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

FORM 10-K/A
(Amendment No. 2)

(Mark One):

☒ **Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.**

For the fiscal year ended December 31, 2005

☐ **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.**

For the transition period from to

Commission File Number: 001-14195

American Tower Corporation
(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of Incorporation or Organization)**	**65-0723837** **(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)

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

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

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well known seasoned issuer, as defined in Rule 405 of the Securities Act: Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act: Yes ☐ No ☒

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 ☒ No ☐

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check One):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes ☐ No ☒

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant as of June 30, 2005 was approximately $4,801,552,860, based on the closing price of the registrant's Class A Common Stock as reported on the New York Stock Exchange as of the last business day of the registrant's most recently completed second quarter.

As of March 9, 2006, there were 419,677,495 shares of Class A Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement (the "Definitive Proxy Statement") to be filed with the Securities and Exchange Commission relative to the Company's 2006 Annual Meeting of Stockholders are incorporated by reference into Part III of this Report.

EXPLANATORY NOTE

American Tower Corporation (the “Company”) is filing this amendment no. 2 (this “Amendment No. 2”) to its Annual Report on Form 10-K for the year ended December 31, 2005, initially filed with the Securities and Exchange Commission (the “Commission”) on March 15, 2006 (the “Original Filing”), as amended by Amendment No. 1 to Annual Report on Form 10-K/A filed with the Commission on November 29, 2006 (“Amendment No. 1”), to include additional disclosure with respect to its restatement of previously issued financial statements for errors in accounting for stock option grants.

The Company filed Amendment No. 1 to restate its previously issued financial statements to correct certain errors related to (i) stock-based compensation not previously recorded for certain stock option grants, including the related payroll and income tax effects, (ii) additional charges for stock-based compensation expense related to the modification and repricing of certain stock option grants, primarily associated with options awarded to two former executive officers of the Company, and (iii) changes to income taxes related to the tax effects of foreign currency fluctuations on an intercompany loan with a foreign subsidiary of the Company. The Company is filing this Amendment No. 2 to provide additional disclosure regarding the impact of the restatement on the Company’s financial statements, including quarterly financial information for each quarter of the years ended December 31, 2005 and 2004.

This Amendment No. 2 includes additional disclosure within the following items:

- Selected Financial Data, with respect to the impact of the restatement on the years ended December 31, 1998 - 2003 (included in Part II , Item 6);
- Management’s Discussion and Analysis of Financial Condition and Results of Operations, with respect to the impact of the restatement on a quarterly basis on the Company’s selling, general, administrative and development expense and income tax (provision) benefit (included in Part II, Item 7); and
- Financial Statements and Supplementary Data, with respect to note 2, Restatement of Consolidated Financial Statements, and note 18, Selected Quarterly Financial Data (Unaudited) (included in Part II, Item 8). In note 2, the Company modified the presentation of the restatement adjustments to separately show the impact of the related tax effects. In note 18, the Company modified the presentation to include quarterly income statements that disclose the restatement adjustments on a line by line basis.

This Amendment No. 2 does not supersede Amendment No. 1 in its entirety. Pursuant to Rule 12b-15 under the Securities Exchange Act of 1934, as amended, Items 6, 7 and 8 of Part II of Amendment No. 1 are hereby superseded in their entirety and replaced with the Items 6, 7 and 8 included herein. In addition, this Amendment No. 2 includes certain required exhibit filings, which are included in Part IV, Item 15. Exhibits and Financial Statement Schedules.

As used throughout this Amendment No. 2, the term “Explanatory Note” means the Explanatory Note at the beginning of Amendment No. 1 and the terms “this Form 10-K/A” and “this annual report” mean the Original Filing as amended by Amendments No. 1 and No. 2.

The information contained in this Amendment No. 2 does not reflect events that have occurred after March 15, 2006, the filing date of the Original Filing, or modify or update the disclosures presented in the Original Filing or Amendment No. 1, except to reflect the changes described above. Accordingly, this Amendment No. 2 should be read together with Amendment No. 1 and in conjunction with the Company’s periodic filings made with the Commission subsequent to the filing date of the Original Filing, including any amendments to those filings, as well as any Current Reports filed on Form 8-K subsequent to the filing date of the Original Filing. Any reference to facts and circumstances at a “current” date refer to such facts and circumstances as of the filing date of the Original Filing, except as described above.

PART II

ITEM 6. SELECTED FINANCIAL DATA

We have restated our consolidated financial statements, as further discussed in the “Explanatory Note” in the forepart of this Form 10-K/A, in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in Item 7 of this Form 10-K/A, and in note 2 to the consolidated financial statements included in Item 8 of this Form 10-K/A, and the following selected financial data reflect this restatement. You should read the selected financial data in conjunction with our “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and our consolidated financial statements and the related notes to those consolidated financial statements included in this Form 10-K/A.

Our continuing operations are reported in two segments: rental and management and network development services. In accordance with generally accepted accounting principles, the consolidated statements of operations for all periods presented in this “Selected Financial Data” have been adjusted to reflect certain businesses as discontinued operations (see note 4 to our consolidated financial statements included in this Form 10-K/A).

Year-to-year comparisons are significantly affected by our acquisitions, dispositions and, to a lesser extent, construction of towers. Our merger with SpectraSite, Inc., which closed in August 2005, significantly impacts the comparability of reported results between periods. Our principal acquisitions and dispositions are described in “Business—Recent Transactions” and in the notes to our consolidated financial statements included in this Form 10-K/A.

	Year Ended December 31,										
	2005(1)	2004(1)	2003(1)	2002(1)(2)				2001(1)(2)			
	(as restated)	(as restated)	(as restated)	(as previously reported)	(restatement adjustments)	(reclassification adjustments)	(as restated)	(as previously reported)	(restatement adjustments)	(reclassification adjustments)	(as restated)
	(In thousands, except per share data)										
Statements of Operations Data:											
Revenues											
Rental and management	$ 929,762	$ 684,422	$ 619,697	$ 544,906			$ 544,906	$ 431,051			$ 431,051
Network development services	15,024	22,238	12,796	32,888			32,888	85,063			85,063
Total operating revenues	944,786	706,660	632,493	577,794			577,794	516,114			516,114
Operating expenses:											
Costs of operations (exclusive of items shown separately below)											
Rental and management(3)	247,781	195,242	192,380	242,801		$ (55,107)	187,694	221,759		$ (56,311)	165,448
Network development services(3)	8,346	16,220	7,419	29,214		(2,019)	27,195	69,371		(5,282)	64,089
Depreciation, amortization and accretion(4)	411,254	329,449	330,414	327,665			327,665	354,298			354,298
Selling general, administrative and development expenses(3)	108,059	83,094	83,492	30,229	$ 7,309	57,126	94,664	34,310	$ 13,603	61,593	109,506
Impairments, net loss on sale of long-lived assets, restructuring and merger related expense	34,232	23,876	31,656	101,372			101,372	79,496			79,496
Total operating expenses	809,672	647,881	645,361	731,281	7,309		738,590	759,234	13,603		772,837
Operating income (loss) from continuing operations	135,114	58,779	(12,868)	(153,487)	(7,309)		(160,796)	(243,120)	(13,603)		(256,723)
Interest income, TV Azteca, net	14,232	14,316	14,222	13,938			13,938	14,377			14,377
Interest income	4,402	4,844	5,255	3,496			3,496	28,372			28,372
Interest expense	(222,419)	(262,237)	(279,783)	(254,345)			(254,345)	(266,769)			(266,769)
Loss on retirement of long-term obligations	(67,110)	(138,016)	(46,197)	(8,869)			(8,869)	(26,336)			(26,336)
Other income (expense)	227	(2,798)	(8,598)	(7,004)			(7,004)	(27,838)			(27,838)
Loss from continuing operations before income taxes, minority interest and loss on equity method investments	(135,554)	(325,112)	(327,969)	(406,271)	(7,309)		(413,580)	(521,314)	(13,603)		(534,917)
Income tax (provision) benefit	(5,714)	83,338	85,567	81,141	11,468		92,609	115,841	4,088		119,929
Minority interest in net earnings of subsidiaries	(575)	(2,366)	(3,703)	(2,118)			(2,118)	(318)			(318)
Loss on equity method investments	(2,078)	(2,915)	(21,221)	(18,555)			(18,555)	(10,957)			(10,957)
(Loss) income from continuing operations before cumulative effect of change in accounting principle	(143,921)	(247,055)	(267,326)	(345,803)	4,159		(341,644)	(416,748)	(9,515)		(426,263)
Loss from discontinued operations, net of income taxes	(1,913)	(8,409)	(61,633)	(255,119)	(705)		(255,824)	(55,289)	(5,649)		(60,938)
Cumulative effect of change in accounting principle, net of income taxes	(35,525)			(562,618)			(562,618)				
Net (loss) income	$ (181,359)	$ (255,464)	$ (328,959)	$ (1,163,540)	$ 3,454		$ (1,160,086)	$ (472,037)	$ (15,164)		$ (487,201)
Basic and diluted loss per common share from continuing operations before cumulative effect of change in accounting principle	$ (0.47)	$ (1.10)	$ (1.28)	$ (1.77)	$ 0.02		$ (1.75)	$ (2.18)	$ (0.05)		$ (2.23)
Weighted average common shares outstanding(5)	302,510	224,336	208,098	195,454			195,454	191,586			191,586
Other Operating Data:											
Ratio of earnings to fixed charges(6)	.51x	—	—	—			—	—			—

	As of December 31,				
	2005(1)	2004(1)	2003(1)(2)	2002(1)(2)	2001(1)(2)
	(as restated)	(as restated)	(as restated) (In thousands)	(as restated)	(as restated)
Balance Sheet Data:					
Cash and cash equivalents (including restricted cash and investments)(7)	$ 112,701	$ 215,557	$ 275,501	$ 127,292	$ 130,029
Property and equipment, net	3,460,526	2,273,356	2,483,324	2,650,490	3,254,905
Total assets	8,786,854	5,107,696	5,310,906	5,643,691	6,807,737
Long-term obligations, including current portion	3,613,429	3,293,614	3,359,731	3,448,514	3,561,960
Total stockholders' equity	4,541,821	1,490,767	1,629,621	1,675,592	2,817,006

(1) See "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Item 7 of this Form 10-K/A and note 2 to the consolidated financial statements included in Item 8 of this Form 10-K/A for information regarding the restatement of our financial statements reflected in this selected financial data.

(2) The restated amounts for these years are unaudited. The unaudited results for the years ended December 31, 1998, 1999 and 2000, which are presented below in condensed form, and the selected consolidated financial data as of December 31, 2001, 2002 and 2003 and for the years ended December 31, 2001 and 2002, presented above, have been restated to reflect adjustments related to the restatement described in note 2 to the consolidated financial statements included in this Form 10-K/A. The restatement adjustments correct certain errors related to (i) stock-based compensation expense not previously recorded for certain stock option grants, including the related payroll and income tax effects, (ii) additional charges for stock-based compensation expense related to the modification and repricing of certain stock option grants and (iii) changes to income taxes related to the tax effects of foreign currency fluctuations on an intercompany loan with a foreign subsidiary of the Company. The restatement adjustments resulted in an increase (decrease) in loss from continuing operations from amounts previously reported of $(4.2) million, $9.5 million, $9.5 million, $2.4 million and $1.0 million for the years ended December 31, 2002, 2001, 2000, 1999 and 1998, respectively. These cumulative adjustments are reflected as adjustments to the beginning balances of the accumulated deficit and total comprehensive loss in the consolidated statement of stockholder's equity for the year ended December 31, 2003.

