American Tower Corporation Reports Second Quarter 2019 Financial Results

July 31, 2019

CONSOLIDATED HIGHLIGHTS

Second Quarter 2019

- Total revenue increased 6.1% to $1,890 million
- Property revenue increased 5.7% to $1,849 million
- Net income increased 38.1% to $434 million
- Adjusted EBITDA increased 9.2% to $1,183 million
- Consolidated AFFO increased 7.8% to $910 million

BOSTON--(BUSINESS WIRE)--Jul. 31, 2019-- American Tower Corporation (NYSE: AMT) today reported financial results for the quarter ended June 30, 2019.

Jim Taiclet, American Tower's Chief Executive Officer, stated, "We had another strong quarter in Q2 2019, highlighted by 7.5% Organic Tenant Billings Growth in the U.S. and sustained momentum across our international operations. U.S. consumer demand for mobile data continues to expand more than 30% per year, with broadly similar usage growth rates in our overseas markets fueling ongoing demand for tower space. In addition, initial 5G deployments are now picking up in the U.S. and we are seeing increasing signs that low and mid-band spectrum on macro towers will serve as a substantial component of next generation networks.

Our strong second quarter results indicate that our Stand and Deliver strategy of leading wireless connectivity around the globe predominantly with macro towers, innovating for a mobile future, driving efficiency both internally and for the industry and selectively growing our portfolio to serve our tenants is the right course for American Tower and our stockholders. Moreover, the success of this strategy and effective operational execution across our served markets has led us to raise our full year expectations for all of our key metrics as we drive towards a successful second half of 2019."

CONSOLIDATED OPERATING RESULTS OVERVIEW

American Tower generated the following operating results for the quarter ended June 30, 2019 (all comparative information is presented against the quarter ended June 30, 2018).

($ in millions, except per share amounts.)	**Q2 2019[1]**	**Growth Rate**
Total revenue	$ 1,890	6.1 %
Total property revenue	$ 1,849	5.7 %
Total Tenant Billings Growth	$ 80	5.6 %
Organic Tenant Billings Growth	$ 49	3.4 %
Property Gross Margin	$ 1,300	8.4 %
Property Gross Margin %	70.3 %	
Net income[2]	$ 434	38.1 %
Net income attributable to AMT common stockholders[2]	$ 429	39.9 %
Net income attributable to AMT common stockholders per diluted share[2]	$ 0.96	39.1 %
Adjusted EBITDA	$ 1,183	9.2 %
Adjusted EBITDA Margin %	62.6 %	

Nareit Funds From Operations (FFO) attributable to AMT common stockholders	$ 829	16.5	%
Consolidated AFFO	$ 910	7.8	%
Consolidated AFFO per Share	$ 2.04	7.4	%
AFFO attributable to AMT common stockholders	$ 893	15.3	%
AFFO attributable to AMT common stockholders per Share	$ 2.01	15.5	%
Cash provided by operating activities	$ 1,037	10.3	%
Less: total cash capital expenditures(3)	$ 248	8.4	%
Free Cash Flow	$ 789	10.9	%

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(1) Inclusive of the negative impacts of Indian Carrier Consolidation-Driven Churn (ICCC). For reconciliations of these impacts on key metrics, please see tables below.

(2) Q2 2019 growth rates positively impacted by the nonrecurrence of an approximately $33 million impairment charge primarily related to assets in India recognized in Q2 2018.

(3) Q2 2019 cash capital expenditures include $6.7 million of finance lease and perpetual land easement payments reported in cash flows from financing activities in the condensed consolidated statements of cash flows.

The Company's operational and financial results during the second quarter of 2019 were impacted by churn driven by carrier consolidation in India (Indian Carrier Consolidation-Driven Churn, "ICCC"). We are disclosing the additional financial metrics below to provide insight into the underlying long-term trends across the Company's business excluding these impacts. We expect ICCC to impact our operational and financial results at varying rates throughout the remainder of 2019 and to result in an overall reduction in Indian contracted tenant revenue. The impacts of ICCC on net income are not provided, as the impact on all components of the net income measure cannot be reasonably calculated.

Reconciliation of Indian Carrier Consolidation-Driven Churn Impact to Operating Results:
($ in millions, except per share amounts. Totals may not add due to rounding.)

	Q2 2019 Results			**Q2 2018 Results**			**Growth Rates vs. Prior Year**					
($ in millions)	As Reported	Impact of ICCC(1)(2)	Normalized	As Reported	Impact of ICCC(1)	Normalized	As Reported		Impact of ICCC(1)(2)		Normalized	
Total property revenue	$ 1,849	$ 88	$ 1,937	$ 1,749	$ 42	$ 1,792	5.7	%	2.4	%	8.1	%
Adjusted EBITDA	1,183	59	1,243	1,084	24	1,108	9.2	%	2.9	%	12.1	%
Consolidated AFFO	910	47	957	844	19	864	7.8	%	3.0	%	10.8	%
Consolidated AFFO per Share	$ 2.04	$ 0.11	$ 2.15	$ 1.90	$ 0.04	$ 1.94	7.4	%	3.5	%	10.8	%
Consolidated Organic Tenant Billings	49	63	112	76	25	100	3.4	%	4.3	%	7.7	%

International Organic Tenant Billings	(19)	63	44	14	25	39	(3.6)%	11.6%	8.0%

(1) Reflects the cumulative impacts of ICCC since 2017.

(2) Includes the benefit of approximately $9 million of settlement payments related to ICCC in prior periods.

Please refer to “Non-GAAP and Defined Financial Measures” below for definitions and other information regarding the Company’s use of non-GAAP measures. For financial information and reconciliations to GAAP measures, please refer to the “Unaudited Selected Consolidated Financial Information” below.

CAPITAL ALLOCATION OVERVIEW

Distributions – During the quarter ended June 30, 2019, the Company declared the following regular cash distributions to its common stockholders:

Common Stock Distributions	**Q2 2019[(1)]**
Distributions per share	$ 0.92
Aggregate amount (in millions)	$ 407
Year-over-year per share growth	19.5 %

(1) The distribution declared on May 22, 2019 was paid in the third quarter of 2019 to stockholders of record as of the close of business on June 19, 2019.

Capital Expenditures– During the second quarter of 2019, total capital expenditures were $248 million, of which $39 million was for non-discretionary capital improvements and corporate capital expenditures. For additional capital expenditure details, please refer to the supplemental disclosure package available on the Company’s website.

Acquisitions– During the second quarter of 2019, the Company spent approximately $43 million to acquire 256 communications sites and other related assets, primarily in international markets.

