 and August 1. The indenture governing the senior notes contains certain restrictive covenants including restrictions on the Company's ability to incur more debt, guarantee debt, pay dividends and make certain investments. Proceeds from the senior notes placement have and will be used to finance construction of towers, fund acquisitions and for general corporate purposes. The senior notes rank equally with the Company's 5%, 6.25% and 2.25% convertible notes and are structurally and effectively junior to indebtedness outstanding under the Company's Amended Credit Facilities.

As of December 31, 2001, the Company has $1.0 billion outstanding under the senior notes.

5% Convertible Notes--In February 2000, the Company completed a private placement of $450.0 million 5% Convertible Notes (5% Notes), issued at 100% of their face amount. The 5% Notes mature on February 15, 2010. Interest on the 5% Notes is payable semiannually on February 15 and August 15 of each year. The indenture governing the 5% Notes does not contain any restrictive covenants.

The 5% Notes are convertible at any time into shares of the Company's Class A common stock at a conversion price of $51.50 per share, subject to adjustment in certain cases. The Company cannot redeem the 5% Notes prior to February 20, 2003 and the Company may be required to repurchase all or any of the 5% Notes on February 20, 2007 at their principal amount, together with accrued and unpaid interest. The Company may, at its option, elect to pay the repurchase price in cash or shares of Class A common stock or any combination thereof. The 5% Notes rank equally with the 6.25% and 2.25% Notes described below and the senior notes and are structurally and effectively junior to indebtedness outstanding under the Amended Credit Facilities. Total net proceeds from the 5% Notes were approximately $438.7 million.

As of December 31, 2001 and 2000, the Company had $450.0 million outstanding under the 5% Notes.

2.25% and 6.25% Convertible Notes--In October 1999, the Company completed a private placement of $300.0 million 6.25% Convertible Notes (6.25% Notes), issued at 100% of their face amount and $425.5 million 2.25% Convertible Notes (2.25% Notes), issued at 70.52% of their face amount (collectively, the "Notes"). The yield to maturity on the 2.25% Notes is 6.25%, giving effect to the original discount. The Notes mature on October 15, 2009. Interest on the Notes is payable semiannually on April 15 and October 15 of each year.

The 6.25% Notes and 2.25% Notes are convertible at any time, at the option of the holder, into the Company's Class A common stock at a conversion price of $24.40 per share and $24.00 per share, respectively, subject to adjustment in certain events. The Company may redeem the Notes at any time on or after October 22, 2002. The initial redemption price on the 6.25% Notes is 103.125% of the principal amount, subject to ratable declines immediately after October 15 of each following year to 100% of the principal amount in 2005. The 2.25% Notes are redeemable incrementally at increasing prices designed to reflect the accrued original issue discount. The holders have the option of requiring the Company to repurchase all or a portion of the 6.25% Notes on October 22, 2006 at their principal amount, together with accrued and unpaid interest, and all or a portion of the 2.25% Notes on October 22, 2003 at $802.93 (based on $1,000 face amount), plus accrued and unpaid interest. The Company may elect to pay the repurchase price on the Notes in cash or shares of Class A common stock. The Notes rank equally with one another, the 5% Notes and the senior notes and are structurally and effectively junior to indebtedness outstanding under the Amended Credit Facilities.

In August of 2001, the Company acquired an aggregate of $82.5 million face amount ($61.6 million carrying amount) of the 2.25% Notes for an aggregate of 2,424,123 shares of Class A common stock. As an inducement to the noteholders to convert all or a portion of their holdings, the Company issued an aggregate of 1,538,414 shares of Class A common stock to such holders in addition to the amounts issuable upon conversion of those notes as provided in the applicable indentures. The Company made these exchanges pursuant to negotiated transactions with a limited number of noteholders. As a consequence of those exchanges, the Company recorded note conversion expense of approximately $26.3 million in the third quarter of 2001 which represents the fair market value of the inducement shares.

In May 2000, the Company acquired an aggregate of $87.3 million of the 6.25% Notes and $73.1 million face amount of the 2.25% Notes for an aggregate of 5,724,180 shares of Class A common stock. As an inducement to the noteholders to convert all or a portion of their holdings, the Company issued an aggregate of 402,414 shares of Class A common stock to such holders in addition to the amounts issuable upon conversion of those notes as provided in the applicable indentures. The Company made these exchanges pursuant to negotiated transactions with a limited number of noteholders. As a consequence of those exchanges, the Company recorded note conversion expense of approximately $17.0 million during the second quarter of 2000 which represents the fair market value of the inducement shares.

As of December 31, 2001 and 2000, the Company had $416.9 million and $470.9 million outstanding respectively, under the Notes.

Capital Lease Obligations--The Company's capital lease obligations, which approximate $177.0 and $139.9 million as of December 31, 2001 and 2000, respectively, expire in periods ranging from less than one year to approximately seventy years.

Notes Payable--Notes payable approximated $73.1 million and $57.4 million as of December 31, 2001 and 2000, respectively. These obligations bear interest at rates ranging from 7.0% to 12.0% and mature in periods ranging from less than one year to approximately five years.

Maturities--As of December 31, 2001, aggregate principal payments of long-term debt, including capital leases, for the next five years and thereafter are estimated to be (in thousands):

Year Ending December 31,	
2002	$ 12,585
2003	163,133
2004	204,775
2005	307,860
2006	282,102
Thereafter	2,591,505
Total	$3,561,960

7. DERIVATIVE FINANCIAL INSTRUMENTS

On January 1, 2001, the Company adopted the provisions of SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities," as amended. This statement establishes accounting and reporting standards for derivative instruments. Specifically, it requires that an entity recognize all derivatives as either assets or liabilities on the balance sheet at fair value. The accounting for changes in the fair market value of a derivative (that is unrealized gains or losses) is recorded as a component of an entity's net income or other comprehensive income, depending upon designation and qualification as part of a hedging relationship. The cumulative effect of adopting this statement resulted in a charge to other comprehensive loss of $7.9 million (net of a tax benefit of $4.2 million).

The Company is exposed to interest rate risk relating to variable interest rates on its credit facilities. As part of its overall strategy to manage the level of exposure to the risk of interest rate fluctuations, the Company uses interest rate swaps, caps and collars, which qualify and are designated as cash flow hedges. The Company also used swaptions to manage interest rate risk, which were not designated as cash flow hedges. For derivative instruments that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative instrument is initially reported as a component of other comprehensive loss and subsequently reclassified into the statement of operations when the hedged transaction affects operations. The ineffective portion of the gain or loss on the derivative instrument is immediately recognized in the statement of operations. For derivative instruments not designated as hedging instruments, the gain or loss is recognized in the statement of operations in the period of change.

Under the terms of the Amended Credit Facilities, the Company is required to enter into interest rate protection agreements on at least 50% of its variable rate debt. Under these agreements, the Company is exposed to credit risk to the extent that a counterparty fails to meet the terms of a contract. Such exposure is limited to the current value of the contract at the time the counterparty fails to perform. The Company believes its contracts as of December 31, 2001 are with credit worthy institutions. As of December 31, 2001, the Company had interest rate protection agreements outstanding as follows (in thousands):

Derivative	Notional Amount	Interest Range	Term	Fair Value
Interest rate swaps.....	$580,000	4.09%-7.00%	Expiring 2002 through 2003	$(21,601)
Interest rate collars...	$327,500	4.00%-9.00%	Expiring 2002 through 2003	(13,579)
Interest rate caps......	$364,980	9.00%	Expiring 2002	
Total..........				$(35,180)

Liabilities related to these contracts, $35.2 million, are reflected in other long-term liabilities in the accompanying December 31, 2001 consolidated balance sheet.

During the year ended December 31, 2001, the Company recorded an unrealized loss, excluding the charge for the cumulative effect of adopting SFAS No. 133, of approximately $17.5 million (net of a tax benefit of approximately $9.4 million) in other comprehensive loss for the change in fair value of cash flow hedges and reclassified $9.4 million (net of a tax benefit of approximately $5.1 million) into results of operations. Hedge ineffectiveness resulted in a loss of approximately $2.2 million for the year ended December 31, 2001 and was recorded in "interest income and other, net." The Company records the changes in fair value of its derivative instruments that are not accounted for as hedges in "interest income and other, net." The Company estimates that approximately $16.7 million of derivative losses (net of tax benefit) included in other comprehensive loss will be reclassified into the statement of operations within the next twelve months.

8. COMMITMENTS AND CONTINGENCIES

Lease Obligations--The Company leases certain land, office, tower and satellite space under operating leases that expire over various terms. Many of the leases also contain renewal options with specified increases in lease payments upon exercise of the renewal option. Escalation clauses present in operating leases, excluding those tied to CPI, are straight-lined over the initial term of the lease.

Future minimum rental payments under noncancelable operating leases in effect at December 31, 2001 are as follows (in thousands):

Year Ending December 31,	
2002..........	$163,178
2003..........	132,617
2004..........	103,071
2005..........	79,116
2006..........	57,590
Thereafter..........	383,610
Total..........	$ 919,182

Aggregate rent expense under operating leases for the years ended December 31, 2001, 2000 and 1999 approximated $180,692,000, $99,060,000 and $23,211,000, respectively.

Future minimum payments under capital leases (see note 6) in effect at December 31, 2001 are as follows (in thousands):

2002	$ 26,062
2003	25,577
2004	24,906
2005	23,526
2006	22,487
Thereafter	331,504
Total minimum lease payments	454,062
Less amounts representing interest	(277,090)
Present value of capital lease obligations	$ 176,972

Customer Leases--The Company's lease agreements with its customers vary depending upon the industry. Television and radio broadcasters prefer long-term leases, while wireless communications providers favor leases in the range of five to ten years. Most leases contain renewal options. Escalation clauses present in operating leases, excluding those tied to CPI, are straight-lined over the initial term of the lease.

Future minimum rental receipts expected from customers under noncancelable operating lease agreements in effect at December 31, 2001 are as follows (in thousands):

Year Ending December 31,	
2002	$ 396,433
2003	368,089
2004	347,689
2005	312,696
2006	257,240
Thereafter	1,158,262
Total	$2,840,409

Acquisition Commitments--As of December 31, 2001, the Company was party to various agreements relating to the acquisition of assets and businesses from third parties for an estimated aggregate purchase price of approximately $30.0 million (including $8.4 million for ALLTEL, which closed in January and February 2002, see note 13). The Company may, on a selective limited basis, pursue the acquisitions of other properties and businesses in new and existing locations, although there are no definitive material agreements with respect thereto.

Build-to-Suit Agreements--As of December 31, 2001, the Company was party to various arrangements relating to the construction of tower sites under existing build-to-suit agreements. Under the terms of the agreements, the Company is obligated to construct up to 500 towers over a five year period. The Company is in the process of renegotiating several of these agreements to reduce its overall commitment; however, there can be no assurance that it will be successful in doing so.

ATC Separation--The Company was a wholly-owned subsidiary of American Radio Systems Corporation (American Radio or ARS) until consummation of the spin-off of the Company from American Radio on June 4, 1998 (the ATC Separation). On June 4, 1998, the merger of American Radio and a subsidiary of CBS Corporation (CBS) was consummated. As a result of the merger, all of the outstanding shares of the Company's common stock owned by American Radio were distributed or reserved for distribution to American Radio stockholders, and the Company ceased to be a subsidiary of, or to be otherwise affiliated with, American Radio. Furthermore, from that day forward the Company began operating as an independent publicly traded company.

As part of the ATC Separation, the Company was required to reimburse CBS for certain tax liabilities incurred by American Radio as a result of the transaction. Upon completion of the final American Radio tax filings, a calculation of the total tax payments due to CBS was performed and approved by both the Company and CBS. The Company continues to be obligated through September 2002 to indemnify CBS and American Radio for certain tax matters affecting American Radio prior to the ATC Separation. As of December 31, 2001, no material matters covered under this indemnification have been brought to the Company's attention.

Litigation--The Company periodically becomes involved in various claims and lawsuits that are incidental to its business. In the opinion of management, after consultation with counsel, there are no matters currently pending which would, in the event of adverse outcome, have a material impact on the Company's consolidated financial position, the results of its operations or liquidity.

9. RELATED PARTY TRANSACTIONS

JP Morgan Chase Bank (Chase) is a lender under the Company's credit facilities and had participation percentages ranging from 1.68% to 6.67% during 2001, 2000 and 1999. Chase is an affiliate of J.P. Morgan Partners, LLC (JPMP), which indirectly controls J.P. Morgan Partners (BHCA), L.P. (JPLP) and J.P. Morgan Partners (23ASBIC), LLC (JPSBIC), stockholders of the Company. A director of the Company is an Executive Partner of JPMP. At December 31, 2001, 2000 and 1999 the aggregate principal amount outstanding under the credit facilities was approximately $1.4 billion, $1.4 billion and $90.0 million, respectively. Chase's participation in the credit facilities at December 31, 2001 was 1.68%. Chase's approximate share of interest and fees paid by the Company pursuant to its various credit arrangements was approximately $1.5 million, $3.2 million and $1.2 million in 2001, 2000 and 1999, respectively.

In March 2001, the Company purchased 78,432 shares of Class B Common Stock, par value $0.01 per share, of America Connect, Inc., a Delaware corporation, from JPSBIC, an affiliate of JPMP, for 100,000 shares of American Tower Class A common stock.

During 2001, 2000 and 1999, the Company made demand loans to several executive officers. At December 31, 2001, 2000 and 1999, amounts outstanding under the loans approximated $1.0 million, $1.0 million and $1.1 million, respectively.

In October 2001, the Company consummated the sale of 8.7% of its Mexican subsidiary, ATC Mexico Holding Corp. (ATC Mexico Holding), to J. Michael Gearon, Jr., an executive officer and director, for $8.4 million. Mr. Gearon paid $1.7 million in cash and delivered a 7% secured note due 2010 in the principal amount of $6.7 million. The note, which accrues interest and is payable quarterly, is secured by shares of our Class A common stock owned by Mr. Gearon and his interest in ATC Mexico Holding. The purchase price represented the fair market value of an 8.7% interest in ATC Mexico Holding on the date of the sale as determined with the assistance of an independent appraiser. Mr. Gearon may require the Company to purchase his interest in ATC Mexico Holding, for its then fair market value, any time after the soonest to occur of July 1, 2004, a Change in Control (as defined in a stockholder agreement) of the Company or ATC Mexico Holding, or Mr. Gearon's death or disability. The Company has the right to purchase Mr. Gearon's interest in ATC Mexico Holding for its then fair market value after the soonest to occur of July 1, 2005, Mr. Gearon's death or disability or on either a Gearon Termination Event or a Forfeiture Event (each as defined in a stockholder agreement).

During the years ended December 31, 2001, 2000 and 1999, the Company retained several wholly-owned subsidiaries of Nordblom Co. Inc. to provide various real estate services in connection with its acquisition, financing, ownership and leasing of several properties. Services rendered by those companies included advice in connection with the acquisition and arranging mortgage financing of the Company's corporate headquarters building in Boston and two other office buildings in which it has regional offices; the management of those buildings; and the leasing of certain of them. The Company paid the Nordblom companies, including Nordic

Properties, an affiliate of Nordblom, an aggregate of $772,000, $474,000 and $142,000 in 2001, 2000 and 1999, respectively. Two brothers and the father of the Company's Chairman and Chief Executive Officer's (Mr. Dodge) wife own the controlling interest of Nordblom Co. Inc. and Nordic Properties. Mr. Dodge's wife has no interest in Nordblom Co. Inc. or Nordic Properties and Mr. Dodge was not involved in the negotiation of any of the arrangements. The Company believes that all of the arrangements with the Nordblom companies are on terms and conditions that are customary in the industry and at least as favorable to it as could be obtained from other recognized real estate management companies.

In 1999, the Company owned 33 1/3% of the outstanding equity of Kline Iron & Steel Co. (Kline). During 1999 the Company purchased approximately $7.4 million of tower steel products from Kline. In 2000, the Company purchased the remaining equity interest in Kline.

10. RESTRUCTURING

On November 6, 2001, the Company announced a restructuring of the organization to include a reduction in the scope of its tower development activities and the centralization of certain operating functions. The reduction in tower development activities will result in a significant decrease in new tower construction in the near term and more selective criteria for evaluating tower construction and acquisitions. As a result, the Company wrote-off certain construction-in-progress to reflect the abandonment of tower sites, resulting in a non-cash charge in the fourth quarter of 2001 of approximately $62.6 million. In addition, the Company implemented an initiative to consolidate operations in each of its business segments, incurring employee separation costs associated with the termination of approximately 675 employees (primarily tower development and administrative employees) and facility closing costs associated with the shut down of approximately 20 field office locations. As a result of this initiative, the Company recorded approximately $6.6 million of restructuring charges in the fourth quarter of 2001 and expects to record approximately $3.0 million of additional restructuring charges in the first quarter of 2002.

The following table displays the balance of the accrued restructuring liability for the year ended December 31, 2001(in thousands). The accrued restructuring liability is reflected in accrued expenses in the accompanying December 31, 2001 consolidated balance sheet.

	Total	Cash Payments	Non-Cash Charges	Liability as of December 31, 2001
Restructuring costs				
Construction in progress write-off......................	$62,550		$62,550	
Employee separations..................................	3,371	$2,448		$ 923
Office closings (primarily real estate lease obligations)	3,253	549		2,704
Total...	$69,174	$2,997	$62,550	$3,627

11. INCOME TAXES

The income tax benefit (provision) from continuing operations was comprised of the following for the years ended December 31, (in thousands):

	2001	2000	1999
Current:			
Foreign..........	$ (3,624)	$ (1,220)	
Deferred:			
Federal..........	155,582	68,582	$ 1,029
State..........	20,571	8,560	148
Foreign..........	(4,475)		58
Less:			
Benefit from disposition of stock options recorded to additional paid-in capital..	(1,001)	(10,266)	(1,449)
Valuation allowance..........	(50,266)	(6,000)	
Income tax benefit (provision)..........	$116,787	$ 59,656	$ (214)

A reconciliation between the U.S. statutory rate from continuing operations and the effective rate was as follows for the years ended December 31,

	2001	2000	1999
Statutory tax rate	35%	35%	35%
State taxes, net of federal benefit	5	5	5
Non-deductible intangible amortization and note conversion expense	(8)	(14)	(42)
Other (primarily including valuation allowance)	(11)	(2)	2
Effective tax rate	21%	24%	%

Income (loss) from foreign operations before income taxes and extraordinary losses approximated $15.3 million, $8.9 million and $(0.2) million in 2001, 2000 and 1999, respectively.

The components of the net deferred tax asset and related valuation allowance are as follows (in thousands):

	2001	2000
Current assets:		
Allowances, accruals and other items not currently deductible	$ 24,136	$ 15,166
Long-term items:		
Assets:		
Basis step-up from corporate restructuring	108,030	120,042
Net operating loss carryforwards	328,085	175,859
Items not currently deductible and other	33,280	716
Liabilities:		
Depreciation and amortization	(159,906)	(150,222)
Other	(8,008)	
Subtotal	$ 301,481	$ 146,395
Less: Valuation allowance	(56,266)	(6,000)
Net long-term deferred tax assets	$ 245,215	$ 140,395

Basis step-up from corporate restructuring represents the tax effects of increasing the basis for tax purposes of certain of the Company's assets in conjunction with its spin-off from American Radio.

At December 31, 2001, the Company had net federal and state operating loss carryforwards available to reduce future taxable income of $816.0 million. For federal purposes, these loss carryforwards, if not utilized, expire between 2008 and 2021. For state purposes, carryforwards expire on varying dates from 2003 to 2021.

SFAS No. 109, "Accounting for Income Taxes," requires that companies record a valuation allowance when it is "more likely than not that some portion or all of the deferred tax assets will not be realized." At December 31, 2001, the Company has provided a valuation allowance of approximately $56.3 million primarily related to state net operating loss carryforwards. The Company has not provided a valuation allowance for the remaining net deferred tax assets, primarily its federal net operating loss carryforwards, as management believes the Company will have sufficient time to realize these assets during the twenty-year carryforward period.

The ultimate realization of the net deferred tax assets depends on the Company's ability to generate sufficient taxable income in the future. Based on its current outlook of future taxable income during the carryforward period, management believes that its net deferred tax asset will be realized. If the Company is unable to generate sufficient taxable income in the future, it will be required to reduce its net deferred tax asset through a charge to income tax expense, which would result in a corresponding decrease in stockholders' equity.

12. STOCKHOLDERS' EQUITY

Preferred Stock

As of December 31, 2001 the Company was authorized to issue up to 20.0 million shares of $.01 par value preferred stock. As of December 31, 2001 and 2000 there were no preferred shares issued or outstanding.

Common Stock

As of December 31, 2001 the Company was authorized to issue up to 500.0 million shares of its $.01 par value per share Class A common stock, 50.0 million shares of its $.01 par value per share Class B common stock and 10.0 million shares of its $.01 par value per share Class C common stock. The Class A and B common stockholders are entitled to one and ten votes per share, respectively. The Class C common stock is non-voting. In addition, holders of Class B and C common stock may exchange their shares on a one-to-one basis for shares of Class A common stock. During the years ended December 31, 2001, 2000 and 1999, holders of Class B and Class C common stock exchanged 93,236, 613,286 and 1,192,354 of their shares, respectively, for shares of Class A common stock.

The following is a summary of the Company's principal equity transactions during the years ended December 31, 2001, 2000 and 1999.

2001

In January 2001, the Company completed a public offering of 10,000,000 shares of its Class A common stock, at $36.50 per share. The Company's net proceeds of the offering (after deduction of the offering expenses) were approximately $360.8 million. The Company used the proceeds to finance acquisitions and the construction of towers, as well as for general working capital purposes.

2000

In June 2000, the Company completed a public offering of 12,500,000 shares of its Class A common stock at $41.125 per share. The Company's net proceeds of the offering (after deduction of the offering expenses) were approximately $513.9 million. The Company used the proceeds to reduce borrowings under the Amended Credit Facilities and to finance acquisitions and the construction of towers, as well as for general working capital purposes.

1999

In February 1999, the Company completed a public offering of 25,700,000 shares of Class A common stock, (including 1,700,000 shares sold by the Company pursuant to the exercise in full of the underwriters' over-allotment option) at $25.00 per share. The Company's net proceeds of the offering (after deduction of the offering expenses) were approximately $618.0 million. The Company used such proceeds, together with borrowings under its prior credit facilities, to fund acquisitions and construction activities.

In February 1999, the Company consummated the sale of 500,000 shares of Class A common at $26.31 per share. The Company's net proceeds of the offering were approximately $13.2 million. The Company used such proceeds, together with borrowings under its prior credit facilities, to fund acquisitions and construction activities.

On June 5, 1999, a Put Agreement requiring the Company to purchase 336,250 shares of Class A common stock at the current market price issued in connection with a merger expired. Accordingly, these shares were reclassified from Redeemable Class A common stock to common stock and additional paid in capital.

Stock Issued for Acquisitions--See note 13 of the consolidated financial statements for issuances of warrants, options and common stock in connection with the Company's acquisitions.

Stock Option Plans--The Company maintains a stock option plan for directors, officers and employees (the Plan), which provides for non qualified and incentive stock options. Exercise prices in the case of incentive stock options are not less than the fair market value of the underlying common stock on the date of grant. Exercise prices in the case of non-qualified stock options are set at the discretion of the Company's Board of Directors (which to date has not been less than the fair market value on the date of grant).