(3) Segment selling, general and administrative expense was previously a component of our rental and management and network development services segment operating expenses. We changed our classification to aggregate all segment and corporate selling, general, administrative and development expenses previously included in rental and management expense, network development services expense and corporate, general, administrative and development expense into one line item entitled selling, general, administrative and development expense. The change in classification for the years ended December 31, 2005, 2004, 2003, 2002 and 2001 resulted in decreases in rental and management expense of $58.4 million, $42.1 million, $44.3 million, $55.1 million and $56.3 million, respectively, decreases in network development services expense of $3.6 million, $2.6 million, $2.1 million, $2.0 million and $5.3 million, respectively, with a corresponding increase in selling, general, administrative and development expense of $62.0 million, $44.7 million, $46.4 million. $57.1 million and $61.6 million, respectively, from amounts previously reported. We made this change in classification to enable the evaluation of our rental and management segment gross margin, which is calculated based on direct tower-level expenses and does not include selling, general, administrative and development expense related to the rental and management segment.

(4) As of January 1, 2002, we adopted the provisions of SFAS No. 142, "Goodwill and Other Intangible Assets," (SFAS No. 142). Accordingly, we ceased amortizing goodwill on January 1, 2002. The statements of operations for all periods presented, except for the year ended December 31, 2001, do not include goodwill amortization. The amortization of goodwill for the year ended December 31, 2001 was approximately $67.0 million.

(5) We computed basic and diluted loss per common share from continuing operations before cumulative effect of change in accounting principle using the weighted average number of shares outstanding during each period presented. We have excluded shares issuable upon exercise of options and other common stock equivalents from these computations, as their effect is anti-dilutive.

(6) For the purpose of this calculation, "earnings" consists of loss from continuing operations before income taxes, fixed charges (excluding interest capitalized), minority interest in net earnings of subsidiaries, losses from equity investments and amortization of interest capitalized. "Fixed charges" consist of interest expense, including amounts capitalized, amortization of debt discount and related issuance costs and the component of rental expense associated with operating leases believed by management to be representative of the interest factor thereon. We had a deficiency in earnings to fixed charges in each period as follows (in thousands): 2005–$133,464; 2004–$322,806; 2003–$326,154; 2002–$417,123; 2001–$548,651.

(7) As of December 31, 2005 and 2004, no escrows are required under the terms of the credit facilities. Includes, as of December 31, 2003, approximately $170.0 million of restricted funds that were held in escrow to pay, repurchase, redeem or retire certain of our outstanding debt through January 2004. Includes, as of December 31, 2001 approximately $94.1 million of restricted funds required under the previous credit facility to be held in escrow.

Restatement of Financial Results Prior to 2001

The financial information set forth below reflects the restatement of our financial statements for the years ended December 31, 2000, 1999 and 1998 for items discussed in note 2 to the consolidated financial statements included in this Form 10-K/A.

	Year Ended December 31,								
	2000(1)			1999(1)			1998(1)		
	(as previously reported)	(restatement adjustments)	(as restated)	(as previously reported)	(restatement adjustments)	(as restated)	(as previously reported)	(restatement adjustments)	(as restated)
	(In thousands, except per share data)								
Total revenues	$ 310,712		$ 310,712	$ 151,303		$ 151,303	$ 83,820		$ 83,820
Total operating expenses	458,225	$ 13,318	471,543	223,026	$ 3,578	226,604	124,234	$ 1,234	125,468
Operating loss from continuing operations	$ (147,513)	$ (13,318)	$ (160,831)	$ (71,723)	$ (3,578)	$ (75,301)	$ (40,414)	$ (1,234)	$ (41,648)
Loss from continuing operations	(213,036)	(9,536)	(222,572)	(68,953)	(2,368)	(71,321)	(54,526)	(1,008)	(55,534)
Income (loss) from discontinued operations	2,500	(3,838)	(1,338)	4,937	(667)	4,270	1,020		1,020
Net loss	(210,536)	(13,374)	(223,910)	(64,016)	(3,035)	(67,051)	(53,506)	$ (1,008)	(54,514)
Basic and diluted loss per common share amounts:									
Loss from continuing operations	$ (1.26)	$ (0.06)	$ (1.32)	$ (0.46)	$ (0.02)	$ (0.48)	$ (0.68)	$ (0.01)	$ (0.69)
Income (loss) from discontinued operations, net	$ 0.01	$ (0.02)	$ (0.01)	$ 0.03		$ 0.03	$ 0.01		$ 0.01
Net loss	$ (1.25)	$ (0.08)	$ (1.33)	$ (0.43)	$ (0.02)	$ (0.45)	$ (0.67)	$ (0.01)	$ (0.68)

(1) See "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Item 7 of this Form 10-K/A and note 2 to the consolidated financial statements included in Item 8 of this Form 10-K/A for information regarding the restatement of our financial statements reflected in this selected financial data.

Impact of Restatement Adjustments on Financial Results Prior to 2003

The financial information set forth below reflects the impact of each of the restatement adjustments on our net loss and accumulated deficit for the years ended December 31, 2002, 2001, 2000, 1999 and 1998 for items discussed in note 2 to the consolidated financial statements included in this Form 10-K/A (in thousands):

	Net Loss for the Years Ended December 31,					Accumulated Deficit as of January 1, 2003
	2002	2001	2000	1999	1998	
As Previously Reported	$ (1,163,540)	$ (472,037)	$ (210,536)	$ (64,016)	$ (53,506)	$ (1,966,495)
(Increase) Decrease to Net Loss and Accumulated Deficit:						
Stock-Based Compensation Adjustments Related to Revised Accounting Measurement Dates (including related Payroll Tax Effects)	(8,394)	(22,295)	(19,502)	(4,218)	(646)	(55,055)
Tax effect of Stock-Based Compensation Adjustments Related to Revised Accounting Measurement Dates	2,938	7,793	6,128	1,476	226	18,561
Stock-Based Compensation Adjustments Related to Modifications and Repricings				(293)	(588)	(881)
Income Taxes related to Foreign Currency Denominated Loan	8,910	(662)				8,248
Total (Increase) in Net Loss and Accumulated Deficit	3,454	(15,164)	(13,374)	(3,035)	(1,008)	(29,127)
As Restated	$ (1,160,086)	$ (487,201)	$ (223,910)	$ (67,051)	$ (54,514)	$ (1,995,622)

Restated Pro Forma Disclosures of Stock-Based Compensation Prior to 2003

The financial information set forth below reflects our restated pro forma disclosures made in accordance with Statement of Financial Accounting Standard No. 123, "Accounting for Stock-Based Compensation" for the years ended December 31, 2002, 2001, 2000, 1999 and 1998 for the items discussed in note 2 to the consolidated financial statements included in this Form 10-K/A.

	Year Ended December 31,				
	2002(1)	2001(1)	2000(1)	1999(1)	1998(1)
	(In thousands, except per share data) (As restated)				
Net loss, as restated	$ (1,160,086)	$ (487,201)	$ (223,910)	$ (67,051)	$ (54,514)
Add: Stock-based employee compensation expense, net of related tax effect, included in net loss as reported	4,751	8,770	8,312	2,326	802
Less: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effect	(35,209)	(53,147)	(39,720)	(21,622)	(13,783)
Pro-forma net loss	$ (1,190,544)	$ (531,578)	$ (255,318)	$ (86,347)	$ (67,495)
Basic and diluted net loss per share as restated	$ (5.94)	$ (2.54)	$ (1.33)	$ (0.45)	$ (0.68)
Basic and diluted net loss per share pro-forma	$ (6.09)	$ (2.77)	$ (1.51)	$ (0.58)	$ (0.85)

(1) See "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Item 7 of this Form 10-K/A and note 2 to the consolidated financial statements included in Item 8 of this Form 10-K/A for information regarding the restatement of our financial statements reflected in this selected financial data.

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

The discussion and analysis of our financial condition and results of operations that follows are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. We have restated our consolidated financial statements, as further discussed in the "Explanatory Note" in the forepart of this Form 10-K/A and in note 2 to the consolidated financial statements included in Item 8 of this Form 10-K/A, and the following discussion and analysis of our financial condition and results of operations reflect this restatement.

The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses, and the related disclosures in our financial statements. Actual results may differ significantly from these estimates under different assumptions or conditions. This discussion should be read in conjunction with our consolidated financial statements and the accompanying notes thereto and the information set forth under the caption "Critical Accounting Policies and Estimates" on page 52.

Stock Option Review and Restatement of Financial Statements

As discussed in note 2 to our consolidated financial statements, the restatement reflected in this Form 10-K/A corrects certain errors related to (i) stock-based compensation not previously recorded for certain stock option grants, including the related payroll and income tax effects, (ii) additional charges for stock-based compensation expense related to the modification and repricing of certain stock option grants, primarily associated with options awarded to two former executive officers, and (iii) changes to income taxes related to the tax effects of foreign currency fluctuations on an intercompany loan with a foreign subsidiary. Our decision to restate our previously issued financial statements was based, in part, on an independent review of our historical stock option granting practices and related accounting. On May 19, 2006, we announced that our Board of Directors had established a special committee of independent directors to conduct a review of our stock option granting practices and related accounting with the assistance of independent legal counsel and forensic auditors. The special committee determined that, for certain stock option grants, the legal grant dates when all necessary corporate action had been taken differ from the dates previously recorded by us for financial accounting and tax purposes.

The special committee reviewed substantially all stock options granted during the period from our becoming a public company in June 1998 through May 2006, including all option grants to our officers and directors, all option grants to individuals in excess of 100,000 shares and all option grants to employees in connection with our annual all-employee option grant program. On November 6, 2006, the special committee reported to our Board of Directors regarding its findings. The following is a summary of the special committee's key findings:

- The grant dates reported by the Company for accounting and financial reporting purposes for most stock option grants during the period from the Company's becoming a public company in June 1998 and into 2005 were incorrect because they did not reflect the dates on which the grants were legally effective.
- From June 1998 through 2004, for certain large annual grants and many other individual grants, certain members of management followed a practice of choosing past dates as grant dates so as to use a lower exercise price, with the period of lookback appearing to range from a couple of days to eight weeks.
- The option grants involving lookbacks were inconsistent with the Company's disclosures that option grants were made at fair market value, were not accounted for properly and, to the extent they involved incentive stock options, violated the requirement under the Company's 1997 Stock Option Plan that they be at fair market value.
- Stock options were granted by management pursuant to authority they believed had been delegated by the Compensation Committee, but that delegation was not adequately documented, and therefore the necessary legal approval of some grants did not occur until they were subsequently approved by the Compensation Committee.

- The process by which members of the Compensation Committee formally approved option grants involved the signing of unanimous written consents that included schedules of option grants approved by management for the preceding quarter. The Company typically used the date set forth in the schedules attached to the written consents as the option grant date. However, all necessary corporate action had not been taken until the written consents were actually signed by all committee members, which typically did not happen until later, sometimes resulting in a delay of many months between the date recorded by the Company as the option grant date and the legal grant date.
- The Company's flawed option practices began with past management, whose members frequently looked back to select option grant dates. With the likely exception of one past member of management, the evidence does not indicate that management at the time in question was aware that, in looking back to choose a past grant date with a more favorable closing price, the Company was failing to take necessary accounting charges or acting contrary to the Company's disclosures. However, certain members of past management who initiated and were involved with the option practices should have been aware of the accounting or legal issues or sought legal and accounting advice as to the practice.
- Current management's efforts to improve and formalize procedures for option grants since early 2004 have had the effect of eliminating the practice of lookbacks. In addition, the evidence does not indicate intentional misconduct by any member of current management. Some members of current management, however, were made aware of the use of lookbacks for certain option grants, and certain of them should have been aware of the accounting or legal issues or inquired further.
- One or more outside lawyers for the Company were, on multiple occasions, told of the lookback practice and did not advise the Company of the accounting and legal problems with that practice.
- The Board of Directors and the Compensation Committee failed to adopt adequate procedures to ensure that Compensation Committee members understood the Company's 1997 Stock Option Plan and that it was properly administered.
- From 1998 through 2005, the Company's processes, procedures and controls were inadequate, although management steadily improved the processes beginning in 2001. In 2006, the Compensation Committee revised its procedures for approving stock option grants in an effort to ensure compliance in the future.
- The Company also had inadequate controls relating to, and failed to account properly for, certain modifications of outstanding stock option rights.