Additionally, as previously disclosed, the Company has entered into a definitive agreement to acquire Eaton Towers Holding Limited (“Eaton Towers”) for total consideration, including the assumption of existing debt, of $1.85 billion. Eaton Towers’ portfolio includes approximately 5,500 communications sites across five African markets and the transaction is expected to close by the end of 2019, subject to customary closing conditions and regulatory approvals.

On July 24, 2019, the Company entered into a definitive agreement to acquire approximately 400 towers and other related property interests in the United States for approximately $0.5 billion. The transaction is expected to close in the third quarter of 2019, subject to customary closing conditions.

Other Events – In April 2019, Tata Teleservices Limited (“Tata Teleservices”) served notice of exercise of its put options with respect to 100% of its remaining combined holdings with Tata Sons in ATC Telecom Infrastructure Private Limited (“ATC TIPL”). The Company expects to complete the redemption of the remaining put shares in Q3 2019 for total consideration of approximately INR 24.8 billion (approximately $359.4 million as of June 30, 2019), subject to regulatory approval. After the completion of the redemption, the Company will hold an approximately 92% ownership interest in ATC TIPL.

LEVERAGE AND FINANCING OVERVIEW

Leverage– For the quarter ended June 30, 2019, the Company’s Net Leverage Ratio was 4.2x net debt (total debt less cash and cash equivalents) to second quarter 2019 annualized Adjusted EBITDA.

Calculation of Net Leverage Ratio *($ in millions, totals may not add due to rounding)*	**As of June 30, 2019**
Total debt	$ 21,058
Less: Cash and cash equivalents	1,192
Net Debt	19,866

Divided By: Second quarter annualized Adjusted EBITDA[1]	4,734
Net Leverage Ratio	4.2x

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(1) Q2 2019 Adjusted EBITDA multiplied by four.

Liquidity– As of June 30, 2019, the Company had $5.5 billion of total liquidity, consisting of $1.2 billion in cash and cash equivalents plus the ability to borrow an aggregate of $4.3 billion under its revolving credit facilities, net of any outstanding letters of credit.

On April 22, 2019, the Company completed its previously announced redemption of all of its outstanding 5.050% senior unsecured notes due 2020 for an aggregate principal amount of $700 million.

On June 13, 2019, the Company issued $650.0 million aggregate principal amount of 2.950% senior unsecured notes due 2025 and $1.65 billion aggregate principal amount of 3.800% senior unsecured notes due 2029. The Company used the net proceeds to repay existing indebtedness under its credit facilities.

FULL YEAR 2019 OUTLOOK

The following full year 2019 financial and operational estimates are based on a number of assumptions that management believes to be reasonable and reflect the Company's expectations as of July 31, 2019. Actual results may differ materially from these estimates as a result of various factors, and the Company refers you to the cautionary language regarding "forward-looking" statements included in this press release when considering this information.

The Company's outlook is based on the following average foreign currency exchange rates to 1.00 U.S. Dollar for July 31, 2019 through December 31, 2019: (a) 46.90 Argentinean Pesos; (b) 3.85 Brazilian Reais; (c) 700 Chilean Pesos; (d) 3,270 Colombian Pesos; (e) 0.89 Euros; (f) 5.45 Ghanaian Cedi; (g) 69.80 Indian Rupees; (h) 102 Kenyan Shillings; (i) 19.50 Mexican Pesos; (j) 360 Nigerian Naira; (k) 6,260 Paraguayan Guarani; (l) 3.35 Peruvian Soles; (m) 14.40 South African Rand; and (n) 3,770 Ugandan Shillings.

The Company is raising the midpoint of its full year 2019 outlook for property revenue, net income, Adjusted EBITDA and Consolidated AFFO by $60 million, $15 million, $60 million and $70 million, respectively.

The Company's outlook reflects estimated unfavorable impacts of foreign currency exchange rate fluctuations to property revenue, Adjusted EBITDA and Consolidated AFFO, of approximately $3 million, $3 million and $6 million, respectively, as compared to the Company's prior 2019 outlook. The impact of foreign currency exchange rate fluctuations on net income is not provided, as the impact on all components of the net income measure cannot be calculated without unreasonable effort.

The Company's full year 2019 outlook also reflects estimated cumulative expected unfavorable impacts of ICCC on property revenue, Adjusted EBITDA and Consolidated AFFO of approximately $375 million, $261 million and $209 million, respectively, inclusive of an expected reduction in pass-through revenue of approximately $85 million and the benefit of approximately $9 million of settlement payments related to ICCC in prior periods, which was not contemplated within the Company's prior outlook. The expected 2019-specific impacts of ICCC to property revenue, Adjusted EBITDA and Consolidated AFFO are $186 million, $141 million and $113 million, respectively, including $24 million in lower pass-through revenue and the expected benefit of the settlement payments. At this time, the Company expects the impacts of ICCC to last throughout 2019 and anticipates that churn rates in India will return to lower levels in 2020 and beyond. The Company is providing key outlook measures adjusted to quantify the impacts of ICCC on such measures and the impact of ICCC and the Company's settlement with Tata Teleservices and related entities ("Tata") in the fourth quarter of 2018 on growth rates as it believes that these adjusted measures better reflect the long-term trajectory of its recurring business and provide investors with a more comprehensive analysis of the Company's operations. The impacts of ICCC and the Tata settlement on net income are not provided, as the impact on all components of the net income measure cannot be calculated without unreasonable effort.

Additional information pertaining to the impact of foreign currency, London Interbank Offered Rate ("LIBOR") fluctuations and ICCC on the Company's outlook has been provided in the supplemental disclosure package available on the Company's website.

2019 Outlook *($ in millions)*	**Full Year 2019**		**Midpoint Growth Rates vs. Prior Year**
Total property revenue[1]	$ 7,205	to $ 7,335	(0.6)%
Net income	1,590	to 1,660	28.5%
Adjusted EBITDA	4,490	to 4,570	(2.9)%
Consolidated AFFO	3,460	to 3,530	(1.2)%

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(1) Includes U.S. property revenue of $3,960 million to $4,020 million and international property revenue of $3,245 million to $3,315 million, reflecting

midpoint growth rates of 4.4% and (6.1)%, respectively. The U.S. growth rate includes a negative impact of over 2% associated with a decrease in non-cash straight-line revenue recognition. The international growth rate includes estimated negative impacts of approximately 15% attributable to ICCC and the non-recurrence of the Tata settlement, and approximately 3% from the translational effects of foreign currency exchange rate fluctuations. International property revenue reflects the Company's Latin America, EMEA and Asia segments.