The option pool under the Plan consists of an aggregate of 27,000,000 shares of common stock. In addition to the shares authorized under the Plan, options to purchase approximately 2,100,000 shares of common stock were outstanding as of December 31, 2001 outside of the Plan. Options outside the Plan are the result of the exchange of certain American Radio options that occurred pursuant to the ATC Separation and the assumption of certain options that occurred pursuant to the mergers of OmniAmerica, Inc, and American Tower Corporation (Old ATC) as described in note 13. Each unexercised option to purchase shares of American Radio, Omni America, Inc. and Old ATC common stock held by persons who became directors or employees of the Company were exchanged or converted into the Company's options. All options were exchanged or converted in a manner that preserved the spread in such options between the option exercise price and the fair market value of the common stock and the ratio of the spread to the exercise price prior to such conversion.

Option grants generally vest ratably over various periods, generally three to five years, commencing one year from the date of grant. Option grants generally expire ten years from the date of grant.

The following table summarizes the Company's option activity for the periods presented:

	Options	Weighted Average Exercise Price	Options Exercisable
Outstanding as of January 1, 1999	11,088,095	$13.43	1,513,639
Granted	5,391,450	22.72	
Transferred--OmniAmerica Merger-options outside the plan	971,850	13.83	
Exercised	(254,480)	13.43	
Cancelled	(479,673)	20.72	
Outstanding as of December 31, 1999	16,717,242	16.23	4,132,562
Granted	7,092,350	32.77	
Exercised	(1,583,950)	15.45	
Cancelled	(627,503)	27.72	
Outstanding as of December 31, 2000	21,598,139	21.35	5,781,018
Granted	2,482,100	14.66	
Exercised	(217,658)	14.20	
Cancelled	(5,914,028)	29.72	
Outstanding as of December 31, 2001	17,948,553	$17.77	8,620,691

The following table sets forth information regarding options outstanding at December 31, 2001:

Options Outstanding				Options Exercisable	
Outstanding Number of Options	Range of Exercise Price Per Share	Weighted Average Exercise Price Per Share	Weighted Average Remaining Life (Years)	Options Exercisable	Weighted Average Exercise Price Per Share
2,326,944	$ 2.05-$ 5.98	$ 4.23	6.26	1,484,849	$ 3.25
1,095,225	6.30- 9.09	8.57	4.99	900,442	8.58
2,676,432	10.00- 10.00	10.00	6.01	1,602,511	10.00
2,095,600	10.83- 17.00	13.60	7.34	819,286	13.44
2,418,170	17.04- 21.13	20.36	7.08	1,004,142	20.61
2,330,521	21.20- 23.75	22.94	7.11	1,169,331	23.13
1,946,721	23.81- 23.81	23.81	7.86	789,900	23.81
338,122	24.25- 30.38	26.50	8.28	89,265	26.00
2,281,493	30.63- 30.63	30.63	8.72	665,500	30.63
439,325	30.69- 48.88	37.91	8.56	95,465	37.67
17,948,553	$ 2.05-$48.88	$17.77	7.08	8,620,691	$15.36

Voluntary Option Exchange--As a result of a voluntary option exchange program in the fourth quarter of 2001, the Company accepted for surrender options to purchase an aggregate of 3,471,211 shares of Class A common stock and agreed to issue options to purchase 2,314,140 shares of Class A common stock in the second quarter of 2002 with an exercise price equal to the fair market value of the Class A common stock on the date of the grant. The program, which was offered to both full and part-time employees, excluding most of the Company's executive officers, called for the grant (at least six months and one day from the surrender date) of new options exercisable for two shares of Class A common stock for every three shares of Class A common stock issuable upon exercise of a surrendered option.

ATC Teleports Stock Option Plan--During 1999, Verestar, Inc.'s (Verestar, formerly ATC Teleports, Inc.) Board of Directors approved the formation of the ATC Teleports Stock Option Plan (ATC Teleports Plan) that provides for the issuance of options to officers, employees, directors and consultants of the Company's wholly owned subsidiary, Verestar. The ATC Teleports Plan limits the number of shares of common stock which may be granted to an aggregate of 1,000,000 shares. During 2000, Verestar granted 809,400 options to purchase shares of Verestar common stock to officers, directors and employees. Such options were issued at one time with an exercise price of $7.75 per share. The exercise price per share was at fair market value based on an independent appraisal performed at the Company's request. The fair value of ATC Teleports Plan options granted during 2000 were $1.97 per share as determined by using the Black-Scholes option pricing model. Options granted vest based on the discretion of Verestar's Board of Directors and expire ten years from the date of grant. No options were granted and 340,800 options were terminated under the ATC Teleports Plan in 2001. No options under the ATC Teleports Plan were exercised in 2001 or 2000 and 150,520 options (of the 468,600 options outstanding) were exercisable as of December 31, 2001. No options were exercisable as of December 31, 2000.

Pro Forma Disclosure--As described in note 1, the Company uses APB. No. 25 to account for equity grants and awards to employees. Accordingly, there is no compensation cost related to option grants reflected in the accompanying consolidated financial statements. Had the Company used the fair value method, as prescribed in SFAS No. 123, to measure compensation for grants under all plans made in 2001, 2000 and 1999, the reported net loss and basic and diluted loss per common share would have been as follows (in thousands, except per share amounts):

	2001	2000	1999
Net loss	$(500,634)	$(245,814)	$(87,221)
Basic and diluted earnings per share	$ (2.61)	$ (1.46)	$ (0.58)

The "fair value" of each option grant is estimated on the date of grant using the Black-Scholes option pricing model. The weighted average fair values of the Company's options granted during 2001, 2000 and 1999 were $9.04, $18.19 and $13.14 per share, respectively. Key assumptions used to apply this pricing model are as follows:

	2001	2000	1999
Approximate risk-free interest rate (both the Company and ATC Teleports plans)	4.97%	5.95%	5.7%
Expected life of option grants (both the Company and ATC Teleports plans)	5 years	5 years	5 years
Expected volatility of underlying stock (the Company plan)	77.9%	68.0%	72.0%
Expected volatility of underlying stock (ATC Teleports plans)	N/A	N/A	N/A
Expected dividends (both the Company and ATC Teleports plans)	N/A	N/A	N/A

Employee Stock Purchase Plan--During 2000, the Company established an employee stock purchase plan for all eligible employees. Under the plan, shares of the Company's common stock may be purchased at six-month intervals at 85% of the lower of the fair market value on the first or the last day of each offering period. Employees may purchase shares having a value not exceeding 15% of their gross compensation during an offering period and may not purchase more than $25,000 worth of stock in a calendar year (based on market values at the beginning of each offering period). During 2001 and 2000, employees purchased 231,257 and 33,794 shares at a weighted average price per share of $11.90 and $25.61, respectively. At December 31, 2001, 4,734,949 shares remain reserved for future issuance under the plan.

13. ACQUISITIONS

General--The acquisitions consummated during 2001, 2000 and 1999 have been accounted for under the purchase method of accounting. The purchase prices have been allocated to the net assets acquired (principally tangible and intangible assets) and the liabilities assumed based on their estimated fair values at the date of acquisition. The Company has recorded the excess of purchase price over the estimated fair value of the net assets acquired as goodwill and other intangible assets. For certain acquisitions, the consolidated financial statements reflect preliminary allocations of purchase price, as appraisals of the net assets acquired have not been finalized. The Company does not expect any changes in depreciation and amortization from the finalization of these appraisals to be material to its consolidated results of operations.

During the years ended December 31, 2001, 2000 and 1999, the Company has primarily acquired its tower assets from third parties in one of three ways:

- the purchase of assets,
- the purchase of a business; or
- a capital lease.

The structure of the transaction affects the way the Company allocates purchase price within the consolidated financial statements. Specifically, in the case of an asset purchase, the Company allocates a portion of the purchase price to property and equipment for the appraised value of the tower (replacement cost), intangible assets for existing customer base and any other identifiable intangibles (if applicable). Any remaining purchase price is then recorded within intangible assets as a "network/location intangible."

In the case of tower assets acquired through the purchase of a business, the allocation is similar to the above except that the remaining purchase price after valuing all assets (including towers and identifiable intangibles) and liabilities is recorded, in accordance with APB No. 16 "Business Combinations," as goodwill. For tower assets acquired through capital lease, which as of December 31, 2001, represented only the ALLTEL transaction (as discussed below), the entire asset value is recorded as "assets held under capital lease" and is reflected in property and equipment in the accompanying consolidated financial statements.

Property and equipment, network/location intangibles and assets held under capital lease related to tower acquisitions are all amortized over a fifteen-year period.

2001 Acquisitions--During the year ended December 31, 2001, the Company consummated more than 30 transactions involving the acquisition of various communications sites and related businesses and satellite and fiber network access services assets for a purchase price of approximately of $ 827.2 million. This purchase price includes approximately $809.6 million in cash, the issuance of approximately 0.4 million shares of Class A common stock valued at approximately $8.5 million and the assumption of certain liabilities. Total purchase price allocated to goodwill was approximately $30.7 million. The principal transaction was as follows:

ALLTEL transaction--In December 2000, the Company entered into an agreement to acquire the rights from ALLTEL to up to 2,193 communications towers through a fifteen-year sublease agreement. Under the agreement, the Company will sublease these towers for cash consideration of up to $657.9 million. The Company has the option under the agreement to purchase the towers at the end of the fifteen-year term. The purchase price per tower will be $27,500 plus interest accrued at 3% per annum or 769 shares of the Company's Class A common stock at ALLTEL's option.

As of December 31, 2001, the Company subleased 1,748 towers and paid ALLTEL approximately $524.4 million in cash. Through February 2002, the Company closed on an additional 28 towers and paid ALLTEL approximately $8.4 million in cash. The Company will not close on the remaining 417 towers under the sublease agreement, as permitted by the agreement. The Company has accounted for the ALLTEL transaction as a capital lease.

2000 Acquisitions--During the year ended December 31, 2000, the Company consummated more than 60 transactions involving the acquisition of various communications sites and related businesses and several satellite and fiber network access services businesses for a purchase price of approximately of $1.8 billion. This purchase price includes approximately $1.4 billion in cash, the issuance of approximately 4.5 million shares of Class A common stock and options valued at approximately $164.0 million, warrants to purchase approximately 3.0 million shares of Class A common stock valued at $63.5 million and the assumption of $59.2 million of debt. Total purchase price allocated to goodwill was approximately $426.8 million. The principal transactions were as follows:

AirTouch transaction--In August 1999, the Company agreed to lease on a long-term basis (99 years) up to 2,100 towers located throughout the United States from AirTouch Communications, Inc. (now part of Verizon Wireless Inc.) (AirTouch). The Company's cumulative lease payments, based on 2,100 towers, aggregate $800.0 million in cash payable in part upon each closing and the issuance of five-year warrants to purchase 3.0 million shares of Class A common stock at $22.00 per share. At various closings in 2000, the Company leased 1,801 towers, paid AirTouch approximately $686.1 million in cash and issued warrants for approximately 3.0 million shares of its Class A common stock. In 2001, the Company leased 61 towers and paid AirTouch approximately $23.3 million in cash. The Company will not close on the balance of the towers included in the initial agreement. The Company has accounted for the AirTouch transaction as a purchase of assets.

AT&T transaction--In September 1999, the Company agreed to purchase up to 1,942 towers from AT&T. These towers are located throughout the United States and were constructed by AT&T for its microwave operations. The purchase price is $260.0 million in cash, subject to adjustment if all towers are not purchased. At various closings in 2000, the Company acquired 1,929 towers and paid AT&T $258.1 million. In 2001, the Company acquired two towers and paid AT&T approximately $0.1 million. The Company did not close on the balance of the towers included in the initial agreement.

During 2000, the Company had recorded a liability of approximately $2.0 million related primarily to contractual obligations assumed in its acquisition of towers from AT&T. For the year ended December 31, 2000, the Company had charged approximately $0.8 million against this liability. During the year ended December 31, 2001, the Company recorded charges of approximately $0.6 million against this liability and reversed the remaining $0.6 million against other intangible assets.

UNISite merger--In January 2000, the Company consummated its merger with UNISite, Inc. (UNISite). The purchase price was approximately $196.4 million, which included payment of $147.7 million in cash and the assumption of $48.7 million of debt. In February 2000, the Company repaid the debt assumed in connection with the UNISite transaction. Such repayment was at a premium of the outstanding principal balance. Accordingly, the Company recognized an extraordinary loss of $1.3 million (net of an income tax benefit of $0.9 million) from the extinguishment of this debt in the first quarter of 2000.

USEI merger--In June 2000, the Company consummated its merger with U.S. Electrodynamics, Inc. (USEI). The purchase price consisted of approximately 1.1 million shares of Class A common stock, $33.2 million in cash and vested options to purchase 0.4 million shares of Class A common stock. The acquisition involved around-the-clock teleport facilities in the Pacific Northwest, the Southwest and the Northeast, with a total of 52 antennae that access satellites covering the continental United States and Pacific Ocean region.

General Telecom acquisition--In June 2000, the Company consummated the stock purchase of General Telecom, Inc. (General Telecom). The purchase price consisted of approximately $28.8 million in cash. The Company's acquisition of General Telecom provides it with independent partition voice switching capabilities and network management services at three major voice communications gateways in New York, Miami and Los Angeles.

Publicom transaction--In October 2000, the Company consummated the purchase of Publicom Corporation (Publicom) and its affiliates. The aggregate purchase price was approximately $31.4 million, which included a payment of approximately $14.5 million in cash and the issuance of approximately 0.4 million shares of Class A common stock. Publicom and its affiliates distribute satellite and telecommunications equipment via strategic vendor relationships with established equipment providers. Publicom also provides wholesale Internet Service Provider (ISP) services.

InterPacket Networks merger--In December 2000, the Company consummated its merger with InterPacket Networks, Inc. (InterPacket). Total merger consideration was approximately $63.5 million and included approximately $21.4 million in cash and the issuance of approximately 1.1 million shares of Class A common stock.

In connection with its acquisition of InterPacket, the Company recorded a liability of approximately $7.4 million related to contractual obligations assumed. During the year ended December 31, 2001, the Company recorded charges against this liability of approximately $0.8 million. In addition, as a result of finalizing its purchase price allocation, the Company reversed approximately $3.8 million related to this liability against goodwill. As of December 31, 2001, the Company has a remaining liability related to these assumed contractual obligations of approximately $2.8 million.

1999 Acquisitions--During the year ended December 31, 1999, the Company consummated more than 60 transactions involving the acquisition of various communications sites, service providers and satellite and fiber network access services assets for an estimated purchase price of approximately $1.2 billion. This purchase price includes the issuance of approximately 20.7 million shares of Class A common stock valued at $430.8 million. The principal transactions were as follows:

OmniAmerica merger--In February 1999, the Company consummated its merger with Omni America Inc. (Omni). Omni owned or co-owned 223 towers in 24 states. Omni also offered nationwide turnkey tower construction and installation services and manufactured wireless infrastructure components. Total merger consideration was $462.0 million, consisting of the issuance of 16.8 million shares of Class A common stock and the assumption of $96.6 million of debt. The Company also assumed certain Omni employee stock options that were converted into options to purchase approximately 1.0 million shares of the Company's Class A common stock.

TeleCom merger--In February 1999, the Company consummated its merger with TeleCom Towers, LLC (TeleCom). TeleCom owned or co-owned approximately 271 towers and managed 121 revenue-generating sites in 27 states. The aggregate merger consideration was $194.6 million, consisting of the payment of $63.1 million in cash, the issuance of 3.9 million shares of Class A common stock and the assumption of $48.4 million in debt.

Triton PCS acquisition--In September 1999, the Company acquired 187 wireless communications towers from Triton PCS for $70.7 million in cash.

ICG transaction--In December 1999, the Company acquired ICG Satellite Services and its subsidiary, Maritime Telecommunications Network, Inc. (collectively, ICG), for $100.0 million in cash. The acquisition involved a major around-the-clock teleport facility in New Jersey and a global maritime telecommunications network headquartered in Miramar, Florida. ICG provides Internet, voice, data and compressed video satellite services to major cruise lines, the U.S. military, Internet-related companies and international telecommunications customers.

Unaudited Pro Forma Operating Results--The operating results of the acquisitions consummated in 2001 and 2000 have been included in the Company's consolidated results of operations from the date of acquisition. The following unaudited pro forma summary presents the consolidated results of operations as if the acquisitions had occurred as of January 1, 2000, after giving effect to certain adjustments, including depreciation and amortization of assets and interest expense on debt incurred to fund the acquisitions. This unaudited pro forma information has been prepared for comparative purposes only and does not purport to be indicative of what would have occurred had the acquisitions been made as of January 1 of each of the periods presented or results which may occur in the future.

	2001	2000
	(In thousands, except per share data-unaudited)	
Operating revenues	$1,157,202	$ 909,901
Loss before extraordinary losses	(474,552)	(299,468)
Net loss	(474,552)	(303,806)
Basic and diluted loss per common share	(2.48)	(1.80)

14. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental cash flow information and non-cash investing and financing activities are as follows (in thousands):

	2001	2000	1999
Supplemental cash flow information:			
Cash paid during the period for interest (including amounts capitalized).	$243,856	$140,251	$ 22,160
Cash paid during the period for income taxes (net of refunds)...........	3,349	4,335	2,242
Non-cash investing and and financing activities:			
Issuance of common stock, options and warrants and assumption of options for acquisitions..	8,458	227,507	448,036
Treasury stock..		2,812	1,528
Conversion of convertible notes (excluding note conversion expense)......	60,107	136,399	
Capital leases..	47,426	77,427	4,518
Note receivable converted to investment................................	7,772		
Note receivable from sale of 8.7% of Mexican subsidiary.................	6,720		
Issuance of common stock for equity investment..........................	2,464		
Decrease to estimated remaining tax liabilities to CBS Corporation.......			12,003
Non-cash derivative liability (net of tax benefit of $8,590)............	15,953		

15. BUSINESS SEGMENTS

The Company operates in three business segments: rental and management (RM), network development services (Services), and satellite and fiber network access services (SFNA). The RM segment provides for the leasing and subleasing of antennae sites on multi-tenant towers and other properties for a diverse range of customers in the wireless communication and broadcast and other industries. The Services segment offers a broad range of services, including network design, radio frequency engineering, site acquisition, zoning, construction, component parts, antenna and line installation, maintenance, tower monitoring and steel fabrication. The SFNA segment offers satellite and fiber network services to telecommunications companies, internet service providers, governmental organizations, broadcasters and maritime customers.

The accounting policies applied in compiling segment information below are similar to those described in note 1. In evaluating financial performance, management focuses on Operating Profit (Loss), excluding depreciation and amortization, restructuring, development and corporate general and administrative expenses. This measure of Operating Profit (Loss) is also before interest expense, interest income and other, net, loss (gain) on investments, note conversion expense, minority interest in net earnings of subsidiaries, income taxes and extraordinary losses. For reporting purposes the RM segment includes interest income-TV Azteca, net for the years ended December 31, 2001 and 2000.

The Company's reportable segments are strategic business units that offer different services. They are managed separately because each segment requires different resources, skill sets and marketing strategies. Summarized financial information concerning the Company's reportable segments as of and for the years ended December 31, 2001, 2000 and 1999 is shown in the following table. The "Other" column below represents amounts excluded from specific segments, such as depreciation and amortization, restructuring, development and corporate and general administrative expenses, interest expense, interest income and other, net, loss (gain) on investments, note conversion expense, minority interest in net earnings of subsidiaries, income taxes and extraordinary losses. In addition, the Other column also includes corporate assets such as cash and cash equivalents, certain tangible and intangible assets and income tax accounts which have not been allocated to specific segments. All amounts shown are in thousands.

	RM	Services	SFNA	Other	Total
2001					
Revenues	$ 444,560	$454,238	$235,393		$1,134,191
Operating profit (loss)	244,431	48,656	7,439	$(750,620)	(450,094)
Assets	4,813,374	761,347	635,326	619,676	6,829,723
Capital expenditures	464,258	30,735	38,782	34,383	568,158
Depreciation and amortization	314,214	54,852	63,233	8,072	440,371
2000					
Revenues	$ 278,153	$311,921	$145,201		$ 735,275
Operating profit (loss)	151,592	37,152	35,136	$(418,508)	(194,628)
Assets	3,861,060	723,262	640,913	435,444	5,660,679
Capital expenditures	483,699	19,402	25,560	12,686	541,347
Depreciation and amortization	211,432	41,018	27,074	3,836	283,360
1999					
Revenues	$ 135,303	$ 90,416	$ 32,362		$ 258,081
Operating profit (loss)	72,862	21,098	8,264	$(152,951)	(50,727)
Assets	1,847,847	505,018	229,260	436,741	3,018,866
Capital expenditures	249,659	4,588	15,835	2,588	272,670
Depreciation and amortization	98,011	25,991	7,264	1,273	132,539

Summarized geographical information related to the Company's operating revenues and long-lived assets as of and for the year ended December 31 is as follows (in thousands):

	2001	2000	1999
Operating Revenues:			
United States	$1,076,732	$ 729,161	$ 258,081
International	57,459	6,114	
Total operating revenues	$1,134,191	$ 735,275	$ 258,081
Long-Lived Assets:			
United States	$5,535,918	$4,685,754	$2,489,870
International	259,566	116,597	6,373
Total long-lived assets	$5,795,484	$4,802,351	$2,496,243

For the year ended December 31, 1999, one customer within the rental and management and services segments accounted for approximately 17% of the Company's consolidated operating revenues. No single customer accounted for more than 10% of consolidated operating revenues for the years ended December 31, 2001 and 2000.

16. INFORMATION PRESENTED PURSUANT TO THE INDENTURE FOR THE 9 3/8% SENIOR NOTES (UNAUDITED)

The following table sets forth information that is presented solely to address certain reporting requirements contained in the indenture for our senior notes. This information presents certain financial data of the Company on a consolidated basis and on a restricted group basis, as defined in the indenture governing the senior notes. All of the Company's subsidiaries are part of the restricted group, except its wholly owned subsidiary Verestar.

	Consolidated		Restricted Group(1)	
	Year Ended December 31,		Year Ended December 31,	
	2001	2000	2001	2000
	(in thousands)			
Statement of Operations Data:				
Operating revenues	$1,134,191	$ 735,275	$ 898,798	$ 590,074
Operating expenses:				
Operating expenses excluding depreciation and amortization, restructuring, development and corporate general and administrative expenses	848,042	524,074	620,088	414,009
Depreciation and amortization	440,371	283,360	377,138	256,286
Restructuring expense	69,174		67,992	
Development expense	8,630	14,517	7,895	14,433
Corporate general and administrative expense	26,478	14,958	26,478	14,958
Total operating expenses	1,392,695	836,909	1,099,591	699,686
Loss from operations	(258,504)	(101,634)	(200,793)	(109,612)
Interest expense	(282,291)	(156,839)	(271,098)	(155,006)
Interest income and other, net	26,742	15,556	26,125	15,199
Interest income-TV Azteca, net	14,377	12,679	14,377	12,679
Loss on investments	(40,551)	(2,538)	(36,797)	(2,538)
Note conversion expense	(26,336)	(16,968)	(26,336)	(16,968)
Minority interest in net earnings of subsidiaries	(318)	(202)	(318)	(202)
Loss before income taxes and extraordinary losses	$ (566,881)	$(249,946)	$ (494,840)	$(256,448)

	December 31, 2001	
	Consolidated	Restricted Group
Balance Sheet Data:		
Cash and cash equivalents	$ 35,958	$ 33,113
Restricted cash	94,071	94,071
Property and equipment, net	3,287,573	2,980,031
Total assets	6,829,723	6,194,397
Long-term obligations, including current portion	3,561,960	3,436,324
Net debt(2)	3,431,931	3,309,140
Total stockholders' equity	2,869,196	2,869,196

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(1) Corporate overhead allocable to Verestar and interest expense related to intercompany borrowings to Verestar (unrestricted subsidiary) have not been excluded from results shown for the restricted group.
(2) Net debt represents long-term obligations, including current portion, less cash and cash equivalents and restricted cash.

17. SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

Selected quarterly financial data for the years ended December 31, 2001 and 2000 is as follows:

	Three Months Ended			
	March 31,	June 30,	September 30,	December 31,(1),(2)
	(in thousands, except per share data)			
2001:				
Operating revenues	$262,468	$ 262,968	$ 296,196	$ 312,559
Loss from operations	(38,804)	(47,383)	(51,358)	(120,959)
Loss before extraordinary losses	(71,507)	(103,940)	(124,938)	(149,709)
Net loss	(71,507)	(103,940)	(124,938)	(149,709)
Basic and diluted loss per common share amounts:				
Loss before extraordinary losses	$ (0.38)	$ (0.54)	$ (0.65)	$ (0.77)
Net loss	$ (0.38)	$ (0.54)	$ (0.65)	$ (0.77)
2000:				
Operating revenues	$115,517	$ 167,047	$ 208,958	$ 243,753
Loss from operations	(23,808)	(26,985)	(20,904)	(29,937)
Loss before extraordinary losses	(37,660)	(58,632)	(39,527)	(54,471)
Net loss	(41,998)	(58,632)	(39,527)	(54,471)
Basic and diluted loss per common share amounts:				
Loss before extraordinary losses	$ (0.24)	$ (0.36)	$ (0.22)	$ (0.30)
Net loss	$ (0.27)	$ (0.36)	$ (0.22)	$ (0.30)

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(1) During the fourth quarter of 2001, the Company recorded a restructuring charge of approximately $69.2 million.

(2) During the fourth quarter of 2000, the Company recorded a specific charge for a bad debt reserve of approximately $7.0 million.

EXHIBIT INDEX

Below are the exhibits which are included, either by being filed herewith or by incorporation by reference, as part of this Annual Report on Form 10-K. Exhibits are identified according to the number assigned to them in Item 601 of Regulation S-K. Documents that are incorporated by reference are identified by their Exhibit number as set forth in the filing from which they are incorporated by reference. With respect to documents filed under Exhibit 2, copies of schedules and exhibits have not been filed herewith, but will be furnished supplementally to the Commission upon request. The filings of the Registrant from which various exhibits are incorporated by reference into this Annual Report are indicated by parenthetical numbering which corresponds to the following key:

(1) Registration Statement on Form S-4 (File No. 333-46001) filed on February 10, 1998;

(2) Amendment No. 1 to Registration Statement on Form S-1 (File No. 333-50111) filed on May 8, 1998;

(3) Amendment No. 2 to Registration Statement on Form S-1 (File No. 333-52481) filed on June 30, 1998;

(4) Quarterly Report on Form 10-Q (File No. 001-14195) filed on August 14, 1998;

(5) Registration Statement on Form S-4 (File No. 333-70683) filed on January 15, 1999;

(6) Annual Report on Form 10-K (File No. 001-14195) filed on March 19, 1999;

(7) Quarterly Report Form 10-Q (File No. 001-14195) filed on August 16, 1999;

(8) Current Report on Form 8-K (File No. 001-14195) filed on September 17, 1999;

(9) Registration Statement on Form S-3 (File No. 333-89345) filed on October 20, 1999;

(10) Current Report on Form 8-K (File No. 001-14195) filed on January 28, 2000;

(11) Current Report on Form 8-K (File No. 001-14195) filed on February 24, 2000;

(12) Annual Report on Form 10-K (File No. 001-14195) filed on March 29, 2000;

(13) Quarterly Report on Form 10-Q (File No. 001-14195) filed on November 13, 2000;

(14) Currently Report on Form 8-K (File No. 001-14195) filed on January 22, 2001;

(15) Annual Report on Form 10-K (File No. 001-14195) filed on April 2, 2001;

(16) Registration Statement on Form S-4 (File No. 333-59852) filed April 30, 2001;

(17) Quarterly Report on Form 10-Q (File No. 001-14195) filed August 14, 2001; and

(18) Quarterly Report on Form 10-Q (File No. 001-14195) filed November 14, 2001.

Exhibit No.	Description of Document	Exhibit File No.
1.1	Underwriting Agreement, dated January 18, 2001, between American Tower Corporation and Goldman, Sachs & Co..	1.1(14)
1.2	Terms Agreement, dated January 18, 2001, between American Tower Corporation and Goldman, Sachs & Co...	1.2(14)
2.1	Lease and Sublease by and among ALLTEL Communications, Inc. and the other entities named therein and American Towers, Inc. and American Tower Corporation, dated , 2000...	2.1(15)
2.2	Agreement to Sublease by and among ALLTEL Communications, Inc. the ALLTEL entities and American Towers, Inc. and American Tower Corporation, dated December 19, 2000..	2.2(15)

Exhibit No.	Description of Document	Exhibit File No.
2.3	Build to Suit Agreement by and among ALLTEL Communications, Inc. the ALLTEL entities named therein, American Towers, Inc. and American Tower Corporation, dated December 19, 2000	2.3(15)
2.4	Agreement to Sublease, dated as of August 6, 1999 by and between AirTouch Communications, Inc., the other parties named therein as Sublessors, ATC and American Tower, L.P.	10.1(7)
2.5	Purchase and Sale Agreement, dated as of September 10, 1999, by and among ATC and AT&T Corp., a New York corporation	10.1(8)
3.1	Restated Certificate of Incorporation, as amended, of the Company as filed with the Secretary of State of the State of Delaware on June 4, 1999	3(i)(7)
3.2	By-Laws, as amended as of March 15, 2001, of the Company	3.2(15)
4.1	Indenture, by and between the Company and The Bank of New York as Trustee, for the 6.25% Convertibles Notes due 2009, dated as of October 4, 1999, including form of 6.25% Note	4.1(9)
4.2	Indenture by and between the Company and The Bank of New York as Trustee, for the 2.25% Convertibles Notes due 2009, dated as of October 4, 1999, including the form of 2.25% Note	4.2(9)
4.3	Form of 6.25% Note (included in Exhibit 4.1)	4.1(9)
4.4	Form of 2.25% Note (included in Exhibit 4.2)	4.4(9)
4.5	Indenture, by and between the Company and The Bank of New York as Trustee, for the 5.0% Convertibles Notes due 2010, dated as of February 15, 2000, including form of 5.0% Note	4.1(11)
4.6	Form of 5.0% Note (included in Exhibit 4.5)	4.2(11)
4.7	Indenture, by and between the Company and The Bank of New York as Trustee, for the 9 3/8% Senior Notes due 2009, dated January 31, 2001, including the form of 9 3/8% Senior Note	4.9(15)
10.1	American Tower Systems Corporation 1997 Stock Option Plan, dated as of November 5, 1997, as amended and restated on April 27, 1998	10.26(2)*
10.2	Amendment to the Amended and Restated American Tower Systems Corporation 1997 Stock Option Plan, dated March 9, 2000	10.1A(12)*
10.3	Amended and Restated American Tower Systems Corporation 1997 Stock Option Plan, as amended May 17, 2001	10.1(17)*
10.4	ATC Teleports Corporation 1999 Stock Option Plan	10.16(12)*
10.5	American Tower Corporation 2000 Employee Stock Purchase Plan	10.18(12)*
10.6	Employment Agreement, dated as of January 22, 1998, by and between ATI and J. Michael Gearon, Jr	10.28(1)*
10.7	Letter of Agreement, dated as of April 13, 1998, by and between ATC and Douglas Wiest	10.22(5)*
10.8	American Tower Systems Corporation Stock Purchase Agreement, dated as of January 8, 1998, by and among ATC and the Purchasers	10.27(1)
10.9	ARS-ATS Separation Agreement, dated as of June 4, 1998 by and among American Radio Systems Corporation, ('ARS'), ATC and CBS Corporation	10.30(3)
10.10	Securities Purchase Agreement, dated as of June 4, 1998 by and among ATC, Credit Suisse First Boston Corporation and each of the Purchasers named therein	10.31(3)

Exhibit No.	Description of Document	Exhibit File No.
10.11	Registration Rights Agreement, dated June 4, 1998, by and among ATC, Credit Suisse First Boston Corporation and each of the Parties named therein....................	10.32(3)
10.12	Registration Rights Agreement, dated as of January 22, 1998, by and among ATC and each of the Parties named therein...	10.3(4)
10.13	Stock Purchase Agreement, dated as of February 4, 1999, by and among ATC and Credit Suisse First Boston Corporation...	10.13(6)
10.14	Registration Rights Agreement, dated as of February 4, 1999, by and among ATC and Credit Suisse First Boston Corporation...	10.14(6)
10.15	Amended and Restated Registration Rights Agreement, dated as of February 25, 1999, by and among ATC and each of the Parties named herein.............................	10.1(15)
10.16	Purchase Agreement, dated as of January 24, 2001, by and among the Company and the Purchasers Named therein with respect to the 9 3/8% Senior Notes.............	10.21(15)
10.17	Registration Rights Agreement, dated January 31, 2001, by and between the Company and the Initial Purchasers named therein...	4.10(15)
10.18	Stock Purchase Agreement, dated as of August 11, 1999, between ATC Teleports, Inc., ICG Holdings, Inc. and ICG Satellite Services..............................	10.2(7)
10.19	Amended and Restated Loan Agreement, dated as of January 6, 2000, among American Tower, L.P., American Towers, Inc. and ATC Teleports, Inc., as Borrowers and Toronto Dominion (Texas) Inc., as Administrative Agent, and the banks party thereto...	10.1(10)
10.20	First Amendment and Waiver Agreement, dated as of February 9, 2000, by and among American Tower L.P., American Tower Inc., and ATC Teleports, Inc., as Borrowers and Toronto Dominion (Texas) Inc., as Administrative Agent, and the banks party thereto...	10.1(13)
10.21	Second Amendment to Amended and Restated Loan Agreement, dated as of May 11, 2000, by and among American Tower L.P., American Towers, Inc. and ATC Teleports, Inc., as Borrowers and Toronto Dominion (Texas) Inc., as Administrative Agent, and the banks party thereto...	10.2(13)
10.22	Waiver and Third Amendment to Amended and Restated Loan Agreement, dated as of October 13, 2000, by and among American Tower L.P., American Towers, Inc. and ATC Teleports, Inc., as Borrowers and Toronto Dominion (Texas) Inc., as Administrative Agent, and the banks party thereto................................	10.3(13)
10.23	Fourth Amendment to Amended and Restated Loan Agreement, dated as of January 23, 2000, by and among American Tower, L.P., American Towers, Inc. and Verestar, Inc., as Borrowers, and Toronto Dominion (Texas) Inc., as Administrative Agent, and the banks party thereto...	10.5(16)
10.24	Fifth Amendment and Waiver to Amended and Restated Loan Agreement, dated as of March 26, 2001, by and among American Tower, L.P., American Towers, Inc. and Verestar, Inc., as Borrowers, and Toronto Dominion (Texas) Inc., as Administrative Agent, and the banks party thereto...	10.6(16)
10.25	Sixth Amendment to Amended and Restated Loan Agreement, dated as of October 26, 2001, by and among American Tower, L.P., American Towers, Inc., Verestar, Inc. and Towersites Monitoring, Inc., as Borrowers and Toronto Dominion (Texas) Inc., as Administrative Agent, and the banks party thereto................................	10.8(18)

Exhibit No.	Description of Document	Exhibit File No.
10.26	Notice of Incremental Facility Commitment, dated as of October 26, 2001, by and among American Towers, Inc., American Tower, L.P., Verestar, Inc., Towersites Monitoring, Inc. and American Tower International, Inc., as Borrowers and Toronto Dominion (Texas) Inc., as Administrative Agent, and the banks party thereto........	10.9(18)
10.27	Credit Agreement, dated December 22, 2000, by and among American Tower Corporation de Mexico, S. de R.L. de C.V., MATC Holdings Mexico, S. de R.L. de C.V., MATC TV, S. de R.L. de C.V. and Toronto Dominion (Texas), Inc................	10.7(16)
10.28	Stockholder/Optionee Agreement, dated as of October 11, 2001, by and among ATC Mexico Holding Corp., American Tower Corporation, American Tower International, Inc., J. Michael Gearon, Jr., and the Persons who from time to time execute a counterpart of the Agreement..	Filed herewith as Exhibit 10.28
10.29	Noncompetition and Confidentiality Agreement, dated as of October 11, 2001, by and between American Tower Corporation and J. Michael Gearon, Jr.......................	Filed herewith as Exhibit 10.29
10.30	Pledge Agreement, dated as of October 11, 2001, by and among J. Michael Gearon, Jr. and ATC Mexico Holding Corp...	Filed herewith as Exhibit 10.30
10.31	Secured Note, dated October 11, 2001, by and among J. Michael Gearon, Jr. and ATC Mexico Holding Corp...	Filed herewith as Exhibit 10.31
12	Statement Regarding Computation of Ratios of Earnings to Fixed Charges............	Filed herewith as Exhibit 12
21	Subsidiaries of ATC..	Filed herewith as Exhibit 21
23	Independent Auditors' Consent--Deloitte & Touche LLP..............................	Filed herewith as Exhibit 23

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* Management contracts and compensatory plans and arrangements required to be filed as exhibits to this Form 10-K pursuant to Item 14(c).

Exhibit 10.28

STOCKHOLDER/OPTIONEE AGREEMENT

AGREEMENT made and entered into, as of October 11, 2001, by and among ATC Mexico Holding Corp., a Delaware corporation ("Holding"), American Tower Corporation, a Delaware corporation ("ATC"), American Tower International, Inc., a Delaware corporation ("ATC International"), J. Michael Gearon, Jr., an individual residing in Atlanta, Georgia ("Gearon") and the Persons who from time to time execute a counterpart of this Agreement (individually a "Stockholder" and collectively the "Stockholders" which terms shall include Gearon in his capacity as such).

W I T N E S S E T H:

WHEREAS, ATC and Gearon desire to provide for the organization, funding and management of Holding;

WHEREAS, the Stockholders other than Gearon will be acquiring from Holding, and Holding will issue to such Stockholders, pursuant to a 2001 Stock Option Plan (the "Plan") to be adopted pursuant to the provisions of Section 8, an option (individually an "Option" and collectively the "Options") to acquire shares of Holding Common Stock; and

WHEREAS, Holding is unwilling to grant the Options, or to permit their exercise, without the assurances with respect to its ability to acquire the Option and/or Common Stock on the terms and conditions of this Agreement and with respect to investment intent provided herein; and

WHEREAS, the Stockholders are unwilling to accept or exercise, as the case may be, the Option without assurances of the ability to dispose of the Holding Securities on the terms and conditions of this Agreement;

WHEREAS, it is in the best interests of Holding and of all of the owners of shares of Holding Common Stock to ensure the business success of Holding through the preservation and encouragement of harmonious relationships within Holding; and

WHEREAS, the parties agree that these goals will be furthered by providing for certain restrictions as to the transferability of the shares of Holding Common Stock owned by the holders thereof and by providing for succession of ownership thereof;

NOW, THEREFORE, in consideration of the premises, of the mutual covenants hereinafter set forth, as a condition to the grant and/or exercise of the Options, and other valuable consideration, the receipt, adequacy and sufficiency whereof are hereby acknowledged, the parties hereto, intending to be legally bound, do hereby covenant and agree as follows:

Section 1. Definitions. As used herein, unless the context otherwise requires, the terms used herein which are not defined herein and are defined in Appendix A shall have the respective meanings set forth in Appendix A. Terms defined in the singular shall have a comparable meaning when used in the plural, and vice versa, and the reference to any gender shall be deemed to include all genders. Unless otherwise defined or the context otherwise clearly requires, terms for which meanings are provided in this Agreement shall have such meanings when used in each document or other instrument executed or required to be executed pursuant hereto or thereto or otherwise delivered, from time to time, pursuant hereto or thereto. References to "hereof," "herein" or similar terms are intended to refer to this

Agreement as a whole and not a particular section, and references to "this Section" are intended to refer to the entire section and not a particular subsection thereof.

Section 2. Representations and Warranties of Parties. Each of the parties represents and warrants as follows:

(a) Authority to Execute and Perform Agreements. Such party (if an Entity) has been duly organized and is validly existing as an Entity in good standing in its jurisdiction of organization as indicated in the preamble of this Agreement and has all requisite power and authority (corporate, partnership, limited liability company, and other) and has in full force and effect all governmental authorizations and private authorizations necessary to enable it to execute and deliver, and to perform its obligations under, this Agreement. The execution and delivery of this Agreement by such party (if an Entity) have been duly authorized by all requisite corporate, partnership, limited liability company, or other organizational action, if any, on the part of such party. This Agreement has been duly executed and delivered and constitutes the legal, valid and binding obligation of such party enforceable against such party in accordance with its terms, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and (ii) the availability of equitable remedies may be limited by equitable principles of general applicability.

(c) No Conflict; Required Filings and Consents. Neither the execution and delivery by such party of this Agreement, nor the consummation of the transactions contemplated by this Agreement, nor compliance with the terms, conditions and provisions hereof by such party:

(i) will conflict with, or result in a breach or violation of, or constitute a default under, any applicable Law, or will conflict with, or result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of the giving of notice or passage of time or both would constitute such a conflict with, breach or violation of, or default under, or permit any acceleration in, any organization document (in the case of an Entity), governmental authorization or material agreement of such party;

(ii) will result in or permit the creation or imposition of any Lien upon any property or asset of such party; or

(iii) will require any approval or action of, or filing with, any governmental authority.

Section 3. Funding Covenants of ATC and Gearon. ATC and Gearoncovenant and agree as follows:

(a) ATC Additional Common Stock Investments. If ATC and/or its Affiliates have not, on or prior to the date hereof, invested an aggregate of US$88,000,000 in Holding, ATC will, at such time and from time to time as required to finance the business and operations of Holding, cause ATC International (or another Affiliate of ATC) to purchase additional shares of Holding Common Stock; provided, however, that in no event shall ATC and its Affiliates be required or, without the written consent of Gearon, permitted to invest more than an aggregate of US$88,000,000 in Holding Common Stock. Payment for all such shares shall be in the form of wire transfer of immediately available funds.

(b) Additional Gearon Investments. If Gearon has not, on or prior to the date hereof, invested an aggregate of US$8,400,000 in Holding, he will, simultaneously with ATC making additional purchases of Holding Common Stock, purchase additional shares of Holding Common Stock such that Gearon shall on each such occasion purchase, at the same price per share as ATC, eighty-four nine hundred sixty-fourth (84/964th) of the number of shares being purchased by ATC; provided, however, that in no event shall Gearon be required to invest more than an aggregate of US$8,400,000 in Holding Common Stock or to make any other investment in Holding. Payment for all such shares shall be in the form of wire transfer of immediately available funds to the extent of twenty percent (20%) of each purchase and the balance in the form of a promissory note in the form attached hereto and made a part hereof as Exhibit A (the "Gearon Note"); provided, however, that Gearon shall (i) have the right, at his sole discretion, to make payment for all such shares in the form of wire transfer of immediately available funds, and (ii) not, except as hereinafter provided, be obligated to invest more than US$1,680,000 in the form of cash. Anything in this Section or elsewhere in this Agreement to the contrary notwithstanding, Gearon shall be required to make payment in full in the form of wire transfer of immediately available funds for all shares of Holding Common Stock proposed to be sold or otherwise Transferred (other than any pledge by it to Holding pursuant to the Pledge Agreement) by him pursuant to any provision of this Agreement prior to any such sale or Transfer.

(c) ATC Other Investments. ATC shall have the right, but not the obligation, to provide, or to cause ATC International (or another Affiliate of ATC) to provide, additional funds as are required, from time to time, to finance the business and operations of Holding. If ATC elects, in its sole discretion, to provide (or cause to be provided) such funds, they shall be invested in either 10% subordinated notes (which shall be prepayable at any time by Holding and shall be nonrecourse to Gearon and the other Stockholders) or nonconvertible preferred stock (bearing dividends at 10% of its purchase price), at ATC's option. The other terms and conditions of the subordinated notes or preferred stock shall be commercially reasonable under the circumstances at the time of issuance. Payment for all such investments shall be in the form of wire transfer of immediately available funds.

(d) Third Party Investments/Equity Investments. ATC and Gearon will consider, from time to time, the possibility of issuing and/or selling shares of Holding Common Stock or other forms of equity participation to individuals involved solely in the business, management and operation of Holding in Mexico (and not in the business, management or operations of any Affiliate of Holding other than those doing business solely in Mexico), it being the understanding of the parties that any such participation would dilute, on a pro rata basis, the interests of ATC and Gearon.

Section 4. Designation of Directors; Voting Agreement; Corporate Governance. Each of the parties covenants and agrees with the other parties as follows:

(a) The Board of Directors of Holding (the "Holding Board") shall be composed at all times of three (3) persons. ATC International shall be entitled to designate for nomination for election, and have elected, to the Holding Board two persons who shall be the Chief Executive Officer and the Chief Financial Officer of ATC, unless the Board of Directors of ATC International shall otherwise determine. Gearon shall be entitled to designate for nomination for election, and have elected, to the Holding Board one person who shall be Gearon, unless Gearon shall otherwise determine with the prior approval of ATC, such approval not to be unreasonably withheld, delayed or conditioned.

(b) Holding shall provide ATC International and Gearon with at least twenty (20) days' prior notice in writing of any intended mailing of notice to stockholders for a meeting at which directors are to be elected. ATC and Gearon shall notify Holding in writing within ten (10) days of actual receipt of such notice of the person designated by him as nominee for election as a director. In the absence of any notice from ATC International or Gearon, as the case may be, the director or directors then serving and previously designated by him shall be deemed to have been redesignated.

(c) Any director designated by ATC International or Gearon shall be subject to removal for cause by the vote of (i) the directors of Holding to the extent permitted by applicable Law or (ii) the stockholders of Holding in accordance with applicable Law. ATC International and Gearon shall also be entitled to require that any member of the Holding Board so designated by it or him pursuant to this Section be removed or replaced by it or him.

(d) In the event any designee for nomination of ATC International or Gearon as director shall cease for any reason to serve as a director, including without limitation removal pursuant to the preceding paragraph or resignation, ATC International or Gearon, as the case may be, shall have the right to designate a replacement to fill such vacancy upon notice to Holding. Holding shall, unless Holding Board shall have elected such designee to Holding Board, solicit stockholder approval for the election of such nominee as a director in accordance with the provisions of this Section.

(e) ATC International and Gearon covenant and agree that so long as the other has the right to nominate a director to Holding Board in accordance with the provisions of this Agreement, at any meeting of the stockholders of Holding, however called, and at every adjournment thereof, and in any action by written consent of the stockholders of Holding, to vote all of the shares of capital stock of Holding entitled to vote thereon then owned or controlled by such Person in favor of the election of the nominee or nominees of the other pursuant to the provisions of this Section.

(f) ATC International covenants and agrees that, until the occurrence of a Forfeiture Event or the earlier termination by Gearon of his employment with Holding, whether with or without Good Reason, it will cause its nominees as directors to vote for the election of Gearon as president of Holding. It is also the understanding of the parties, that Gearon's compensation shall, taking into account the compensation to be paid to him by Other Holding, ATC and its subsidiaries, be determined annually by the Holding Board, all of which (other than US$100,000 (subject to proportionate increased based on future increases for other ATC senior management), which is to be paid by ATC) shall be paid by Holding or Other Holding.

Section 5. Restrictions on Transfers of Holding Securities. Without the written consent of ATC, except in accordance with the provisions of Section 6 or pursuant to a Permitted Transfer, neither Gearon nor any other Stockholder shall Transfer all or any part of the Holding Securities at the time held by it to any Person (a) prior to July 1, 2006 and (b) thereafter except in accordance with the provisions of Section 7.

Section 6. Put and Call; Tagalong Right.

