UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One):

[X]Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. For the quarterly period ended June 30, 2000.

[_] Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Commission File Number: 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)

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

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 [_]

Class of Common Stock	Outstanding at August 1, 2000
Class A Common Stock	168,331,558 shares
Class B Common Stock	8,232,303 shares
Class C Common Stock	2,267,813 shares
Total	178,831,674 shares

AMERICAN TOWER CORPORATION

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PART I. FINANCIAL INFORMATION

ITEM 1. UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS--(Unaudited)
(in thousands, except share data)

	June 30, 2000	December 31, 1999
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 518,758	$ 25,212
Accounts receivable, net of allowance for doubtful accounts of $5,694 and $3,386, respectively	129,310	58,482
Prepaid and other current assets	31,289	13,835
Inventories	27,163	11,262
Cost in excess of billings on uncompleted contracts and unbilled receivables	23,809	13,363
Deferred income taxes	1,829	1,718
Due from CBS Corporation	7,943	15,535
Total current assets	740,101	139,407
Property and equipment, net	1,774,076	1,092,346
Goodwill and other intangible assets, net	2,208,288	1,403,897
Notes receivable (related party: $108,878 and $60,000, respectively)	116,021	118,802
Deposits and other long-term assets	63,613	134,568
Investments in unconsolidated subsidiaries	45,885	15,594
Deferred income taxes	140,360	114,252
Total	$ 5,088,344	$ 3,018,866
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	$ 5,708	$ 4,736
Accounts payable	38,814	25,564
Accrued expenses	57,187	32,732
Accrued tower construction costs	41,425	37,671
Accrued interest	29,238	6,769
Billings in excess of costs on uncompleted contracts and unearned revenue	32,904	17,515
Total current liabilities	205,276	124,987
Long-term debt:		
Credit facilities	1,032,500	90,000
Convertible notes	916,929	602,259
Other	60,133	43,827
Other long-term liabilities	8,172	4,057
Total liabilities	2,223,010	865,130
Minority interest in subsidiaries	17,261	8,653
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Preferred Stock; $0.01 par value; 20,000,000 shares authorized; no shares issued or outstanding		
Class A Common Stock; $.01 par value; 500,000,000 shares authorized; 167,610,405 and 144,965,623 shares issued and 167,467,282 and 144,889,220 outstanding, respectively	1,676	1,450
Class B Common Stock; $.01 par value; 50,000,000 shares authorized; 8,232,303 and 8,387,910 shares issued and outstanding, respectively	82	84
Class C Common Stock; $.01 par value; 10,000,000 shares authorized; 2,267,813 and 2,422,804 shares issued and outstanding, respectively	23	24
Additional paid-in capital	3,051,631	2,245,482
Accumulated deficit	(201,059)	(100,429)
Less: Treasury stock (143,123 and 76,403 shares at		

cost, respectively)	(4,280)	(1,528)
Total stockholders' equity	2,848,073	2,145,083
Total	$ 5,088,344	$ 3,018,866

See notes to condensed consolidated financial statements.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS--Unaudited
(In Thousands, Except Per Share Data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2000	1999	2000	1999
REVENUES:				
Rental and management	$ 63,233	$31,356	$ 116,940	$ 56,872
Services	74,026	21,412	112,178	32,238
Internet, voice, data and video transmission services	29,788	6,385	53,446	12,451
Total operating revenues	167,047	59,153	282,564	101,561
OPERATING EXPENSES:				
Operating expenses excluding depreciation and amortization, development and corporate general and administrative expenses:				
Rental and management	31,290	13,780	59,782	25,372
Services	65,127	15,296	97,327	24,534
Internet, voice, data and video transmission services	23,242	4,493	42,258	8,624
Depreciation and amortization	67,093	33,139	122,291	57,808
Development expense	4,196	290	5,184	557
Corporate general and administrative expense	3,084	2,291	6,515	4,073
Total operating expenses	194,032	69,289	333,357	120,968
LOSS FROM OPERATIONS	(26,985)	(10,136)	(50,793)	(19,407)
OTHER (EXPENSE) INCOME:				
Interest expense	(38,437)	(5,538)	(70,587)	(11,539)
Interest income and other, net	3,851	5,788	6,437	10,737
Interest income, TV Azteca, net of interest expense of $297 and $457, respectively (related party) (see note 7)	3,155		5,463	
Note conversion expense	(16,968)		(16,968)	
Minority interest in net (earnings) losses of subsidiaries	(22)	82	(58)	79
TOTAL OTHER (EXPENSE) INCOME	(48,421)	332	(75,713)	(723)
LOSS BEFORE INCOME TAXES AND EXTRAORDINARY LOSSES	(75,406)	(9,804)	(126,506)	(20,130)
INCOME TAX BENEFIT (EXPENSE)	16,774	(79)	30,214	747
LOSS BEFORE EXTRAORDINARY LOSSES	(58,632)	(9,883)	(96,292)	(19,383)
EXTRAORDINARY LOSSES ON EXTINGUISHMENT OF DEBT, NET OF INCOME TAX BENEFIT OF $2,892			(4,338)	
NET LOSS	$(58,632)	$(9,883)	$(100,630)	$(19,383)
BASIC AND DILUTED NET LOSS PER COMMON SHARE AMOUNTS				
Loss before extraordinary losses	$ (0.36)	$ (0.06)	$ (0.60)	$ (0.14)
Extraordinary losses			(0.03)	
NET LOSS	$ (0.36)	$ (0.06)	$ (0.63)	$ (0.14)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	161,021	155,604	158,768	143,503

See notes to condensed consolidated financial statements.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS--Unaudited
(In Thousands)

	Six Months Ended June 30,	
	2000	1999
CASH FLOWS (USED FOR) PROVIDED BY OPERATING ACTIVITIES	$ (42,708)	$ 25,844
CASH FLOWS USED FOR INVESTING ACTIVITIES:		
Payments for purchase of property and equipment and construction activities	(196,151)	(111,943)
Payments for acquisitions, net of cash acquired	(1,005,206)	(162,151)
Advances of notes receivable	(70,711)	(5,421)
Repayment of notes receivable	2,099	24
Deposits and other long-term assets	(19,319)	(21,296)
Cash used for investing activities	(1,289,288)	(300,787)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings under credit facilities	1,377,500	
Proceeds from convertible notes offering	450,000	
Repayment of notes payable and credit facilities	(495,829)	(142,185)
Net proceeds from equity offerings and stock options	531,054	634,336
Cash payments from (to) CBS Corporation	7,592	(50,000)
Distributions to minority interest	(162)	(162)
Deferred financing costs	(44,613)	
Cash provided by financing activities	1,825,542	441,989
NET INCREASE IN CASH AND CASH EQUIVALENTS	493,546	167,046
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	25,212	186,175
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 518,758	$ 353,221
CASH PAID FOR INCOME TAXES	$ 1,271	$ 574
CASH PAID FOR INTEREST	$ 45,664	$ 12,493
NON-CASH TRANSACTIONS:		
Issuance of common stock, warrants and assumption of options for acquisitions	$ 119,197	$ 448,037
Increase in due to CBS Corporation from estimated remaining tax liabilities	$	$ 1,121
Treasury stock transactions	$ 2,752	$ 1,528
Note conversion transaction	$ 153,368	
TV Azteca transaction	$ 25,819	
Capital leases	$ 3,448	