2019 Outlook for Total Property revenue, at the midpoint, includes the following components[1]: ($ in millions, totals may not add due to rounding.)	**U.S. Property**	**International Property[2]**	**Total Property**
International pass-through revenue	N/A	$ 1,000	$ 1,000
Straight-line revenue	(25)	40	15

(1) For additional discussion regarding these components, please refer to "Revenue Components" below.

(2) International property revenue reflects the Company's Latin America, EMEA and Asia segments.

2019 Outlook for Total Tenant Billings Growth, at the midpoint, includes the following components[1]: *(Totals may not add due to rounding.)*	**U.S. Property**	**International Property[2]**	**Total Property**
Organic Tenant Billings	≥7%	~(2)%	~4%
New Site Tenant Billings	<0.5%	~5-6%	~2%
Total Tenant Billings Growth	>7%	~3-4%	~6%

(1) For additional discussion regarding these components, please refer to "Revenue Components" below.

(2) International property revenue reflects the Company's Latin America, EMEA and Asia segments.

Reconciliation of Indian Carrier Consolidation-Driven Churn Impact to 2019 Outlook:
($ in millions, except per share amounts. Totals may not add due to rounding.)

	FY 2018 Results				**2019 Outlook, at the Midpoint**			**Midpoint Growth Rates vs. Prior Year**		
($ in millions)	As Reported	Impact of Tata Settlement[1]	Impact of ICCC[2]	Normalized	As Reported	Impact of ICCC[2][3]	Normalized	As Reported	Impact of ICCC and Tata Settlement[3][4]	Normalized
Total property revenue[5]	$ 7,315	$ (334)	$ 189	$ 7,170	$ 7,270	$ 375	$ 7,645	(0.6)%	7.2%	6.6%
Adjusted EBITDA	4,667	(327)	120	4,459	4,530	261	4,791	(2.9)%	10.4%	7.4%
Consolidated AFFO	3,539	(313)	96	3,322	3,495	209	3,704	(1.2)%	12.8%	11.5%
Consolidated AFFO per Share[6]	$ 7.99	$ (0.71)	$ 0.22	$ 7.50	$ 7.85	$ 0.47	$ 8.32	(1.8)%	12.7%	10.9%

Consolidated Organic Tenant Billings	275	—	128	403	216		210	426	~4%	~3-4%	>7%
International Organic Tenant Billings	32	—	128	160	(42	)	210	169	~(2)%	~10%	~8%

(1) Includes the one-time net positive impacts to 2018 property revenue, Adjusted EBITDA and Consolidated AFFO related to the Company's settlement with Tata. Churn associated with the settlement is reflected in the ICCC column.

(2) Reflects the cumulative impacts of ICCC since 2017.

(3) Includes the impacts of settlement payments of approximately $9 million related to ICCC in prior periods.

(4) Reflects the cumulative impacts of ICCC since 2017 and the 2018 impacts of the Tata settlement.

(5) Expected ICCC impacts include a cumulative decline of approximately $61 million and $85 million in pass-through revenue for 2018 and 2019, respectively.

(6) Assumes 2019 weighted average diluted share count of 445 million shares.

Outlook for Capital Expenditures:
($ in millions, totals may not add due to rounding.)

	Full Year 2019		
Discretionary capital projects[1]	$ 350	to	$ 380
Ground lease purchases	150	to	160
Start-up capital projects	70	to	90
Redevelopment	270	to	290
Capital improvement	150	to	170
Corporate	10	—	10
Total	$ 1,000	to	$ 1,100

(1) Includes the construction of 3,000 to 4,000 communications sites globally.

Reconciliation of Outlook for Adjusted EBITDA to Net income:
($ in millions, totals may not add due to rounding.)

	Full Year 2019		
Net income	$ 1,590	to	$ 1,660
Interest expense	820	to	810
Depreciation, amortization and accretion	1,760	to	1,800
Income tax provision	135	to	125

Stock-based compensation expense	100	to	110
Other, including other operating expenses, interest income, gain (loss) on retirement of long-term obligations and other income (expense)	85	to	65
Adjusted EBITDA	$ 4,490	to	$ 4,570

Reconciliation of Outlook for Consolidated AFFO to Net income:
($ in millions, totals may not add due to rounding.)

	Full Year 2019		
Net income	$ 1,590	to	$ 1,660
Straight-line revenue	(15)	—	(15)
Straight-line expense	42	—	42
Depreciation, amortization and accretion	1,760	to	1,800
Stock-based compensation expense	100	to	110
Deferred portion of income tax	3	—	3
Other, including other operating expense, amortization of deferred financing costs, capitalized interest, debt discounts and premiums, gain (loss) on retirement of long-term obligations, other income (expense), long-term deferred interest charges and distributions to minority interests	140	to	110
Capital improvement capital expenditures	(150)	to	(170)
Corporate capital expenditures	(10)	—	(10)
Consolidated AFFO	$ 3,460	to	$ 3,530

Conference Call Information
American Tower will host a conference call today at 8:30 a.m. ET to discuss its financial results for the quarter ended June 30, 2019 and its updated outlook for 2019. Supplemental materials for the call will be available on the Company's website, www.americantower.com. The conference call dial-in numbers are as follows:

U.S./Canada dial-in: (800) 260-0718
International dial-in: (612) 288-0318
Passcode: 469119

When available, a replay of the call can be accessed until 11:59 p.m. ET on August 14, 2019. The replay dial-in numbers are as follows:

U.S./Canada dial-in: (800) 475-6701
International dial-in: (320) 365-3844
Passcode: 469119

American Tower will also sponsor a live simulcast and replay of the call on its website, www.americantower.com.

About American Tower
American Tower, one of the largest global REITs, is a leading independent owner, operator and developer of multitenant communications real estate with a portfolio of approximately 171,000 communications sites. For more information about American Tower, please visit the "Earnings Materials" and "Company & Industry Resources" sections of our investor relations website at www.americantower.com.

Non-GAAP and Defined Financial Measures
In addition to the results prepared in accordance with generally accepted accounting principles in the United States (GAAP) provided throughout this press release, the Company has presented the following Non-GAAP and Defined Financial Measures: Gross Margin, Operating Profit, Operating Profit Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Nareit Funds From Operations (FFO) attributable to American Tower Corporation common stockholders, Consolidated Adjusted Funds From Operations (AFFO), AFFO attributable to American Tower Corporation common stockholders, Consolidated AFFO per Share, AFFO attributable to American Tower Corporation common stockholders per Share, Free Cash Flow, Net Debt, Net Leverage Ratio and Indian Carrier Consolidation-Driven Churn (ICCC). In addition, the Company presents: Tenant Billings, Tenant Billings Growth, Organic Tenant Billings Growth and New Site Tenant Billings Growth.