(a) Gearon Put. Gearon may, at any time after the soonest to occur of (i) July 1, 2004, (ii) an ATC Change of Control, (iii) a Holding Change of Control, or (iv) his death or Disability, require ATC to purchase at the Put/Call Price for the Holding Securities of all but not less than all of the Holding

Securities then owned by him. Any such election (which may not, in any event, be made prior to the date that is six (6) months and one (1) day after the date of this Agreement) shall be made by written notice from Gearon to ATC (the "Put Notice") of its election to that effect. Gearon shall send a copy of the Put Notice to each of the other Stockholders. In such event, each of the other Stockholders shall have the right, exercised by written notice to ATC delivered within twenty (20) days of the mailing of the Put Notice to him, to require ATC to purchase at the Put/Call Price for the Holding Securities to be sold by such Stockholder (an "Electing Put Stockholder") all but not less than all of the Holding Securities then owned by each Electing Put Stockholder. Gearon may give the Put Notice at any time after December 31, 2003. For purposes of this Section 6(a), the Put/Call Price shall be determined as of the later of July 1, 2004 or the date of the Put Notice; provided, however, with respect to each Electing Put Stockholder who has not held the Holding Securities proposed to be sold by him for a period of at least six (6) months and one (1) day as of the date of the Put Notice, the Put/Call Price shall be determined as of the date such Holding Securities were held by him for a period of at least six (6) months and one (1) day.

The closing pursuant to this Section shall occur at 10:00 a.m., local time, on the later of July 1,2004 or the sixtieth (60th) day (or, if such day is not a Business Day, the next succeeding Business Day) following the date of receipt by ATC of the Put Notice, at the principal executive offices of ATC, or such other time, date and place as ATC and Gearon shall reasonably agree (notice of which shall be given by ATC to each Electing Put Stockholder); provided, however, notwithstanding the foregoing, if, on the proposed closing date, any Electing Stockholder has not held the Holding Securities proposed to be sold by him for a period of at least six (6) months and one (1) day, then the closing with respect to those Holding Securities shall occur at 10:00 a.m., local time, on the tenth (10th) day (or, if such day is not a Business Day, the next succeeding Business Day) following the expiration of such six (6) months and one (1) day. Each of the following (unless and except to the extent waived by ATC and Gearon) shall be a condition of the obligation of ATC, Gearon and each Electing Put Stockholder to proceed with any such purchase and sale: (i) ATC and Gearon shall have obtained all lender and other third-party consents, if any, required in connection with such purchase and sale, (ii) there shall be no suit, action or proceeding pending on the date of closing before or by any court or other governmental authority seeking to restrain or prohibit, or material damages or other relief in connection with, the purchase and sale, and (iii) ATC, Gearon and the Electing Put Stockholders shall have entered into a securities purchase agreement in form, scope and substance customary in comparable transactions and reasonably satisfactory to ATC and Gearon, including representations and warranties, covenants, closing certificates and opinions, and indemnities.

(b) ATC Call. ATC may, at any time after (i) July 1, 2005, require Gearon to sell at the Put/Call Price and each other Stockholder to sell at the Put/Call Price for the Holding Securities to be sold by him all but not less than all of the Holding Securities then owned by him, or (ii) the soonest to occur of (x) the death or Disability of Gearon, (y) a Gearon Termination Event, or (z) a Forfeiture Event require each member of the Gearon Group to sell at the Put/Call Price all but not less than all of the Holding Securities then owned by him. Any such election (which may not, in any event, be made prior to the date that is six (6) months and one (1) day after the date of this Agreement) shall be made by written notice from ATC to Gearon and, as applicable, each other Stockholder (the "Call Notice") of his election to that effect. ATC may give the Call Notice at any time after December 31, 2004. For purposes of this Section 6(b), the Put/Call Price shall be determined as of the later of July 1, 2005 or the date of the Call Notice; provided, however, with respect to each other Stockholder who has not held the Holding Securities proposed to be sold by him for a period of at least six (6) months and one (1) day as of the date of the Call Notice, the Put/Call Price shall be determined as of the date such Holding Securities were held by him for a period of at least six (6) months and one (1) day. The closing pursuant to this Section shall occur at 10:00 a.m., local time, on the later of July 1, 2005 or the sixtieth (60th) day (or, if such day is not a Business Day, the next succeeding Business Day) following the date of receipt by Gearon and, as applicable, the other Stockholders of the Call Notice, at the principal executive offices of ATC, or such other time, date and place as ATC and Gearon shall reasonably agree (notice of which shall be given by ATC to each other Stockholder); provided, however, notwithstanding the foregoing, if, on the proposed closing date, any other Stockholder has not held the Holding Securities proposed to be sold by him for a period of at least six (6) months and one (1) day, then the closing with respect to those Holding Securities shall occur at 10:00 a.m., local time, on the tenth (10th) day (or, if such day is not a Business Day, the next succeeding Business Day) following the expiration of such six (6) months and one(1) day. Each of the following (unless and except to the extent waived by ATC and Gearon) shall be a condition of the obligation of ATC, Gearon and, as applicable, the other Stockholders to proceed with any such purchase and sale: (i) ATC and Gearon shall have obtained all lender and other third-party consents, if any, required in connection with such purchase and sale, (ii) there shall be no suit, action or proceeding pending on the date of closing before or by any court or other governmental authority seeking to restrain or prohibit, or material damages or other relief in connection with, the purchase and sale, and (iii) ATC, Gearon and, as applicable, the other Stockholders shall have entered into a securities purchase agreement in form, scope and substance customary in comparable transactions and reasonably satisfactory to ATC and Gearon, including representations and warranties, covenants, closing certificates and opinions, and indemnities.

(c) Closing. At the closing Gearon and, as applicable, the Electing Put Stockholders or the other Stockholders shall convey the Holding Securities to be sold by it, properly endorsed for transfer, free of all Liens, and the applicable Put/Call Price shall be paid by wire transfer of immediately available funds or, at the election of ATC, shares of ATC Common Stock, or any combination thereof. If the Gearon Note or any note from any Electing Stockholder under Section 6(a) or any other Stockholder under Section 6(b) is not paid in full at the closing in connection with the purchase of the Holding Securities, ATC shall be entitled to apply the purchase price to the payment of the unpaid principal amount thereof together with interest accrued and unpaid to the closing. If any shares of ATC Common Stock are so delivered, they shall be (i) valued at Fair Market Value as of the applicable closing date and (ii) entitled to the benefit of the ATC Registration Rights Agreement. At the election of ATC, the Holding Securities to be purchased may be acquired in the name of one or more nominees, including without limitation Holding (whether or not any such nominee is an Affiliate of ATC); provided, however, that any such nominee is designated by written notice given at least five (5) days prior to the date of closing.

(d) Gearon and Other Stockholder Tagalong Right. In addition to the rights of Gearon and the other Stockholders set forth in Section 6(a), if a Holding Change of Control is likely to occur, ATC shall give prompt written notice (the "Holding Change of Control Notice") of the likelihood of such occurrence to Gearon and the other Stockholders, which notice shall describe, in reasonable detail, the material terms and conditions of such transaction (the "Holding Change of Control Transaction"). As a condition to the consummation of any Transfer by ATC in connection with a Holding Change of Control Transaction, Gearon and each other Stockholder shall have the right, exercised by written notice to ATC within ten (10) business days of its receipt of the Holding Change of Control Notice, to participate in the Holding Change of Control Transaction on the same terms and conditions as ATC (i.e., to sell or otherwise transfer the same relative proportion of its holdings as is ATC for the same type and per share amount of consideration). If Gearon or any other Stockholder elects to participate in a Holding Change of Control Transaction, it shall be required to execute and deliver all of the documents executed and delivered by ATC and to be bound by all of the same terms and conditions. Without limiting the generality of the foregoing, if the Gearon Note or any note from any other Stockholder electing to participate in a Holding Change of Control Transaction is not paid in full at the closing in connection with a Holding Change of Control Transaction, the purchaser shall be entitled to apply the purchase price to the payment of the unpaid principal amount thereof together with interest accrued and unpaid to the closing. The failure of Gearon or any other Stockholder to give timely notice of its election to participate in a Holding Change of

Control Transaction in accordance with this Section 6(d) shall be deemed to be an irrevocable election by it not to so participate.

Section 7. Right of First Refusal on Holding Securities. If at any time on or after July 1, 2006 (prior to which time any such Transfer is prohibited pursuant to the provisions of Section 5), Gearon or any other Stockholder (an "Electing Offering Stockholder") desires to Transfer any Holding Securities to any Third Party (the "Proposed Transfer"), it shall, prior to committing to the Proposed Transfer to any such Third Party, offer to sell such Holding Securities in accordance with the procedures, and upon the terms, set forth below.

(a) Gearon or the Electing Offering Stockholder shall send a written notice (a "Transfer Notice") to Gearon (in the case of an Electing Offering Stockholder), Holding and ATC, which Transfer Notice shall state that Gearon or the Electing Offering Stockholder intends to effect a Proposed Transfer and shall specify the number and class or type of Holding Securities (the "Offered Securities") subject to the Proposed Transfer, the name and address of the Third Party or Third Parties to whom such Transfer is proposed to be made (or if no particular Third Party is identified, then the general class of Persons to whom the Transfer is proposed to be made), a price per share which shall be the minimum price at which Gearon or the Electing Offering Stockholder proposes to effect the Proposed Transfer (the "Minimum Price") and the other material terms and conditions (including, without limitation, representations and warranties to be made and any indemnification to be provided) on which Gearon or the Electing Offering Stockholder proposes to Transfer the Offered Securities. The Transfer Notice shall contain an affirmation by Gearon or the Electing Offering Stockholder that it has a reasonable expectation of being able to effect a Transfer of the Offered Securities at the Minimum Price and on such other terms and conditions to such Third Party or Third Parties (or class of Persons), and shall recite the basis for such expectation. The Transfer Notice shall constitute an offer (the "First Refusal Offer") to Transfer the Offered Securities to Gearon (in the case of a proposed Transfer by an Electing Offering Stockholder), Holding (in the case of a proposed Transfer by Gearon and, to such extent, if any, that the First Refusal Offer is not accepted by Gearon, by an Electing Offering Stockholder), and, to such extent, if any, that the First Refusal Offer is not accepted by Holding, to Transfer the Offered Securities to ATC, in each case in accordance with this Section, for a cash price equal to one hundred percent (100%) of the Minimum Price and on other terms and conditions, if any, no less favorable to Gearon (in the case of a proposed Transfer by an Electing Offering Stockholder), Holding and ATC than those proposed to be offered to such Third Party or Third Parties (or class of Persons). If any portion of the consideration to be paid to Gearon or an Electing Offering Stockholder in the Proposed Transfer shall consist of assets other than cash, in determining the price the Offered Securities are to be offered to Gearon (in the case of a proposed Transfer by an Electing Offering Stockholder), Holding and ATC, the fair cash value of such assets shall be considered.

(b) Subject to Section 7(f), in the case of a proposed Transfer by an Electing Offering Stockholder, the right of first refusal may be exercised by Gearon by delivery of a written notice to such Electing Offering Stockholder, Holding and to ATC within twenty (20) days after receipt by Gearon of the Transfer Notice (the "Gearon Notice Period"), which notice shall state the number of Offered Securities Gearon intends to purchase pursuant to this paragraph (b). If Gearon fails to respond to an Electing Offering Stockholder within the Gearon Notice Period, the failure shall be deemed a rejection by Gearon of the First Refusal Offer.

(c) Subject to Section 7(f), the right of first refusal may be exercised by Holding by delivery of a written notice to Gearon or an Electing Offering Stockholder and to ATC within twenty (20) days after receipt by Holding of the Transfer Notice (the "Holding Notice Period"), which notice shall state the number of Offered Securities Holding intends to purchase pursuant to this paragraph (c). If Holding fails to respond to Gearon or an Electing Offering Stockholder within the Holding Notice Period, the failure shall be deemed a rejection by Holding of the First Refusal Offer.

(d) Subject to Section 7(f), to the extent Holding rejects the First Refusal Offer or exercises the right of first refusal with respect to fewer than all of the Offered Securities, ATC may exercise the First Refusal Offer, by delivery of a written notice to Gearon or an Electing Offering Stockholder within the Holding Notice Period with respect to the balance or all of the Offered Securities, as applicable. If ATC fails to respond to Gearon or an Electing Offering Stockholder within the Holding Notice Period, the failure shall be deemed a rejection of the First Refusal Offer.

(e) If the First Refusal Offer is accepted in its entirety by Gearon, Holding and/or ATC, the purchase of the Offered Securities by Gearon, Holding and/or ATC pursuant to this Section shall take place at 10:00 a.m., local time, at the principal executive offices of ATC, on such date within thirty (30) days after the expiration of the Holding Notice Period as Gearon, Holding and/or ATC shall notify Gearon or an Electing Offering Stockholder of in writing at least five (5) days prior to such closing, on the terms and conditions of the Proposed Transfer, and Gearon, Holding and/or ATC and Gearon or an Electing Offering Stockholder shall enter into a securities purchase agreement containing the Minimum Price and the other terms and conditions set forth in the Proposed Transfer. The Minimum Price for the Offered Securities purchased by Gearon, Holding and ATC shall be paid by wire transfer to Gearon or an Electing Offering Stockholder against receipt of a certificate or certificates representing all Offered Securities so purchased, properly endorsed for transfer, free and clear of all Liens. If the Gearon Note or any note from any Electing Offering Stockholder is not paid in full at the closing, Holding and/or ATC shall be entitled to apply the purchase price to the payment of a principal amount of the Gearon Note or any such other note, as applicable, in an amount determined by (i) multiplying the Minimum Price by (ii) a fraction (x) the numerator of which is the number of Offered Securities and (y) the denominator of which is the number of Holding Securities owned by Gearon or the Electing Offering Stockholder, as applicable, immediately prior to such Transfer, and Gearon or the Electing Offering Stockholder, as applicable, shall pay all accrued and unpaid interest on such principal amount to the closing. At the election of ATC, the Holding Securities, if any, to be purchased by it may be acquired in the name of one or more nominees (whether or not any such nominee is an Affiliate of ATC); provided, however, that any such nominee is designated by written notice given at least five (5) days prior to the date of closing.

(f) Any purchase of the Offered Securities by Gearon, Holding and/or ATC pursuant to this Section shall be conditioned (by Gearon or an Electing Offering Stockholder) upon Gearon, Holding and/or ATC exercising in the aggregate the right of first refusal with respect to all of the Offered Securities.

(g) Notwithstanding anything to the contrary contained herein, if Gearon, Holding and/or ATC have not exercised the right of first refusal with respect to all of the Offered Securities pursuant to this Section, then Gearon or an Electing Offering Stockholder may, subject to the provisions of Section 5, Transfer to the Third Party or Third Parties specified in the Notice (or to a member of the class of Persons described in the Notice) (the "Third Party Transferee") on the terms and conditions of the Proposed Transfer all but not less than all of the Offered Securities; provided, however, that such sale is consummated within ninety (90) days from the expiration of the Holding Notice Period; and provided further, however, that such Third Party Transferee shall agree, in writing, in advance with Gearon, Holding and ATC to be bound by and to comply with all applicable provisions of this Agreement to the same extent as if such Third Party Transferee were Gearon or an Electing Offering Stockholder, as applicable. If such sale is not consummated within such ninety (90)-day period, the restrictions provided for in this Section shall again become effective, and no Transfer of such Offered Securities may be made thereafter without again offering the same to Gearon, Holding and ATC in accordance with the terms and conditions of this Agreement. Any reduction in the Minimum Price or any material change in any of the other material terms and conditions of the Proposed Transfer favorable to the Third Party Transferee shall constitute a new Proposed Transfer and shall require Gearon or an Electing Offering Stockholder to comply with all of the provisions of this Section. It shall be a condition to the consummation of any Transfer of Offered Securities by Gearon to any Third Party Transferee pursuant to the provisions of this Section that Gearon shall have repaid a principal amount of the Gearon Note in an amount determined by (i) multiplying the cash proceeds (or the fair cash value of any non-cash proceeds) by (ii) a fraction (x) the numerator of which is the number of Offered Securities and (y) the denominator of which is the number of Holding Securities owned by Gearon immediately prior to such Transfer, together with all accrued and unpaid interest on such principal amount to the closing.

(h) The provisions of this Section shall not apply to any Transfer by Gearon or an Electing Offering Stockholder pursuant to Section 6.

Section 8. <u>Holding Stock Option Plan</u>. Holding and ATC, jointly and severally, covenant and agree that Holding will, as soon as reasonably practicable, adopt the Plan which will contain terms and conditions comparable to those of the 1997 Stock Option Plan, as amended, of ATC, except as follows:

(a) <u>Number of Shares</u>. The Plan will cover a number of shares of Holding Common Stock equal to three and six-tenths percent (3.6%) of the number of shares of Holding Common Stock to be outstanding on a pro forma basis assuming all shares covered by the Plan were issued and outstanding.

(b) <u>Prospective Optionees</u>. Options will be granted from time to time to such individuals as may, from time to time, be an officer, employee or independent consultant or adviser to Holding and are approved by the Holding Board. ATC hereby approves the individuals listed in Schedule A attached hereto and made a part hereof as eligible to acquire Options.

(c) <u>Certain Option Terms</u>. Options will not, except as hereinafter provided, vest prior to July 1, 2006, at which time they will vest in their entirety, will be subject to earlier vesting under certain circumstances, including the exercise by Gearon of the put pursuant to the provisions of Section 6(a) or the exercise by ATC of the call pursuant to the provisions of Section 6(b)(i), and will be cancelled in its entirety upon the termination of the optionee for cause or his terminating his employment other than for good reason.

(d) <u>Noncompetition Agreements</u>. It will be a condition of any grant of Options under the Plan that the optionee execute and deliver to Holding, a noncompetition agreement substantially in the form of the Gearon Noncompetition Agreement, modified, to the extent deemed reasonably necessary by Holding, to ensure compliance with Mexican law.

Section 9. <u>Miscellaneous Provisions</u>.

(a) Termination. This Agreement shall continue until, and shall terminate immediately upon, (a) execution of a written agreement of termination by (i) ATC and (ii) Gearon, so long as he or any member of the Gearon Group owns any Holding Common Stock, or, at such time as no member of the Gearon Group owns any Holding Common Stock, a majority in interest of the other Stockholders (on a fully diluted basis) or (b) ATC (and/or its Affiliates) owning all of the outstanding shares of Holding Common Stock.

(b) Expenses. Whether or not the transactions contemplated hereby shall be consummated, each party will pay all of its respective expenses in connection with such transactions and in connection with any amendments or waivers (whether or not the same become effective) under or in respect of this Agreement.

(c) Assignment; Successors and Assigns. This Agreement shall not be assignable by any party and any such assignment shall be null and void, except that it shall inure to the benefit of and be binding upon any successor to any party by operation of Law, including by way of merger, consolidation or sale of all or substantially all of its assets, and any of the parties may assign its rights and remedies hereunder to any bank or other financial institution that has loaned funds or otherwise extended credit to it or any of its Affiliates. This Agreement shall be binding upon and inure solely to the benefit of the parties and their permitted successors and assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement, except as otherwise provided in this Section.

(d) Notices and Communications. All notices and other communications which by any provision of this Agreement are required or permitted to be given shall be given in writing and shall be effective (i) five (5) days after being mailed by first-class, express mail, postage prepaid, (ii) the next day when sent by overnight by a nationally recognized overnight mail courier service, (iii) upon confirmation when sent by telegram, telecopy or other similar form of rapid transmission, confirmed by mailing (by first class or express mail, postage prepaid, or nationally recognized overnight mail courier service) written confirmation at substantially the same time as such rapid transmission, or (iv) upon delivery personally delivered to the receiving party (if an individual) or an officer or other responsible individual of the receiving party. All such communications shall be mailed, set or delivered as set forth below or at such other addresses as the party entitled thereto shall have designated by notice as herein provided.

(i) if to Holding or ATC, at 116 Huntington Avenue, Boston, Massachusetts 02116 Attention: Chief Executive Officer and Chief Financial Officer, Telecopier No.: (617) 375-7575 with a copy (which shall not constitute notice to ATC or Holding) to Sullivan & Worcester LLP, One Post Office Square, Boston, Massachusetts 02109, Attention: William J. Curry, Esq., Telecopier No.: (617) 338-2880);

(ii) if to Gearon, at 3200 Cobb Galleria Parkway, Suite 205, Atlanta, Georgia 30339, Telecopier No: (770) 952-4999 with a copy (which shall not constitute notice to Gearon) to King & Spalding, 1185 Avenue of the Americas, New York, New York 10036, Attention: John L Graham, Esq., Telecopier No.: (212) 556-2222); and

(iii) if to any other Stockholder, at his address as it appears on the stock register of Holding.

(e) Amendments and Waivers. Changes in or additions to this Agreement may be made, or compliance with any term, covenant, agreement, condition or provision set forth herein may be omitted or waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the consent in writing of the parties hereto. No delay on the part of any party at any time or times in the exercise of any right or remedy shall operate as a waiver thereof. Any consent may be given subject to satisfaction of conditions stated therein. The failure to insist upon the strict provisions of any covenant, term, condition or other provision of this Agreement or to exercise any right or remedy thereunder shall not constitute a waiver of any such covenant, term, condition or other provision thereof or default in connection therewith. The waiver of any covenant, term, condition or other provision thereof or default thereunder shall not affect or alter this Agreement in any other respect, and each and every covenant, term, condition or other provision of this Agreement shall, in such event, continue in full force and effect, except as so waived, and shall be operative with respect to any other then existing or subsequent default in connection therewith.

(f) Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by, and construed in accordance with, the applicable Laws of the United States of America and the Laws of the State of Delaware applicable to contracts made and performed in such State and, in any event, without giving effect to any choice or conflict of laws provision or rule that would cause the application of domestic substantive laws of any other jurisdiction.

(g) Entire Agreement. This Agreement (including the Exhibits) constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, arrangements, covenants, promises, conditions, understandings, inducements, representations and negotiations, expressed or implied, oral or written, between them as to such subject matter.

(h) Specific Performance; Other Rights and Remedies. Each party recognizes and agrees that in the event any other party should refuse to perform any of its obligations under this Agreement, the remedy at law would be inadequate and agrees that for breach of such provisions, each party shall be entitled to injunctive relief and to enforce its rights by an action for specific performance to the extent permitted by Applicable Law. Each party hereby waives any requirement for security or the posting of any bond or other surety in connection with any temporary or permanent award of injunctive, mandatory or other equitable relief. Nothing herein contained shall be construed as prohibiting each party from pursuing any other remedies available to it pursuant to the provisions of, and subject to the limitations contained in, this Agreement for such breach or threatened breach.

(i) Saturdays, Sundays, Holidays, etc. If the last or appointed day for taking of any action required or permitted hereby shall be day other than a Business Day, then such action may be taken on the next succeeding Business Day.

(j) Headings; Counterparts. The headings contained in this Agreement are for reference purposes only and shall not limit or otherwise affect the meaning of any provision of this Agreement. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument, binding upon all of the parties hereto. In pleading or proving any provision of this Agreement, it shall not be necessary to produce more than one of such counterparts.

(k) Severability. If any provision of this Agreement shall be held or deemed to be, or shall in fact be, invalid, inoperative, illegal or unenforceable as applied to any particular case in any jurisdiction or jurisdictions, or in all jurisdictions or in all cases, because of the conflict of any provision with any constitution or statute or rule of public policy or for any other reason, such circumstance shall not have the effect of rendering the provision or provisions in question invalid, inoperative, illegal or unenforceable in any other jurisdiction or in any other case or circumstance or of rendering any other provision or provisions herein contained invalid, inoperative, illegal or unenforceable to the extent that such other provisions are not themselves actually in conflict with such constitution, statute or rule of public policy, but this Agreement shall be reformed and construed in any such jurisdiction or case as if such invalid, inoperative, illegal or unenforceable provision had never been contained herein and such provision reformed so that it would be valid, operative and enforceable to the maximum extent permitted in such jurisdiction or in such case. Notwithstanding the foregoing, in the event of any such determination the effect of which is to affect materially and adversely any party, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by applicable Law in an acceptable manner to the end that the transactions contemplated by this Agreement are fulfilled and consummated to the maximum extent possible.