See notes to condensed consolidated financial statements.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS--Unaudited

1. Basis of Presentation and Accounting Policies

The accompanying condensed consolidated financial statements have been prepared by American Tower Corporation (the Company or American Tower) without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). The financial information included herein is unaudited; however, the Company believes such information and the disclosures are adequate to make the information presented not misleading. In addition, the Company believes such information reflects all adjustments (consisting only of normal recurring adjustments) that are necessary for a fair presentation of financial position and results of operations for the periods presented. Results of interim periods may not be indicative of results for the full year. These condensed consolidated financial statements and related notes should be read in conjunction with the Company's 1999 Annual Report on Form 10-K filed with the SEC on March 29, 2000 and quarterly report on Form 10-Q for the three months ended March 31, 2000 filed on May 15, 2000.

Use of Estimates--The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. Actual results may differ from those estimates, and such differences could be material to the accompanying condensed consolidated financial statements.

Loss Per Common Share--Basic and diluted income or loss per common share have been determined in accordance with Statement of Financial Accounting Standards (FAS) No. 128, "Earnings Per Share," whereby basic income or loss per common share is computed by dividing net income or loss by the weighted average number of common shares outstanding during the period. Diluted per share amounts are computed by adjusting the weighted average number of common shares for dilutive potential common shares outstanding during the period, if any. In computing diluted per share amounts, the Company uses the treasury stock method, whereby unexercised options and warrants are assumed to be exercised at the beginning of the period or at issuance, if later. The assumed proceeds are then used to purchase common shares at the average market price during the period. Shares issuable upon exercise of options, warrants and other dilutive securities have been excluded from the computation of diluted income or loss per common share as the effect is anti-dilutive. Had options, warrants and other dilutive securities been included in the computation, shares for the diluted computation would have increased by approximately 42.3 million and 5.4 million for the three months ended June 30, 2000 and 1999, respectively, and 41.6 million and 4.3 million for the six months ended June 30, 2000 and 1999, respectively.

Recent Accounting Pronouncement--In June 1998, the Financial Accounting Standards Board (FASB) issued FAS No. 133, Accounting for Derivative Instruments and Hedging Activities as amended in May 1999 by FAS No. 137, "Accounting for Derivative Instruments and Hedging Activities--Deferral of the Effective Date of FASB Statement No. 133--An Amendment of FASB Statement No. 133." This Statement establishes accounting and reporting standards for derivative instruments. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position, and measure those instruments at fair value. The accounting for changes in the fair value of a derivative (that is, gains and losses) will depend on the entity's intended use of the derivative and its resulting designation (as defined in the statement). FAS No. 133, as amended, will be effective for the Company on January 1, 2001. The Company is currently in the process of evaluating the impact FAS No. 133 will have on the Company and its consolidated financial statements.

The SEC has issued Staff Accounting Bulletin (SAB) No. 101 "Revenue Recognition," which provides the SEC staff's views in applying generally accepted accounting principles to selected revenue recognition issues. SAB No. 101 will be effective for the Company on October 1, 2000. The Company does not believe the adoption of SAB No. 101 will be material to its consolidated financial statements.

Reclassifications--Certain reclassifications have been made to the 1999 condensed consolidated financial statements to conform to the 2000 presentation.

2. Income Taxes

The Company provides for income taxes at the end of each interim period based on the estimated effective tax rate for the full fiscal year. Cumulative adjustments to the Company's estimate are recorded in the interim period in which a change in the estimated annual effective rate is determined.

3. 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 are as follows (in thousands):

	June 30, 2000	December 31, 1999
Raw materials	$10,266	$ 859
Work in process	525	303
Finished goods	16,372	10,100
Total	$27,163	$11,262

4. Acquisitions

General--The acquisitions consummated during the six month period ended June 30, 2000 have been accounted for by the purchase method of accounting. The purchase prices have been allocated to the net assets acquired, principally intangible and tangible assets, and the liabilities assumed based on their estimated fair values at the date of acquisition. The excess of purchase price over the estimated fair value of the net assets acquired has been recorded as goodwill and other intangible assets. For certain acquisitions the condensed consolidated financial statements reflect the preliminary allocation of purchase prices as the appraisals of assets acquired has not been finalized. The Company does not expect any changes in depreciation and amortization, as a result of such appraisals, to be material to the Company's consolidated results of operations.

During the six month period ended June 30, 2000, the Company acquired various communication sites and related businesses for an aggregate preliminary purchase price of approximately $1.3 billion. The total purchase price includes the payment of $1.0 billion in cash, the issuance of 2.4 million shares of Class A common stock and the assumption of $59.3 million of debt. Significant transactions consummated during this period include the following:

AirTouch transaction--In August 1999, the Company agreed to lease on a long-term basis up to 2,100 towers from AirTouch Communications, 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 five-year warrants to purchase 3.0 million shares of Class A common stock at $22.00 per share. At the first five closings in the first and second quarters of 2000, the Company leased 1,600 towers, paid AirTouch $609.5 million in cash and issued warrants for 3.0 million shares of Class A common stock. It is expected that the Company will not close on approximately 150 of the towers included in the initial agreement. The remaining closings are expected to occur in the third and fourth quarters of 2000 as the initial term of the agreement was extended through October 2000.

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 the four closings in the first and second quarters of 2000, the Company acquired 1,910 towers and paid AT&T $258.0 million. It is expected that the Company will close on any remaining towers in the third quarter of 2000.

Management estimates that a portion of the towers acquired in the AT&T transaction will not be marketable for wireless co-location. Accordingly, the Company has committed to a plan to dispose of these towers, which is in the process of being finalized. Based on the preliminary information accumulated to date, the Company estimates that the cost to dispose of these towers will approximate $11.0 million, and has recorded this as a purchase price adjustment and a current liability in the accompanying June 30, 2000 consolidated balance sheet. The plan is expected to be finalized in the third quarter 2000.

UNIsite merger--In January 2000, the Company consummated its merger with UNIsite, Inc. (UNIsite). The purchase price was approximately $196.4 million, which included a 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 $1.0 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 and $25.7 million in cash. The acquisition involved around-the-clock teleport facilities in the Pacific Northwest, the Southwest and the Northeast with a total of 52 antennas 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 $28.5 million in cash and is subject to adjustment based on the net working capital of General Telecom at closing. 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.

The following unaudited pro forma summary for the six months ended June 30, 2000 and 1999 presents the condensed consolidated results of operations as if all of the 2000 acquisitions had occurred as of January 1, 1999 after giving effect to certain adjustments, including depreciation and amortization of assets and interest expense on any debt incurred to fund the acquisitions. These unaudited pro forma results have been prepared for comparative purposes only and do not purport to be indicative of what would have occurred had the acquisitions been made as of January 1, 1999 or of results which may occur in the future.