These measures are not intended to replace financial performance measures determined in accordance with GAAP. Rather, they are presented as additional information because management believes they are useful indicators of the current financial performance of the Company's core businesses and are commonly used across its industry peer group. As outlined in detail below, the Company believes that these measures can assist in comparing company performance on a consistent basis irrespective of depreciation and amortization or capital structure, while also providing valuable incremental insight into the underlying operating trends of its business.

Depreciation and amortization can vary significantly among companies depending on accounting methods, particularly where acquisitions or non-operating factors, including historical cost basis, are involved. The Company's Non-GAAP and Defined Financial Measures may not be comparable to similarly titled measures used by other companies.

Revenue Components

In addition to reporting total revenue, the Company believes that providing transparency around the components of its revenue provides investors with insight into the indicators of the underlying demand for, and operating performance of, its real estate portfolio. Accordingly, the Company has provided disclosure of the following revenue components: (i) Tenant Billings, (ii) New Site Tenant Billings; (iii) Organic Tenant Billings; (iv) International pass-through revenue; (v) Straight-line revenue; (vi) Pre-paid amortization revenue; (vii) Foreign currency exchange impact; and (viii) Other revenue.

Tenant Billings: The majority of the Company’s revenue is generated from non-cancellable, long-term tenant leases. Revenue from Tenant Billings reflects several key aspects of the Company’s real estate business: (i) “colocations/amendments” reflects new tenant leases for space on existing sites and amendments to existing leases to add additional tenant equipment; (ii) “escalations” reflects contractual increases in billing rates, which are typically tied to fixed percentages or a variable percentage based on a consumer price index; (iii) “cancellations” reflects the impact of tenant lease terminations or non-renewals or, in limited circumstances, when the lease rates on existing leases are reduced; and (iv) “new sites” reflects the impact of new property construction and acquisitions.

New Site Tenant Billings: Day-one Tenant Billings associated with sites that have been built or acquired since the beginning of the prior-year period. Incremental colocations/amendments, escalations or cancellations that occur on these sites after the date of their addition to our portfolio are not included in New Site Tenant Billings. The Company believes providing New Site Tenant Billings enhances an investor’s ability to analyze the Company’s existing real estate portfolio growth as well as its development program growth, as the Company’s construction and acquisition activities can drive variability in growth rates from period to period.

Organic Tenant Billings: Tenant Billings on sites that the Company has owned since the beginning of the prior-year period, as well as Tenant Billings activity on new sites that occurred after the date of their addition to the Company’s portfolio.

International pass-through revenue: A portion of the Company’s pass-through revenue is based on power and fuel expense reimbursements and therefore subject to fluctuations in fuel prices. As a result, revenue growth rates may fluctuate depending on the market price for fuel in any given period, which is not representative of the Company’s real estate business and its economic exposure to power and fuel costs. Furthermore, this expense reimbursement mitigates the economic impact associated with fluctuations in operating expenses, such as power and fuel costs and land rents in certain of the Company’s markets. As a result, the Company believes that it is appropriate to provide insight into the impact of pass-through revenue on certain revenue growth rates.

Straight-line revenue: Under GAAP, the Company recognizes revenue on a straight-line basis over the term of the contract for certain of its tenant leases. Due to the Company’s significant base of non-cancellable, long-term tenant leases, this can result in significant fluctuations in growth rates upon tenant lease signings and renewals (typically increases), when amounts billed or received upfront upon these events are initially deferred. These signings and renewals are only a portion of the Company’s underlying business growth and can distort the underlying performance of our Tenant Billings Growth. As a result, the Company believes that it is appropriate to provide insight into the impact of straight-line revenue on certain growth rates in revenue and select other measures.

Pre-paid amortization revenue: The Company recovers a portion of the costs it incurs for the redevelopment and development of its properties from its tenants. These upfront payments are then amortized over the initial term of the corresponding tenant lease. Given this amortization is not necessarily directly representative of underlying leasing activity on its real estate portfolio, (i.e. does not have a renewal option or escalation as our tenant leases do) the Company believes that it is appropriate to provide insight into the impact of pre-paid amortization revenue on certain revenue growth rates to provide transparency into the underlying performance of our real estate business.

Foreign currency exchange impact: The majority of the Company’s international revenue and operating expenses are denominated in each country’s local currency. As a result, foreign currency fluctuations may distort the underlying performance of our real estate business from period to period, depending on the movement of foreign currency exchange rates versus the U.S. Dollar. The Company believes it is appropriate to quantify the impact of foreign currency exchange rate fluctuations on its reported growth to provide transparency into the underlying performance of its real estate business.

Other revenue: Other revenue represents revenue not captured by the above listed items and can include items such as tenant settlements and fiber solutions revenue.

Non-GAAP and Defined Financial Measure Definitions

Tenant Billings Growth: The increase or decrease resulting from a comparison of Tenant Billings for a current period with Tenant Billings for the corresponding prior-year period, in each case adjusted for foreign currency exchange rate fluctuations. The Company believes this measure provides valuable insight into the growth in recurring Tenant Billings and underlying demand for its real estate portfolio.

Organic Tenant Billings Growth: The portion of Tenant Billings Growth attributable to Organic Tenant Billings. The Company believes that organic growth is a useful measure of its ability to add tenancy and incremental revenue to its assets for the reported period, which enables investors and analysts to gain additional insight into the relative attractiveness, and therefore the value, of the Company’s property assets.

New Site Tenant Billings Growth: The portion of Tenant Billings Growth attributable to New Site Tenant Billings. The Company believes this measure provides valuable insight into the growth attributable to Tenant Billings from recently acquired or constructed properties.

Indian Carrier Consolidation-Driven Churn (ICCC): Tenant cancellations specifically attributable to short-term carrier consolidation in India.

Includes impacts of carrier exits from the marketplace and carrier cancellations as a result of consolidation, but excludes normal course churn. The Company believes that providing this additional metric enhances transparency and provides a better understanding of its recurring business without the impact of what it believes to be a transitory event.

Gross Margin: Revenues less operating expenses, excluding stock-based compensation expense recorded in costs of operations, depreciation, amortization and accretion, selling, general, administrative and development expense and other operating expenses. The Company believes this measure provides valuable insight into the site-level profitability of its assets.

Operating Profit: Gross Margin less selling, general, administrative and development expense, excluding stock-based compensation expense and corporate expenses. The Company believes this measure provides valuable insight into the site-level profitability of its assets while also taking into account the overhead expenses required to manage each of its operating segments.