(l) Further Acts. Each party agrees that at any time, and from time to time, before and after the consummation of the transactions contemplated by this Agreement, it will do all such things and execute and deliver all such other agreements, instruments and documents and other assurances, as any other party or its counsel reasonably deems necessary or desirable in order to carry out the terms and conditions of this Agreement and the transactions contemplated hereby or to facilitate the enjoyment of any of the rights created hereby or to be created hereunder. Without limiting the generality of the foregoing, ATC agrees to use its reasonable business efforts to secure all consents and approvals required from its lenders or others holding its debt instruments to the extent necessary to enable it to perform its obligations under this Agreement, including without limitation any purchase of the Holding Securities from Gearon or any other Stockholder.

(l) Legend on Certificate. Each party acknowledges that no Transfer of any of the shares of Holding Common Stock held by it may be made except in compliance with applicable federal and state securities laws. All the certificates or other instruments representing any of such shares that are now or hereafter held by such party shall be subject to the terms of this Agreement and shall have endorsed in writing, stamped or printed, thereon the following legend:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES LAWS AND MAY NOT BE TRANSFERRED EXCEPT IN COMPLIANCE WITH THOSE LAWS. THE SECURITIES ARE ALSO SUBJECT TO CERTAIN RIGHTS AND RESTRICTIONS, INCLUDING BUT NOT LIMITED TO RESTRICTIONS ON TRANSFER, SET FORTH IN AN AGREEMENT AMONG THE HOLDER, THE CORPORATION AND CERTAIN STOCKHOLDERS OF THE CORPORATION, AS AMENDED FROM TIME TO TIME, A COPY OF WHICH IS ON FILE WITH AND AVAILABLE FROM THE SECRETARY OF THE CORPORATION UPON WRITTEN REQUEST."

(m) Effectiveness of Transfers. Any Holding Securities transferred by any party to this Agreement shall be held by the transferee thereof pursuant to this Agreement. Such transferee shall, except as otherwise expressly stated herein, have all the rights and be subject to all of the obligations of its transferor (including in the case of a Gearon Holder all of those of Gearon) under this Agreement automatically and without requiring any further act by such transferee or by any parties to this Agreement. Without affecting the preceding sentence, if such transferee is not a party to this Agreement on the date of such Transfer, then such transferee, as a condition to such Transfer, shall confirm such transferee's obligations hereunder in accordance with Section 9(n). No Transfer of Holding Securities shall be recorded on Holding's books and records, and no such Transfer shall be otherwise effective, unless such Transfer is made in accordance with the terms and conditions of this Agreement, and Holding is hereby authorized by all of the parties to enter appropriate stop transfer notations on its transfer records to give effect to this Agreement. No actual or purported Transfer of any Holding Securities (or any portion thereof), nor any right thereto, whether voluntary or involuntary, direct or indirect, which is in violation of any provision of this Agreement shall be valid or effective to grant any Person any right, title or interest in or to such Holding Securities (or portion thereof) or any rights as a stockholder of Holding. Anything in this Section or elsewhere in this Agreement to the contrary notwithstanding, (i) no ATC Holder other than ATC shall have any obligation under Section 3 or 6, it being the intent of the parties that any such ATC Holder shall be obligated only under Sections 4 and 9, but any such ATC Holder may, except as it may have otherwise agreed in writing with ATC (or any other ATC Holder), exercise the rights of ATC (or any such ATC Holder) set forth in this Agreement, and (ii) ATC shall remain obligated, to the greatest extent applicable, under all Sections of this Agreement notwithstanding any Transfer of all or any part of the Holding Securities owned by it or any of its Affiliates.

(n) Additional Stockholders. Any Person acquiring any shares of Holding capital stock shall on or before the Transfer or issuance to it of such shares, sign a counterpart signature page hereto in form reasonably satisfactory to Holding, Gearon and ATC and shall thereby become a party to this Agreement. Holding shall require each Person acquiring any shares of capital stock of Holding or an option, warrant or other right to purchase shares of capital stock of Holding under any option or other equity participation plan to execute a counterpart signature page hereto.

(o) Power of Attorney. Gearon and each other Stockholder hereby appoints ATC as its agent and attorney-in-fact, which appointment is coupled with an interest, and is irrevocable, for purposes of executing and delivering all such agreements, instruments and documents necessary or desirable in order to effectuate the provisions of this Agreement, including without limitation the right and power to transfer the Holding Securities of Gearon and such other Stockholder to ATC in accordance with the provisions of Sections 6 and 7. Notwithstanding the foregoing, if Gearon or any other Stockholder shall have given a good faith written notice to ATC specifying in reasonable detail that a bona fide dispute exists between the parties relating to the potential exercise of such power of attorney, ATC shall not be entitled to exercise it until further written notice from Gearon or such other Stockholder or a final, nonappealable judicial order or decision.

(p) Mutual Drafting. This Agreement is the result of the joint efforts of the parties, and each provision hereof has been subject to the mutual consultation, negotiation and agreement of the parties and there shall be no construction against any party based on any presumption of that party's involvement in the drafting thereof. Each of the parties is a sophisticated legal entity or individual that was advised by experienced counsel and, to the extent it deemed necessary, other advisors in connection with this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement, as of the date and year first above written.

ATC Mexico Holding Corp.

By: /s/ Joseph L. Winn

Name:

Title: Chief Financial Officer

American Tower Corporation

By: /s/ Steven B. Dodge

Name: Steven B. Dodge
Title: Chairman and CEO

American Tower International, Inc.

By: /s/ Steven B. Dodge

Name: Steven B. Dodge
Title: Chairman and CEO

/s/ J. Michael Gearon, Jr.

J. Michael Gearon, Jr.

"Adjusted EBITDA" shall mean the excess of (a) the sum of (i) earnings before taxes, interest, and depreciation and amortization of Holding and (ii) interest income from the loan to TV Azteca S.A. de C.V. (or from comparable transactions) over (b) a reasonable allocation of administrative overhead of ATC and its subsidiaries, to the extent (i) ATC actually provides administrative services to Holding and (ii) expenses related to such services are not already deducted from earnings. Adjusted EBITDA shall, unless ATC and Gearon agree on the amount, be determined by the independent accountants of Holding, whose determination shall, unless objected to in writing by Gearon within ten (10) Business Days of the delivery of such determination, be binding and conclusive on all of the Parties. If Gearon shall so timely object, it shall have the right to submit the matter to an independent accounting firm reasonably acceptable to ATC and Gearon whose determination shall be binding and conclusive on all of the Parties and whose expenses shall be paid by Gearon unless its determination of Adjusted EBITDA is more than five percent (5%) greater than that determined by Holding's independent accountants in which event they shall be paid by ATC.

"Affiliate", when used with respect to any Person, shall mean (a) any other Person at the time directly or indirectly controlling, controlled by or under direct or indirect common control with such Person, (b) any other Person of which such Person at the time owns, or has the right to acquire, directly or indirectly, five percent (5%) or more on a consolidated basis of the equity or beneficial interests, (c) any other Person which at the time owns, or has the right to acquire, directly or indirectly, five percent (5%) or more of any class of the capital stock or beneficial interests of such Person, (d) any executive officer or director of such Person, and (e) when used with respect to an individual, shall include a spouse, any ancestor or descendant, or any other relative (by blood, adoption or marriage), within the third degree of such individual. A Person shall be deemed to be "controlled by" any other Person if such other Person possesses, directly or indirectly, power to direct or cause the direction of the management or policies of such Person or the disposition of its assets or properties, whether by stock, equity or other ownership, by contract, arrangement or understanding, or otherwise.

"ATC" shall have the meaning given to it in the preamble.

"ATC Change of Control" shall mean (a) the acquisition, directly or indirectly, by any Person or group (as such term is used in Section 13(d)(3) of the Exchange Act), other than any Person who is, as of the date hereof, an executive officer, director or the holder of five percent (5%) or more of the aggregate voting power of all classes of common stock of ATC, or any Affiliate of any such officer, director or holder, or any group of which any such officer, director, holder or Affiliate is a member, of more than fifty percent (50%), of the aggregate voting power of all classes of common stock of ATC, (b) Steven B. Dodge ceasing to act as either the Chairman of the Board of Directors or Chief Executive Officer of ATC, or (c) Gearon being required to report to any Person other than Steven B. Dodge, the Holding Board and the ATC Board of Directors.

"ATC Common Stock" shall mean the Class A Common Stock, par value $.01 per share, of ATC or any publicly traded class of common stock into which such stock shall have been converted or exchanged pursuant to any recapitalization, reorganization, merger, consolidation or similar event.

"ATC Holder(s)" shall mean ATC, ATC International, any Affiliate of ATC or ATC International to whom any Holding Securities may from time to time be transferred and any other Person deriving its interest, directly or indirectly, in any Holding Securities from any of the foregoing, other than any Gearon Holder or other Stockholder.

"ATC International" shall have the meaning given to it in the preamble.

"ATC Registration Rights Agreement" shall mean the Amended and Restated Registration Rights Agreement dated February 25, 1999, as heretofore and hereafter amended.

"Authority" shall mean any governmental or quasi-governmental authority, whether administrative, executive, judicial, legislative or other, or any combination thereof, including without limitation any federal, state, territorial, county, municipal or other government or governmental or quasi-governmental agency, arbitrator, authority, board, body, branch, bureau, or comparable agency or Entity, commission, corporation, court, department, instrumentality, mediator, panel, system or other political unit or subdivision or other Entity of any of the foregoing, whether domestic or foreign.

"Business Day" shall mean any day, other than a Saturday, Sunday or legal holiday, on which banks in Atlanta, Georgia and Boston, Massachusetts are permitted to be open for business.

"Call Notice" shall have the meaning given to it in Section 6(b).

"Core Business" shall mean the ownership, operation, construction, leasing and management of telecommunications towers and related businesses such as site acquisition and zoning activities, but shall exclude, without limitation, (a) marketing and sale of equipment and components, (b) providing integrated satellite and fiber network access services (i.e., teleports), and (c) engineering services, such as wireless broadband and wireless network design and implementation; radio frequency network design; drive testing; performance engineering; technical planning for spectrum license holders; upgrading networks to 3G; transport engineering; and interconnection and microwave services.

"Disability" shall mean a condition (mental or physical or both) which, in the good faith judgment of the Holding Board, renders Gearon, in his capacity as an executive officer of Holding, and by reason of incapacity (mental or physical or both) unable to perform properly his duties as such executive officer for a period of not less than six (6) months during any twenty-four (24) month period.

"Electing Offering Stockholder" shall have the meaning given to it in Section 6(a).

"Electing Put Stockholder" shall have the meaning given to it in Section 6(a).

"Entity" shall mean any corporation, partnership, limited liability company, trust, unincorporated association, government or any agency or political subdivision thereof.

"Fair Market Value" shall mean, with respect to the ATC Common Stock, (a) the average of the high and low reported sales prices, regular way, or, in the event that no sale takes place on any day, the average of the reported high and low bid and asked prices, regular way, in either case as reported on the principal stock exchange on which such stock is listed, or, if not so listed, on the Nasdaq National Market System; or (b) if such stock is not so listed, (i) the average of the high and low bid and high and low asked prices on each such day in the over-the-counter market as reported by Nasdaq, or (ii) if bid and asked prices for such security on any day shall not have been reported through Nasdaq, the average of the bid and asked prices for such day as furnished by any New York Stock Exchange member firm regularly making a market in such security selected for such purpose by ATC; in each case for the twenty (20) trading days ending five business days prior to the date as of which such Fair Market Value is being determined.

"First Refusal Offer" shall have the meaning given to it in Section 7(a).

"Forfeiture Event" shall mean any of the following acts (other than as a result of the death or Disability of Gearon) committed by Gearon:

(a) any willful or gross failure or refusal to perform, or any willful or gross misconduct in the performance of, any significant portion of his obligations, duties and responsibilities as an executive officer of Holding, the effect of which has been or reasonably could be expected to materially and adversely affect the business of ATC or any of its Affiliates, as determined in good faith by the ATC Board of Directors, and that (i) is incapable of cure, or (ii) has not been cured or remedied as promptly as is reasonably possible (and in any event within thirty (30) days) after written notice from the Holding Board to Gearon specifying in reasonable detail the nature of such failure, refusal or misconduct, or

(b) material breach of the provisions of Section 2, 3 or 4 of the Gearon Noncompetition Agreement which (i) is incapable of cure, or (ii) has not been cured or remedied promptly (and in any event within thirty (30) days) after written notice from the Holding Board to Gearon specifying in reasonable detail the nature of such breach, or

(c) Gearon is convicted of, pleads guilty or nolo contendero to any act of fraud, embezzlement or misappropriation or other crime involving moral turpitude in connection with his employment by Holding or any of its Affiliates intended by Gearon to result in substantial personal enrichment and which adversely affects the business of ATC or any of its Affiliates, all as determined in good faith by the ATC Board of Directors.

"Gearon" shall have the meaning given to it in the preamble and shall, to the extent applicable, include his heirs, legal representatives and trustees.

"Gearon Holder(s)" shall mean any member of the Gearon Group, any Affiliate of any of the foregoing or any other Person deriving its interest, directly or indirectly, from any member of the Gearon Group or any Affiliate of any of the foregoing, other than any ATC Holder.

"Gearon Group" shall mean (a) Gearon, (b) any spouse, ancestor or descendant, or other relative (by blood, adoption or marriage, past or present), within the third degree of Gearon, (c) any Affiliate of any of the individuals included within clause (a) or (b), and (d) any trust for the benefit of any of the Persons included within clause (a), (b) or (c).

"Gearon Notice Period" shall have the meaning given to it in Section 7(b).

"Gearon Noncompetiton Agreement" shall mean the agreement, of even date, by and among, Holding, Other Holding, ATC and Gearon.

"Gearon Note" shall have the meaning given to it in Section 3(b).

"Gearon Termination Event" shall mean the termination by (a) Gearon of his employment with Holding other than a termination for Good Reason following an ATC Change of Control or a Holding Change of Control, or (b) Holding of Gearon's employment as a result of (i) a Forfeiture Event or (ii) a material breach by Gearon of any material provision of this Agreement, or any of the Related Documents which (x) is incapable of cure, or (y) has not been cured or remedied promptly (and in any event within thirty (30) days) after written notice from the Holding Board to Gearon, specifying in reasonable detail the nature of such breach.

"Good Reason" shall mean:

(a) the assignment to Gearon of any duties inconsistent in any material respect with his position, authority, duties or responsibilities as contemplated in Section 4(f) or any other action by Holding, Other Holding or their Affiliates that results in a diminution, in any material respect, in such position, authority, duties or responsibilities; or

(b) an ATC Change of Control or a Holding Change of Control; or

(c) a material reduction in Gearon's compensation or other benefits (taking into account the compensation and other benefits from all Affiliates of Holding from whom he may, from time to time, receive compensation), the result of which is to place Gearon in a materially less favorable position as to such compensation and benefits compared to other employees of Holding and its Affiliates of similar stature and position; or

(d) any other failure by Holding or ATC to comply in any material respect with any material provision of this Agreement or by Other Holding or ATC to comply in any material respect with any material provision of the Other Agreement; or

(e) the failure of Gearon to be nominated as a director of ATC;

that (i) is incapable of cure, or (ii) has not been cured or remedied promptly (and in any event within thirty (30) days) after written notice to the Holding Board and ATC from Gearon specifying in reasonable detail the nature of such assignment, action, reduction or failure.

"Holding" shall have the meaning given to it in the preamble

"Holding Board" shall have the meaning given to it in Section 4(a).

"Holding Change of Control" shall mean the acquisition, directly or indirectly, by any Person or group (as such term is used in Section 13(d)(3) of the Exchange Act), other than ATC or any of its subsidiaries or any Person who is, as of the date hereof, an executive officer, director or the holder of five percent (5%) or more of the ATC Common Stock, or any Affiliate of any such officer, director or holder, or any group of which any such officer, director, holder or Affiliate is a member, of more than fifty percent (50%), of the voting power of all classes of common stock of Holding.

"Holding Change of Control Notice" shall have the meaning given to it in Section 6(d).

"Holding Change of Control Transaction" shall have the meaning given to it in Section 6(d).

"Holding Common Stock" shall mean all shares of Common Stock, par value $.01 per share, of Holding.

"Holding Notice Period" shall have the meaning given to it in Section 7(c).

"Holding Securities" shall mean all shares of Holding Common Stock from time to owned by Gearon or any other Person other than the ATC Holders.

"Holding Value" shall mean the fair market value of the Holding Common Stock, determined in accordance with this definition. The parties agree that the fair market value of the Holding Common Stock shall mean the price at which a willing seller would sell and a willing buyer would buy a comparable business as an ongoing business in an arm's length transaction (as a sale of the stock or, if applicable, other equity interests), determined as if Holding were a public company and the Holding Common Stock were publicly traded on a securities exchange in the United States of America and widely held at the time of such determination and without consideration of any restrictions or encumbrances or contractual rights relating to the equity securities thereof, and assuming all of the outstanding stock or, if applicable, other equity interests are to be sold in a single transaction. The Board of Directors of ATC has determined, and Gearon agrees, that the fair market value of the Holding Common Stock would be an amount equal to the excess, if any, of (a) fifteen (15) times the Adjusted EBITDA of Holding for the four fiscal quarters ended prior to the date of determination over (b) the sum of (i) the aggregate principal amount and accrued and unpaid interest on all Indebtedness for Money Borrowed of Holding, and (ii) the aggregate liquidation preference and accrued and unpaid dividends on all preferred stock of Holding, in each case as of the last day of such four fiscal quarters. The parties agree that the Board of Directors of ATC shall, from time to time, determine whether the foregoing valuation methodology is an appropriate one for determining Holding Value. If the ATC Board of Directors determines, after consultation with Gearon, that such valuation methodology no longer reflects the fair market value of the Holding Common Stock, it shall (a) determine such fair market value, (b) establish new valuation methodology, or (c) establish other means for determining it, including without limitation by the appointment of an investment banking firm knowledgeable in the business in which Holding is engaged and reasonably acceptable to Gearon or, in the event they are unable to agree upon a single investment banking firm, each shall appoint one such firm and the two firms thus appointed shall select a third firm whose determination of such fair market value shall be binding and conclusive on the parties. Any such investment banking firm shall determine such fair market value based on the then existing facts and circumstances, including the existing business plan and projections of Holding. Holding shall pay all costs and expenses of any investment banking firm appointed pursuant to these provisions. ATC shall promptly advise Gearon of its determination. If the ATC Board of Directors makes a determination or establishes a new valuation methodology and such determination or valuation methodology results in a lower Holding Value than the valuation methodology set forth in this definition, Gearon shall have the right to have an independent investment banking firm appointed in accordance with the foregoing provisions of this definition. Anything in this definition to the contrary notwithstanding, for purposes of determining the fair market value of the Holding Common Stock, it shall be assumed that, and the valuation shall be based on the assumption that, the only business conducted by Holding was the Core Business. Without limiting the generality of the foregoing, there shall be excluded from the revenues and expenses of Holding for purposes of determining Holding Value all revenues and expenses (including without limitation any increased administrative costs, incremental taxes, and exchange rate fluctuations) attributable to any business that is not a Core Business and, to the extent that any item of revenue or expense is not specifically related to a Core or non-Core Business (e.g., revenue and expenses attributable to a "bundled" agreement), it shall be equitably allocated to each in accordance with generally accepted accounting principles.

"Indebtedness for Money Borrowed" shall mean money borrowed and indebtedness represented by notes payable and drafts accepted representing extensions of credit, all obligations evidenced by bonds, debentures, notes or other similar instruments, the maximum amount currently or at any time thereafter available to be drawn under all outstanding letters of credit issued for the account of such Person, all indebtedness upon which interest charges are customarily paid by such Person, and all indebtedness (including capitalized lease obligations) issued or assumed as full or partial payment for property or services, whether or not any such notes, drafts, obligations or indebtedness represent Indebtedness for Money Borrowed, but shall not include (a) trade payables, (b) expenses accrued in the ordinary course of business, or (c) customer advance payments and customer deposits received in the ordinary course of business.

"Law" shall mean any (a) administrative, judicial, legislative or other action, code, consent decree, constitution, decree, directive, enactment, finding, law, injunction, interpretation, judgment, order, ordinance, policy statement, proclamation, promulgation, regulation, requirement, rule, rule of law, rule of public policy, settlement agreement, statute, or writ of any Authority, domestic or foreign; or (b) the common law, or other legal precedent.

"Lien" shall mean any of the following: mortgage, lien (statutory or other), or other security agreement, arrangement or interest; hypothecation, pledge or other deposit arrangement; assignment; charge; levy; executory seizure; attachment; garnishment; encumbrance (including any easement, exception, reservation or limitation, right of way, and the like); conditional sale, title retention or other similar agreement, arrangement, device or restriction; preemptive or similar right; any financing lease involving substantially the same economic effect as any of the foregoing; the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction; restriction on sale, transfer, assignment, disposition or other alienation; or any option, equity, claim or right of or obligation to, any other Person, of whatever kind and character.

"Minimum Price" shall have the meaning given to it in Section 7(a).

"Noncompetition Agreement" shall mean the noncompetition agreement, dated as of the date hereof, in the form of Exhibit C hereto.

"Offered Securities" shall have the meaning given to it in Section 7(a).

"Option(s)" shall have the meaning given to it in the second Whereas paragraph.

"Other Agreement" shall mean the agreement, of even date, by and among Other Holding, ATC, ATC International, and Gearon.

"Other Holding" shall mean ATC South America Holding Corp., a Delaware corporation owned by ATC and Gearon in the same proportions as ATC and Gearon own Holding.

"Other Note" shall mean the note attached to the Other Agreement as Exhibit A.

"Other Pledge Agreement" shall mean the pledge agreement attached to the Other Agreement as Exhibit B.

"Permitted Transfer" shall mean:

(a) a Transfer of any Holding Securities (other than an Option) by Gearon or any other Stockholder who is a natural person and such Person's spouse, children, parents or siblings (whether natural, step or by adoption) or to a trust solely for the benefit of one or more of any of such Persons, so long as such Person is the sole trustee of such trust;

(b) a Transfer of Holding Securities between or among the Stockholders ; and

(c) a Transfer of Holding Securities between Gearon or any other Stockholder who is a natural person and such Person's legal representatives, guardians or conservators.

No Permitted Transfer shall be effective unless and until the transferee of the Holding Securities so transferred executes and delivers to Holding an executed counterpart of this Agreement pursuant to the provisions of Section 9(n).

"Permitted Transferee" shall mean any Person who shall have acquired and who shall hold any Holding Securities pursuant to a Permitted Transfer, and shall include the Persons listed on Schedule A attached hereto so long as they are employees of Holding or any Affiliate of Holding.

"Person" means an individual or Entity.

"Plan" shall have the meaning given to it in the second Whereas paragraph.

Pledge Agreement" means the Pledge Agreement attached to this Agreement as Exhibit B.

"Proposed Transfer" shall have the meaning given to it in Section 7.

"Put/Call Price" shall mean, with respect to Holding Securities owned by any Stockholder, the amount derived by multiplying (i) the Holding Value by (ii) a fraction (x) the numerator of which is the number of shares of Holding Common Stock represented by the Holding Securities held by such Stockholder and (y) the denominator of which is the aggregate number of shares of Holding Common Stock at the time outstanding.

"Put Notice" shall have the meaning given to it in Section 5(a).