	Six Months Ended June 30, 2000	Six Months Ended June 30, 1999
	In thousands, except per share data:	
Revenues	$ 332,726	$196,798
Net loss before extraordinary losses	$(110,805)	$(67,009)
Net loss	$(115,143)	$(67,009)
Basic and diluted loss per common share before extraordinary losses	$ (0.69)	$ (0.46)
Basic and diluted loss per common share	$ (0.72)	$ (0.46)

Since July 1, 2000, the Company has consummated several acquisitions for an aggregate preliminary purchase price of approximately $69.3 million.

In addition, the Company is also party to various agreements, including the remaining portions of the AirTouch and AT&T transactions, relating to the acquisition of assets and businesses from third parties for an estimated aggregate cost of approximately $143.9 million. Such transactions are subject to the satisfaction of customary closing conditions, which are expected to be met in the third and fourth quarters of 2000.

Other transactions--In July 2000, the Company was awarded a contract by AT&T Wireless Services, Inc. to provide turnkey services for its fixed wireless digital broadband network deployment in key markets throughout the United States. The Company has already begun work in several markets and has been given notice to proceed with network deployment on approximately 1,500 sites. Deployment for these sites is expected to be completed by the end of 2001. Under the Agreement, additional markets may be added over the next two years.

The Company is also pursuing the acquisition of other properties and businesses in new and existing locations, although no definitive material agreements have been agreed to with respect to any such acquisitions.

5. Business Segments

The Company operates in three business segments: rental and management (RM), services (Services), and Internet, voice, data and video transmission services (IVDV). The RM segment provides for leasing and subleasing of antennae sites on multi-tenant towers for a diverse range of wireless communication industries, including personal communication services, paging, cellular, enhanced specialized mobile radio, specialized mobile radio and fixed microwave, as well as radio and television broadcasters. The Services segment offers a broad range of network development services, including radio frequency engineering, network design, site acquisition and construction, zoning and other regulatory approvals, tower construction, component part sales and antennae installation. The IVDV segment offers both domestic and international satellite and Internet protocol network transmission services to Internet, voice and data providers, as well as television networks, broadcasters, cable programmers, major cruise lines and the U.S. military.

The accounting policies applied in compiling segment information below are similar to those described in the Company's 1999 Annual Report on Form 10-K. In evaluating financial performance, management focuses on operating profit (loss), excluding depreciation and amortization, development and corporate general and administrative expenses. This measure of operating profit (loss) is also before interest income and other, net, interest income, TV Azteca, interest expense, minority interest in net earnings of subsidiaries, income taxes and extraordinary losses.

The Company's reportable segments are strategic business units that offer different services. They are managed separately because each segment requires different resources and marketing strategies. In addition, all reported segment revenues are generated from external customers.

Summarized financial information concerning the Company's reportable segments as of and for the three and six months ended June 30, 2000 and 1999, is shown in the following table (in thousands). The "Other" column below represents amounts excluded from specific segments such as income taxes, extraordinary losses, corporate general and administrative expense, development expense, depreciation and amortization and interest. In addition, "Other" also includes corporate assets such as cash and cash equivalents, tangible and intangible assets and income tax accounts which have not been allocated to specific segments.

Three Months Ended June 30,	RM	Services	IVDV	Other	Total
2000					
Revenues................	$ 63,233	$ 74,026	$ 29,788		$ 167,047
Operating profit (loss)................	31,943	8,899	6,546	$ (106,020)	(58,632)
Assets..................	3,144,124	522,926	307,161	1,114,133	5,088,344
1999					
Revenues................	$ 31,356	$ 21,412	$ 6,385		$ 59,153
Operating profit (loss)	17,576	6,116	1,892	$ (35,467)	(9,883)
Assets..................	1,383,770	497,429	77,733	559,644	2,518,576

Six Months Ended June 30,	RM	Services	IVDV	Other	Total
2000					
Revenues..................	$ 116,940	$112,178	$ 53,446		$ 282,564
Operating profit (loss)....	57,158	14,851	11,188	$(183,827)	(100,630)
Assets....................	3,144,124	522,926	307,161	1,114,133	5,088,344
1999					
Revenues..................	$ 56,872	$ 32,238	$ 12,451		$ 101,561
Operating profit (loss)....	31,500	7,704	3,827	$ (62,414)	(19,383)
Assets....................	1,383,770	497,429	77,733	559,644	2,518,576

6. Financing Transactions

Credit Facilities--In January 2000, the Company completed its amended and restated credit facilities (the New Credit Facilities) with its senior lenders. The New Credit Facilities increased the borrowing capacity of the Company and its Subsidiaries (Borrowers) to $2.0 billion, subject to certain borrowing base restrictions, such as operating cash flow and construction cost levels. The New Credit Facilities provide for a $650.0 million revolving credit facility maturing on June 30, 2007, an $850.0 million multi-draw term loan maturing on June 30, 2007 and a $500.0 million term loan maturing on December 31, 2007. Subject to lender approval, the Borrowers may request the New Credit Facilities to be increased up to an additional $500.0 million.

The New Credit Facilities are scheduled to amortize quarterly commencing on March 31, 2003 through 2007 based on defined percentages of outstanding commitment and principal balances. Interest rates for the revolving credit facility and the multi-draw term loan are determined, at the option of the Borrowers, at either 1.5% to 2.75% above LIBOR or 0.5% to 1.75% above the defined base rate. Interest rates for the term loan are determined at either 3.0% to 3.25% above LIBOR or 2.0% to 2.25% above the defined base rate. The Borrowers are required to pay quarterly commitment fees equal to 0.5% to 1.0% per annum, depending on the level of facility usage. In addition, the New Credit Facilities require maintenance of various financial covenants and ratios and are cross-guaranteed and cross-collateralized by substantially all of the assets of the Company. In connection with the repayment of existing borrowings with proceeds from the New 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.

Convertible Note Issue--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, commencing August 15, 2000. The indenture governing the 5% Notes does not contain any restrictions on the payment of dividends, the incurrence of debt or the repurchase of the Company's equity securities or any financial covenants.

The 5% Notes are convertible by the holders at any time into shares of the Company's Class A common stock at a conversion price of $51.50 per share. 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. Total net proceeds from the 5% Notes were approximately $438.7 million. A portion of the proceeds was used to pay off amounts outstanding under the New Credit Facilities. The remaining proceeds were used to finance acquisitions and construction.

Convertible Notes Exchanges--In October 1999, the Company 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. During the second quarter of 2000, the Company acquired an aggregate of $87.3 million of its 6.25% convertible notes and $73.1 million of its 2.25% convertible notes for an aggregate of 5,724,184 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 402,416 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 value of incremental stock issued to noteholders to induce them to convert their holdings prior to the first scheduled redemption date. The Company may negotiate similar exchanges from time to time in the future, subject to favorable market conditions.