The special committee will recommend to our Board of Directors a remediation plan to address the issues raised by its findings. While the special committee has not yet finalized its remediation recommendations, they are expected to include recommendations regarding improved stock option administration procedures and controls (with respect to which, as noted above, the committee found that management had already made certain changes), training and monitoring of compliance with those procedures, corporate risk assessment and evaluation of the internal compliance environment, and an evaluation by our chief executive officer of the Company's resources, especially with respect to compliance and administration. The special committee has concluded that it will not recommend any terminations or that any changes in positions of current executive management be made as a result of its findings. It is expected to recommend, however, that our chief executive officer review and evaluate the organization of the Company's senior management consistent with the findings of the special committee, and report back to the Board on any changes that should be made to the Company's organizational plan or to the duties of members of current management.

In connection with the review by the special committee, we undertook a review of option grant dates recorded for financial accounting and tax purposes. Based on our facts and circumstances, we concluded that we should use the legal grant date, as determined by the special committee, as the accounting measurement date for such awards. Accordingly, based on this conclusion, we applied new measurement dates to the affected stock option grants and, as a result, determined that charges for stock-based compensation expense and related payroll and income tax effects were required in instances where the quoted market price of the underlying stock at the new measurement date exceeded the employee's exercise price, in accordance with APB No. 25, "Accounting for Stock Issued to Employees." In addition, the restatement reflects charges for penalties and interest related to the failure to properly withhold employee taxes upon exercise of certain stock options that were originally classified as incentive stock options, but were recharacterized as non-qualified stock options as a result of applying a new measurement date to such options.

With respect to our results of operations, the restatement adjustments reflected in this Form 10-K/A primarily impacted our selling, general, administrative and development expense and our income tax (provision) benefit. The discussion of our results of operations for the years ended December 31, 2005 and 2004 below includes a discussion of the impact of the restatement on these items on a quarterly basis.

Executive Overview

Our principal operating segment is our rental and management segment, which accounted for approximately 98.4% and 96.9% of our total revenues and approximately 99.5% and 99.3% of our segment operating profit for the years ended December 31, 2005 and 2004, respectively. The primary factors affecting the stability and growth of our revenues and cash flows for this segment are our recurring revenues from existing tenant leases and the contractual escalators in those leases, leasing additional space on our existing towers, acquiring and building additional tower sites and the degree to which any of our existing customer leases are cancelled. We continue to believe that our leasing revenue is likely to increase due to the continuing growth in the use of wireless communications services and our ability to utilize existing tower capacity. In addition, we believe the majority of our leasing activity will continue to come from wireless broadband-services customers.

The majority of our tenant leases with wireless carriers are for an initial term of five-to-ten years, with multiple five-year renewal terms thereafter. Accordingly, nearly all of the revenue generated by our rental and management segment as of the end of December 2005 is recurring revenue that we should continue to receive in future periods. In addition, most of our leases have provisions that periodically increase the rent due under the lease. These contractual escalators are typically annual and are based on a fixed percentage (generally three-to-five percent), inflation, or a fixed percentage plus inflation. Revenue generated by rate increases based on fixed escalation clauses is recognized on a straight-line basis over the non-cancelable term of the applicable agreement.

The revenues generated by our rental and management segment also may be affected by cancellations of existing customer leases. As discussed above, most of our tenant leases with wireless carriers and broadcasters are multi-year contracts, which typically may not be cancelled or, in some instances, may be cancelled only upon payment of a termination fee. Accordingly, lease cancellations historically have not had a material adverse effect on the revenues generated by our rental and management segment. During 2005, tenant leases representing less than 2% of our total revenues were cancelled.

A significant majority of our revenue growth in 2005 was attributable to revenue generated from leasing space on the towers and in-building systems acquired in connection with our merger with SpectraSite, Inc. In August 2005, we completed our merger with SpectraSite, Inc., an owner and operator of approximately 7,800 wireless and broadcast towers and in-building systems in the United States. The merger was approved by our and SpectraSite's stockholders on August 3, 2005, and the results of operations of SpectraSite have been included in our consolidated results of operations since that date. During the period August 3, 2005 through December 31, 2005, SpectraSite generated total revenues of $171.2 million and operating profit of $106.8 million.

Our revenue growth in 2005 was also attributable to incremental revenue generated by our existing communications sites. During 2005, incremental revenue attributable to those sites that existed during the entire period between January 1, 2004 and December 31, 2005, was approximately $63.3 million, which reflects revenue increases from adding new tenants to those sites, existing tenants adding more equipment to those sites, contractual escalators net of straight line accounting treatment and favorable currency exchange rate changes, offset by lease cancellations.

Our ability to lease additional space on our sites is a function of the rate at which wireless carriers deploy capital to improve and expand their wireless networks and, to a lesser extent, the location of and available capacity on our existing sites. This rate, in turn, is influenced by the growth of wireless communications services

Our ability to lease additional space on our sites is a function of the rate at which wireless carriers deploy capital to improve and expand their wireless networks and, to a lesser extent, the location of and available capacity on our existing sites. This rate, in turn, is influenced by the growth of wireless communications services and related infrastructure, the financial performance of our customers and their access to capital, and general economic conditions. We believe leasing additional space on our existing sites, including the sites acquired in connection with our merger with SpectraSite, Inc., will continue to contribute the substantial majority of our year-over-year revenue growth in 2006.

We also generate revenues by building and acquiring new communications sites. In addition to the approximately 7,800 towers and in-building systems acquired in connection with our merger with SpectraSite, Inc., we constructed or acquired 289 and 275 sites in 2005 and 2004, respectively. Because of the nature of our recurring revenues described above, our results of operations only reflect revenues generated on these sites following the respective dates of their construction or acquisition, which affects year-over-year comparisons. During 2005, revenue attributable to these 564 sites that were built or acquired between January 1, 2004 and December 31, 2005, was approximately $10.8 million.

Our continuing operations are reported in two business segments: rental and management and network development services. Management focuses on segment gross margin and operating profit (loss) as a means to measure operating performance in these business segments. We define segment gross margin as segment revenue less segment operating expenses excluding depreciation, amortization and accretion; selling, general, administrative and development expense; and impairments, net loss on sale of long-lived assets, restructuring and merger related expense. We define segment operating profit as segment gross margin less selling, general, administrative and development expense attributable to the segment, excluding stock-based compensation expense and corporate expenses. Segment gross margin and operating profit (loss) for the rental and management segment include interest income, TV Azteca, net (see note 17 to our consolidated financial statements included herein).

Our rental and management segment operating expenses include our direct tower level expenses and consist primarily of ground rent, property taxes, repairs and maintenance and utilities. These segment level expenses exclude all segment and corporate, selling, general, administrative and development expenses, which are aggregated into one line item entitled selling, general, administrative and development expense. Our segment level selling, general and administrative expenses consist of expenses to support our rental and management and network development services segments, such as sales and property management functions. In general, our segment level selling, general and administrative expenses do not increase as a result of adding incremental customers to our sites and increase only modestly year over year. As a result, leasing space to new customers on our existing sites provides significant incremental cash flow. Our profit margin growth is, therefore, directly related to the number of new tenants added to our existing tower sites and the related rental revenue generated in a particular period.

Results of Operations

Years Ended December 31, 2005 and 2004

	Year Ended December 31, 2005	Year Ended December 31, 2004	Amount of Increase (Decrease)	Percent Increase (Decrease)
	(In thousands)			
REVENUES:				
Rental and management	$ 929,762	$ 684,422	$245,340	36%
Network development services	15,024	22,238	(7,214)	(32)
Total revenues	944,786	706,660	238,126	34
OPERATING EXPENSES:				
Costs of operations (exclusive of items shown separately below)				
Rental and management	247,781	195,242	52,539	27
Network development services	8,346	16,220	(7,874)	(49)
Depreciation, amortization and accretion	411,254	329,449	81,805	25
Selling, general, administrative and development expense (including $6,597 and $9,874 of stock-based compensation expense, respectively)	108,059	83,094	24,965	30
Impairments, net loss on sale of long-lived assets, restructuring and merger related expense (including $9,333 and $876 of stock-based compensation expense, respectively)	34,232	23,876	10,356	43
Total operating expenses	809,672	647,881	161,791	25
OTHER INCOME (EXPENSE):				
Interest income, TV Azteca, net of interest expense $1,492 and $1,497	14,232	14,316	(84)	(1)
Interest income	4,402	4,844	(442)	(9)
Interest expense	(222,419)	(262,237)	(39,818)	(15)
Loss on retirement of long-term obligations	(67,110)	(138,016)	(70,906)	(51)
Other income (expense)	227	(2,798)	(3,025)	(108)
Income tax (provision) benefit	(5,714)	83,338	(89,052)	(107)
Minority interest in net earnings of subsidiaries	(575)	(2,366)	(1,791)	(76)
Loss on equity method investments	(2,078)	(2,915)	(837)	(29)
Loss from discontinued operations, net	(1,913)	(8,409)	(6,496)	(77)
Cumulative effect of change in accounting principle, net	(35,525)		35,525	
Net loss	$(181,359)	$(255,464)	$ (74,105)	(29)%

Total Revenues

Total revenues for the year ended December 31, 2005 were $944.8 million, an increase of $238.1 million from the year ended December 31, 2004. Approximately $171.2 million of the increase was attributable to revenues generated by SpectraSite. The balance of the increase resulted from an increase in other rental and management revenue of $74.1 million, partially offset by a decrease in network development services revenue of $7.2 million.

Rental and Management Revenue

Rental and management revenue for the year ended December 31, 2005 was $929.8 million, an increase of $245.3 million from the year ended December 31, 2004. Approximately $171.2 million of the increase was attributable to revenues generated by SpectraSite. Approximately $63.3 million of the increase resulted from incremental revenue generated by communications sites that existed during the entire period between January 1, 2004 and December 31, 2005, which reflects revenue increases from adding new tenants to those sites, existing tenants adding more equipment to those sites, contractual escalators net of straight-line accounting treatment and favorable currency exchange rates, offset by lease cancellations. Approximately $10.8 million of the increase resulted from revenue generated by the approximately 560 communications sites acquired and/or constructed subsequent to January 1, 2004, other than in connection with the SpectraSite merger. We believe that our rental and management revenue will increase as we continue to utilize existing site capacity. We anticipate that the majority of our new leasing activity will continue to come from wireless and broadcast service providers.

Network Development Services Revenue

Network development services revenue for the year ended December 31, 2005 was $15.0 million, a decrease of $7.2 million from year ended December 31, 2004. The decrease in revenue was attributable to a decline in revenues generated by our site acquisition, zoning and permitting services, primarily as a result of our strategic focus on our core site leasing business. This decrease was partially offset by an increase in revenues generated by our structural analysis services, as a result of the increased business associated with our significantly larger site portfolio following our merger with SpectraSite, Inc. As we continue to focus on and grow our site leasing business, and offer only limited services that directly support our site leasing operations and the addition of new tenants and equipment on our sites, we anticipate that our network development services revenue will continue to decrease as a percentage of our total revenues.

Total Operating Expenses

Total operating expenses for the year ended December 31, 2005 were $809.7 million, an increase of $161.8 million from the year ended December 31, 2004. The increase was attributable to an increase in depreciation, amortization and accretion expense of $81.8 million, an increase in expenses within our rental and management segment of $52.5 million, an increase in selling, general, administrative and development expense of $25.0 million, and an increase in impairments, net loss on sale of long-lived assets, restructuring and merger related expense of $10.4 million. These increases were offset by a decrease in expenses within our network development services segment of $7.9 million. We expect our total operating expenses for the year ended December 31, 2006 to include approximately $38.0 million to $40.0 million related to the January 1, 2006 adoption of SFAS No. 123R regarding stock-based compensation expense, as described below in "—Recent Accounting Pronouncements."