For segment reporting purposes, in periods through the third quarter of 2018, the Latin America property segment Operating Profit and Gross Margin also include interest income (expense), TV Azteca, net. Operating Profit and Gross Margin are before interest income, interest expense, gain (loss) on retirement of long-term obligations, other income (expense), net income (loss) attributable to noncontrolling interest and income tax benefit (provision).

Operating Profit Margin: The percentage that results from dividing Operating Profit by revenue.

Adjusted EBITDA: Net income before income (loss) from equity method investments, income tax benefit (provision), other income (expense), gain (loss) on retirement of long-term obligations, interest expense, interest income, other operating income (expense), depreciation, amortization and accretion and stock-based compensation expense. The Company believes this measure provides valuable insight into the profitability of its operations while at the same time taking into account the central overhead expenses required to manage its global operations. In addition, it is a widely used performance measure across the telecommunications real estate sector.

Adjusted EBITDA Margin: The percentage that results from dividing Adjusted EBITDA by total revenue.

Nareit Funds From Operations (FFO), as defined by the National Association of Real Estate Investment Trusts (Nareit), attributable to American Tower Corporation common stockholders: Net income before gains or losses from the sale or disposal of real estate, real estate related impairment charges, real estate related depreciation, amortization and accretion and dividends on preferred stock, and including adjustments for (i) unconsolidated affiliates and (ii) noncontrolling interests. The Company believes this measure provides valuable insight into the operating performance of its property assets by excluding the charges described above, particularly depreciation expenses, given the high initial, up-front capital intensity of the Company’s operating model. In addition, it is a widely used performance measure across the telecommunications real estate sector.

Consolidated Adjusted Funds From Operations (AFFO): Nareit FFO attributable to American Tower Corporation common stockholders before (i) straight-line revenue and expense, (ii) stock-based compensation expense, (iii) the deferred portion of income tax, (iv) non-real estate related depreciation, amortization and accretion, (v) amortization of deferred financing costs, capitalized interest, debt discounts and premiums and long-term deferred interest charges, (vi) other income (expense), (vii) gain (loss) on retirement of long-term obligations, (viii) other operating income (expense), and adjustments for (ix) unconsolidated affiliates and (x) noncontrolling interests, less cash payments related to capital improvements and cash payments related to corporate capital expenditures. The Company believes this measure provides valuable insight into the operating performance of its property assets by further adjusting the Nareit FFO attributable to American Tower Corporation common stockholders metric to exclude the factors outlined above, which if unadjusted, may cause material fluctuations in Nareit FFO attributable to American Tower Corporation common stockholders growth from period to period that would not be representative of the underlying performance of the Company’s property assets in those periods. In addition, it is a widely used performance measure across the telecommunications real estate sector.

Adjusted Funds From Operations (AFFO) attributable to American Tower Corporation common stockholders: Consolidated AFFO, excluding the impact of noncontrolling interests on both Nareit FFO attributable to American Tower Corporation common stockholders and the other line items included in the calculation of Consolidated AFFO. The Company believes that providing this additional metric enhances transparency, given the minority interests in its Indian and European businesses.

Consolidated AFFO per Share: Consolidated AFFO divided by the diluted weighted average common shares outstanding.

AFFO attributable to American Tower Corporation common stockholders per Share: AFFO attributable to American Tower Corporation common stockholders divided by the diluted weighted average common shares outstanding.

Free Cash Flow: Cash provided by operating activities less total cash capital expenditures, including payments on finance leases and perpetual land easements. The Company believes that Free Cash Flow is useful to investors as the basis for comparing our performance and coverage ratios with other companies in its industry, although this measure of Free Cash Flow may not be directly comparable to similar measures used by other companies.

Net Debt: Total long-term debt, including current portion and finance lease liabilities, less cash and cash equivalents.

Net Leverage Ratio: Net Debt divided by the quarter’s annualized Adjusted EBITDA (the quarter’s Adjusted EBITDA multiplied by four). The Company believes that including this calculation is important for investors and analysts given it is a critical component underlying its credit agency ratings.

Cautionary Language Regarding Forward-Looking Statements

This press release contains “forward-looking statements” concerning our goals, beliefs, expectations, strategies, objectives, plans, future operating results and underlying assumptions and other statements that are not necessarily based on historical facts. Examples of these statements include, but are not limited to, statements regarding our full year 2019 outlook and other targets, our expectations regarding Indian Carrier Consolidation-Driven Churn (ICCC) and factors that could affect such expectations, foreign currency exchange rates, our expectations for the closing of signed acquisitions, our expectations for the redemption of shares in ATC TIPL and our expectations regarding the leasing demand for communications real estate. Actual results may differ materially from those indicated in our forward-looking statements as a result of various important factors, including: (1) a significant decrease in leasing demand for our communications infrastructure would materially and adversely affect our business and operating results, and we cannot control that demand; (2) increasing competition within our industry may materially and adversely affect our revenue; (3) if our tenants consolidate their operations, exit the telecommunications business or share site infrastructure to a significant degree, our growth, revenue and ability to generate positive cash flows could be materially and adversely affected; (4) our business is subject to government and tax regulations and changes in current or future laws or regulations could restrict our ability to operate our business as we currently do or impact our competitive landscape; (5) our foreign operations are subject to economic, political and other risks that could materially and adversely affect our revenues or financial position, including risks associated with fluctuations in foreign currency exchange rates; (6) a substantial portion of our revenue is derived from a small number of tenants, and we are sensitive to changes in the creditworthiness and financial strength of our tenants; (7) our expansion initiatives involve a number of risks and uncertainties, including those related to integrating acquired or leased assets, that could adversely affect our operating results, disrupt our operations or expose us to additional risk; (8) new technologies or changes in our or a tenant's business model could make our tower leasing business less desirable and result in decreasing revenues and operating results; (9) competition for assets could adversely affect our ability to achieve our return on investment criteria; (10) our leverage and debt service obligations may materially and adversely affect our ability to raise additional financing to fund capital expenditures, future growth and expansion initiatives and to satisfy our distribution requirements; (11) if we fail to remain qualified for taxation as a REIT, we will be subject to tax at corporate income tax rates, which may substantially reduce funds otherwise available, and even if we qualify for taxation as a REIT, we may face tax liabilities that impact earnings and available cash flow; (12) complying with REIT requirements may limit our flexibility or cause us to forego otherwise attractive opportunities; (13) restrictive covenants in the agreements related to our securitization transactions, our credit facilities and our debt securities could materially and adversely affect our business by limiting flexibility, and we may be prohibited from paying dividends on our common stock, which may jeopardize our qualification for taxation as a REIT; (14) our towers, fiber networks, data centers or computer systems may be affected by natural disasters, security breaches and other unforeseen events for which our insurance may not provide adequate coverage; (15) our costs could increase and our revenues could decrease due to perceived health risks from radio emissions, especially if these perceived risks are substantiated; (16) we could have liability under environmental and occupational safety and health laws; (17) if we are unable to protect our rights to the land under our towers, it could adversely affect our business and operating results; and (18) if we are unable or choose not to exercise our rights to purchase towers that are subject to lease and sublease agreements at the end of the applicable period, our cash flows derived from those towers will be eliminated. For additional information regarding factors that may cause actual results to differ materially from those indicated in our forward-looking statements, we refer you to the information contained in Item 1A of our Form 10-K for the year ended December 31, 2018, under the caption "Risk Factors". We undertake no obligation to update the information contained in this press release to reflect subsequently occurring events or circumstances.