June Stock Offering--In June 2000, the Company completed a public offering of 12,500,000 shares of its Class A common stock, $.01 par value per share at $41.125 per share. The Company's net proceeds of the offering (after deduction of the offering expenses) were approximately $513.6 million. The Company used a portion of such proceeds on an interim basis to reduce borrowings under the new credit facility and will use such proceeds in the long-term to finance the construction of towers and acquisitions, as well as for general working capital purposes. Certain selling stockholders also sold an additional 1,182,000 shares in the offering of which the Company did not receive any proceeds.

7. Note Receivable--TV Azteca (Related Party)

In December 1999, the Company signed definitive 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. The loan which earns interest at 12.87%, payable quarterly, has been discounted by the Company, as the fair value of the interest rate has been preliminarily determined to be 14.25%. As of June 30, 2000 approximately $119.8 million undiscounted ($108.9 million discounted) of the loan was outstanding. The Company also assumed marketing responsibility for approximately 190 broadcasting towers owned by TV Azteca. Under the terms of the marketing agreement, the Company is entitled to receive 100% of the revenues generated by third party leases and is responsible for any incremental operating expenses associated with those leases during the term of the loan. The initial term of the loan, twenty years, may be extended by TV Azteca for an additional fifty years.

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

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

This discussion contains forward-looking statements, including statements concerning projections, plans, objectives, future events or performance and underlying assumptions and other statements which are other than statements of historical fact. Various factors affect the Company's results and could cause the Company's actual results to differ materially from those expressed in any forward-looking statement. Such factors include:

- the outcome of our growth strategy,
- future results of operations,
- liquidity and capital expenditures,
- construction and acquisition activities,
- debt levels and the ability to obtain financing and service debt,
- regulatory developments and competitive conditions in the communications site and wireless carrier industries,
- projected growth of the wireless communications and wireless carrier industries,
- dependence on demand for satellites for internet data transmission, and
- general economic conditions.

The Company is a wireless communications and broadcast infrastructure company with three operating segments:

- We operate a leading network of communications towers and are the largest independent operator of broadcast towers in North America.
- We provide comprehensive network development services and components for wireless service providers and broadcasters.
- We are a leading provider of domestic and international satellite and Internet protocol network transmission services worldwide.

During the six month period ended June 30, 2000, we acquired various communications sites, related businesses and teleports (and related businesses) for an aggregate preliminary purchase price of approximately $1.3 billion. Management expects that acquisitions consummated to date will have a material impact on future revenues, expenses and income from operations.

Results of Operations

As of June 30, 2000, the Company owned and/or operated approximately 9,500 communications sites, as compared to approximately 3,600 communications sites as of June 30, 1999. The acquisitions consummated in 2000 and 1999 have significantly affected operations for the three and six months ended June 30, 2000, as compared to the three and six months ended June 30, 1999. See the notes to the condensed consolidated financial statements and the Company's Annual Report on Form 10-K for a description of the acquisitions consummated in 2000 and 1999.

Three Months Ended June 30, 2000 and 1999 (dollars in thousands)--Unaudited

	Three Months Ended June 30, 2000	1999	Amount of Increase (Decrease)	Percentage Increase (Decrease)
Revenues:				
Rental and management	$ 63,233	$ 31,356	$ 31,877	102%
Services	74,026	21,412	52,614	246%
Internet, voice, data and video transmission services	29,788	6,385	23,403	367%
Total revenues	167,047	59,153	107,894	182%
Operating Expenses:				
Rental and management	31,290	13,780	17,510	127%
Services	65,127	15,296	49,831	326%
Internet, voice, data and video transmission services	23,242	4,493	18,749	417%
Total operating expenses excluding depreciation and amortization, development and corporate general and administrative expenses	119,659	33,569	86,090	256%
Depreciation and amortization	67,093	33,139	33,954	102%
Development expense	4,196	290	3,906	1,347%
Corporate general and administrative expense	3,084	2,291	793	35%
Interest expense	38,437	5,538	32,899	594%
Interest income and other, net	3,851	5,788	(1,937)	(33)%
Interest income, TV Azteca, net of $297 of interest expense (related party)	3,155		3,155	N/A
Note conversion expense	16,968		16,968	N/A
Minority interest in net (earnings) losses of subsidiaries	(22)	82	(104)	(127)%
Income tax benefit (expense)	16,774	(79)	16,853	21,333%
Net loss	$ (58,632)	$ (9,883)	$ (48,749)	493%

Rental and Management Revenue

Rental and management revenue for the three months ended June 30, 2000, was $63.2 million, an increase of $31.9 million from the three months ended June 30, 1999. The majority of the increase is attributable to revenue generated from tower acquisitions consummated and towers constructed subsequent to June 30, 1999. The remaining factor contributing to the increase is an increase in comparable tower revenue in the second quarter 2000 for towers that existed as of June 30, 1999.

Services Revenue

Services revenue for the three months ended June 30, 2000 was $74.0 million, an increase of $52.6 million from the three months ended June 30, 1999. The primary reasons for the increase are revenue generated from acquisitions consummated in 2000 of approximately $22.8 million coupled with an increase in revenue of approximately $29.8 million generated from our own turn-key services business that existed as of June 30, 1999.

Internet, Voice, Data and Video Transmission Revenue

Internet, voice, data and video transmission (IVDV) revenue for the three months ended June 30, 2000 was $29.8 million, an increase of $23.4 million from the three months ended June 30, 1999. The primary reason for the increase is attributed to revenue of $20.5 million generated from acquisitions consummated subsequent to June 30, 1999. The remaining component of the increase, $2.9 million, is due to growth in the overall IVDV business existing at June 30, 1999.

Rental and Management Expense

Rental and management expense for the three months ended June 30, 2000 was $31.3 million, an increase of $17.5 million from the three months ended June 30, 1999. The majority of the increase is attributable to

expenses from towers acquired or constructed subsequent to June 30, 1999. The remaining factor contributing to the increase is an increase in comparable tower expenses in the second quarter 2000 for towers that existed as of June 30, 1999.

Services Expense

Services expense for the three months ended June 30, 2000 was $65.1 million, an increase of $49.8 million from the three months ended June 30, 1999. Approximately $18.8 million of the increase is due to acquisitions consummated in 2000. The remaining component of the increase is attributable to growth in the turn-key services business that existed as of June 30, 1999. The decline in margins of the services business as a whole were due to the acquisition of a lower margin business during 2000 coupled with additional expenses incurred to shift the focus of the Company's construction division from tower construction to antennae installation.

IVDV Expenses

IVDV expenses for the three months ended June 30, 2000 were $23.2 million, an increase of $18.7 million from the three months ended June 30, 1999. Approximately $15.0 million of the increase is attributable to acquisitions consummated in 2000. The remaining component of the increase is due to the growth in the overall IVDV business existing at June 30, 1999.

Depreciation and Amortization

Depreciation and amortization for the three months ended June 30, 2000 was $67.1 million, an increase of $34.0 million from the three months ended June 30, 1999. A component of the increase is attributable to an increase in depreciation expense of $12.7 million. This is a direct result of the Company's construction and acquisition of approximately $1.1 billion of property and equipment from July 1, 1999 to June 30, 2000. The other component of the increase is attributable to an increase in amortization expense of $21.3 million, resulting from the Company's recording and amortizing of approximately $1.1 billion of goodwill and other intangible assets related to acquisitions consummated from July 1, 1999 to June 30, 2000.