Rental and Management Expense/Segment Operating Profit

Rental and management expense for the year ended December 31, 2005 was $247.8 million, an increase of $52.5 million from the year ended December 31, 2004. Approximately $53.1 million of the increase was attributable to expenses incurred by SpectraSite. Excluding the impact of expenses incurred by SpectraSite, rental and management expense did not change materially as compared to the year ended December 31, 2004.

Rental and management segment operating profit for the year ended December 31, 2005 was $696.2 million, an increase of $192.7 million from the year ended December 31, 2004. Approximately $118.1 million of the increase was attributable to rental and management segment operating profit generated by SpectraSite. The balance of the increase resulted primarily from additional revenue from adding tenants to communications sites that existed as of January 1, 2004 and revenue generated on the approximately 560 communications sites acquired and/or constructed subsequent to January 1, 2004 other than in connection with the SpectraSite merger, and the impact of favorable currency exchange rates.

Network Development Services Expense

Network development services expense for the year ended December 31, 2005 was $8.4 million, a decrease of $7.9 million from the year ended December 31, 2004. The majority of the decrease correlates directly to the decline in services performed as noted above.

Depreciation, Amortization and Accretion

Depreciation, amortization and accretion expense for the year ended December 31, 2005 was $411.3 million, an increase of $81.8 million from the year ended December 31, 2004. The increase was attributable to approximately $78.0 million of depreciation, amortization and accretion expense related to long-lived assets acquired in connection with the SpectraSite merger and approximately $3.8 million related to other newly acquired or constructed towers and other long-lived assets. We expect our depreciation, amortization and accretion expense for the year ended December 31, 2006 to increase by approximately $131.0 million, including approximately $110.0 million related to the inclusion of a full year of expense related to acquired SpectraSite long-lived assets and approximately $21.0 million related to the acceleration of settlement date assumptions regarding our asset retirement obligations described below.

Selling, General, Administrative and Development Expense

Selling, general, administrative and development expense for the year ended December 31, 2005 was $108.1 million, an increase of $25.0 million from the year ended December 31, 2004. Approximately $18.6 million of the increase was attributable to general and administrative expense incurred by SpectraSite. The balance of the increase was primarily attributable to employee bonuses, including amounts paid in connection with the closing of the SpectraSite merger, offset by a decrease of $3.3 million in stock-based compensation expense, which aggregated $6.6 million and $9.9 million for the years ended December 31, 2005 and 2004, respectively.

The following table sets forth stock-based compensation included in selling, general, administrative and development expense by quarter for 2004 and 2005 (in thousands):

	2005	2004
Quarter ended March 31	$ 761	$2,090
Quarter ended June 30	1,765	4,586
Quarter ended September 30	2,088	1,175
Quarter ended December 31	1,983	2,023
Total	$6,597	$9,874

The decrease in stock-based compensation from 2004 was the result of lower expenses related to modifications and repricings associated with stock options awarded to two former executive officers, which decreased to $3.2 million in 2005 from $4.9 million in 2004, as well as lower stock-based compensation associated with options granted with an exercise price below the quoted marked price of the underlying stock at the accounting measurement date. In 2004, approximately $3.5 million of the expense related to modifications and repricings was recorded in the quarter ended June 30, 2004, including $2.1 million associated with a separation agreement with our former chief operating officer that provided for the reinstatement of previously terminated options. The substantial majority of other stock-based compensation related to modifications and repricings recorded in 2005 and 2004 was associated with two options granted to our former chief financial officer that were accounted for as an indirect repricing.

As a result of the January 1, 2006 adoption of SFAS No. 123R, we expect our total selling, general, administrative and development expenses for the year ended December 31, 2006 to include approximately $38.0 million to $40.0 million of non-cash stock-based compensation expense.

Impairments, Net Loss on Sale of Long-lived Assets, Restructuring and Merger Related Expense

Impairments, net loss on sale of long-lived assets, restructuring and merger related expense for the year ended December 31, 2005 was $34.2 million, an increase of $10.4 million from the year ended December 31, 2004. The increase was due primarily to merger related expense of $9.0 million incurred in connection with the SpectraSite merger, including employee separation costs of $3.1 million, amortization of unearned compensation relating to unvested stock options assumed of $2.4 million and other employee stock option charges of $3.5 million. Restructuring expense and stock-based compensation expense also increased by $4.6 million related to modified option awards, which was partially offset by a decline of $3.2 million in impairments and net losses on sales of long-lived non-core assets.

Interest Expense

Interest expense for the year ended December 31, 2005 was $222.4 million, a decrease of $39.8 million from the year ended December 31, 2004. The decrease resulted primarily as a result of the redemption of all of our outstanding 9 $^{3}/_{8}$% Notes, repurchases of our ATI 12.25% Notes, conversions of our 3.25% Notes and the refinancing of the American Tower credit facility at lower interest rates. This decrease was partially offset by a full year of interest payable on our 7.50% Notes, 3.00% convertible notes due August 15, 2012 (3.00% Notes) Notes and 7.125% Notes issued in February, August and September of 2004, respectively, and approximately $15.2 million of interest expense incurred on the debt assumed in the SpectraSite merger.

Loss on Retirement of Long-Term Obligations

During the year ended December 31, 2005, we redeemed $274.9 million principal amount of our 9 $^{3}/_{8}$% Notes, repurchased $177.8 million accreted value of our ATI 12.25% Notes and converted $57.1 million principal amount of our 3.25% Notes. In addition, we refinanced the American Tower and SpectraSite credit facilities. As a result of these transactions, we recorded a $67.1 million charge primarily related to the write-off of deferred financing fees and amounts paid in excess of the carrying value. For more information regarding our financing activities, see "—Liquidity and Capital Resources—Financing Activities" below.

During the year ended December 31, 2004, we redeemed all of our outstanding 6.25% convertible notes, redeemed and repurchased portions of our outstanding 9 $^{3}/_{8}$% Notes, ATI 12.25% Notes and 5.0% convertible notes, and refinanced of our credit facility. As a result of these transactions, we recorded a $138.0 million charge related to the write-off of deferred financing fees and amounts paid in excess of the carrying value.

Other Income

Other income for the year ended December 31, 2005 was $0.2 million, a decrease of $3.0 million from other expense of $2.8 million for the year ended December 31, 2004. The decrease was primarily attributable to approximately $2.9 million of other income generated on interest rate swap agreements assumed in the SpectraSite merger.

Income Tax (Provision) Benefit

The income tax provision for the year ended December 31, 2005 was $5.7 million, as compared to an $83.3 million tax benefit for the year ended December 31, 2004, representing a decrease of $89.1 million from the prior year period. The effective tax rate was 4.2% for the year ended December 31, 2005, as compared to 25.6% for the year ended December 31, 2004. The provision for the year ended December 31, 2005 reflects a $29.5 million charge as a result of a reduction in management's estimate of the net realizable value of our federal income tax refund claims based upon the current status of the claims, as described below.

The following table sets forth income tax (provisions) benefits related to the tax effects of foreign currency fluctuations on an intercompany loan with a foreign subsidiary by quarter for 2005 and 2004 (in thousands):

	2005	2004
Quarter ended March 31	$ 72	$ 55
Quarter ended June 30	(3,060)	1,579
Quarter ended September 30	329	(483)
Quarter ended December 31	(690)	(975)
Total	$(3,349)	$ 176

The changes in the annual and quarterly impact on income taxes noted above are directly attributable to changes in the Mexican peso to U.S. dollar exchange rate. Tax provisions are recorded in periods in which the Mexican peso to U.S. dollar exchange rate declines.

The effective tax rate on loss from continuing operations for the year ended December 31, 2005 differs from the federal statutory rate due primarily to adjustments to our refund claims as more fully described below and foreign items. The effective tax rate on loss from continuing operations for the year ended December 31, 2004 differs from the federal statutory rate due primarily to valuation allowances related to capital losses and foreign items.

We intend to recover a portion of our deferred tax asset through our federal income tax refund claims related to the carry back of certain federal net operating losses. In June 2003 and October 2003, we filed federal income tax refund claims with the IRS relating to the carry back of $380.0 million of net operating losses generated prior to 2003, of which we initially anticipated receiving approximately $90.0 million. Based on preliminary discussions with tax authorities, we revised our estimate of the net realizable value of our federal income tax refund claims and anticipate receiving a refund of approximately $65.0 million as a result of these claims by the end of 2006. There can be no assurances, however, with respect to the specific amount and timing of any refund.

Minority Interest in Net Earnings of Subsidiaries

Minority interest in net earnings of subsidiaries for the year ended December 31, 2005 was $0.6 million, a decrease of $1.8 million from the year ended December 31, 2004. The decrease is primarily a result of the Company's purchase during 2004 of the remaining 12.0% interest in ATC Mexico that it did not own.

Loss from Discontinued Operations, Net

Loss from discontinued operations, net for the year ended December 31, 2005 was $1.9 million, as compared to $8.4 million for the year ended December 31, 2004. The loss from discontinued operations for the year ended December 31, 2005 primarily represents the legal costs incurred in connection with our involvement in the Verestar bankruptcy proceedings. We also expect to incur additional costs in connection with these proceedings. The loss from discontinued operations for the year ended December 31, 2004 includes $7.8 million related to the results of operations through the date of sale of our tower construction services unit and Kline, as well as a net loss on disposal of our tower construction services unit of $1.7 million and a $1.1 million net gain related to a contractual obligation that was settled for less than its original estimate.

Cumulative Effect of Change in Accounting Principle, Net

As of December 31, 2005, we adopted the provisions of Financial Accounting Standards Board Interpretation No. 47 "Accounting for Conditional Asset Retirement Obligations" (FIN No. 47). As a result, we recognized a $35.5 million charge (net of an $11.7 million tax benefit) as a cumulative effect of a change in accounting principle in the consolidated statement of operations for the year ended December 31, 2005.

The adoption of FIN No. 47 primarily resulted in the acceleration of settlement date assumptions regarding our asset retirement obligations, as FIN No. 47 precludes us from considering non contractual lease renewal periods in determining our settlement date assumptions. The acceleration of our settlement date assumptions also resulted in an increase to the tower assets included in property and equipment, net of $66.9 million and an increase in the asset retirement obligations included in other long-term obligations of $114.0 million.

Years Ended December 31, 2004 and 2003

	Year Ended December 31, 2004	Year Ended December 31, 2003	Amount of Increase (Decrease)	Percent Increase (Decrease)
	(In thousands)			
REVENUES:				
Rental and management	$ 684,422	$ 619,697	$ 64,725	10%
Network development services	22,238	12,796	9,442	74
Total revenues	706,660	632,493	74,167	12
OPERATING EXPENSES:				
Costs of operations (exclusive of items shown separately below)				
Rental and management	195,242	192,380	2,862	1
Network development services	16,220	7,419	8,801	119
Depreciation, amortization and accretion	329,449	330,414	(965)	
Selling, general, administrative and development expense (including $9,874 and $10,082 of stock-based compensation expense, respectively)	83,094	83,492	(398)	
Impairments, net loss on sale of long-lived assets and restructuring expense (including $876 and $1,106 of stock-based compensation expense, respectively)	23,876	31,656	(7,780)	(25)
Total operating expenses	647,881	645,361	2,520	
OTHER INCOME (EXPENSE):				
Interest income, TV Azteca, net of interest expense $1,497 and $1,496	14,316	14,222	94	1
Interest income	4,844	5,255	(411)	(8)
Interest expense	(262,237)	(279,783)	(17,546)	(6)
Loss on retirement of long-term obligations	(138,016)	(46,197)	91,819	199
Other expense	(2,798)	(8,598)	(5,800)	(67)
Income tax benefit	83,338	85,567	(2,229)	(3)
Minority interest in net earnings of subsidiaries	(2,366)	(3,703)	(1,337)	(36)
Loss on equity method investments	(2,915)	(21,221)	(18,306)	(86)
Loss from discontinued operations, net	(8,409)	(61,633)	(53,224)	(86)
Net loss	$(255,464)	$(328,959)	$(73,495)	(22)%

Total Revenues

Total revenues for the year ended December 31, 2004 were $706.7 million, an increase of $74.2 million from the year ended December 31, 2003. The increase resulted from an increase in rental and management revenues of $64.7 million and an increase in network development services revenue of $9.4 million.