UNAUDITED CONSOLIDATED BALANCE SHEETS
(In millions)

	June 30, 2019	**December 31, 2018**
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,192.2	$ 1,208.7
Restricted cash	93.8	96.2
Accounts receivable, net	459.5	459.0
Prepaid and other current assets	486.9	621.2
Total current assets	2,232.4	2,385.1
PROPERTY AND EQUIPMENT, net	11,268.6	11,247.1
GOODWILL	5,557.8	5,501.9
OTHER INTANGIBLE ASSETS, net	10,895.2	11,174.3
DEFERRED TAX ASSET	147.8	157.7
DEFERRED RENT ASSET	1,597.1	1,581.7
RIGHT-OF-USE ASSET[1]	7,110.0	—
NOTES RECEIVABLE AND OTHER NON-CURRENT ASSETS	263.8	962.6

TOTAL	$ 39,072.7	$ 33,010.4
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	$ 144.9	$ 130.8
Accrued expenses	835.6	948.3
Distributions payable	413.0	377.4
Accrued interest	154.2	174.5
Current portion of operating lease liability(1)	496.9	—
Current portion of long-term obligations	2,442.2	2,754.8
Unearned revenue	334.8	304.1
Total current liabilities	4,821.6	4,689.9
LONG-TERM OBLIGATIONS	18,615.9	18,405.1
OPERATING LEASE LIABILITY(1)	6,335.4	—
ASSET RETIREMENT OBLIGATIONS	1,252.3	1,210.0
DEFERRED TAX LIABILITY	546.2	535.9
OTHER NON-CURRENT LIABILITIES	868.0	1,265.1
Total liabilities	32,439.4	26,106.0
COMMITMENTS AND CONTINGENCIES		
REDEEMABLE NONCONTROLLING INTERESTS	590.2	1,004.8
EQUITY:		
Common stock	4.5	4.5
Additional paid-in capital	10,492.7	10,380.8
Distributions in excess of earnings	(1,206.2)	(1,199.5)
Accumulated other comprehensive loss	(2,606.7)	(2,642.9)
Treasury stock	(1,206.8)	(1,206.8)
Total American Tower Corporation equity	5,477.5	5,336.1
Noncontrolling interests	565.6	563.5

Total equity	6,043.1	5,899.6
TOTAL	$ 39,072.7	$ 33,010.4

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(1) Reflects the new lease accounting standard requiring a right-of-use model.

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	**2018**	**2019**	**2018**
REVENUES:				
Property	$ 1,848.9	$ 1,749.4	$ 3,634.9	$ 3,459.8
Services	40.7	31.5	68.1	62.9
Total operating revenues	1,889.6	1,780.9	3,703.0	3,522.7
OPERATING EXPENSES:				
Costs of operations (exclusive of items shown separately below):				
Property(1)	549.4	547.2	1,082.4	1,054.6
Services(1)	13.9	13.1	24.3	25.6
Depreciation, amortization and accretion	448.9	449.7	885.8	896.0
Selling, general, administrative and development expense(1)(2)	164.8	157.9	362.9	362.8
Other operating expenses(3)	28.7	67.0	48.8	234.8
Total operating expenses	1,205.7	1,234.9	2,404.2	2,573.8
OPERATING INCOME	683.9	546.0	1,298.8	948.9
OTHER INCOME (EXPENSE):				
Interest expense, TV Azteca	—	(3.4)	—	(0.7)
Interest income	11.7	18.4	24.1	33.8
Interest expense	(204.5)	(207.9)	(412.0)	(407.5)
Loss on retirement of long-term obligations	(22.1)	—	(22.2)	—

Other (expense) income (including foreign currency (losses) gains of $(5.3), $(40.4), $14.8 and $(17.1), respectively)	(5.1)	(34.8)	16.8	(7.0)
Total other expense	(220.0)	(227.7)	(393.3)	(381.4)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	463.9	318.3	905.5	567.5
Income tax (provision) benefit(4)	(29.6)	(3.9)	(63.6)	27.2
NET INCOME	434.3	314.4	841.9	594.7
Net income attributable to noncontrolling interests	(5.2)	(7.7)	(15.4)	(2.8)
NET INCOME ATTRIBUTABLE TO AMERICAN TOWER CORPORATION STOCKHOLDERS	429.1	306.7	826.5	591.9
Dividends on preferred stock	—	—	—	(9.4)
NET INCOME ATTRIBUTABLE TO AMERICAN TOWER CORPORATION COMMON STOCKHOLDERS	$ 429.1	$ 306.7	$ 826.5	$ 582.5
NET INCOME PER COMMON SHARE AMOUNTS:				
Basic net income attributable to American Tower Corporation common stockholders	$ 0.97	$ 0.69	$ 1.87	$ 1.33
Diluted net income attributable to American Tower Corporation common stockholders	$ 0.96	$ 0.69	$ 1.86	$ 1.32
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING (in thousands):				
BASIC	442,203	441,497	441,778	438,328
DILUTED	445,337	444,362	445,040	441,513

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(1) Property costs of operations, services costs of operations and selling, general, administrative and development expense include stock-based compensation expense in aggregate amounts of $21.9 million and $64.4 million for the three and six months ended June 30, 2019, respectively, and $24.8 million and $67.5 million for the three and six months ended June 30, 2018, respectively.

(2) Six months ended June 30, 2018 includes approximately $29 million of bad debt expense, primarily associated with Aircel’s bankruptcy in India.

(3) Three and six months ended June 30, 2018 reflect impairment charges of approximately $33 million and $181 million, respectively, primarily related to assets in India, partially offset by an income tax benefit in India. The portion of these items attributable to American Tower Corporation common stockholders for the three and six months ended June 30, 2018 was approximately $11 million and $70 million, respectively.