Development Expense

Development expense for the three months ended June 30, 2000 was $4.2 million, an increase of $3.9 million from the three months ended June 30, 1999. The majority of the increase, $2.6 million, represents integration and related expenses related to acquisitions consummated from July 1, 1999 to June 30, 2000. The remainder of the increase, $1.3 million, represents costs related to tower site inspections and related data gathering, and to a lesser extent abandoned acquisitions. It is expected that the Company will continue to incur these expenses as it implements its growth strategy.

Corporate General and Administrative Expenses

Corporate general and administrative expenses for the three months ended June 30, 2000 were $3.1 million, an increase of $0.8 million from the three months ended June 30, 1999. The majority of the increase is a result of higher personnel and marketing costs associated with supporting the Company's increasing number of towers, the growth of its other businesses, expanding revenue base, and growth strategy.

Interest Expense

Interest expense for the three months ended June 30, 2000 was $38.4 million, an increase of $32.9 million from the three months ended June 30, 1999. The increase is attributable to an increase in interest expense incurred on the Company's credit facilities of $17.8 million, convertible notes of $14.2 million, other notes payable of $1.0 million and an increase in deferred financing amortization of $1.6 million. These increases were offset by an increase in capitalized interest related to construction projects of $1.7 million.

Interest Income and Other, Net

Interest income and other, net for the three months ended June 30, 2000, was $3.9 million, a decrease of $1.9 million from the three months ended June 30, 1999. The decrease is primarily attributable to a decrease in interest earned on invested cash on hand of approximately $2.9 million, offset by an increase in interest earned on deposits for acquisitions and advances to acquirees of $1.0 million.

Interest Income-TV Azteca, Net

Interest income TV Azteca, net for the three months ended June 30, 2000 was $3.2 million. Amounts included within this caption represent interest earned on the Company's notes receivable from TV Azteca of $3.5 million offset by interest expense of $0.3 million. An officer and director of the Company became a director of TV Azteca in December 1999.

Note Conversion Expense

During the three month period ended June 30, 2000, the Company acquired a portion of its 6.25% and 2.25% convertible notes in exchange for shares of Class A common stock. As a consequence of those negotiated exchanges with certain of its noteholders, the Company recorded note conversion expense of $17.0 million during the second quarter of 2000, which represents the fair value of incremental stock issued to noteholders to induce them to convert their holdings prior to the first scheduled redemption date.

Income Tax Benefit

The income tax benefit for the three months ended June 30, 2000 was $16.8 million, an increase of $16.9 million from the three months ended June 30, 1999. The primary reason for the increase is a result of the Company's increase in its loss before income taxes and extraordinary losses offset by an increase in amortization of non-deductible goodwill arising from stock acquisitions consummated in the six month period ended June 30, 2000 and the year ended 1999. 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 three months ended June 30, 2000, the non-deductible note conversion expense for which the Company has recorded no tax benefit.

In assessing the realizability of the deferred tax asset, the Company analyzed its forecast of future taxable income and concluded that recoverability of the net deferred tax asset is more likely than not. The realization of the deferred tax asset is not dependent upon significant changes in the current relationship between income reported for financial and tax purposes, or material asset sales or other transactions not in the ordinary course of business.

Six Months ended June 30, 2000 and 1999 (Dollars in thousands)--Unaudited

	Six Months Ended June 30, 2000	Six Months Ended June 30, 1999	Amount of Increase (Decrease)	Percentage Increase (Decrease)
Revenues:				
Rental and management	$ 116,940	$ 56,872	$ 60,068	106 %
Services	112,178	32,238	79,940	248 %
Internet, voice, data and video transmission services	53,446	12,451	40,995	329 %
Total revenues	282,564	101,561	181,003	178 %
Operating Expenses:				
Rental and management	59,782	25,372	34,410	136 %
Services	97,327	24,534	72,793	297 %
Internet, voice, data and video transmission services	42,258	8,624	33,634	390 %
Total operating expenses excluding depreciation and amortization, development, and corporate general and administrative expenses	199,367	58,530	140,837	241 %
Depreciation and amortization	122,291	57,808	64,483	112 %
Development expense	5,184	557	4,627	831 %
Corporate general and administrative expense	6,515	4,073	2,442	60 %
Interest expense	70,587	11,539	59,048	512 %
Interest income and other, net	6,437	10,737	(4,300)	(40)%
Interest income, TV Azteca, net of $457 of interest expense (related party)	5,463		5,463	N/A
Note conversion expense	16,968		16,968	N/A
Minority interest in net (earnings) losses of subsidiaries	(58)	79	(137)	(173)%
Income tax benefit	30,214	747	29,467	3,945 %
Extraordinary losses on extinguishment of debt	4,338		4,338	N/A
Net loss	$(100,630)	$(19,383)	$ 81,247	419 %

Rental and Management Revenue

Rental and management revenue for the six months ended June 30, 2000, was $116.9 million, an increase of $60.1 million from the six months ended June 30, 1999. The majority of the increase is attributable to revenue generated from tower acquisitions consummated and towers constructed subsequent to June 30, 1999. The remaining factor contributing to the additional revenue is an increase in comparable tower revenue in the six month period ended June 30, 2000 for towers that existed as of June 30, 1999.

Services Revenue

Services revenue for the six months ended June 30, 2000, was $112.2 million, an increase of $80.0 million from revenues for the six months ended June 30, 1999. The primary reasons for the increase are revenues generated from acquisitions consummated in 2000 of approximately $27.5 million coupled with an increase in revenue of $52.5 million generated from our turn-key services business that existed as of June 30, 1999.

Internet, Voice, Data and Video Transmission Revenue

IVDV revenue for the six months ended June 30, 2000, was $53.4 million, an increase of $41.0 million from revenues for the six months ended June 30, 1999. The primary reason for the increase is attributed to revenue of $36.2 million generated from acquisitions consummated subsequent to June 30, 1999. The remaining component of the increase, $4.8 million, is due to growth in the overall IVDV business existing at June 30, 1999.

Rental and Management Expense

Rental and management expense for the six months ended June 30, 2000 was $59.8 million, an increase of $34.4 million from the six months ended June 30, 1999. The majority of the increase is attributable to expenses from towers acquired or constructed subsequent to June 30, 1999. The remaining factor contributing to the increase is an increase in comparable tower expenses in the six month period ended June 30, 2000 for towers that existed as of June 30, 1999.

Services Expense

Services expense for the six months ended June 30, 2000 was $97.3 million, an increase of $72.8 million from the six months ended June 30, 1999. Approximately $22.4 million of the increase is due to acquisitions consummated in 2000. The remaining component of the increase is attributable to growth in the turn-key services business that existed as of June 30, 1999. The decline in margins of the services business as a whole were due to the acquisition of a lower margin business during 2000, coupled with additional expenses incurred to shift the focus of the Company's construction division from tower construction to antennae installation.