Rental and Management Revenue

Rental and management revenue for the year ended December 31, 2004 was $684.4 million, an increase of $64.7 million from the year ended December 31, 2003. The increase resulted primarily from adding additional wireless and broadband tenants to towers that existed as of January 1, 2003 and, to a lesser extent, from revenue generated on the approximately 900 towers acquired and/or constructed subsequent to January 1, 2003. This increase was partially offset by a reduction in revenue on the approximately 400 owned towers sold or disposed of subsequent to January 1, 2003. In 2004, our revenue growth on towers that existed during the entire period beginning January 1, 2003 and ending December 31, 2004, was approximately $51 million. We believe that our rental and management revenue will continue to grow as we utilize existing tower capacity. We anticipate that the majority of our new leasing activity will continue to come from wireless and broadcast service providers.

Network Development Services Revenue

Network development services revenue for the year ended December 31, 2004 was $22.2 million, an increase of $9.4 million from the year ended December 31, 2003. The increase in revenues during 2004 resulted primarily from a long-term construction contract that we did not have in the prior year.

In October 2004, we entered into an agreement to sell our tower construction services unit. Commencing in the fourth quarter of 2004, we reported our tower construction services unit as a discontinued operation. The sale closed in November 2004. After the sale, our network development services segment is focused on providing complementary non-construction services to the rental and management segment, including site acquisition, zoning, permitting and structural analysis.

Total Operating Expenses

Total operating expenses for the year ended December 31, 2004 were $647.9 million, an increase of $2.5 million from the year ended December 31, 2003. The principal components of the increase were attributable to expense increases in our network development services segment of $8.8 million, our rental and management segment of $2.9 million. These increases were partially offset by decreases in selling, general, administrative and development expense of $0.4 million, in impairments, net loss on sale of long-lived assets and restructuring expense of $7.8 million and in depreciation, amortization and accretion of $1.0 million.

Rental and Management Expense/Segment Operating Profit

Rental and management expense for the year ended December 31, 2004 was $195.2 million, an increase of $2.9 million from the year ended December 31, 2003. The increase resulted primarily from our acquisition/construction of approximately 900 towers partially offset by a reduction in expenses related to the 400 towers that were sold or disposed of subsequent to January 2003, coupled with an overall decrease in rental and management segment expenses.

Rental and management segment operating profit for the year ended December 31, 2004 was $503.5 million, an increase of $62.0 million from the year ended December 31, 2003. The increase resulted primarily from incremental revenues and operating profit from adding additional broadband tenants to existing towers and newly acquired and/or constructed towers.

Network Development Services Expense

Network development services expense for the year ended December 31, 2004 was $16.2 million, an increase of $8.8 million from the year ended December 31, 2003. The increase in expenses during 2004 resulted primarily from expenses associated with a long-term construction contract that we did not have in the prior year.

Selling, General, Administrative and Development Expense

Selling, general, administrative and development expense for the year ended December 31, 2004 was $83.1 million, a decrease of $0.4 million from the year ended December 31, 2003 primarily related to a decrease in stock-based compensation expense.

Impairments, Net Loss on Sale of Long-Lived Assets and Restructuring Expense

Impairments, net loss on sale of long-lived assets and restructuring expense for the year ended December 31, 2004 was $23.9 million, a decrease of $7.8 million from the year ended December 31, 2003. The majority of the decrease resulted from decreased impairments and losses on sales of long-lived tower and other non-core assets.

Interest Expense

Interest expense for the year ended December 31, 2004 was $262.2 million, a decrease of $17.5 million from the year ended December 31, 2003. The decrease resulted primarily from the retirement of a portion of our 9 3/8% Notes and ATI 12.25% Notes partially offset by additional interest incurred related to the issuance of our 3.00% Notes, 7.125% Notes and 7.50% Notes in 2004.

Loss on Retirement of Long-Term Obligations

During the year ended December 31, 2004, we retired all or a portion of our 6.25% convertible notes, 9 3/8% Notes and ATI 12.25% Notes. As a result, we incurred a charge of approximately $103.2 million, which represented the cash paid in excess of the carrying value of the debt at the time of retirement. In addition, we also incurred a charge of $34.8 million related to the write-off of deferred financing fees related to the retirements discussed above, the retirement of a portion of our 5.0% convertible notes and the refinancing of our credit facility. The total of these charges, $138.0 million, represents our loss on retirement of long-term obligations for the year ended December 31, 2004.

During the year ended December 31, 2003, we amended our credit facility and made certain prepayments and unscheduled principal payments on the term loans thereunder, which collectively reduced the borrowing capacity under our credit facility. As a result, we recorded an aggregate charge of approximately $11.9 million related to the write-off of deferred financing fees associated with the reduction in our overall borrowing capacity. We also repurchased a portion of our 2.25% convertible notes and 5.0% convertible notes (inclusive of the cash tender offer for our 2.25% convertible notes that expired on October 22, 2003) throughout the year. As a result, we incurred an aggregate charge of approximately $34.3 million, which primarily represented the fair market value of the shares of stock issued to our 2.25% convertible note holders in excess of the shares originally issuable upon conversion of the notes, offset by a net gain on the repurchases of our 5.0% convertible notes. The total of these charges, $46.2 million, represents our loss on retirement of long-term obligations for the year ended December 31, 2003.

Other Expense

Other expense for the year ended December 31, 2004 was $2.8 million, a decrease of $5.8 million from the year ended December 31, 2003. The decrease resulted primarily from fees and expenses incurred in 2003 in connection with a financing transaction that we did not consummate as a result of the ATI 12.25% Notes offering.

Income Tax Benefit

The income tax benefit for the year ended December 31, 2004 was $83.3 million, a decrease of $2.2 million from the year ended December 31, 2003. The effective tax rate was 25.6% for the year ended December 31, 2004, as compared to 26.1% for the year ended December 31, 2003. The primary reason for the increase in the effective tax rate is a result of non-deductible losses on retirements of our debt in 2003.

The effective tax rate on loss from continuing operations for the year ended December 31, 2004 differs from the federal statutory rate due primarily to valuation allowances related to capital losses and foreign items. The effective tax rate on loss from continuing operations for the year ended December 31, 2003 differs from the federal statutory rate due primarily to valuation allowances related to our capital losses, foreign items and non-deductible losses on retirement of our debt.

In June 2003 and October 2003, we filed income tax refund claims with the IRS relating to carrying back of $380.0 million of net operating losses generated prior to 2003. As of December 31, 2004, we anticipated receiving a refund of approximately $90.0 million as a result of these claims and estimated recovery of these amounts within two to three years of the dates the claims were filed with the IRS.

Loss on Equity Method Investments

Loss on equity method investments for the year ended December 31, 2004 was $2.9 million, a decrease of $18.3 million from the year ended December 31, 2003. The decrease is primarily due to an impairment charge recorded on one of our equity investments of $19.3 million in 2003.

Loss from Discontinued Operations, Net

Loss from discontinued operations, net for the year ended December 31, 2004 was $8.4 million, as compared to $61.6 million for the year ended December 31, 2003. In October 2004, we committed to a plan to sell our tower construction services unit, which was subsequently sold in November 2004. In addition, we sold Kline in March 2004. Accordingly, the loss from discontinued operations, net, for the year ended December 31, 2004 includes $7.8 million related to the results of these operations through the date of sale. In addition, the loss from discontinued operations, net, for the year ended December 31, 2004 includes a net loss on disposal of our tower construction services unit of $1.7 million and a $1.1 million net gain related to a contractual obligation that was settled for less than its original estimate.

During 2003, we disposed of two of our wholly owned subsidiaries, Galaxy Engineering and Flash Technologies, two office buildings and two subsidiaries of Verestar. Accordingly, the loss from discontinued operations, net, for the year ended December 31, 2003 includes $13.2 million related to the results of these operations, Kline and the remaining operations of Verestar through the date of its bankruptcy filing in December 2003. In addition to the above, loss from discontinued operations, net, for the year ended December 31, 2003 includes the following net losses on disposal: (a) an impairment charge of $26.5 million to reduce the carrying amount of our investment in Verestar to zero and to record our estimate of costs that we may incur under certain contractual obligations; (b) an impairment charge of $14.6 million to reduce the carrying value of Kline's net assets to the estimated proceeds expected upon disposal; (c) a $2.4 million net loss on the disposal of Galaxy; (d) a $3.7 million net loss on the disposal of the office buildings; and (e) a $0.1 million net gain on the sale of Flash.

Liquidity and Capital Resources

Overview

During the year ended December 31, 2005, we improved our financial flexibility by refinancing our existing debt with less restrictive, lower cost capital, which increased our liquidity and our ability to return value to our stockholders. Significant transactions included the following:

- In October 2005, we refinanced the two existing credit facilities of our principal operating subsidiaries. We replaced the existing American Tower $1.1 billion senior secured credit facility with a new $1.3 billion senior secured credit facility and replaced the existing SpectraSite $900.0 million senior secured credit facility with a new $1.15 billion senior secured credit facility.
- During 2005, consistent with our strategy of replacing our higher cost, more restrictive debt with less expensive, less restrictive capital, we repurchased, redeemed and converted approximately $605.7 million face amount of our outstanding debt securities. In addition, in December 2005, we issued a notice for the redemption of the remaining outstanding $227.7 million face amount of ATI 12.25%

Notes, which we redeemed on February 1, 2006. Upon completion of this redemption, no ATI 12.25% Notes remained outstanding.

- In November 2005, we announced that our board of directors had approved a stock repurchase program pursuant to which we intend to repurchase up to $750.0 million of our Class A common stock through December 2006. As of December 31, 2005, we had repurchased 2.8 million shares of Class A common stock for an aggregate of $76.6 million.

As of December 31, 2005, we had total outstanding indebtedness of approximately $3.6 billion. We incurred substantially all of this indebtedness to refinance indebtedness incurred prior to 2002 to fund the acquisition of tower sites and services businesses, and capital expenditures related to the construction of new tower sites. Beginning in 2002, we significantly reduced our acquisitions and new tower construction activities, and began to focus on reducing our overall indebtedness. In 2003, 2004 and 2005, we continued this effort by refinancing indebtedness to extend maturity dates, reduce interest expense and improve our financial flexibility, and since 2004, by using cash flow from operations to repurchase and redeem outstanding debt to reduce our net total indebtedness.

In 2005, we generated sufficient cash flow from operations to fund our capital expenditures and cash interest obligations. We believe our cash generated by operations for the year ending December 31, 2006 also will be sufficient to fund our capital expenditures and our cash debt service (interest and principal repayments) obligations for 2006. For information about our outstanding indebtedness, see "—Contractual Obligations" below.

We expect our 2006 cash needs related to indebtedness outstanding as of December 31, 2005, to consist primarily of the following: debt service, including cash interest of approximately $189.0 million, approximately $179.5 million for the February 1, 2006 redemption of the remaining outstanding ATI 12.25% Notes, and capital lease payments and other notes payable (including interest) of approximately $5.2 million. We expect to fund capital expenditures of between $110.0 and $130.0 million, principally related to new tower construction, improvements to existing towers and installation of new in-building systems in 2006. We also expect to use approximately $22.7 million in cash to purchase the remaining shares of ATC South America that we do not own, as discussed above in "Business—Recent Transactions—ATC International Transactions." In addition, we expect to continue to fund our stock repurchase program, pursuant to which we intend to purchase up to an additional $673.4 million of our Class A common stock in 2006. We also may fund additional purchases of our Class A common stock, either pursuant to, or supplemental to, our stock repurchase program. We expect to meet these cash needs through a combination of cash on hand, cash generated by operations and borrowings under our credit facilities.