(4) Six months ended June 30, 2018 includes income tax benefit in India.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Six Months Ended June 30,	
	2019	**2018**

CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 841.9	$ 594.7
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation, amortization and accretion	885.8	896.0
Amortization of operating leases[1]	298.8	—
Stock-based compensation expense	64.4	67.5
Loss on early retirement of long-term obligations	22.2	—
Other non-cash items reflected in statements of operations	86.5	206.0
Increase in net deferred rent balances	(11.0)	(10.7)
Reduction in operating lease liability[1]	(259.3)	—
Increase in assets	(52.4)	(68.9)
(Decrease) increase in liabilities	(55.2)	47.2
Cash provided by operating activities	1,821.7	1,731.8
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for purchase of property and equipment and construction activities	(464.3)	(424.9)
Payments for acquisitions, net of cash acquired	(134.5)	(1,336.5)
Proceeds from sales of short-term investments and other non-current assets	368.7	894.5
Payments for short-term investments	(355.9)	(952.8)
Deposits and other	(4.7)	(23.3)
Cash used for investing activities	(590.7)	(1,843.0)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings under credit facilities	2,620.0	2,663.3
Proceeds from issuance of senior notes, net	3,529.7	584.9
Proceeds from term loan	1,300.0	1,500.0
Proceeds from issuance of securities in securitization transaction	—	500.0
Repayments of notes payable, credit facilities, senior notes, secured debt, term loan, finance leases and capital leases[2]	(7,413.2)	(4,257.4)

Distributions to noncontrolling interest holders, net	(14.0)	(13.9)
Purchases of common stock	—	(98.6)
Proceeds from stock options and employee stock purchase plan	56.6	40.2
Payment for early retirement of long-term obligations	(21.0)	—
Deferred financing costs and other financing activities(3)	(104.7)	(55.1)
Purchase of redeemable noncontrolling interest	(425.7)	—
Purchase of noncontrolling interest	—	(20.5)
Distributions paid on preferred stock	—	(18.9)
Distributions paid on common stock	(775.1)	(635.6)
Cash (used for) provided by financing activities	(1,247.4)	188.4
Net effect of changes in foreign currency exchange rates on cash and cash equivalents, and restricted cash	(2.5)	(62.0)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS, AND RESTRICTED CASH	(18.9)	15.2
CASH AND CASH EQUIVALENTS, AND RESTRICTED CASH, BEGINNING OF PERIOD	1,304.9	954.9
CASH AND CASH EQUIVALENTS, AND RESTRICTED CASH, END OF PERIOD	$ 1,286.0	$ 970.1
CASH PAID FOR INCOME TAXES, NET	$ 77.9	$ 44.6
CASH PAID FOR INTEREST	$ 419.3	$ 382.5

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(1) Reflects the new lease accounting standard requiring a right-of-use model.

(2) Six months ended June 30, 2019 includes $4.5 million of finance lease payments. Six months ended June 30, 2018 includes $16.0 million of payments on capital leases of property and equipment.

(3) Six months ended June 30, 2019 includes $15.0 million of perpetual land easement payments.

UNAUDITED CONSOLIDATED RESULTS FROM OPERATIONS, BY SEGMENT
($ in millions, totals may not add due to rounding.)

	Three Months Ended June 30, 2019							
	Property							
	U.S.	**Latin America**	**Asia(1)**	**EMEA**	**Total International**	**Total Property**	**Services**	**Total**
Segment revenues	$ 1,007	$ 346	$ 321	$ 175	$ 842	$ 1,849	$ 41	$ 1,890

Segment operating expenses(2)	197	104	188	61	352	549	14	563
Segment Gross Margin	$ 811	$ 242	$ 133	$ 114	$ 489	$ 1,300	$ 27	$ 1,327
Segment SG&A(2)	42	24	18	20	62	104	2	106
Segment Operating Profit	$ 768	$ 218	$ 115	$ 94	$ 428	$ 1,196	$ 25	$ 1,221
Segment Operating Profit Margin	76 %	63 %	36 %	54 %	51 %	65 %	61 %	65 %
Revenue Growth	5.3 %	8.7 %	4.3 %	5.0 %	6.2 %	5.7 %	29.2 %	6.1 %
Total Tenant Billings Growth	7.8 %	8.9 %	(13.7)%	12.3 %	1.9 %	5.6 %		
Organic Tenant Billings Growth	7.5 %	7.3 %	(23.8)%	7.2 %	(3.6)%	3.4 %		
Revenue Components(3)								
Prior-Year Tenant Billings	$ 898	$ 215	$ 184	$ 129	$ 528	$ 1,426		
Colocations/Amendments	52	10	18	4	33	85		
Escalations	29	11	3	6	20	49		
Cancellations	(12)	(7)	(66)	(3)	(75)	(87)		
Other	(1)	1	0	2	4	2		
Organic Tenant Billings	$ 965	$ 231	$ 140	$ 138	$ 510	$ 1,475		
New Site Tenant Billings	2	3	19	7	29	31		
Total Tenant Billings	$ 967	$ 235	$ 159	$ 144	$ 538	$ 1,506		
Foreign Currency Exchange Impact(4)	—	(13)	(6)	(9)	(29)	(29)		
Total Tenant Billings (Current Period)	$ 967	$ 222	$ 153	$ 135	$ 510	$ 1,477		
Straight-Line Revenue	(4)	6	3	1	10	6		
Prepaid Amortization Revenue	26	1	—	1	2	29		
Other Revenue	18	40	19	3	62	80		

International Pass-Through Revenue	—	82	153	37	272	272
Foreign Currency Exchange Impact[5]	—	(5)	(7)	(2)	(14)	(14)
Total Property Revenue (Current Period)	$ 1,007	$ 346	$ 321	$ 175	$ 842	$ 1,849

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(1) Inclusive of the negative impacts of ICCC. See quarterly supplemental materials package for additional detail.

(2) Excludes stock-based compensation expense.

(3) All components of revenue, except those labeled current period, have been translated at prior-period foreign currency exchange rates.

(4) Reflects foreign currency exchange impact on all components of Total Tenant Billings.

(5) Reflects foreign currency exchange impact on components of revenue, other than Total Tenant Billings.

UNAUDITED CONSOLIDATED RESULTS FROM OPERATIONS, BY SEGMENT (CONTINUED)
($ in millions, totals may not add due to rounding.)