IVDV Expenses

IVDV expenses for the six months ended June 30, 2000 were $42.3 million, an increase of $33.6 million from the six months ended June 30, 1999. Approximately $26.3 million of the increase is attributable to acquisitions consummated in 2000. The remaining component of the increase is due to the growth in the overall IVDV business existing at June 30, 1999.

Depreciation and Amortization

Depreciation and amortization for the six months ended June 30, 2000, was $122.3 million, an increase of $64.5 million from the six months ended June 30, 1999. A component of the increase is attributable to an increase in depreciation expense of $30.0 million. This is a direct result of the Company's purchase, construction and acquisition of approximately $1.1 billion of property and equipment from July 1, 1999 to June 30, 2000. The remaining component of the increase is attributable to an increase in amortization of $34.5 million, resulting from the Company's recording and amortizing of approximately $1.1 billion of goodwill and other intangible assets related to acquisitions consummated from July 1, 1999 to June 30, 2000.

Development Expense

Development expense for the six months ended June 30, 2000 was $5.2 million, an increase of $4.6 million from the six months ended June 30, 1999. The majority of the increase, $3.0 million, represents integration and related expenses related to acquisitions consummated from July 1, 1999 to June 30, 2000. The remaining component of the increase, $1.6 million represents costs related to tower site inspections and related data gathering, and to a lesser extent abandoned acquisitions. It is expected that the Company will continue to incur these expenses as it implements its growth strategy.

Corporate General and Administrative Expense

Corporate general and administrative expense for the six months ended June 30, 2000, was $6.5 million, an increase of $2.4 million from the six months ended June 30, 1999. The majority of the increase is a result of higher personnel and marketing costs associated with supporting the Company's increasing number of towers, the growth of its other businesses, expanding revenue base and growth strategy.

Interest Expense

Interest expense for the six months ended June 30, 2000, was $70.6 million, an increase of $59.1 million from the six months ended June 30, 1999. The net increase is attributable to an increase in the amount of interest

incurred on the Company's credit facilities of $31.0 million, convertible notes of $26.3 million, other notes payable of $3.1 million and an increase in deferred financing amortization of $3.0 million. These increases were offset by an increase in capitalized interest related to construction projects of $4.3 million.

Interest Income and Other, Net

Interest income and other, net for the six months ended June 30, 2000, was $6.4 million, a decrease of $4.3 million from the six months ended June 30, 1999. The decrease is primarily attributable to a decrease in interest earned on invested cash on hand of approximately $6.3 million, offset by an increase in interest earned on deposits for acquisitions and advances to acquirees of $2.0 million.

Interest Income-TV Azteca, Net

Interest income TV Azteca, net for the six months ended June 30, 2000 was $5.5 million. Amounts included within this caption represent interest earned on the Company's notes receivable from TV Azteca of $6.0 million offset by interest expense of $0.5 million. An officer and director of the Company became a director of TV Azteca in December 1999.

Note Conversion Expense

During the six months ended June 30, 2000, the Company acquired a portion of its 6.25% and 2.25% convertible notes in exchange for shares of Class A common stock. As a consequence of those negotiated exchanges with certain of its noteholders, the Company recorded note conversion expense of $17.0 million during the second quarter of 2000, which represents the fair value of incremental stock issued to noteholders to induce them to convert their holdings prior to the first scheduled redemption date.

Income Tax Benefit

The income tax benefit for the six months ended June 30, 2000 was $30.2 million, an increase of $29.5 million from the six months ended June 30, 1999. The primary reason for the increase is a result of the Company's increase in its loss before income taxes and extraordinary losses offset by an increase in amortization of non-deductible goodwill arising from stock acquisitions consummated in the six month period ended June 30, 2000 and the year ended 1999. 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 six months ended June 30, 2000, the non deductible note conversion expense on which the Company has recorded no tax benefit.

In assessing the realizability of the deferred tax asset, the Company analyzed its forecast of future taxable income and concluded that recoverability of the net deferred tax asset is more likely than not. The realization of the deferred tax asset is not dependent upon significant changes in the current relationship between income reported for financial and tax purposes, or material asset sales or other transactions not in the ordinary course of business.

Extraordinary Loss on Extinguishment of Debt

The Company incurred extraordinary losses on the extinguishment of debt, net in the first quarter 2000 of $4.3 million. The losses were incurred as a result of an amendment and restatement of our primary credit facility ($3.0 million, net of a tax benefit of $2.0 million) and the Company's early retirement of debt assumed as part of the UNIsite, Inc. merger ($1.3 million, net of a tax benefit of $1.0 million).

Liquidity and Capital Resources

For the six months ended June 30, 2000, cash flows used for operating activities were $42.7 million, as compared to cash flows provided for operating activities of $25.8 million for the six months ended June 30, 1999. The primary reason for the decrease is due to the paydown of current liabilities assumed through acquisition coupled with an increase in other current assets.

For the six months ended June 30, 2000, cash flows used for investing activities were $1.3 billion, as compared to $300.8 million for the six months ended June 30, 1999. The increase in 2000 is primarily due to an increase in cash expended for mergers and acquisitions of approximately $843.0 million, an increase in property and equipment expenditures of approximately $85.0 million and an increase in net notes receivable to acquirees of $63.0.

For the six months ended June 30, 2000, cash flows provided by financing activities were $1.8 billion as compared to $442.0 million for the six months ended June 30, 1999. The increase is primarily related to increased borrowings under the Company's credit facility of $1.0 billion coupled with the issuance of $450.0 million of convertible notes during the six month period ended June 30, 2000.

The Company's liquidity needs arise from its acquisition-related activities, debt service, working capital and capital expenditures associated principally with its construction program. As of June 30, 2000, the Company maintained approximately $518.8 million in cash and cash equivalents, working capital of approximately $534.8 million, and had approximately $400.0 million available under its credit facilities. Historically, the Company has met its operational liquidity needs with internally generated funds and has financed its acquisitions and its construction program, including related working capital needs, with a combination of capital funds from sales of its equity and debt securities and bank borrowings.

Credit Facilities--In January 2000, the Company completed its New Credit Facilities with its senior lenders. The New Credit Facilities increased the borrowing capacity of the Borrowers to $2.0 billion, subject to certain borrowing base restrictions, such as operating cash flow and construction cost levels. The New Credit Facilities provide for a $650.0 million revolving credit facility maturing on June 30, 2007, an $850.0 million multi-draw term loan maturing on June 30, 2007 and a $500.0 million term loan maturing on December 31, 2007. Subject to lender approval, the Borrowers may request the New Credit Facilities to be increased up to an additional $500.0 million.