Uses of Cash

Stock Repurchase Program. In November 2005, we announced that our Board of Directors had approved a stock repurchase program to repurchase up to $750.0 million of our Class A common stock through December 2006. We expect to utilize cash from operations, borrowings under our credit facilities and cash on hand to fund the repurchase program. Under the program, our management is authorized to purchase shares from time to time in open market purchases or privately negotiated transactions at prevailing prices as permitted by securities laws and other legal requirements, and subject to market conditions and other factors. To facilitate repurchases, we entered into a trading plan under Rule 10b5-1 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") which allows us to repurchase shares during periods when we otherwise might be prevented from doing so under insider trading laws or because of self-imposed trading blackout periods. The program may be discontinued at any time. As of December 31, 2005, we had repurchased 2.8 million shares of Class A common stock for an aggregate of $76.6 million. Between January 1, 2006 and March 9, 2006, we repurchased an additional 3.9 million shares of our Class A common stock for an aggregate of $117.4 million pursuant to our stock repurchase program.

Tower Construction and Improvements and In-Building System Installation. During the year ended December 31, 2005, payments for purchases of property and equipment and construction activities totaled $88.6 million, including capital expenditures incurred in connection with the construction of 245 towers and the installation of 14 in-building systems. We plan to continue to allocate our available capital among investment alternatives that can provide the highest potential returns in light of existing market conditions. Accordingly, we may continue to acquire communications sites, build or install new communications sites and redevelop or improve existing communications sites when the expected returns on such investments meet our investment criteria. We anticipate that in 2006 we will build approximately 275 new towers and install approximately 40 new in-building systems, and expect our 2006 total capital expenditures for construction, improvements and corporate purposes to be between approximately $110.0 million and $130.0 million.

Refinancing and Repurchases of Debt. In order to extend the maturity dates of our indebtedness, reduce interest expense and improve our financial flexibility, we use our cash to refinance and repurchase our outstanding indebtedness. During the year ended December 31, 2005, we repurchased, redeemed and converted approximately $605.7 million face amount of our outstanding debt securities. For more information about our financing activities, see "—Financing Activities" below. In October 2005, we also refinanced the American Tower credit facility and the SpectraSite credit facility with new credit facilities. (See "—Sources of Cash" below.) In addition, in December 2005, we issued a notice for the redemption of the remaining outstanding $227.7 million face amount of ATI 12.25% Notes, which we redeemed on February 1, 2006. (See "—Financing Activities" below.)

Contractual Obligations. Our contractual obligations relate primarily to borrowings under the credit facilities and our outstanding notes. The following table sets forth information relating to our contractual obligations payable in cash as of December 31, 2005 (in thousands):

	Payments Due by Period						
Contractual Obligations	**2006**	**2007**	**2008**	**2009**	**2010**	**Thereafter**	**Total**
American Tower credit facility(1)							
Revolving credit facility							
Term Loan A					$ 750,000		$ 750,000
Delayed Draw Term Loan					43,000		43,000
SpectraSite credit facility(1)							
Revolving credit facility							
Term Loan A					700,000		700,000
Delayed Draw Term Loan							
12.25% senior subordinated discount notes(2)	$ 179,488						179,488
7.25% senior subordinated notes						$ 400,000	400,000
7.50% senior notes						225,000	225,000
7.125% senior notes						500,000	500,000
5.0% convertible notes(3)		$ 275,688					275,688
3.25% convertible notes					152,911		152,911
3.00% convertible notes						345,000	345,000
2.25% convertible notes	47						47
Long-term obligations, excluding capital leases and other notes payable	179,535	275,688			1,645,911	1,470,000	3,571,134
Cash interest expense(1)(2)	189,000	177,000	$ 175,000	$ 175,000	161,000	138,000	1,015,000
Capital lease payments (including interest) and other notes payable	5,241	4,395	4,025	3,719	3,776	212,743	233,899
Operating lease payments(4)	190,129	183,595	180,910	178,456	172,060	2,507,444	3,412,594
Other long-term liabilities(5)	400	1,098	437	450	463	165,071	167,919
Total	$ 564,305	$ 641,776	$ 360,372	$ 357,625	$ 1,983,210	$ 4,493,258	$ 8,400,546

(1) For more information regarding the American Tower and SpectraSite credit facilities, see "—Sources of Cash" below. Interest rates for the revolving loan and the term loan components of each of the credit facilities are determined at the

option of the borrowers under the facility and range between 0.50% and 1.25% above the applicable London Interbank Offering Rate (LIBOR) for LIBOR based borrowings or between 0.0% and 0.25% above the defined base rate for base rate borrowings, in each case based on the applicable borrowers' debt ratings. A quarterly commitment fee on the undrawn portion of each credit facility is required, ranging from 0.10% to 0.375% per annum, based on the applicable borrowers' debt ratings. As discussed in Item 7A. "Quantitative and Qualitative Disclosures About Market Risk," we have entered into swap agreements to manage exposure to variable rate interest obligations under the credit facilities. As a result of these swap agreements, the effective weighted average interest rate in effect at December 31, 2005 for the credit facilities was 4.71%. For projections of our cash interest expense related to the credit facilities, we have assumed the LIBOR rate before the margin, as defined in our credit facilities agreements, is 4.53% through their maturity on October 27, 2010.

(2) The ATI 12.25% Notes accrue no cash interest. Instead, the accreted value of each note increases between the date of original issuance and maturity (August 1, 2008) at a rate of 12.25% per annum. As of December 31, 2005, the remaining outstanding debt under the ATI 12.25% Notes was $227.7 million face amount ($160.3 million accreted value, net of $7.2 million fair value allocated to warrants). On December 22, 2005, we issued a notice for the redemption on February 1, 2006, of all remaining outstanding ATI 12.25% Notes. Pursuant to the indenture for the notes, once a notice to redeem is issued, notes called for redemption become irrevocably due and payable on the redemption date. On February 1, 2006 we redeemed $227.7 million face amount of ATI 12.25% Notes in accordance with the indenture at 106.125% of their accreted value for an aggregate of $179.5 million. Upon completion of this redemption, no ATI 12.25% Notes remained outstanding.

(3) The holders of our 5.0% convertible notes have the right to require us to repurchase their notes on specified dates prior to their maturity date in 2010, but we may pay the purchase price by issuing shares of our Class A common stock, subject to certain conditions. The obligation with respect to the right of the holders to put the 5.0% convertible notes on February 20, 2007, has been classified as a cash obligation for 2007.

(4) Operating lease payments include payments to be made under non-cancelable initial terms, as well as payments for certain renewal periods at our option because failure to renew could result in a loss of the applicable tower site and related revenues from tenant leases, thereby making it reasonably assured that we will renew the lease.

(5) Primarily represents our asset retirement obligations and excludes certain other long-term liabilities included in our consolidated balance sheet, primarily our straight-line rent liability for which cash payments are included in operating lease payments and unearned revenue that is not payable in cash.

The above table does not include certain commitments relating to the construction of tower sites under existing build to suit agreements as of December 31, 2005, as we cannot currently estimate the timing and amounts of such payments. (See note 10 to our consolidated financial statements included herein.)

Sources of Cash

American Tower Corporation is a holding company, and our cash flows are derived solely from distributions from our operating subsidiaries. Our principal United States operating subsidiaries are ATI and SpectraSite. Our principal international operating subsidiary is American Tower International, Inc. Under the American Tower credit facility and the indentures for our senior notes and the ATI notes, ATI and American Tower International are subject to restrictions on the amount of cash that can be distributed to us. SpectraSite is subject to restrictions on the amount of cash that can be distributed to us under the SpectraSite credit facility, but as a result of its designation as an unrestricted subsidiary, it is not subject to such restrictions under the indentures for our senior notes and the ATI notes.

Total Liquidity at December 31, 2005. As of December 31, 2005, we had approximately $1.047 billion of total liquidity, comprised of approximately $112.7 million in cash and cash equivalents and the ability to borrow approximately $488.8 million under the American Tower credit facility and approximately $445.4 million under the SpectraSite credit facility.

Cash Generated by Operations. For the years ended December 31, 2005, 2004 and 2003, our cash provided by operating activities was $397.2 million, $216.7 million and $156.4 million, respectively. Each of our rental and management and network development services segments are expected to generate cash flows from operations during 2006 in excess of their cash needs for operations and expenditures for tower construction, improvements and acquisitions. (See "—Results of Operations" above.) We expect to use the excess cash generated by operations principally to service our debt and to fund capital expenditures and repurchases of our Class A common stock.

New Credit Facilities. In October 2005, we refinanced the two existing credit facilities of our principal operating subsidiaries. We replaced the existing American Tower $1.1 billion senior secured credit facility with a new $1.3 billion senior secured credit facility and replaced the existing SpectraSite $900.0 million senior secured credit facility with a new $1.15 billion senior secured credit facility.

The new American Tower credit facility consists of a $300.0 million revolving credit facility, a $750.0 million Term Loan A, and a $250.0 million Delayed Draw Term Loan. At closing, we drew down the entire Term Loan A and used the net proceeds to repay principal and interest on the outstanding $745.0 million under the previous American Tower credit facility. At closing, we had approximately $300.0 million of availability under the revolving credit facility, against which approximately $18.2 million of undrawn letters of credit were outstanding, and had the ability to draw down the entire $250.0 million Delayed Draw Term Loan. In December 2005, we drew down $43.0 million of the Delayed Draw Term Loan to finance repurchases of the ATI 12.25% Notes. In January 2006, we drew down an additional $179.0 million of the Delayed Draw Term Loan to finance the redemption of the remaining outstanding ATI 12.25% Notes. The credit facility provides that any portion of the Delayed Draw Term Loan that is not drawn as of October 27, 2006 will be canceled.

The borrowers under the American Tower credit facility include ATI, American Tower, L.P., American Tower International and American Tower LLC. We and the borrowers' restricted subsidiaries (as defined in the loan agreement) have guaranteed all of the loans under the credit facility. These loans are secured by liens on and security interests in substantially all assets of the borrowers and the restricted subsidiaries. The American Tower credit facility has a term of five years, maturing on October 27, 2010, and all amounts will be due and payable in full at maturity. The American Tower credit facility does not require amortization of principal payments and may be paid prior to maturity in whole or in part at the borrowers' option without penalty or premium. For more information regarding the new American Tower credit facility, please see note 8 to our consolidated financial statements.

The new SpectraSite credit facility consists of a $250.0 million revolving credit facility, a $700.0 million Term Loan A, and a $200.0 million Delayed Draw Term Loan. At closing, we drew down the entire Term Loan A and used the net proceeds to repay principal and interest on the $697.0 million outstanding under the previous SpectraSite credit facility. At closing, we had approximately $250.0 million of availability under the revolving credit facility, against which approximately $4.6 million of undrawn letters of credit were outstanding, and had the ability to draw down the entire $200.0 million Delayed Draw Term Loan. The credit facility provides that any portion of the Delayed Draw Term Loan that is not drawn as of October 27, 2006 will be canceled.

The borrower under the SpectraSite credit facility is SpectraSite Communications. SpectraSite Communications, its parent company (SpectraSite, LLC), and its restricted subsidiaries (as defined in the loan agreement) have guaranteed all of the loans under the credit facility. These loans are secured by liens on and security interests in substantially all assets of the borrower and the restricted subsidiaries. The SpectraSite credit facility has a term of five years, maturing on October 27, 2010, and all amounts will be due and payable in full at maturity. The SpectraSite credit facility does not require amortization of principal and may be paid prior to maturity in whole or in part at the borrower's option without penalty or premium. For more information regarding the new SpectraSite credit facility, see note 8 to our consolidated financial statements.