"Related Documents" shall mean the Other Agreement, the Note, the Other Note, the Noncompetition Agreement, the Pledge Agreement, and the Other Pledge Agreement.

"Stockholder(s)" shall have the meaning given to it in the preamble.

"Third Party" means any Person other than Holding or ATC (or any of its Affiliates).

"Third Party Transferee" shall have the meaning given to it in Section 7(g).

"Transfer" shall mean to transfer, issue, sell, assign, pledge, hypothecate, give, grant or create a security interest in or lien on, place in trust (voting or otherwise), assign an interest in or in any other way encumber or dispose of, directly or indirectly and whether or not by operation of law or for value, any of the Holding Securities.

"Transfer Notice" shall have the meaning given to it in Section 7(a).

Exhibit 10.29

NONCOMPETITION AND CONFIDENTIALITY AGREEMENT

This Agreement (this "Agreement") made as of October 11, 2001, by and between American Tower Corporation, a Delaware corporation ("ATC"), and J. Michael Gearon, Jr. ("Gearon"), an individual residing at 2995 Paces Lake Court, Atlanta, Georgia 30339.

WHEREAS, ATC, American Tower International, Inc., a Delaware corporation ("ATC International"), Gearon, and ATC Mexico Holding Corp, a Delaware corporation ("ATC Mexican Sub"), are parties to a Stockholder Agreement, dated as of the date hereof (the "Mexican Stockholder Agreement"), pursuant to which ATC Mexican Sub will issue and sell to Gearon shares of its Common Stock, par value $.01 per share; and

WHEREAS, ATC, ATC International, Gearon, and ATC South America Holding Corp, a Delaware corporation ("ATC South American Sub"), may become parties to a Stockholder Agreement (the "South American Stockholder Agreement" and, collectively with the Mexican Stockholder Agreement, the "Stockholder Agreements"), pursuant to which ATC South American Sub will issue and sell to Gearon South America shares of its Common Stock, par value $.01 per share; and

WHEREAS, Gearon is one of the executive officers of ATC and will become the president of ATC Mexican Sub and ATC South American Sub;

NOW, THEREFORE, in consideration of the consummation of the transactions contemplated by the Stockholder Agreements and the election of Gearon as president of ATC Mexican Sub and ATC South American Sub, the sum of One Dollar ($1.00), the material covenants and agreements contained herein, and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, do covenant and agree as follows:

Section 1. Definitions. Terms used in this Agreement which are not defined herein but which are defined in the Stockholder Agreements shall have the respective meanings so defined.

Confidential Information shall mean any and all information (excluding information in the public domain other than as a direct or indirect result of any breach by Gearon or either Gearon Entity of the provisions of this Agreement) related to the business, operations, management, assets, property, plans or prospects, condition, financial or other, or results of operation of ATC, any Affiliate of ATC or any of their respective successors or assigns, including without limitation:

(a) the whole or any portion or phase of any business plans, financial information, purchasing data, supplier or customer data, accounting data, or computer programs (including source and object codes), tapes, discs, data, software or other information;

(b) the whole or any portion or phase of any marketing or sales information or technique, sales records, customer lists, supplier lists, prices, sales projections or other listings of names, addresses, or telephone numbers, or other sales information;

(c) the whole or any portion or phase of any employee payroll, fringe benefit, salary, bonus, commission or other form of compensation information and all employee personnel information, including information relating to performance evaluations, discipline, employee conduct, complaints and other matters relating to employment of any Person; and

(d) Intellectual Property;

whether or not any of the foregoing has been made, developed and/or conceived by Gearon or by others in the employ of any such Person. Notwithstanding the foregoing, the term "Confidential Information" shall not include and information reasonably necessary for the conducting of any activity expressly excluded from the definition of "Proscribed Activity" hereunder.

Covered Territory shall mean (a) while Gearon is employed by ATC or any of its Affiliates, North, South and Latin America, Europe and all other areas in which ATC or any of its Affiliates has invested or proposes to invest; and (b) thereafter, North America and any other markets where Gearon has been or is involved or is negotiating a proposed investment, acquisition or other transaction on behalf of ATC or any of its Affiliates.

Good Reason shall mean:

(a) the assignment to Gearon of any duties inconsistent in any material respect with his position, authority, duties or responsibilities as contemplated in Section 4(f) of the Stockholder Agreement or any other action by ATC, ATC Mexican Sub or ATC South American Sub or any of their Affiliates that results in a diminution, in any material respect, in such position, authority, duties or responsibilities; or

(b) a material reduction in Gearon's compensation or other benefits (taking into account the compensation and other benefits from ATC, ATC Mexican Sub or ATC South American Sub and their Affiliates from whom he may, from time to time, receive compensation), the result of which is to place Gearon in a materially less favorable position as to such compensation and benefits compared to other employees of ATC, ATC Mexican Sub or ATC South American Sub and their Affiliates of similar stature and position; or

(c) any other failure by ATC, ATC Mexican Sub or ATC South American Sub or any of their Affiliates to comply in any material respect with any material provision of either Stockholder Agreement; or

(d) the failure of Gearon to be nominated as a director of ATC;

that (i) is incapable of cure, or (ii) has not been cured or remedied promptly (and in any event within thirty (30) days) after written notice to the board of directors of ATC from Gearon specifying in reasonable detail the nature of such assignment, action, reduction or failure.

Immediate Family shall mean spouses, children and parents, whether related by blood, adoption or marriage.

Intellectual Property shall mean, with respect to Gearon, any and all research, information, inventions, designs, procedures, developments, discoveries, improvements, patents and applications therefor, trademarks and applications therefor, service marks, trade names, copyrights and applications therefor, trade secrets, drawing, plans, systems, methods, specifications, computer software programs, tapes, discs and related data processing software (including object and source codes) owned by Gearon or in which he has an interest and all other manufacturing, engineering, technical, research and development data and know-how made, conceived, developed and/or acquired by Gearon solely or jointly with others during the period of his employment with ATC or any of its Subsidiaries or within one year thereafter, which relate to the manufacture, production or processing of any products developed or sold by ATC or any of its Subsidiaries during the term of this Agreement or which are within the scope of or usable in connection with ATC's or any of its Subsidiaries' business as it may, from time to time, hereafter be conducted or proposed to be conducted.

Proscribed Activity shall mean any and all activities related to (a) the construction, ownership, operation, leasing or management of telecommunications or broadcast towers, (b) providing network development services or components for wireless service providers or broadcasters, (c) providing high speed Internet access and related services via satellite to foreign-based Internet service providers, telephone or other telecommunciations companies, and other businesses, or (d) providing other satellite and Internet protocol network transmission services.

Restricted Period shall mean a period commencing with the date hereof and terminating the latest of (a) one year after the later of (i) exercise of the put (or call) provided for in Section 6 of the Mexican Stockholder Agreement or (ii) exercise of the put (or call) provided for in Section 6 of the South American Stockholder Agreement, (b) two years after the sooner to occur of (i) a Forfeiture Event, or (ii) the resignation by Gearon from all positions with ATC and each of its subsidiaries other than for Good Reason, or (c) one year after the resignation by Gearon from all positions with ATC and each of its subsidiaries for the reason set forth in paragraph (d) of the definition of Good Reason.

Section 2. Confidentiality. Gearon shall not, either during the Restricted Period or thereafter, reveal or disclose to any person outside ATC and its subsidiaries or use for his own benefit, without ATC's specific prior written authorization, whether by private communication or by public address or publication or otherwise, any Confidential Information. All originals and copies of any Confidential Information, relating to the business of ATC or any of its subsidiaries, however and whenever produced, shall be the sole property of ATC and its subsidiaries, not to be removed from the premises or custody of ATC or its subsidiaries without in each instance first obtaining prior written consent or authorization of ATC.

Section 3. Disclosure and Assignment of Intellectual Property. Gearon shall promptly disclose to ATC and any successor or assign, and grant to ATC, and its successors and assigns (without any separate remuneration or compensation other than that received by him from time to time in the course of his employment) his entire right, title and interest throughout the world in and to all Intellectual Property. It is understood and agreed that Gearon has heretofore disclosed to ATC, and assigned to it, all Intellectual Property now known to him over which he has any control. Gearon agrees to execute all appropriate patent applications securing all United States and foreign patents on all Intellectual Property, and to do, execute and deliver any and all acts and instruments that may be necessary or proper to vest all Intellectual Property in ATC or its nominee or designee and to enable ATC, or its nominee or designee, to obtain all such patents; and Gearon agrees to render to ATC, or its nominee or designee, all such reasonable assistance as it may require in the prosecution of all such patent applications and applications for the reissue of such patents, and in the prosecution or defense of all interferences which may be declared involving any of said patent applications or patents, but the expense of all such assignments and patent applications, or all other proceedings referred to herein above, shall be borne by ATC. Gearon shall be entitled to fair and reasonable compensation for any such assistance requested by ATC or its nominee or designee and furnished by him after the termination of his employment.

Section 4. Restriction. ATC through its subsidiaries intends to continue and expand the business heretofore conducted by it and them and it and in connection therewith ATC and its subsidiaries have invested and may in the future be required to invest substantial sums of money, directly or indirectly, and as Gearon recognizes that ATC would be substantially injured by Gearon disclosing to others, or by Gearon using for his own benefit, any Intellectual Property or any other Confidential Information he has obtained or shall obtain from ATC or any of its subsidiaries, or which he may now possess and which he has made available to ATC or any of its subsidiaries, Gearon agrees that during the Restricted Period:

(a) Neither he nor any member of his Immediate Family will be interested, directly or indirectly, as an investor in any other Entity (including without limitation either Gearon Entity), business or enterprise within the Covered Territory, which is engaged in any Proscribed Activity (except as an investor in securities (i) issued by ATC or any of its subsidiaries or (ii) listed on a national securities exchange or actively traded over the counter so long as such investments are in amounts not significant as compared to his total investments and do not exceed one percent (1%) of the outstanding securities of the issuer of the same class or issue); and

(b) Other than in connection with his serving as an officer and/or director of ATC and its subsidiaries, he will not, directly or indirectly, for his own account or as employee, officer, director, partner, trustee, principal, member, joint venturer, agent, adviser, consultant or otherwise, engage within the Covered Territory, in any phase of any Proscribed Activity.

Gearon further agrees that during the Restricted Period, he will not, directly or indirectly, solicit business for a Proscribed Activity from any Person, business or enterprise which is, or proposes to be, a customer of ATC or any of its subsidiaries or any of their respective successors or assigns, or from any Person, business or enterprise with which ATC or any of its subsidiaries or any of their respective successors or assigns is negotiating or holding discussion or to which it has made a proposal at the time of such termination, induce any such Person, business or enterprise not to undertake, or to curtail or cancel business with ATC or any of its subsidiaries or any of their respective successors or assigns, induce or attempt to induce any employee of ATC or any of its subsidiaries or any of their respective successors or assigns to terminate his employment therewith, or intentionally divulge or utilize for the direct or indirect benefit (financial or other) of himself or any other Person, business or enterprise, any Intellectual Property or any Confidential Information he has obtained as an officer, director and/or stockholder of ATC or any of its subsidiaries.

This Agreement shall be deemed to consist of a series of separate covenants, one for each line of business carried on by ATC and its subsidiaries and each region included within the geographic areas referred to in this Section. Gearon and ATC are of the belief that the Restricted Period, the Proscribed Activity and the Covered Territory herein specified are reasonable, in light of the circumstances as they exist on the date upon which this Agreement has been executed, including without limitation the nature of the business in which ATC and its subsidiaries are engaged and proposes to engage, the state of their product development and Gearon's knowledge of such business and his prior affiliations with and interest in ATC. However, if such period, activity or area should be adjudged unreasonable in any Legal Action, whether at law or in equity, then the Restricted Period shall be reduced by such period of time, the Proscribed Activity shall be reduced by such activities, or the Covered Territory shall be reduced by such area, or any combination thereof, as are deemed unreasonable, so that this covenant may be enforced in such area, with respect to such activities and during such period of time as is adjudged to be reasonable.

Section 5. Security for Gearon Obligations. Gearon's obligations under this Agreement shall be secured by twenty percent (20%) of the gross sale proceeds (before deduction of commissions, discounts, brokerage fees or other fees and expenses) of (a) all of his membership interests in each Gearon Entity, (b) all shares of capital stock and other securities issued by ATC Mexican Sub or ATC South American Sub to Gearon, and (c) all shares of capital stock and other securities issued by ATC Mexican Sub or ATC South American Sub received by Gearon pursuant to any distribution to him by either Gearon Entity or otherwise acquired by him. Gearon and ATC agree that all such proceeds shall be held by an escrow agent or agents reasonably acceptable to Gearon and ATC and subject to the terms and conditions of an escrow agreement to be executed by ATC and Gearon and reasonably satisfactory to ATC and Gearon.

Section 6. Miscellaneous Provisions.

(a) Assignment; Successors and Assigns. In the event that ATC shall be merged with, or consolidated into, any other Entity, or in the event that it shall sell and transfer substantially all of its assets to another Entity, the terms of this Agreement shall inure to the benefit of, and be assumed by, the Entity resulting from such merger or consolidation, or to which ATC's assets shall be sold and transferred. This Agreement shall not be assignable by Gearon, but it shall be binding upon his heirs, executors, administrators and legal representatives to the extent they constitute members of his Immediate Family. Nothing in this Agreement expressed or implied is intended to and shall not be construed to confer upon or create in any person (other than the parties hereto and their permitted successors and assigns) any rights or remedies under or by reason of this Agreement.

(b) Specific Performance; Other Rights and Remedies. Gearon recognizes and agrees that ATC's remedy at law for any breach of the provisions of this Agreement, including without limitation Sections 2, 3, or 4 would be inadequate, and he agrees that for breach of such provisions, ATC shall, in addition to such other remedies as may be available to it at law or in equity or as provided in this Agreement, be entitled to injunctive relief and to enforce its rights by an action for specific performance to the extent permitted by applicable law. Without limiting the generality of the foregoing, in the event of a breach or threatened breach by Gearon of the provisions of this Agreement, ATC shall be entitled to an injunction restraining Gearon from soliciting employees, customers or suppliers, or from disclosing, in whole or in part, any Confidential Information, or from rendering any services to any Person to whom such information has been disclosed, or is threatened to be disclosed, from engaging, participating or otherwise being connected with any business described in Section 3 or from otherwise violating the terms of this Agreement. Nothing herein contained shall be construed as prohibiting each party from pursuing any other remedies available to it pursuant to the provisions of, and subject to the limitations contained in, this Agreement for such breach or threatened breach; provided, however, that none of the parties shall pursue, and each party hereby waives, any punitive, indirect, special, incidental, exemplary, consequential or similar damages arising out of this Agreement (including without limitation damages for diminution in value and loss of anticipated profits) and the multiplied portion of damages.

(c) Entire Agreement. This Agreement constitutes the entire agreement between ATC and Gearon with respect to the subject matter hereof, and supersedes all prior agreements, arrangements, covenants, promises, conditions, understandings, inducements, representations and negotiations, expressed or implied, oral or written, among them as to such subject matter.

(d) Waivers; Amendments. Any provision of this Agreement to the contrary notwithstanding, changes in or additions to this Agreement may be made, or compliance with any term, covenant, agreement, condition or provision set forth herein may be omitted or waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the consent in writing of the parties hereto. Any consent may be given subject to satisfaction of conditions stated therein. The failure to insist upon the strict provisions of any covenant, term, condition or other provision of this Agreement or to exercise any right or remedy thereunder shall not constitute a waiver of any such covenant, term, condition or other provision thereof or default in connection therewith. The waiver of any covenant, term, condition or other provision thereof or default thereunder shall not affect or alter this Agreement in any other respect, and each and every covenant, term, condition or other provision of this Agreement shall, in such event, continue in full force and effect, except as so waived, and shall be operative with respect to any other then existing or subsequent default in connection therewith.

(e) Notices. All notices and other communications which by any provision of this Agreement are required or permitted to be given shall be given in writing and shall be effective (i) five (5) days after being mailed by first-class, express mail, postage prepaid, (ii) the next day when sent by overnight by recognized mail courier service, (iii) upon confirmation when sent by telex, telegram, telecopy or other similar form of rapid transmission, confirmed by mailing (by first class or express mail, postage prepaid, or recognized overnight mail courier service) written confirmation at substantially the same time as such rapid transmission, or (iv) upon delivery personally delivered to an officer of the receiving party. All such communications shall be mailed, set or delivered as set forth below or at such other addresses as the party entitled thereto shall have designated by notice as herein provided.

(i) if to Holding or ATC, at 116 Huntington Avenue, Boston, Massachusetts 02116 Attention: Chief Executive Officer and Chief Financial Officer, Telecopier No.: (617) 375-7575 with a copy (which shall not constitute notice to ATC or Holding) to Sullivan & Worcester LLP, One Post Office Square, Boston, Massachusetts 02109, Attention: William J. Curry, Esq., Telecopier No.: (617) 338-2880) and

(ii) if to Gearon, at 3200 Cobb Galleria Parkway, Suite 205, Atlanta, Georgia 30339 with a copy (which shall not constitute notice to Gearon) to King & Spalding, 1185 Avenue of the Americas, New York, New York 10036, Attention: John L. Graham, Esq., Telecopier No.: (212) 556-2222).

(f) Severability. If any provision of this Agreement shall be held or deemed to be, or shall in fact be, invalid, inoperative, illegal or unenforceable as applied to any particular case in any jurisdiction or jurisdictions, or in all jurisdictions or in all cases, because of the conflicting of any provision with any constitution or statute or rule of public policy or for any other reason, such circumstance shall not have the effect of rendering the provision or provisions in question invalid, inoperative, illegal or unenforceable in any other jurisdiction or in any other case or circumstance or of rendering any other provision or provisions herein contained invalid, inoperative, illegal or unenforceable to the extent that such other provisions are not themselves actually in conflict with such constitution, statute or rule of public policy, but this Agreement shall be reformed and construed in any such jurisdiction or case as if such invalid, inoperative, illegal or unenforceable provision had never been contained herein and such provision reformed so that it would be valid, operative and enforceable to the maximum extent permitted in such jurisdiction or in such case, except when such reformation and construction could operate as an undue hardship on either party, or constitute a substantial deviation from the general intent and purpose of such party as reflected in this Agreement. The parties shall endeavor in good faith negotiations to replace the invalid, inoperative, illegal or unenforceable provisions with valid, operative, legal and enforceable provisions the economic effect of which comes as close as possible to that of the invalid, inoperative, illegal or unenforceable provisions.

(g) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, binding upon all the parties hereto. In pleading or proving any provision of this Agreement, it shall not be necessary to produce more than one of such counterparts.

(h) Section Headings. The headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

(i) Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the applicable laws of the United States of America and the domestic substantive laws of the State of Georgia without giving effect to any choice or conflict of laws provision or rule that would cause the application of domestic substantive laws of any other jurisdiction. Anything in this Agreement to the contrary notwithstanding, in the event of any dispute between the parties which results in a Legal Action, the prevailing party shall be entitled to receive from the non-prevailing party reimbursement for reasonable legal fees and expenses incurred by such prevailing party in such Legal Action.

(j) Further Acts. Each party agrees that at any time, and from time to time, before and after the consummation of the transactions contemplated by this Agreement, it will do all such things and execute and deliver all such agreements, assignments, instruments, other documents and assurances, as any other party or its counsel reasonably deems necessary or desirable in order to carry out the terms and conditions of this Agreement and the transactions contemplated hereby or to facilitate the enjoyment of any of the rights created hereby or to be created hereunder.

(k) Gender. Whenever used herein the singular number shall include the plural, the plural shall include the singular, and the use of any gender shall include all genders.

(l) Consultation with Counsel; No Representations. Gearon agrees and acknowledges that he has had a full and complete opportunity to consult with counsel of his own choosing concerning the terms, enforceability and implications of this Agreement, and that ATC has made no representations or warranties to him concerning the terms, enforceability or implications of this Agreement other than as are reflected in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Noncompetition and Confidentiality Agreement, all pursuant to authority heretofore granted, as of the date and year first above written.

American Tower Corporation

By: /s/ Steven B. Dodge

Name:
Title:

/s/ J. Michael Gearon, Jr.

J. Michael Gearon, Jr.

Exhibit 10.30

PLEDGE AGREEMENT

Pledge Agreement, made as of October 11, 2001, by and among J. Michael Gearon, Jr., an individual residing at 2995 Paces Lake Court, Atlanta, Georgia 30339 (the "Pledgor"), and ATC Mexico Holding Corp., a Delaware corporation (the "Pledgee").

W I T N E S S E T H :

WHEREAS, the Pledgee, American Tower Corporation, a Delaware corporation and an Affiliate of the Pledgee ("ATC"), American Tower International, Inc., a Delaware corporation ("ATC International"), the Pledgor are parties to a Stockholder Agreement, dated as of the date hereof (the "Stockholder Agreement"), pursuant to which the Pledgee will issue and sell to the Pledgor an aggregate of eight hundred sixty (860) shares (the "Shares") of Common Stock, par value $.01 per share, of the Pledgee (the "ATC Mexico Common Stock");

WHEREAS, the Pledgor will make payment for the Shares in part by the delivery of its promissory note (the "Pledgor Note") in the form attached to the Stockholder Agreement; and

WHEREAS, the Pledgee is unwilling to accept payment for the Shares to be issued and sold by it in the form of the Pledgor Note without the assurances herein provided;

NOW, THEREFORE, in consideration of the premises, the mutual covenants and agreements herein contained, of the Pledgee proceeding with the issue and sale of the Shares, and for other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the parties hereto, intending to be legally bound, covenant and agree as follows:

Section 1. Certain Definitions. Terms defined in the singular shall have a comparable meaning when used in the plural, and vice versa, and the reference to any gender shall be deemed to include all genders. References to "hereof," "herein" or similar terms are intended to refer to the Agreement as a whole and not a particular section, and references to "this Section" or "this Article" are intended to refer to the entire section or article and not a particular subsection thereof. As used herein, unless the context otherwise requires, the terms defined in this Section shall have the respective meanings set forth herein and terms used in this Agreement without definition which are defined in the Stockholder Agreement or in any agreement referred to therein shall have the respective meanings set forth for such terms in the Stockholder Agreement or in any such agreement.

(a) The term "Stock" as used herein means the following certificates representing issued and outstanding shares of ATC Mexico Common Stock and of ATC Common Stock:

Certificate No.	Issuer	Number of Shares
2	Pledgee	860
	ATC	413,031

(b) The term "Obligations" as used herein means all indebtedness, obligations and liabilities of the Pledgor to the Pledgee, now existing or hereafter arising, direct or indirect, absolute or contingent, due or to become due, matured or unmatured, liquidated or unliquidated, arising under this Agreement, the Stockholder Agreement, the Pledgor Note and the other agreements, instruments or other documents executed or required to be executed pursuant hereto or thereto, each as from time to time amended or revised, or under any other agreement, instrument or other document, or by operation of law or otherwise.

(c) The term "Collateral" as used herein means the Stock and any other property at any time, whether now or hereafter, pledged with the Pledgee hereunder (whether described herein or not) and all income therefrom, increases therein and proceeds thereof, except to the extent otherwise provided in Section 5.

(d) The term "Event of Default" shall mean an event of default pursuant to the terms of any of the documents or instruments evidencing any of the Obligations. The term "Default" shall mean an Event which with notice, or passage of time, or both, would become an Event of Default.

Section 2. Security for Obligations. The Pledgor hereby grants a security interest in and pledges, assigns and delivers the Stock to the Pledgee, as security for the Obligations, to be held by the Pledgee subject to the terms and conditions hereinafter set forth. All of the Stock, accompanied by stock powers duly executed in blank by the Pledgor, has been delivered to the Pledgee by the Pledgor. The Pledgor hereby acknowledges and agrees that the Pledgee may deliver (or cause one or more of its subsidiaries to deliver) such certificates as security to one or more banks or other financial institutions extending credit, from time to time, to the Pledgee or one or more of its subsidiaries.