	Three Months Ended June 30, 2018							
	Property							
	U.S.	**Latin America**	**Asia[1]**	**EMEA**	**Total International**	**Total Property**	**Services**	**Total**
Segment revenues	$ 957	$ 318	$ 308	$ 167	$ 792	$ 1,749	$ 32	$ 1,781
Segment operating expenses[2]	199	109	180	59	348	547	13	560
Interest expense, TV Azteca, net[3]	—	(3)	—	—	(3)	(3)	—	(3)
Segment Gross Margin	$ 758	$ 205	$ 128	$ 108	$ 441	$ 1,199	$ 19	$ 1,218
Segment SG&A[2]	44	19	15	18	52	96	3	99
Segment Operating Profit	$ 714	$ 186	$ 113	$ 91	$ 389	$ 1,104	$ 16	$ 1,119
Segment Operating Profit Margin	75 %	59 %	37 %	54 %	49 %	63 %	50 %	63 %
Revenue Growth	6.7 %	10.8 %	4.5 %	4.4 %	7.0 %	6.8 %	29.1 %	7.1 %
Total Tenant Billings Growth	8.1 %	16.0 %	6.6 %	8.0 %	10.7 %	9.1 %		
Organic Tenant Billings Growth	7.4 %	12.4 %	(10.2)%	6.8 %	2.9 %	5.7 %		

Revenue Components[4]

Prior-Year Tenant Billings	$ 830	$ 198	$ 179	$ 119	$ 497	$ 1,327
Colocations/Amendments	46	14	11	4	29	76
Escalations	26	11	3	6	20	46
Cancellations	(10)	(2)	(33)	(2)	(37)	(47)
Other	(1)	2	0	(0)	2	1
Organic Tenant Billings	$ 891	$ 223	$ 161	$ 127	$ 511	$ 1,402
New Site Tenant Billings	6	7	30	1	39	45
Total Tenant Billings	$ 898	$ 230	$ 191	$ 129	$ 550	$ 1,447
Foreign Currency Exchange Impact[5]	—	(15)	(6)	(0)	(21)	(21)
Total Tenant Billings (Current Period)	$ 898	$ 216	$ 184	$ 129	$ 528	$ 1,426
Straight-Line Revenue	13	9	4	2	15	28
Prepaid Amortization Revenue	24	1	—	0	1	25
Other Revenue	23	17	(7)	1	12	35
International Pass-Through Revenue	—	83	130	35	249	249
Foreign Currency Exchange Impact[6]	—	(7)	(5)	(1)	(12)	(12)
Total Property Revenue (Current Period)	$ 957	$ 318	$ 308	$ 167	$ 792	$ 1,749

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(1) Inclusive of the negative impacts of ICCC. See quarterly supplemental materials package for additional detail.

(2) Excludes stock-based compensation expense.

(3) Represents reversal of interest income recognized in the prior period due to nonpayment. The Company subsequently signed a new agreement with TV Azteca which extinguished this note.

(4) All components of revenue, except those labeled current period, have been translated at prior-period foreign currency exchange rates.

(5) Reflects foreign currency exchange impact on all components of Total Tenant Billings.

(6) Reflects foreign currency exchange impact on components of revenue, other than Total Tenant Billings.

UNAUDITED SELECTED CONSOLIDATED FINANCIAL INFORMATION

($ in millions, totals may not add due to rounding.)

The reconciliation of Adjusted EBITDA to net income and the calculation of Adjusted EBITDA Margin are as follows:

	Three Months Ended June 30,	
	2019[1]	**2018[1]**
Net income	$ 434.3	$ 314.4
Income tax provision	29.6	3.9
Other expense	5.1	34.8
Loss on retirement of long-term obligations	22.1	—
Interest expense	204.5	207.9
Interest income	(11.7)	(18.4)
Other operating expenses	28.7	67.0
Depreciation, amortization and accretion	448.9	449.7
Stock-based compensation expense	21.9	24.8
Adjusted EBITDA	$ 1,183.4	$ 1,084.1
Total revenue	1,889.6	1,780.9
Adjusted EBITDA Margin	63 %	61 %

The reconciliation of Nareit FFO attributable to American Tower Corporation common stockholders to net income and the calculation of Consolidated AFFO, Consolidated AFFO per Share, AFFO attributable to American Tower Corporation common stockholders and AFFO attributable to American Tower Corporation common stockholders per Share are as follows:

	Three Months Ended June 30,	
	2019[1]	**2018[1]**
Net income	$ 434.3	$ 314.4
Real estate related depreciation, amortization and accretion	400.7	400.1
Losses from sale or disposal of real estate and real estate related impairment charges[2]	24.4	56.7
Adjustments for unconsolidated affiliates and noncontrolling interests	(30.8)	(60.2)
Nareit FFO attributable to AMT common stockholders	$ 828.6	$ 711.0

Straight-line revenue	(5.7)	(27.5)
Straight-line expense	12.0	20.6
Stock-based compensation expense	21.9	24.8
Deferred portion of income tax(3)	(11.4)	(16.0)
Non-real estate related depreciation, amortization and accretion	48.2	49.6
Amortization of deferred financing costs, capitalized interest and debt discounts and premiums and long-term deferred interest charges	6.4	6.1
Payment of shareholder loan interest(4)	(14.2)	—
Other expense(5)	5.1	34.8
Loss on retirement of long-term obligations	22.1	—
Other operating expense(6)	4.3	10.3
Capital improvement capital expenditures	(36.4)	(27.6)
Corporate capital expenditures	(2.1)	(2.3)
Adjustments for unconsolidated affiliates and noncontrolling interests	30.8	60.2
Consolidated AFFO	909.6	844.0
Adjustments for unconsolidated affiliates and noncontrolling interests(7)	(16.5)	(69.3)
AFFO attributable to AMT common stockholders	$ 893.1	$ 774.7
Divided by weighted average diluted shares outstanding	445,337	444,362
Consolidated AFFO per Share	$ 2.04	$ 1.90
AFFO attributable to AMT common stockholders per Share	$ 2.01	$ 1.74

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(1) Reflects the negative impacts of ICCC.

(2) Q2 2018 includes impairment charge of approximately $33 million.

(3) Q2 2018 reflects income tax benefit in India

(4) In Q2 2019, the Company made a capitalized interest payment of approximately $14.2 million associated with the purchase of the shareholder loan previously held by its joint venture partner in Ghana. This long-term deferred interest was previously expensed but excluded from Consolidated AFFO.

(5) Q2 2019 and Q2 2018 include losses on foreign currency exchange rate fluctuations of $5.3 million and $40.4 million, respectively.

(6) Primarily includes integration and acquisition-related costs.

(7) Includes adjustments for the impact on both Nareit FFO attributable to American Tower Corporation common stockholders and the other line items included in the calculation of Consolidated AFFO.

Source: American Tower Corporation

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