Proceeds from the Sale of Equity Securities. We receive proceeds from sales of our equity securities pursuant to our stock option and stock purchase plans and upon exercise of warrants to purchase our equity securities. For the year ended December 31, 2005, we received approximately $1.8 million in proceeds from exercises of warrants to purchase shares of our Class A common stock and approximately $63.6 million in proceeds from sales of shares of our Class A common stock pursuant to our stock option and stock purchase plans.

Financing Activities

9 $^3/_8$% Notes Redemptions. During the year ended December 31, 2005, we redeemed an aggregate of $274.9 million principal amount of our 9 $^3/_8$% Notes, representing all of the outstanding 9 $^3/_8$% Notes. We completed partial redemptions of the 9 $^3/_8$% Notes in accordance with the terms of the indenture in January, July and September 2005 for an aggregate redemption price of $288.3 million, plus approximately $9.5 million in accrued interest.

ATI 12.25% Notes Repurchases. During the year ended December 31, 2005, we repurchased an aggregate of $270.6 million face amount of our ATI 12.25% Notes ($177.8 million accreted value, net of $10.1 million fair value allocated to warrants) for approximately $208.4 million in cash, in privately negotiated transactions. As of December 31, 2005, we had outstanding $227.7 face amount of our ATI 12.25% Notes ($160.3 million accreted value, net of $7.2 million fair value allocated to warrants). In December 2005, we issued a notice for the redemption of the remaining outstanding ATI 12.25% Notes. On February 1, 2006, we redeemed an aggregate of $227.7 million face amount of ATI 12.25% Notes in accordance with the indenture at 106.125% of their accreted value for an aggregate of $179.5 million. Upon completion of this redemption, no ATI 12.25% Notes remained outstanding.

3.25% Convertible Notes Conversions. During the year ended December 31, 2005, holders of an aggregate of $57.1 million principal amount of 3.25% Notes converted their notes into an aggregate of 4.7 million shares of our Class A common stock. Pursuant to the terms of the indenture, the holders of the 3.25% Notes received 81.808 shares of our Class A common stock for every $1,000 principal amount of notes converted. In connection with the conversion, we paid such holders an aggregate of $4.9 million, calculated based on the accrued and unpaid interest on the notes and the discounted value of future interest payments on the notes. As of December 31, 2005, $152.9 million principal amount of 3.25% Notes remained outstanding. Between January 1, 2006 and March 9, 2006, holders of an additional $22.5 million principal amount of 3.25% Notes converted their notes into an aggregate of 1.8 million shares of our Class A common stock. In connection with the conversion, we paid such holders an aggregate of $1.7 million, calculated based on the accrued and unpaid interest on the notes and the discounted value of future interest payments on the notes.

Interest Rate Swap Agreements. In the fourth quarter of 2005, we entered into eight interest rate swap agreements to manage exposure to variable rate interest obligations under our new credit facilities. The swaps have an aggregate notional amount of $450.0 million, a weighted average fixed rate of approximately 4.85% and expire in October 2010. During January 2006, we also entered into two additional interest rate swap agreements with an aggregate notional amount of $100.0 million, a weighted average fixed rate of approximately 4.68% and will expire in October 2010. We have designated these swaps as cash flow hedges.

Factors Affecting Sources of Liquidity

Internally Generated Funds. Because the majority of our tenant leases are multi-year contracts, a significant majority of the revenues generated by our rental and management segment as of the end of 2005 is recurring revenue that we should continue to receive in future periods. Accordingly, a key factor affecting our ability to generate cash flow from operating activities is to maintain this recurring revenue and to convert it to operating profit by minimizing operating costs and fully achieving our operating efficiencies. In addition, our ability to increase cash flow from operating activities is dependent upon the demand for antenna space on wireless and broadcast communications towers and for related services and our ability to maximize the utilization of our existing towers.

Restrictions Under Credit Facilities. The American Tower and SpectraSite credit facilities contain certain financial ratios and operating covenants and other restrictions (including limitations on additional debt, distributions and dividends, guaranties, sales of assets and liens) with which the borrowers and their restricted subsidiaries must comply. Each credit facility contains the following two financial maintenance tests with which the borrowers under the applicable credit facility must comply:

- a leverage ratio (Total Debt to Adjusted EBITDA) of not greater than 5.50 to 1.00 for the borrowers and their restricted subsidiaries; and
- an interest coverage ratio (Adjusted EBITDA to Interest Expense) of not less than 2.50 to 1.00 for the borrowers and their restricted subsidiaries.

As of December 31, 2005, we were in compliance with all of the foregoing financial tests.

Any failure to comply with the financial and operating covenants of the American Tower credit facility or the SpectraSite credit facility would not only prevent us from being able to borrow additional funds under the revolving loans, but would constitute a default, resulting in, among other things, the amounts outstanding, including all accrued interest and unpaid fees, becoming immediately due and payable. The credit facilities allow us to use borrowings for general corporate purposes and, provided certain conditions are met, permit the use of borrowings under the credit facilities and internally generated funds to repurchase our equity securities and repurchase and refinance other indebtedness without additional lender approval.

Restrictions Under Notes Indentures. The indenture governing the terms of the ATI 7.25% Notes contains certain covenants which further restrict ATI, the sister guarantors (as defined) and its and their subsidiaries in addition to the restrictions set forth in the American Tower credit facility. These include restrictions on their ability to incur additional debt, guarantee debt, pay dividends and make other distributions and make certain investments. SpectraSite and its subsidiaries are unrestricted subsidiaries under the indenture for the ATI 7.25% Notes and are not subject to such restrictions. Any failure to comply with these covenants would constitute a default. Specifically, the indenture restricts ATI, the sister guarantors and its and their restricted subsidiaries from incurring additional debt or issuing certain types of preferred stock, other than debt under the American Tower credit facility, or renewals, refundings, replacements or refinancings, up to $1.6 billion.

The indentures governing the terms of our 7.50% Notes and 7.125% Notes also contain certain restrictive covenants with which we and the restricted subsidiaries under these indentures must comply. These include restrictions on our ability to incur additional debt, guarantee debt, pay dividends and make other distributions and make certain investments. SpectraSite and its subsidiaries are unrestricted subsidiaries under the indentures for our 7.50% Notes and 7.125% Notes and are not subject to such restrictions. Any failure to comply with these covenants would constitute a default. Specifically, these indentures restrict us from incurring additional debt or issuing certain types of preferred stock unless our consolidated debt is not greater than 7.5 times our adjusted consolidated cash flow. We are permitted, however, to incur debt under our credit facilities even if we are not in compliance with this ratio, or renewals, refundings, replacements or refinancings of our credit facilities.

If a default occurred under any of our credit facilities or other debt securities, the maturity dates for our outstanding debt could be accelerated, and we likely would be prohibited from making additional borrowings under the credit facilities until we cured the default. If this were to occur, we would not have sufficient cash on hand to repay such indebtedness. The key factors affecting our ability to comply with the debt covenants described above are our financial performance relative to the financial ratios defined in the credit facilities agreements and our ability to fund our debt service obligations. Based upon our current expectations, we believe our operating results will be sufficient to comply with these covenants.

As of December 31, 2005, our annual consolidated cash debt service obligations (principal and interest) for each of the next five years and thereafter are approximately: $373.8 million, $457.1 million, $179.0 million, $178.7 million, $1.8 billion and $1.8 billion, respectively. In addition, as a holding company, we depend on distributions or dividends from our subsidiaries, or funds raised through debt and equity offerings, to fund our debt obligations. Although the agreements governing the terms of our credit facilities and the indenture for the ATI 7.25% Notes permit our subsidiaries to make distributions to us to permit us to meet our debt service obligations, such terms also significantly limit their ability to distribute cash to us under certain circumstances.

Accordingly, if we do not receive sufficient funds from our subsidiaries to meet our debt service obligations, we may be required to refinance or renegotiate the terms of our debt, and there is no assurance we will succeed in such efforts.

Our ability to make scheduled payments of principal and interest on our debt obligations, and our ability to refinance such debt obligations, will depend on our future financial performance, which is subject to many factors beyond our control, as outlined above in Item 1A of this annual report under the caption “Risk Factors.” In addition, our ability to refinance any of our debt in the future may depend on our credit ratings from commercial rating agencies, which are dependent on our expected financial performance, the liquidity factors discussed above, and the rating agencies’ outlook for our industry. There can be no assurance that we will be able to secure such refinancings or, if such refinancings are obtained, that the terms will be commercially reasonable.

Capital Markets. Our ability to raise additional funds in the capital markets depends on, among other things, general economic conditions, conditions of the wireless industry, our financial performance and the state of the capital markets. In April 2004, the SEC declared effective our “universal” shelf registration statement for possible future offerings of an aggregate of up to $1.0 billion of debt and/or equity securities. As of December 31, 2005, we had not conducted any offerings pursuant to our universal shelf registration statement.

Critical Accounting Policies and Estimates

Management’s discussion and analysis of financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, as well as related disclosures of contingent assets and liabilities. We evaluate our policies and estimates on an ongoing basis, including those related to income taxes, purchase price allocation, asset retirement obligations, stock-based compensation, impairment of assets and revenue recognition. Management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We have identified the following policies as critical to an understanding of our results of operations and financial condition. This is not a comprehensive list of our accounting policies. In many cases, the accounting treatment of a particular transaction is specifically dictated by generally accepted accounting principles, with no need for management’s judgment in its application. There are also areas in which management’s judgment in selecting any available alternative would not produce a materially different result. For a discussion of our other accounting policies, see note 1 to our consolidated financial statements included in this Form 10-K/A, beginning on page F-7.

- *Income Taxes.* We record a valuation allowance to reduce our net deferred tax asset to the amount that management believes is more likely than not to be realized. At December 31, 2005, we have provided a valuation allowance of approximately $348.8 million, including approximately $173.3 million attributable to SpectraSite, primarily related to certain net operating loss and capital loss carryforwards. Approximately $161.5 million of the SpectraSite valuation allowance was assumed as of the acquisition date. The balance of the valuation allowance primarily relates to net state deferred tax assets. We have not provided a valuation allowance for the remaining deferred tax assets, primarily our federal net operating loss carryforwards, as we believe that we will have sufficient time to realize these federal net operating loss carryforwards during the twenty-year tax carryforward period.

  We intend to recover a portion of our deferred tax asset through our federal income tax refund claims related to the carry back of certain federal net operating losses. In June 2003 and October 2003, we filed federal income tax refund claims with the IRS relating to the carry back of $380.0 million of net operating losses generated prior to 2003, of which we initially anticipated receiving approximately

$90.0 million. Based on preliminary discussions with tax authorities, we revised our estimate of the net realizable value of our federal income tax refund claims and anticipate receiving a refund of approximately $65.0 million as a result of these claims by the end of 2006. There can be no assurances, however, with respect to the specific amount and timing of any refund.

The recoverability of our remaining net deferred tax asset has been assessed utilizing stable state (no growth) projections based on our current operations. The projections show a significant decrease in depreciation and interest expense in the later years of the carryforward period as a result of a significant portion of our assets being fully depreciated during the first fifteen years of the carryforward period and debt repayments reducing interest expense. Accordingly, the recoverability of our net deferred tax asset is not dependent on material improvements to operations, material asset sales or other non-routine transactions. Based on our current outlook of future taxable income during the carryforward period, management believes that our net deferred tax asset will be realized. The realization of our deferred tax assets will be dependent upon our ability to generate approximately $1.3 billion in taxable income from January 1, 2006 to December 31, 2025. If we are unable to generate sufficient taxable income in the future or carry back losses as described above, we will be required to reduce our net deferred tax asset through a charge to income tax expense.