Section 3. Representations, Warranties and Covenants of the Pledgor. The Pledgor represents and warrants (which representations and warranties shall continue to be true and correct at all times during the term of this Agreement with the same force and effect as though made on a continuing basis and not merely as of the date hereof) that the representations and warranties made by it in the Stockholder Agreement, all of which are incorporated herein by reference, are true and correct and that (a) this Agreement constitutes, and each other agreement, instrument or other document executed or required to be executed pursuant hereto or thereto when executed and delivered by it will constitute, valid and binding obligations of it, enforceable in accordance with their respective terms, except as (i) the enforceability thereof may be limited by bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or other laws of general applicability affecting the enforcement of creditors' or secured parties' rights or debtors' obligations generally, and (ii) the availability of specific performance or other equitable remedies may be limited by equitable principles of general applicability (whether in a court of law or in equity); provided, however, that such equitable principles will not prevent the Pledgee from obtaining a practical realization of the economic benefits of this Agreement; (b) it owns and has good, indefeasible and merchantable title to the shares pledged by it hereunder, and will own any other Collateral pledged from time to time hereunder, free and clear of all liens and encumbrances; and (c) it is, and, after giving effect to the consummation of the transactions contemplated by the Stockholder Agreement and this Agreement, will be, Solvent.

Section 4. Liquidation, Recapitalization, Etc. In case any distribution of capital or stock dividend shall be made on or in respect of any of the Stock, or any money or property shall be distributed upon or with respect to any of the Stock, pursuant to recapitalization or reclassification of the capital of the Pledgee or ATC, or pursuant to the consummation of any merger, consolidation, reorganization or liquidation or dissolution of Pledgee or ATC, the money or property so distributed shall be delivered to the Pledgee to be held by it as part of the Collateral and as security for the Obligations. All sums of money and property, if any, paid or distributed in respect of the Stock, upon such other merger, consolidation, liquidation, dissolution, reorganization, recapitalization or reclassification, which are received by the Pledgor shall, until paid or delivered to the Pledgee, be held in trust for the Pledgee as part of the Collateral and as security for the Obligations.

Section 5. Dividends, Voting, Etc., Prior to Maturity. Unless and until a Default or an Event of Default shall have occurred, and until notice of such Default or Event of Default has been given by the Pledgee, the Pledgor shall be entitled to receive all regular cash dividends paid in respect of the Stock, to vote the Stock and to give consents, waivers and ratifications in respect of the Stock; provided, however, that no vote shall be cast, or consent, waiver or ratification given or action taken which would be inconsistent with or violate any provisions of any of this Agreement, the Stockholder Agreement, the Pledgor Note or any agreement, instrument or other document executed or required to be executed pursuant hereto or thereto. Until the occurrence of a Default or an Event of Default, the Pledgee shall pay over to the Pledgor, forthwith upon receipt, all regular cash dividends paid on the Stock, and shall execute and deliver to the Pledgor such proxies or other documents in writing as may be necessary to enable the Pledgor to exercise the foregoing rights. All such rights of the Pledgor to receive regular cash dividends on the Stock, to vote and give consents, waivers and ratifications shall cease forthwith in case a Default or an Event of Default shall have occurred, without any notice (except as provided in this Section) or demand by the Pledgee to the Pledgor.

Section 6. Remedies. If a Default or an Event of Default shall have occurred, the Pledgee shall thereafter have the following rights and remedies (to the maximum extent permitted by applicable law) in addition to the rights and remedies of a secured party under the Uniform Commercial Code of The Commonwealth of Massachusetts all such rights and remedies being cumulative, not exclusive, and enforceable alternatively, successively or concurrently, at such time or times as the Pledgee, in its sole and absolute discretion, deems expedient:

(a) The Pledgee may vote any or all shares of the Stock (whether or not the same shall have been transferred into its name or the name of its nominee or nominees) and give all consents, waivers and ratifications in respect of the Stock and otherwise act with respect thereto as though it were the outright owner thereof (the Pledgor hereby irrevocably constituting and appointing the Pledgee the proxy and attorney-in-fact of the Pledgor, with full power of substitution, to do so);

(b) The Pledgee may demand, sue for, collect or make any compromise or settlement the Pledgee deems suitable in respect of any Collateral held by it hereunder;

(c) The Pledgee may sell, assign or otherwise Transfer any or all of the Collateral, for cash and upon such terms, at such place or places and at such time or times and to such Persons as the Pledgee, in its sole and absolute discretion, deems expedient, all without demand for performance by the Pledgor or any notice or advertisement whatsoever except such as may be required by applicable law; and

(d) The Pledgee may cause all or any part of the Stock held by it to be transferred into its name or the name of its nominee or nominees.

The Pledgee may buy any part or all of the Collateral at any public sale and if any part or all of the Collateral is of a type customarily sold in a recognized market or is of the type which is the subject of widely-distributed standard price quotations, the Pledgee may, in its sole and absolute discretion, buy at private sale and may make payments therefor by any means including, without limitation, cancellation, in whole or in part, of any of the Obligations secured thereby. The Pledgee may, in its sole and absolute discretion, apply the cash proceeds actually received from any sale or other disposition to the reasonable expenses of retaking, holding, preparing for sale, selling and the like, to reasonable attorneys fees, and all legal expenses, travel and other expenses which may be incurred by the Pledgee in attempting to collect the Obligations or to enforce this Agreement, the Stockholder Agreement or any agreement, instrument or other document executed or required to be executed pursuant hereto or thereto or any agreement, instrument or other document evidencing the Obligations or in the prosecution or defense of any legal action, litigation or other proceeding related to the subject matter of this Agreement, the Stockholder Agreement or any agreement, instrument or other document executed or required to be executed pursuant hereto or thereto or any agreement, instrument or other document evidencing the Obligations, and then to the Obligations with respect to principal or interest, or both, or other fees and expenses, in such proportions as the Pledgee, in its sole and absolute discretion, shall determine; and any surplus shall be paid to the Pledgor.

The Pledgor recognizes that the Pledgee may be unable to effect a public sale of the Stock by reason of certain prohibitions contained in federal or state securities laws or other applicable laws, or agreement, instrument or other documents to which such Stock may be subject, but may be compelled to resort to one or more private sales thereof to a restricted group of purchasers. The Pledgor agrees that any such private sales may be at prices and other terms less favorable to the seller than if sold at public sales and that such private sales shall be deemed to have been made in a commercially reasonable manner. The Pledgee shall be under no obligation to delay a sale of any of the Stock for the period of time necessary to permit the issuer of such securities to register such securities for public sale under federal and state securities laws or other applicable law, even if the issuer would agree to do so.

Section 7. Marshalling. The Pledgee shall not be required to marshal any present or future security for (including without limitation this Agreement and the Collateral pledged hereunder), or guaranties of, the Obligations or any of them, or to resort to such security or guaranties in any particular order; and all of the rights hereunder and in respect of such security and guaranties shall be cumulative and in addition to all other rights, however existing or arising. To the maximum extent permitted by applicable law, the Pledgor hereby agrees that it will not invoke any law relating to the marshalling of collateral which might cause delay in or impede the enforcement of the Pledgee's rights under this Agreement, the Stockholder Agreement or any agreement, instrument or other document executed or required to be executed pursuant hereto or thereto or under any other agreement, instrument or other document evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or guaranteed, and, to the maximum extent permitted by applicable law, the Pledgor hereby irrevocably waives the benefits of all such laws.

Section 8. Pledgor's Obligations Not Affected. The obligations of the Pledgor hereunder shall remain in full force and effect without regard to, and shall not be impaired by (a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, dissolution, liquidation or other Act of Bankruptcy (or legal action, litigation or other proceeding with respect to any of the foregoing) of the Pledgor; (b) any exercise or non-exercise, or any waiver, by the Pledgee of any right, remedy, power or privilege under or in respect of any of the Obligations or any security therefor (including this Agreement); or (c) the taking of additional security for, or any guaranty of, any of the Obligations or the release or discharge or termination of any other security or guaranty for any of the Obligations; whether or not the Pledgor shall have notice or knowledge of any of the foregoing.

Section 9. Pledgee's Exoneration. Under no circumstances shall the Pledgee be deemed to assume any responsibility for or obligation or duty with respect to any part or all of the Collateral of any nature or kind, or any matter or legal action, litigation or other proceeding arising out, of or relating thereto, but the same shall be at the Pledgor's sole and exclusive risk at all times. The Pledgee shall not be required to take or refrain from taking any action of any kind to collect, preserve or protect its or the Pledgor's rights in the Collateral or against other parties thereto. The Pledgee's prior recourse to any part or all of the Collateral shall not constitute a condition of any demand or legal action, litigation or other proceeding for payment or collection of the Obligations.

Section 10. Termination. Upon payment and performance in full of the Obligations in accordance with their terms and the performance by the Pledgor of all of its covenants and agreements hereunder, this Agreement shall terminate, and the Pledgor shall be entitled to the return, at the Pledgor's expense, of such of the Collateral in the possession or control of the Pledgee as has not theretofore been disposed of pursuant to the provisions hereof, together with any monies and other property at the time held by the Pledgee hereunder. If at any time any payment made in respect of the Obligations shall be recovered or rescinded by or on behalf of Pledgor or must be otherwise restored or returned, whether upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Pledgor, or as a result of the appointment of a receiver, conservator of or trustee or similar officer for Pledgor or any substantial part of it property, any other Act of Bankruptcy, or otherwise, Pledgor's obligations under this Agreement shall be reinstated and continue as though such payment had not been made.

Section 11. Further Assurances. The Pledgor will do all such acts, and will furnish to the Pledgee all such financing documents, financing statements, certificates, legal opinions and other agreement, instrument or other documents and will obtain all such governmental authorizations and other consents and approvals and will do or cause to be done all such other things, including without limitation the execution and delivery of further agreement, instrument or other documents, as Pledgee may reasonably request from time to time in order to give full force and effect to this Agreement and to secure Pledgee's rights hereunder. Without limiting the generality of the foregoing, Pledgor agrees to deliver to Pledgee, from time to time at the request of Pledgee, such financial information relating to Pledgor as Pledgee may from time to time reasonably request, including, without limitation, personal balance sheets of Pledgor, certified by Pledgor to be true, correct and complete. Pledgor authorizes Pledgee to file any financing statement deemed by Pledgee, in its sole and absolute discretion, to be necessary or desirable to perfect the security interest granted by Pledgor to Pledgee, and, as agent for Pledgor, to sign the name of Pledgor thereto.

Section 12. Miscellaneous.

(a) Termination. This Agreement may be terminated with the mutual consent of the Pledgor and the Pledgee.

(b) Expenses. Whether or not the transactions contemplated hereby shall be consummated, each party will pay all of its respective expenses in connection with such transactions and in connection with any amendments or waivers (whether or not the same become effective) under or in respect of this Agreement.

(c) Assignment; Successors and Assigns. This Agreement shall not be assignable by any party and any such assignment shall be null and void, except that it shall inure to the benefit of and be binding upon any successor to any party by operation of Law, including by way of merger, consolidation or sale of all or substantially all of its assets, and any of the parties may assign its rights and remedies hereunder to any bank or other financial institution that has loaned funds or otherwise extended credit to it or any of its Affiliates. This Agreement shall be binding upon and inure solely to the benefit of the parties and their permitted successors and assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement, except as otherwise provided in this Section.

(d) Notices and Communications. All notices and other communications which by any provision of this Agreement are required or permitted to be given shall be given in writing and shall be effective (i) five (5) days after being mailed by first-class, express mail, postage prepaid, (ii) the next day when sent by overnight by a nationally recognized overnight mail courier service, (iii) upon confirmation when sent by telex, telegram, telecopy or other similar form of rapid transmission, confirmed by mailing (by first class or express mail, postage prepaid, or nationally recognized overnight mail courier service) written confirmation at substantially the same time as such rapid transmission, or (iv) upon delivery personally delivered to an officer of the receiving party. All such communications shall be mailed, set or delivered as set forth below or at such other addresses as the party entitled thereto shall have designated by notice as herein provided.

(i) if to the Pledgee, at 116 Huntington Avenue, Boston, Massachusetts 02116 Attention: Chief Executive Officer and Chief Financial Officer, Telecopier No.: (617) 375-7575 with a copy (which shall not constitute notice to the Pledgee) to Sullivan & Worcester LLP, One Post Office Square, Boston, Massachusetts 02109, Attention: William J. Curry, Esq., Telecopier No.: (617) 338-2880); and

(ii) if to the Pledgor, at 3200 Cobb Galleria Parkway, Suite 205, Atlanta, Georgia 30339 with a copy (which shall not constitute notice to the Pledgor) to King & Spalding, 1185 Avenue of the Americas, New York, New York 10036, Attention: John L. Graham, Esq., Telecopier No.: (212) 556-2222).

(e) Amendments and Waivers. Changes in or additions to this Agreement may be made, or compliance with any term, covenant, agreement, condition or provision set forth herein may be omitted or waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the consent in writing of the parties hereto. No delay on the part of either party at any time or times in the exercise of any right or remedy shall operate as a waiver thereof. Any consent may be given subject to satisfaction of conditions stated therein. The failure to insist upon the strict provisions of any covenant, term, condition or other provision of this Agreement or to exercise any right or remedy thereunder shall not constitute a waiver of any such covenant, term, condition or other provision thereof or default in connection therewith. The waiver of any covenant, term, condition or other provision thereof or default thereunder shall not affect or alter this Agreement in any other respect, and each and every covenant, term, condition or other provision of this Agreement shall, in such event, continue in full force and effect, except as so waived, and shall be operative with respect to any other then existing or subsequent default in connection therewith.

(f) Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by, and construed in accordance with, the applicable laws of the United States of America and the laws of the State of Delaware applicable to contracts made and performed in such State and, in any event, without giving effect to any choice or conflict of laws provision or rule that would cause the application of domestic substantive laws of any other jurisdiction.

(g) Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, arrangements, covenants, promises, conditions, understandings, inducements, representations and negotiations, expressed or implied, oral or written, between them as to such subject matter.

(h) Specific Performance; Other Rights and Remedies. Each party recognizes and agrees that in the event the other party should refuse to perform any of its obligations under this Agreement , the remedy at law would be inadequate and agrees that for breach of such provisions, each party shall be entitled to injunctive relief and to enforce its rights by an action for specific performance to the extent permitted by Applicable Law. Each party hereby waives any requirement for security or the posting of any bond or other surety in connection with any temporary or permanent award of injunctive, mandatory or other equitable relief. Nothing herein contained shall be construed as prohibiting each party from pursuing any other remedies available to it pursuant to the provisions of, and subject to the limitations contained in, this Agreement for such breach or threatened breach; provided, however, that none of the parties shall pursue, and each party hereby waives, any punitive, indirect, special, incidental, exemplary, consequential or similar damages arising out of this Agreement (including without limitation damages for diminution in value and loss of anticipated profits other than those, if any, resulting from a delay in the Pledgor's ability to sell the ATC Common Stock because of a breach by the Pledgee) and the multiplied portion of damages.

(i) Saturdays, Sundays, Holidays, etc. If the last or appointed day for taking of any action required or permitted hereby shall be day other than a Business Day, then such action may be taken on the next succeeding Business Day.

(j) Headings; Counterparts. The headings contained in this Agreement are for reference purposes only and shall not limit or otherwise affect the meaning of any provision of this Agreement. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument, binding upon all of the parties hereto. In pleading or proving any provision of this Agreement, it shall not be necessary to produce more than one of such counterparts.

(k) Severability. If any provision of this Agreement shall be held or deemed to be, or shall in fact be, invalid, inoperative, illegal or unenforceable as applied to any particular case in any jurisdiction or jurisdictions, or in all jurisdictions or in all cases, because of the conflict of any provision with any constitution or statute or rule of public policy or for any other reason, such circumstance shall not have the effect of rendering the provision or provisions in question invalid, inoperative, illegal or unenforceable in any other jurisdiction or in any other case or circumstance or of rendering any other provision or provisions herein contained invalid, inoperative, illegal or unenforceable to the extent that such other provisions are not themselves actually in conflict with such constitution, statute or rule of public policy, but this Agreement shall be reformed and construed in any such jurisdiction or case as if such invalid, inoperative, illegal or unenforceable provision had never been contained herein and such provision reformed so that it would be valid, operative and enforceable to the maximum extent permitted in such jurisdiction or in such case. Notwithstanding the foregoing, in the event of any such determination the effect of which is to affect materially and adversely any party, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by Applicable Law in an acceptable manner to the end that the transactions contemplated by this Agreement are fulfilled and consummated to the maximum extent possible.

(l) Further Acts. Each party agrees that at any time, and from time to time, before and after the consummation of the transactions contemplated by this Agreement, it will do all such things and execute and deliver all such other agreements, instruments and documents and other assurances, as any other party or its counsel reasonably deems necessary or desirable in order to carry out the terms and conditions of this Agreement and the transactions contemplated hereby or to facilitate the enjoyment of any of the rights created hereby or to be created hereunder.

(m) Mutual Drafting. This Agreement is the result of the joint efforts of the parties, and each provision hereof has been subject to the mutual consultation, negotiation and agreement of the parties and there shall be no construction against either party based on any presumption of that party's involvement in the drafting thereof. Each of the parties is a sophisticated legal entity or individual that was advised by experienced counsel and, to the extent it deemed necessary, other advisors in connection with this Agreement.

IN WITNESS WHEREOF, each of the parties hereto had caused this Agreement to be duly executed and delivered as of the day and year first above written.

ATC Mexico Holding Corp.

By: /s/ Joseph L. Winn

Name:

Title: Chief Financial Officer

/s/ J. Michael Gearon, Jr.

J. Michael Gearon, Jr.

Exhibit 10.31

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE, AND MAY NOT BE SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION THEREFROM UNDER SUCH ACT AND UNDER ANY SUCH APPLICABLE STATE LAW.

J. MICHAEL GEARON, JR.

7% SECURED NOTE DUE 2010

U.S. $6,720,000

October 11, 2001

FOR VALUE RECEIVED, the undersigned, J. Michael Gearon, Jr., an individual residing in Atlanta, Georgia ("Gearon"), hereby promises to pay to the order of ATC Mexico Holding Corp., a Delaware corporation ("ATI"), or registered assigns, on December 31, 2010 (the "Maturity Date"), the principal amount of Six Million Seven Hundred Twenty Thousand United States Dollars (U.S. $6,720,000) or such lesser amount as has been advanced, from time to time, pursuant hereto and then remains unpaid, with interest (computed on the basis of a 365-6 day year, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable) on the unpaid principal hereof outstanding from time to time at an annual rate equal to seven percent (7%), compounded and payable on the last day of each calendar quarter, commencing December 31, 2001, and at the Maturity Date.

Payments of principal of and interest on this Note shall be made at the address of the holder set forth in or specified pursuant to the provisions of Section 5.3. Payments of principal of and interest on this Note shall be made in lawful money of the United States of America. Gearon and all other Persons may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and Gearon's obligation to make payment to the registered owner shall not be affected by any notice to the contrary. All payments received in respect of the indebtedness evidenced by this Note shall be applied first to interest hereon accrued to the date of payment, then to the payment of other amounts (except principal) at the time due and unpaid hereunder, then to the payment of the unpaid principal hereof.

Gearon hereby irrevocably authorizes the holder to make an appropriate notation on Schedule I annexed hereto reflecting all payments of principal and interest hereunder. Failure of the holder to make any such notation shall not, however, affect any obligation of Gearon hereunder. The aggregate unpaid principal amount as recorded by the holder from time to time on Schedule I annexed hereto and made a part hereof shall constitute presumptive evidence of such amount, but subject in all events to evidence of Gearon to the contrary.

Gearon shall pay principal, interest and other amounts under, all on the terms and subject to the conditions set forth in the Agreement, and in accordance with the terms of, this Note, free and clear of and without deduction for any and all present and future taxes, levies, imposts, deductions, charges, withholdings, and all liabilities with respect thereto.

This Note is being issued in connection with the execution and delivery of the Stockholder Agreement, by and among American Tower Corporation, American Tower International, Inc., Gearon, and the other stockholders of ATI from time to time parties thereto dated as of October 11, 2001 (the "Stockholder Agreement"), and the holder hereof is entitled to the benefits of the Stockholder Agreement, and the Pledge Agreement, by and between Gearon and ATI, dated as of October 11, 2001 (the "Pledge Agreement"), and may enforce the agreements of Gearon contained in the Stockholder Agreement and the Pledge Agreement and exercise the remedies provided for thereby or otherwise in respect thereof all in accordance with and subject to the terms thereof.

The obligation of Gearon with respect to this Note or any other obligations arising hereunder is a nonrecourse obligation and, notwithstanding any provision to the contrary in this Note, each holder from time to time of this Note, by its acceptance hereof, agrees for itself, and its successors and assigns, that (a) neither Gearon nor his successors and assigns shall be personally liable on the payment of interest on and the principal of this Note or any other obligations arising hereunder, and (b) in the event that one or more Events of Defaults has occurred or any other default whatsoever has occurred under this Note, the holder, or any of its successors and assigns, shall look solely to the Collateral (as defined in the Pledge Agreement) for the payment of interest on and the principal of this Note or any other obligations arising hereunder and will not make any claim or institute any action or proceeding against Gearon, any of his successors and assigns, or any of his or any of their assets or property (other than the Collateral (as defined in the Pledge Agreement)) for the payment of interest on or the principal of this Note or any other obligations arising hereunder (or for any deficiency remaining after the application of the Collateral (as defined in the Pledge Agreement)) than out of the Collateral (as defined in the Pledge Agreement).

Gearon represents and warrants that the representations and warranties made by him in Section 2 of the Stockholder Agreement are true and correct with the same force and effect as though set forth hereat in their entirety and are true and correct with respect to this Note with the same force and effect as though a reference to this Note were included in such section immediately following each reference therein to the term "this Agreement".

The holder of this Note is entitled to exchange this Note for one or more Notes of like tenor in an aggregate principal amount equal to that of this Note.

All agreements between the holder hereof and Gearon contained herein are hereby expressly limited so that in no contingency or event whatsoever whether by reason of acceleration of maturity of this Note, or otherwise, shall the amount paid or agreed to be paid to the holder for the use, forbearance or detention of the principal amount evidenced by this Note exceed the maximum permissible under applicable Law (as defined in the Stockholder Agreement), the benefit of which may be asserted by Gearon as a defense, and if, from any circumstances whatsoever, fulfillment of any provision of this Note at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law, or if from any circumstances the holder hereof should ever receive as interest under this Note such an excessive amount, then, ipso facto, the amount which would be excessive interest shall be applied to the reduction of the principal balance as evidenced by this Note and not to the payment of interest. This provision shall control every other provision of all agreements between the holder hereof and Gearon.

1. <u>Payment Provisions.</u>

1.1 <u>Required Payments.</u> This Note shall be paid in its entirety, without premium but with interest accrued and unpaid thereon to the date of payment, upon the earliest to occur of (a) the termination of the Stockholder Agreement, (b) the consummation of the purchase by ATI (or any of its affiliates) of the Holding Securities owned by Gearon pursuant to the provisions of the Stockholder Agreement, and (c) December 31, 2010; provided, however, that notwithstanding the foregoing, in the event ATI (and its affiliates) purchase less than all of the Holding Securities owned by Gearon pursuant to the provisions of the Stockholder Agreement the principal amount of this Note that shall be due and payable shall be equal to an amount determined by multiplying the principal amount of this Note then outstanding by a fraction, (i) the numerator of which is the number of Holding Securities so purchased and (ii) the denominator of which is the difference between (x) the number of Holding Securities originally acquired by Gearon and (y) the number of Holding Securities for which Gearon has paid cash, either at the time of the execution of this Note or thereafter.