The New Credit Facilities are scheduled to amortize quarterly commencing on March 31, 2003 through 2007 based on defined percentages of outstanding commitment and principal balances. Interest rates for the revolving credit facility and the multi-draw term loan are determined, at the option of the Borrowers, at either 1.5% to 2.75% above LIBOR or 0.5% to 1.75% above the Defined Base Rate. Interest rates for the term loan are determined at either 3.0% to 3.25% above LIBOR or 2.0% to 2.25% above the defined Base Rate. The Borrowers are required to pay quarterly commitment fees equal to 0.5% to 1.0% per annum, depending on the level of facility usage. In addition, the New Credit Facilities require maintenance of various financial covenants and ratios and are cross-guaranteed and cross-collateralized by substantially all of the assets of the Company. In connection with the repayment of existing borrowings with proceeds from the New 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 the first quarter 2000.

February 2000 Convertible Note Issue--In February 2000, the Company completed a private placement of $450.0 million 5% Convertible 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, commencing August 15, 2000. The indenture governing the 5% Notes does not contain any restrictions on the payment of dividends, the incurrence of debt or the repurchase of the Company's equity securities or any financial covenants.

The 5% Notes are convertible by the holders at any time into shares of the Company's Class A common stock at a conversion price of $51.50 per share. 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. Total net proceeds from the 5% Notes were approximately $438.7 million. A portion of the proceeds was used to pay off amounts outstanding under the Company's New Credit Facilities. The remaining proceeds have or will be used to finance acquisitions and construction.

Convertible Notes Exchanges--During 2000, the Company acquired an aggregate of $87.3 million of its 6.25% convertible notes and $73.1 million of its 2.25% convertible notes for an aggregate of 5,724,184 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 402,416 shares of Class A common stock to such holders in addition to the amount issuable upon conversion of the 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 $17.0 million during the second quarter of 2000. The Company may negotiate similar exchanges from time to time in the future, subject to favorable market conditions.

June Stock Offering--In June 2000, the Company completed a public offering of 12,500,000 shares of its Class A common stock, $.01 par value per share at $41.125 per share. The Company's net proceeds of the offering (after deduction of offering expenses) were approximately $513.6 million. The Company on an interim basis used a portion of such proceeds to reduce borrowings under its credit facility and will use such proceeds in the long-term to finance the construction of towers and acquisitions, as well as for general working capital purposes. Certain selling stockholders also sold an additional 1,182,000 shares in the offering of which the Company did not receive any proceeds.

As of June 30, 2000, the Company had approximately $2.0 billion of long-term debt, of which $1.0 billion was outstanding under its credit facilities and $900.0 million was outstanding in the form of convertible notes. Debt service requires a substantial portion of the Company's cash flow from operations. Accordingly, the Company's leverage could make it vulnerable to a downturn in the operating performance of its operations or in economic conditions. The Company believes that its cash flows from operations will be sufficient to meet its debt service requirements for interest and scheduled payments of principal under its existing credit facilities. If such cash flow were not sufficient to meet such debt service requirements, the Company might sell equity securities, refinance its obligations or dispose of one or more of its properties in order to make such scheduled payments. The Company may not be able to effect any of such transactions on favorable terms. The Company believes that is has sufficient financial resources available to it, including borrowings under its credit facilities, to finance operations for the foreseeable future.

During the six months ended June 30, 2000, the Company had capital expenditures of approximately $196.2 million primarily related to construction activities and completed the construction of approximately 640 towers. The Company's 2000 business plan calls for total capital expenditures of approximately $510.0 million. Included in that plan (exclusive of broadcast towers, but inclusive of the Company's commitment under build-to-suit agreements) is the construction of approximately 1,500 towers for its own account at a cost of between $244.5 million and $300.0 million. In addition, the plan includes the construction of approximately 20 broadcast towers at an estimated cost of $50.0 million to $70.0 million. Remaining capital expenditures relate to enhancements in information technology, infrastructure and structural improvements. Management believes that the Company has sufficient funds available to finance current construction plans and pending acquisitions.

Management expects that the consummated acquisitions and current and future construction activities will have a material impact on liquidity. Management believes that the acquisition activities, once integrated, will have a favorable impact on liquidity and will offset the initial effects of the funding requirements. Management also believes that the construction activities may initially have an adverse effect on the future liquidity of the Company as newly constructed towers will initially decrease overall liquidity. However, as such sites become fully operational and achieve higher utilization, they should generate tower cash flow, and, in the long-term, increase liquidity.

ATC Separation--The Company continues to be obligated under the ATC Separation agreement for certain tax liabilities to CBS Corporation and American Radio Systems. As of June 30, 2000 no matters covered under this indemnification have been brought to the Company's attention.

Acquisitions--As of June 30, 2000, the Company was a party to various agreements relating to the acquisition of assets or businesses from various third parties. See note 4 of the condensed consolidated financial statements.

Recent Accounting Pronouncement

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (FAS) No. 133, Accounting for Derivative Instruments and Hedging Activities as amended in May 1999 by FAS No. 137 "Accounting for Derivative Instruments and Hedging Activities--Deferral of the Effective Date of FASB Statement No. 133--An Amendment of FASB Statement No. 133." This Statement establishes accounting and reporting standards for derivative instruments. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position, and measure those instruments at fair value. The accounting for changes in the fair value of a derivative (that is, gains and losses) will depend on the entity's intended use of the derivative and its resulting designation (as defined in the statement). FAS No. 133, as amended, will be effective for the Company on January 1, 2001. The Company is currently in the process of evaluating the impact FAS No. 133 will have on the Company and its consolidated financial statements.

The SEC has issued Staff Accounting Bulletin (SAB) No. 101 "Revenue Recognition," which provides the SEC staff's views in applying generally accepted accounting principles to selected revenue recognition issues. SAB No. 101 will be effective for the Company on October 1, 2000. The Company does not believe the adoption of SAB No. 101 will be material to its consolidated financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to market risk from changes in interest rates on its long-term debt obligations. The Company attempts to reduce these risks by utilizing derivative financial instruments, namely interest rate caps, swaps and floortions pursuant to Company policies. All derivative financial instruments are for purposes other than trading.

During the three months ended June 30, 2000, the Company increased its borrowings under its credit facilities by approximately $267.5 million. In addition, the Company acquired an aggregate of $87.3 million of its 6.25% convertible notes and $73.1 million of its 2.25% convertible notes for shares of its Class A common stock. Lastly, the Company entered into several interest rate hedge agreements with total notional amounts of $465.0 million ($185.0 million expiring in May 2002, $95.0 million expiring in July 2002, and $185.0 million expiring in May 2003).

The Company maintains a portion of its cash and cash equivalents in short-term financial instruments which are subject to interest rate risks. Due to the relatively short duration of such instruments and the Company's expectation that such investments will not be significant on an ongoing basis, fluctuations in interest rates with respect to such investments should not materially affect its financial condition or results of operations.

The Company's potential loss in future earnings over the next twelve months as a result of a 10% increase in interest rates related to its long term debt obligations (with variable interest rates) (using a weighted average interest rate of 9.4% at June 30, 2000) would be approximately $10.3 million.

Except as discussed above, for the three months ended June 30, 2000, the Company has not incurred any material changes with respect to the interest rates, long-term debt and interest rate caps and swaps disclosed under this section in its quarterly report on Form 10-Q for the three month period ended March 31, 2000 and its Annual Report on Form 10-K. Accordingly, refer to those reports for a more detailed discussion.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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.

ITEM 2. --CHANGES IN SECURITIES AND USE OF PROCEEDS.

Pursuant to an Exchange Agreement dated May 24, 2000, by and between the Company and Bear Stearns & Company, Inc. ("Bear Stearns"), Bear Stearns exchanged $7,000,000 aggregate principal amount of the Company's 6.25% convertible notes due 2009 (the "6.25% Notes") for 312,543 shares of Class A Common Stock pursuant to Section 3(a)(9) of the Securities Act of 1933, as amended, (the "Securities Act").

Pursuant to an Exchange Agreement dated May 23, 2000, by and between the Company and Jeffries & Company ("Jeffries"), Jeffries exchanged $2,627,000 aggregate principal amount of the Company's 6.25% Notes for 116,857 shares of Class A Common Stock pursuant to Section 3(a)(9) of the Securities Act.

Pursuant to an Exchange Agreement dated May 23, 2000, by and between the Company and Yield Strategies Fund II L.P. ("Yield"), Yield exchanged $5,500,000 aggregate principal amount of the Company's 2.25% convertible notes due 2009 (the "2.25% Notes") for 170,479 shares of Class A Common Stock pursuant to Section 3(a)(9) of the Securities Act.

Pursuant to an Exchange Agreement dated May 23, 2000, by and between the Company and Nomura Securities International ("Nomura"), Nomura exchanged $2,000,000 aggregate principal amount of the Company's 6.25% Notes for 88,923 shares of Class A Common Stock pursuant to Section 3(a)(9) of the Securities Act.

Pursuant to an Exchange Agreement dated May 23, 2000, by and between the Company and AIG Sound Shore Holding LTD, AIG Sound Shore Opportunity Holding LTD and AIG Sound Shore Strategic Holding Fund LTD (collectively, "AIG"), AIG exchanged $15,000,000 aggregate principal amount of Company's 6.25% Notes for 666,869 shares of Class A Common Stock pursuant to Section 3(a)(9) of the Securities Act.

Pursuant to an Exchange Agreement dated May 17, 2000, by and between the Company and The Hampshire Company ("Hampshire"), Hampshire exchanged $60,631,000 aggregate principal amount of the Company's 6.25% Notes and $67,604,000 aggregate principal amount of the Company's 2.25% Notes for 4,770,923 shares of Class A Common Stock pursuant to Section 3(a)(9) of the Securities Act.

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

The 2000 Annual Meeting of Stockholders was held on Thursday, May 18, 2000, to consider and act upon the following matters, all of which were approved and adopted. The results of the stockholder voting were as follows:

1. To elect ten (10) Directors, including two "independent" directors to be elected by the holders of Class A Common Stock, voting separately as a class, for the ensuing year or until their successors are elected and qualified;

	Votes Cast For	Votes Withheld
Steven B. Dodge	205,013,668	299,333
Alan L. Box	204,985,428	327,573
Arnold L. Chavkin	203,186,202	2,126,799
Dean H. Eisner	205,014,281	298,720

	Votes Cast For	Votes Withheld
Jack D. Furst	205,012,776	300,898
J. Michael Gearon, Jr	203,821,776	1,491,225
Fred R. Lummis*	129,941,813	298,598
Randall Mays	205,013,153	299,848
Thomas H. Stoner	205,010,911	302,090
Maggie Wilderotter*	129,934,714	305,697

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* In accordance with the Company's Restated Certificate of Incorporation, the holders of Class A Common Stock, exclusive of all other stockholders, are entitled to elect two of the Company's independent directors. Mr. Lummis and Ms. Wilderotter were nominated as the independent directors and elected by the holders of the Class A Common Stock.

2. To approve an amendment to the Company's 1997 Stock Option Plan, as amended and restated, to increase the number of shares of the Company's Class A Common Stock for which options may be granted from 15,000,000 to 24,000,000.

Votes Cast For	Votes Against	Votes Withheld	Broker Non-Votes
149,239,790	40,809,745	277,616	14,985,850

3. To approve the stock option plan of the Company's wholly-owned subsidiary, ATC Teleports, Inc., pursuant to which options to purchase shares of common stock of that subsidiary may be granted.

Votes Cast For	Votes Against	Votes Withheld	Broker Non-Votes
172,951,403	16,922,744	453,004	14,985,850

4. To approve the stock option plan of the Company's wholly-owned subsidiary, Kline Iron & Steel Co., Inc., pursuant to which options to purchase shares of common stock of the subsidiary may be granted.

Votes Cast For	Votes Against	Votes Withheld	Broker Non-Votes
182,193,618	7,670,303	463,230	14,985,850

5. To approve the adoption of the American Tower Corporation 2000 Employee Stock Purchase Plan.

Votes Cast For	Votes Against	Votes Withheld	Broker Non-Votes
188,604,789	1,408,091	294,833	14,985,850

6. To ratify the selection by the Board of Directors of Deloitte & Touche LLP as the Company's independent auditors for 2000.

Votes Cast For	Votes Against	Votes Withheld	Broker Non-Votes

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205,624,227	48,620	59,592	0

ITEM 6.--EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits.

Listed below are the exhibits which are filed as part of this Form 10-Q (according to the number assigned to them in Item 601 of Regulation S-K).

Exhibit No.	Description of Document	Exhibit File No.
3(i)	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	Incorporated by reference to Exhibit 3(i) from Company's Quarterly Report on Form 10-Q (File No. 001-14195) filed on August 16, 1999.
3(ii)	Bylaws, as amended, of the Company	Incorporated by reference to Exhibit 3.2 from Company's Registration Statement on Form S-3 (File No. 333-37988) filed on May 26, 2000.
27	Financial Data Schedule	Filed herewith as Exhibit 27

(b) Reports on Form 8-K.

1. Form 8-K (Items 2 and 7) filed on April 13, 2000.
2. Form 8-K (Item 7) filed on May 15, 2000.
3. Form 8-K (Items 2 and 7) filed on May 23, 2000.
4. Form 8-K (Items 2 and 7) filed on June 12, 2000.
5. Form 8-K (Items 2, 5 and 7) filed on June 23, 2000.
6. Form 8-K (Item 5) filed on June 29, 2000.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

American Tower Corporation

Date: August 14, 2000

By: /s/ Joseph L. Winn

Joseph L. Winn
Treasurer & Chief Financial Officer
(Duly Authorized Officer)

Date: August 14, 2000

By: /s/ Justin D. Benincasa

Justin D. Benincasa
Vice President & Corporate Controller
(Duly Authorized Officer)

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE AMERICAN TOWER CORPORATION AND SUBSIDIARIES JUNE 30, 2000 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH CONSOLIDATED FINANCIAL STATEMENTS (IN THOUSANDS:)

1,000

6-MOS
DEC-31-2000
JAN-01-2000
JUN-30-2000
518,758
0
135,004
(5,694)
27,163
740,101
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(96,292)
0
(4,338)
0
(100,630)
(0.63)
(0.63)