1.2 Optional Payments. Gearon may prepay this Note, in whole or from time to time in part, at its principal amount, without premium but with interest accrued and unpaid thereon to the date of payment.

2. Defaults.

2.1 Events of Default. If one or more of the following events (herein termed "Events of Default") shall have occurred, that is to say:

(a) if Gearon shall fail to make payment of the principal of or interest on this Note within five (5) business days after ATI provides notice that the same is due and payable, whether at their stated maturity, on a date fixed for payment, by a notice of payment or offer to pay, by declaration or otherwise; or

(b) if any material representation or warranty of Gearon contained in the Stockholder Agreement, the Pledge Agreement or any statement or certificate furnished by Gearon in connection with the issue or sale of this Note or pursuant to any provision of the Stockholder Agreement or the Pledge Agreement, shall have been false, incorrect or misleading in any material respect when made or so certified to, and such representation and warranty was either (i) willfully and intentionally made as such or (ii) not so willfully and intentionally made, but the defect giving rise to such false, incorrect or misleading representation and warranty, to the extent curable, has not been cured within thirty (30) days after written notice to Gearon from the holder of this Note of the defect and, whether or not curable, has, together with any other such false, incorrect or misleading representations and warranties, resulted in a material adverse change in Gearon; or

(c) if Gearon shall fail duly to observe or perform any other covenant, agreement or provision contained in the Stockholder Agreement, this Note or the Pledge Agreement, other than those referred to in subdivisions (a) or (b) above, and such failure shall have continued for a period of thirty (30) days after written notice to Gearon from the holder of this Note; or

(e) if Gearon shall, as a debtor, be involved in or commit an Act of Bankruptcy;

then, except as set forth below in this Section, (I) in the case of any event specified in subdivision (e) of this Section, there shall automatically become forthwith due and payable the unpaid balance of this Note, and (II) in each and every other case specified in this Section, the holder of this Note may by notice in writing to Gearon declare to be forthwith due and payable the unpaid balance of this Note, together in any such case with interest accrued thereon, and thereupon such balance shall become so due and payable without presentation, protest or further demand or notice of any kind, all of which are hereby expressly waived by Gearon; the holder of this Note may proceed to protect and enforce its rights by suit in equity, action at law and/or other appropriate proceeding, either for specific performance of any covenant or provision contained in this Note or in aid of the exercise of any power granted in this Note or in lieu thereof.

2.2 Annulment of Defaults. This Section is subject to the condition that, if at any time after the principal of this Note shall have been declared and become due and payable, and before any judgment or decree for the payment of the moneys so due, or any part thereof, shall be entered, all arrears of interest upon this Note and all other sums payable upon this Note (except the principal of and interest on this Note which by such declaration shall have become payable) shall have been duly paid, and every other Potential Default and Event of Default shall have been made good or cured, then and in every such case the holder of this Note may, by written instrument or instruments filed with Gearon, rescind and annul such declaration and its consequences. No rescission or annulment under this Section shall extend to or affect any subsequent Potential Default or Event of Default or impair any right consequent thereon.

2.3 Waiver by Company; Severability of Remedies. To the fullest extent permitted by applicable law, Gearon hereby agrees to waive, and does hereby absolutely and irrevocably waive and relinquish, (a) the benefit and advantage of any valuation, stay, appraisal, extension or redemption laws now existing or which may hereafter exist, which, but for this provision, might be applicable to any sale made under the judgment, order or decree of any court, or otherwise, based on this Note or any claim for interest on this Note; (b) all presentments, demands for performance and notices of nonperformance (except to the extent required by the provisions hereof); (c) any requirements of diligence or promptness on the part of the holder, as a holder of this Note, in the enforcement of its rights under the provisions of this Note; and (d) any and all notices of every kind and description which may be required to be given by any statute or rule of law and any defense of any kind relating thereto which it may now or hereafter have. In the event any remedy or other provision of this Section is not enforceable for any reason, no other remedy or provision shall be affected thereby, and all such other remedies and provisions shall be given full force and effect in accordance with their terms.

2.4 No Waiver of Rights. No course of dealing between Gearon or any subsidiary and the holder, as a holder of this Note, and no delay or omission on the part of the holder in exercising any rights under this Note, shall operate as a waiver of the rights of the holder, as a holder of this Note. No failure to insist upon the strict provisions of any covenant, term, condition or other provision of this Note or to exercise any right or remedy thereunder shall constitute a waiver by the holder, as a holder of this Note, of any such covenant, term, condition or other provision or of any Potential Default or Event of Default in connection therewith. The waiver of any covenant, term, condition or other provision hereof or of this Note or Potential Default or Event of Default hereunder on one occasion shall not be construed as a bar to or a waiver of any right or remedy on any future occasion and shall not affect or alter this Note except to the extent specifically provided in the instruments setting forth such waiver delivered under Section 4.4, and every covenant, term, condition and other provision of this Note shall, in such event, continue in full force and effect.

2.5 Costs and Expenses of Collection. Gearon covenants and agrees that if default be made in any payment of principal of or interest on this Note, it will, to the extent permitted under Applicable Law, pay to the holder, as a holder of this Note, such further amount as shall be sufficient to cover the costs and expenses of collection, including reasonable compensation to the attorneys of the holder for all services rendered in that connection.

2.6 Default Rate. If an Event of Default described in paragraph (a) of Section 2.1 occurs and is continuing, this Note shall bear interest at the Default Rate, until the earlier to occur of (a) such time as all amounts due hereunder are paid in full or (b) no such Event of Default exists.

2.7 Remedies Cumulative. No remedy herein conferred upon the holder, as a holder of this Note or otherwise, is intended to be exclusive of any other remedy, and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise.

3. Definitions. As used herein, unless the context otherwise requires, the following terms have the following respective meanings. Terms defined in the singular shall have a comparable meaning when used in the plural, and vice versa, and the reference to any gender shall be deemed to include all genders. Unless otherwise defined or the context otherwise clearly requires, terms for which meanings are provided in this Agreement shall have such meanings when used in each instrument, notice, certificate, communication, opinion or other document executed or required to be executed pursuant hereto or thereto or otherwise delivered, from time to time, pursuant hereto or thereto. Capitalized terms used in this Agreement without definition which are defined in the Stockholder Agreement shall have the meaning prescribed therefor in the Stockholder Agreement.

The term "Act of Bankruptcy" shall mean, when used with reference to any Person, any of the following events or occurrences:

(a) its admitting in writing its inability, or being unable under Applicable Law, or its failing generally, to pay its debts generally as they become due, or

(b) its filing a petition, answer or consent seeking relief as a debtor or otherwise commencing a voluntary case under the Bankruptcy Code as from time to time in effect, or its authorizing, by appropriate proceedings of its board of directors or other governing body, any such petition, answer, consent or commencement of such a voluntary case; or

(c) the filing against it or all or any substantial part of its property of a petition commencing an involuntary case under the Bankruptcy Code which shall remain undismissed for a period of more than forty five (45) days or which is consented to by such Person or any order or decree approving relief adverse to such Person thereunder shall remain unstayed and in effect for more than forty five (45) days; or

(d) its commencement of proceedings or filing a petition, answer or consent seeking relief as a debtor under any Applicable Law, other than the Bankruptcy Code, of any jurisdiction relating to the liquidation or reorganization of debtors or to the modification or alteration of the rights of creditors, or its consenting to or acquiescing in such relief or its admitting or acquiescing in or failing promptly and in any event within forty five (45) days of the filing thereof, in an appropriate manner, to deny the material allegations of any petition seeking such relief, any such involuntary petition remaining undismissed for more than forty five (45) days or an order in any involuntary proceeding adverse to such Person remaining unstayed and in effect for more than forty-five (45) days; or

(e) the entry of an order or decree (whether or not final) by a court of competent jurisdiction (i) finding it to be bankrupt or insolvent, (ii) ordering or approving its liquidation, dissolution or winding up, or reorganization or any modification or alteration of the rights of its creditors, or any composition or readjustment of debts, (iii) assuming custody of, or appointing a receiver, trustee, sequestrator, conservator, assignee, custodian, liquidator, fiscal agent or similar official for, such Person or all or a substantial part of its property and any such order or decree shall continue unstayed and in effect for a period of forty-five (45) days; or

(f) its convening a meeting of creditors for the purpose of consummating an out-of-court arrangement, or making an assignment for the benefit of, or entering into a composition, extension or similar arrangement with, its creditors in respect of all or a substantial portion of its debt; or

(g) its seeking or consenting to or acquiescing in the appointment of a receiver, trustee, sequestrator, conservator, liquidator, fiscal agent or other custodian of itself or of all or any substantial part of its property; or

(h) its winding-up, liquidation or dissolution; or

(i) its authorization, by appropriate action of its board of directors or other governing body, of any of the foregoing.

The term "ATI" is defined in the first paragraph hereof.

The term "Bankruptcy Code" shall mean 11 U.S.C. ss. 101 et seq., as from time to time in effect, and any successor law, and any reference to any statutory provision shall be deemed to be a reference to any successor statutory provision.

The term "Default Rate" shall mean ten percent (10%) per annum.

The term "Event of Default" is defined in Section 3.1.

The term "Gearon" is defined in the first paragraph hereof.

The term "Holder" shall mean the holder, from time to time, of this Note.

The term "this Note" means this instrument and shall include all amendments, modifications and supplements hereto.

The term "Pledge Agreement" is defined in Section 1.1, and shall include all amendments, modifications and supplements thereto.

The term "Potential Default" shall mean any event or circumstance which after notice, passage of time, or both, would become an Event of Default.

The term "Related Agreement" shall mean this Note, the Pledge Agreement, the Stockholder Agreement and each other agreement, instrument and other document executed or required to be executed by Gearon on the date hereof or at any time thereafter, in connection with the transactions contemplated by this Note or any of the other Related Agreements, in each case, as amended, modified or supplemented from time to time.

The term "Stockholder Agreement" is defined in the fifth paragraph of this Note, and shall include all amendments, modifications and supplements thereto.

4. <u>Miscellaneous Provisions.</u>

4.1 <u>Stamp and Other Taxes</u>. Gearon covenants and agrees that it will pay all United States and state documentary stamp or similar excise taxes, including any interest or penalties thereon, which may be legally payable in connection with or arising out of the issue of this Note and will indemnify each holder of any thereof against, and save it harmless from, any liability, cost or expense in respect of any such stamp taxes or other taxes and any interest or penalties thereon. Gearon's agreement in this connection shall survive the payment of this Note.

4.2 Survival of Covenants; Assignment; Successors and Assigns. All covenants, agreements and representations made or deemed incorporated herein and in certificates delivered in connection herewith shall be deemed material and relied on by ATI notwithstanding any investigation made by it or in its behalf, and shall survive the execution and delivery of this Note, to it and its payment therefor. This Note shall not be assignable by any holder and any such assignment shall be null and void, except that it shall inure to the benefit of and by binding upon any successor to any party by operation of law, including by way of merger, consolidation or sale of all or substantially all of its assets, and ATI may assign its rights and remedies hereunder to any bank or other financial institution which has loaned funds or otherwise extended credit to it or one or more of its Affiliates.

4.3 Notices and Communications. All notices and other communications which by any provision of this Agreement are required or permitted to be given shall be given in writing and shall be effective (i) five (5) days after being mailed by first-class, express mail, postage prepaid, (ii) the next day when sent by overnight by recognized mail courier service, (iii) upon confirmation when sent by telex, telegram, telecopy or other similar form of rapid transmission, confirmed by mailing (by first class or express mail, postage prepaid, or recognized overnight mail courier service) written confirmation at substantially the same time as such rapid transmission, or (iv) upon delivery personally delivered to an officer of the receiving party. All such communications shall be mailed, set or delivered as set forth below or at such other addresses as the party entitled thereto shall have designated by notice as herein provided.

(a) If to Gearon, c/o American Tower Corporation, 3200 Cobb Galleria Parkway , Suite 205, Atlanta, Georgia 30339 with a copy (which shall not constitute notice to Gearon or Gearon Entity) to King & Spalding, 1185 Avenue of the Americas, New York, New York 10036, Attention: John L. Graham, Esq., Telecopier No.: (212) 556-2222).

(b) If to ATI, at 116 Huntington Avenue, Boston, Massachusetts 02116 Attention: Chief Executive Officer and Chief Financial Officer, Telecopier No.: (617) 375-7575 with a copy (which shall not constitute notice to ATC or Holding) to Sullivan & Worcester LLP, One Post Office Square, Boston, Massachusetts 02109, Attention: William J. Curry, Esq., Telecopier No.: (617) 338-2880).

(c) If to any holder of this Note other than ATI, to the address set forth in Gearon's records.

4.4 Amendments and Waivers. Any provision of this Note to the contrary notwithstanding, changes in or additions to this Note and any other Related Document may be made, or compliance with any term, covenant, agreement, condition or provision set forth herein, may be omitted or waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the consent in writing of the holder of this Note and Gearon; and each such change, addition or waiver shall be binding upon each future holder of this Note and, in the case of Gearon, his successors and permitted assigns. Any consent may be given subject to satisfaction of conditions stated therein. The failure to insist upon the strict provisions of any covenant, term, condition or other provision of this Note or to exercise any right or remedy hereunder or thereunder shall not constitute a waiver of any such covenant, term, condition or other provision thereof or Potential Default or Event of Default in connection therewith. The waiver of any covenant, term, condition or other provision hereof or thereof or Potential Default or Event of Default hereunder shall not affect or alter this Note in any other respect, and each and every covenant, term, condition or other provision of this Note shall, in such event, continue in full force and effect, except as so waived, and shall be operative with respect to any other then existing or subsequent Potential Default or Event of Default in connection therewith.

4.5 Governing Law. The validity, interpretation, construction and performance of this Note shall be governed by, and construed in accordance with, the applicable laws of the United States of America and the laws of The Commonwealth of Massachusetts applicable to contracts made and performed in such Commonwealth and, in any event, without giving effect to any choice or conflict of laws provision or rule that would cause the application of domestic substantive laws of any other jurisdiction.

4.6 Entire Agreement. This Note (together with the Related Documents delivered or to be delivered in connection herewith) constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements, arrangements, covenants, promises, conditions, undertakings, inducements, representations, warranties and negotiations, expressed or implied, oral or written, between the parties, with respect to the subject matter hereof. Each of Gearon and ATI is a sophisticated legal Person that was advised by experienced counsel and, to the extent it deemed necessary, other advisors in connection with this Note. Each of Gearon and ATI (by its acceptance of this Note) hereby acknowledges that (a) neither of them has relied or will rely in respect of this Note or the transactions contemplated hereby upon any document or written or oral information previously furnished to or discovered by it or its representatives, other than this Note and the Related Documents, (b) there are no covenants or agreements by or on behalf of any party or any of its respective Affiliates or representatives other than those expressly set forth in this Note and the Related Documents, and (c) the parties' respective rights and obligations with respect to this Agreement and the events giving rise thereto will be solely as set forth in this Note and the Related Documents.

4.7 Specific Performance; Other Rights and Remedies. Each of Gearon and ATI (by its acceptance of this Note) recognizes and agrees that in the event the other should refuse to perform any of its obligations under this Note or any Related Document, the remedy at law would be inadequate and agrees that for breach of such provisions, each of Gearon and ATI shall be entitled to injunctive relief and to enforce its rights by an action for specific performance to the extent permitted by Applicable Law. Each of Gearon and ATI (by its acceptance of this Note) hereby waives any requirement for security or the posting of any bond or other surety in connection with any temporary or permanent award of injunctive, mandatory or other equitable relief. Nothing herein contained shall be construed as prohibiting each of Gearon and ATI from pursuing any other remedies available to it pursuant to the provisions of, and subject to the limitations contained in, this Note and the Related Documents for such breach or threatened breach, including without limitation the recovery of damages, including, to the extent awarded in any Legal Action, punitive, incidental and consequential damages (including without limitation damages for diminution in value and loss of anticipated profits) or any other measure of damages permitted by Applicable Law.

4.8 Business Days. If the last or appointed day for taking of any action required or permitted hereby or by this Note (other than the payment of principal of or interest or premium, if any, on the Notes) shall not be a Business Day such action may be taken on the next succeeding Business Day, during which interest shall continue to accrue.

4.9 Headings. The headings contained in this Note are for reference purposes only and shall not limit or otherwise affect the meaning of any provision of this Note.

4.10 Severability. If any term or provision of this Note shall be held or deemed to be, or shall in fact be, invalid, inoperative, illegal or unenforceable as applied to any particular case in any jurisdiction or jurisdictions, or in all jurisdictions or in all cases, because of the conflicting of any provision with any constitution or statute or rule of public policy or for any other reason, such circumstance shall not have the effect of rendering the provision or provisions in question invalid, inoperative, illegal or unenforceable in any other jurisdiction or in any other case or circumstance or of rendering any other provision or provisions herein contained invalid, inoperative, illegal or unenforceable to the extent that such other provisions are not themselves actually in conflict with such constitution, statute or rule of public policy, but this Note shall be reformed and construed in any such jurisdiction or case as if such invalid, inoperative, illegal or unenforceable provision had never been contained herein and such provision reformed so that it would be valid, operative and enforceable to the maximum extent permitted in such jurisdiction or in such case. Notwithstanding the foregoing, in the event of any such determination the effect of which is to affect materially and adversely either Gearon or ATI, Gearon shall and ATI (by its acceptance hereof agrees to) negotiate in good faith to modify this Note so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by Applicable Law in an acceptable manner to the end that the intent and purposes of this Note are fulfilled and consummated to the maximum extent possible.

4.11 Mutual Drafting. This Note is the result of the joint efforts of Gearon and ATI, and each provision hereof has been subject to the mutual consultation, negotiation and agreement of the parties and there shall be no construction against any party based on any presumption of that party's involvement in the drafting thereof.

IN WITNESS WHEREOF, J. Michael Gearon, Jr. has duly executed and delivered this Note as of the date first above written.

/s/ J. Michael Gearon, Jr.

J. Michael Gearon, Jr.

SCHEDULE I

J. MICHAEL GEARON, JR.

7% SECURED NONRECOURSE NOTE DUE 2010

PAYMENTS OF PRINCIPAL AND INTEREST

Date	Amount Advanced	Amount Repaid		Unpaid Principal Balance	Notation Made By
		Principal	Interest		

Exhibit 12

Ratio of Earnings to Fixed Charges
American Tower Corporation

The following table reflects the computation of the ratio of earnings to fixed charges for the periods presented.

	Year Ended December 31,				
Computation of Earnings:	1997	1998	1999	2000	2001
Loss Before Income Taxes and Extraordinary Losses...............	$(2,049)	$(42,441)	$(49,141)	$(249,946)	$(566,881)
Add:					
Interest Expense......................	3,040	23,229	27,492	157,886	283,451
Operating Leases......................	633	3,245	6,963	29,718	54,208
Earnings as Adjusted..................	1,624	(15,967)	(14,686)	(62,342)	(229,222)
Computation of Fixed Charges:					
Interest Expense......................	3,040	23,229	27,492	157,886	283,451
Interest Capitalized..................	458	1,403	3,379	11,365	15,321
Operating Leases......................	633	3,245	6,963	29,718	54,208
Fixed Charges.........................	4,131	27,877	37,834	198,969	352,980
Ratio of Earnings to Fixed Charges....	.39	--	--	--	--
Deficiency in Earnings Required to Cover Fixed Charges................	$2,507	$43,844	$52,520	$261,311	$ 582,202

(1) Interest expense includes amortization of deferred financing costs for the years ended December 31, 1997, 1998, 1999, 2000 and 2001. Interest expense also includes an amount related to our note receivable from TV Azteca for the years ended December 31, 2001 and 2000 and redeemable preferred stock dividends for the year ended December 31, 1998.

(2) For purposes of this calculation, "earnings" consist of loss before income taxes, extraordinary losses and fixed charges (excluding interest capitalized). "Fixed Charges" consist of interest expensed and 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 (30%).

Exhibit 21

SUBSIDIARIES OF AMERICAN TOWER CORPORATION

Information is as of March 9, 2002.

Subsidiary	Jurisdiction of Incorporation or Organization
10 Presidential Way Associates, LLC (1)	Delaware
American Tower Corporation De Mexico S. de R.L. de C.V.	Mexico
American Tower Delaware Corporation	Delaware
American Tower do Brazil, Ltd.	Brazil
American Tower International, Inc. (2)	Delaware
American Tower Management Inc.	Delaware
American Tower PA LLC (3)	Delaware
American Tower Trust #1	Massachusetts Business Trust
American Tower Trust #2	Massachusetts Business Trust
American Tower, L.P.	Delaware
American Towers, Inc.	Delaware
ATC Connecticut, Inc.	Delaware
ATC GP, Inc.	Delaware
ATC Holding, Inc.	Delaware
ATC LP, Inc.	Delaware
ATC Midwest, LLC	Delaware
ATC MexHold, Inc.	Delaware
ATC Mexico Holding Corp.	Delaware
ATC Operating Inc.	Delaware
ATC Presidential Way, Inc.	Delaware
ATC Realty Holding, Inc.	Delaware
ATC South America Holding Corp.	Delaware
ATC Tower Services, Inc.	New Mexico
ATC Westwood, Inc.	Delaware
ATS-Needham LLC (4)	Massachusetts
ATS/PCS, LLC	Delaware
Flash Technology International, Inc.	U.S. Virgin Islands
Haysville Towers, LLC (5)	Kansas
Verestar Networks, Inc. (6)	Delaware
Kline Iron & Steel Co., Inc.	Delaware
Maritime Telecommunications Network, Inc.	Colorado
MATC Cellular, S. de R.L. de C.V.	Mexico
MATC Digital, S. de R.L. de C.V.	Mexico
MATC Servicios, S. de R.L. de C.V.	Mexico
MHB Tower Rentals of America LLC	Mississippi

MTS Wireless Components (S) PTE Ltd.	Singapore
New Loma Communications, Inc.	California
OmniAmerica Holdings Corporation	Delaware
OmniAmerica Towers, Inc.	Delaware
Shreveport Tower Company	Louisiana
Telecom Towers, LLC	Delaware
Towers of America LLLP	Delaware
Towersites Monitoring, Inc.	Delaware
UniSite/Omni Point NE Tower Venture, L.L.C. (7)	Delaware
UniSite/OmniPoint FL Tower Venture, L.L.C. (8)	Delaware
UniSite/OmniPoint PA Tower Venture L.L.C. (9)	Delaware
Unisite, Inc.	Delaware
Verestar AG	Switzerland
Verestar International, Inc.	Delaware
Verestar, Inc.	Delaware

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(1) 83.4105% owned by ATC Presidential Way, Inc.
(2) Formerly known as ATC International Holding Corp.
(3) Formerly known as American Tower Texas LLC.
(4) 45.23% owned by American Tower, LP and 34.77% owned by American Towers, Inc.
(5) 67% owned by Telecom Towers, LLC.
(6) Formerly known as Interpacket Networks, Inc.
(7) 95% owned by Unisite, Inc.
(8) 95% owned by Unisite, Inc.
(9) 95% owned by Unisite, Inc.

Exhibit 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement Nos. 333-41226, 333-41224, 333-72927, 333-56331, 333-76324 and 333-51959 each on Form S-8 and Registration Statement Nos. 333-54648, 333-50098, 333-43130, 333-37988 and 333-35412 each on Form S-3 of American Tower Corporation of our report dated February 25, 2002, which report expresses an unqualified opinion and includes an explanatory paragraph relating to the adoption of Statement of Financial Accounting Standard No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, appearing in this Annual Report on Form 10-K of American Tower Corporation for the year ended December 31, 2001.

/s/ DELOITTE & TOUCHE LLP
Boston, Massachusetts
March 29, 2002