From time to time, we are subject to examination by various tax authorities in jurisdictions in which we have significant business operations, and we regularly assess the likelihood of additional assessments in each of the tax jurisdictions resulting from these examinations. During the year ended December 31, 2005, we recorded a $29.5 million income tax provision to reflect a reduction in management's estimate of the net realizable value of our pending federal tax refund claims as described above. We believe that adequate provisions have been made for income taxes for all periods through December 31, 2005.

Depending on the resolution of the Verestar bankruptcy proceedings described in notes 4 and 10 to the consolidated financial statements, we may be entitled to a worthless stock or bad debt deduction for our investment in Verestar. No income tax benefit has been provided for these potential deductions due to the uncertainty surrounding the bankruptcy proceedings.

- *Purchase Price Allocation.* We account for our acquisitions under the purchase method of accounting in accordance with SFAS No. 141 "Business Combinations" (SFAS No. 141), which provides that purchase prices be allocated to the net assets acquired and the liabilities assumed based on their estimated fair values at the date of acquisition. In the case of tower assets acquired through the purchase of a business, such as our merger with SpectraSite, Inc., we allocate the purchase price to the assets acquired and liabilities assumed at their estimated fair values as of the date of acquisition, and the excess of the purchase price paid over the estimated fair value of net assets acquired is recorded as residual goodwill. We completed our merger with SpectraSite, Inc. in August 2005 for a total preliminary purchase price of approximately $3.1 billion, including the fair value of shares of Class A common stock issued, the fair value of options and warrants assumed and estimated transaction costs. We are in the process of finalizing a third-party valuation of SpectraSite's property and equipment, intangible assets and certain other assets and liabilities. Given the size of the SpectraSite transaction, the values of certain assets and liabilities are based on preliminary valuations and are subject to adjustment as additional information on management's estimates and assumptions is obtained and the third-party valuation is finalized. The primary areas of the purchase price allocation that are not yet finalized relate to the fair values of property and equipment, intangibles, restructuring and merger related liabilities, other assumed liabilities, deferred income taxes and residual goodwill of approximately $1.5 billion. Changes to the valuation of these items may result in adjustments to the overall purchase price allocation of these items and the related depreciation and amortization.
- *Asset Retirement Obligations*. We comply with the provisions of SFAS No. 143, "Accounting for Asset Retirement Obligations" (SFAS No. 143) and the provisions of FIN No. 47. Both pronouncements address the financial accounting and reporting requirements for conditional obligations associated with our legal obligation to retire tangible long-lived assets and the related asset retirement costs, principally

obligations to remediate leased land on which certain of our tower assets are located. Under these accounting principles, we recognize asset retirement obligations in the period in which they are incurred, if a reasonable estimate of a fair value can be made, and we accrete such liability through the obligation's estimated settlement date. The associated retirement costs are capitalized as part of the carrying amount of the related tower fixed assets and depreciated over their estimated useful life.

As of December 31, 2005, we adopted the provisions of FIN No. 47 and recognized a $35.5 million charge (net of an $11.7 million tax benefit) as a cumulative effect of a change in accounting principle in the consolidated statement of operations for the year ended December 31, 2005. This adoption also increased our aggregate asset retirement obligation by approximately $114.0 million to $164.2 million as of December 31, 2005 and resulted in an increase to tower assets included in property and equipment, net of $66.9 million. The adoption of FIN No. 47 primarily resulted in the acceleration of our settlement date assumptions, as FIN No. 47 precludes us from considering non contractual lease renewal periods in determining our settlement date assumptions. Fair value estimates of liabilities for asset retirement obligations generally involve discounted future cash flows, and periodic accretion of such liabilities due to the passage of time is recorded as an operating expense. The significant assumptions used in estimating the Company's aggregate asset retirement obligation are: timing of tower removals; cost of tower removals; timing and number of land lease renewals; expected inflation rates; and credit-adjusted risk-free interest rates that approximate our incremental borrowing rate. While we feel the assumptions are appropriate, there can be no assurances that actual costs and the probability of incurring obligations will not differ from these estimates. We will continue to review these assumptions periodically and we may need to adjust them as necessary.

- *Stock-Based Compensation.* We measure compensation expense for our stock-based employee compensation plans using the intrinsic value method prescribed by APB Opinion No. 25, "Accounting for Stock Issued to Employees" (APB No. 25). Under the intrinsic value method, compensation expense associated with fixed awards is the excess, if any, of the quoted market price of the stock at the accounting measurement date over the amount an employee must pay to acquire the stock. Under APB No. 25, compensation expense is measured as of the date an award has received approval by relevant authority, the number of shares and exercise price are fixed and allocation to specific individuals has occurred. Generally, this occurs on the date the grant is approved by the compensation committee of our Board of Directors, or, if grant authority has been delegated to management, when the shares are allocated to specific individuals. The stock-based compensation expense for an award is recognized over the vesting period using the ratable method, whereby an equal amount of expense is recognized for each year of vesting. The actual accounting measurement dates determined in the course of our recent investigation of our stock option granting practices are based on a review of supporting approval documentation and other extrinsic evidence of awards.

While our financial statements have used the above measure, Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" (SFAS No. 123) also historically required that we present in the footnotes to our financial statements pro forma financial results as if a fair value method of accounting for an employee stock option or similar equity instrument were applied. Under SFAS No. 123, the fair value of the stock option is determined using an option-pricing model that takes into account the stock price at the accounting measurement date, the exercise price, the expected life of the option, the volatility of the underlying stock and its expected dividends, and the risk-free interest rate over the expected life of the option. These assumptions are highly subjective and changes in them could significantly impact the value of the option and hence the pro forma compensation expense.

During the year ended December 31, 2005, we re-evaluated the assumptions used to estimate the fair value of stock options issued to employees and related disclosure of pro forma expense. As a result, we lowered our expected volatility assumption for options granted after July 1, 2005 to approximately 30% and increased the expected life of option grants to 6.25 years using the simplified method permitted by SEC Staff Accounting Bulletin (SAB) No. 107, "Share-Based Payment" (SAB No. 107). We made this change based on a number of factors, including our execution of our strategic plans to sell non-core businesses, reduce leverage and refinance our debt and our merger with SpectraSite. We had previously based our volatility assumptions on historical volatility since inception, which included periods when our capital structure was more highly leveraged than current levels and expected levels for the foreseeable future. Our estimate of future volatility is based on our consideration of all available information, including historical volatility, implied volatility of publicly traded options, our current capital structure and our publicly announced future business plans.

In December 2004, the FASB issued SFAS No. 123R, "Share-Based Payments" (SFAS No. 123R) which supersedes APB No. 25 and amends SFAS No. 95, "Statement of Cash Flows." We adopted SFAS No. 123R as of January 1, 2006 under the modified prospective method, in which compensation cost for all share-based payments granted or modified after the effective date is recognized based upon the requirements of SFAS No. 123R. SFAS No. 123R primarily resulted in a change in our method of measuring and recognizing the fair value of option awards and estimating forfeitures for all unvested awards. Under SFAS No. 123R, the fair value of the stock option is determined in the same manner as the pro forma compensation cost under SFAS No. 123 and adjusted for estimated forfeitures. These fair value and forfeiture assumptions are highly subjective and changes in them could significantly impact the value of the option and hence the compensation expense. For more information on SFAS No. 123R, see "—Recent Accounting Pronouncements" below.

- *Impairment of Assets.*

  Assets Subject to Depreciation and Amortization and Non-Core Long-Lived Assets Held for Sale: We review long-lived assets, including intangibles, for impairment whenever events, changes in circumstances or our review of our tower portfolio indicate that the carrying amount of an asset may not be recoverable. Our tower portfolio review includes sites for which we have no current tenant leases. We assess recoverability by determining whether the net book value of the related assets will be recovered through projected undiscounted cash flows, as well as through other analytical methods. If we determine that the carrying value of an asset may not be recoverable, we will measure any impairment based on the projected future discounted cash flows to be provided from the asset or available market information relative to the asset's fair market value as compared to its carrying value. We record any related impairment losses in the period in which we identify such impairment. We also review the carrying value of assets held for sale for impairment based on management's best estimate of the anticipated net proceeds expected to be received upon final disposition. We record any impairment charges or estimated losses on disposal in the period in which we identify such impairment or loss.

  Goodwill—Assets Not Subject to Amortization: We perform our annual goodwill impairment test on December 1 of each year and when events or circumstances indicate that the asset might be impaired. In December 2005, 2004 and 2003, we completed our annual impairment testing related to the goodwill of our rental and management segment and determined that goodwill was not impaired. Fair value estimates are based on our historical and projected operating results and market information, changes to which could affect those fair value estimates. Our December 2005 annual impairment testing included $1.5 billion of goodwill acquired in our merger with SpectraSite, Inc.

- *Revenue Recognition*. Rental and management revenues are recognized on a monthly basis under lease or management agreements when earned, regardless of whether the payments from the customer are received in equal monthly amounts. Fixed escalation clauses present in non-cancelable lease agreements, excluding those tied to the Consumer Price Index (CPI) or other inflation-based indices, and other incentives present in lease agreements with our customers are recognized on a straight-line basis over the terms of the applicable leases. Straight-line revenues for the years ended December 31, 2005, 2004 and 2003 approximated $30.3 million, $24.8 million and $22.9 million respectively. Amounts billed up-front for certain services provided in connection with the execution of lease agreements are initially deferred and recognized as revenue over the terms of the applicable leases. Amounts billed or received prior to being earned are deferred and reflected in unearned revenue in the consolidated balance sheets until such time as the earnings process is complete.

Recent Accounting Pronouncements

In December 2004, the FASB issued SFAS No. 123 (revised 2004), "Share-Based Payment" (SFAS No. 123R). SFAS No. 123R revises SFAS No. 123 "Accounting for Stock-Based Compensation" (SFAS No. 123), supersedes Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees," (APB No. 25) and amends SFAS No. 95, "Statement of Cash Flows." This statement addressed the accounting for share-based payments to employees, including grants of employee stock options. Under the new standard, companies will no longer be able to account for share-based compensation transactions using the intrinsic method in accordance with APB No. 25. Instead, companies will be required to account for such transactions using a fair-value method and recognize the related expense associated with share-based payments in the statement of operations. SFAS No. 123R is effective for us as of January 1, 2006. We have historically accounted for share-based payments to employees under APB No. 25's intrinsic value method. We will adopt the provisions of SFAS No. 123R under the modified prospective method, in which compensation cost for all share-based payments granted or modified after the effective date is recognized based upon the requirements of SFAS No. 123R and compensation cost for all awards granted to employees prior to the effective date that are unvested as of the effective date of SFAS No. 123R is recognized based on SFAS No. 123. Tax benefits will be recognized related to the cost for share-based payments to the extent the equity instrument would ordinarily result in a future tax deduction under existing law. Tax expense will be recognized to write off excess deferred tax assets when the tax deduction upon settlement of a vested option is less than the expense recorded in the statement of operations. We estimate that we will recognize stock-based compensation expense of approximately $38 million to $40 million for the year ending December 31, 2006 under the provisions of SFAS No. 123R. This amount is subject to revisions as we finalize certain assumptions related to 2006, including the size and nature of awards and forfeiture rates. SFAS No. 123R also requires the benefits of tax deductions in excess of recognized compensation cost be reported as a financing cash flow rather than as operating cash flow as was previously required. We cannot estimate what the future tax benefits will be as the amounts depend on, among other factors, future employee stock option exercises. Due to the our tax loss position, there was no operating cash inflow realized for December 31, 2005 and 2004 for such excess tax deductions.

In March 2005, the SEC issued SAB No. 107 regarding the Staff's interpretation of SFAS No. 123R. This interpretation provides the Staff's views regarding interactions between SFAS No. 123R and certain SEC rules and regulations and provides interpretations of the valuation of share-based payments for public companies. The interpretive guidance is intended to assist companies in applying the provisions of SFAS No. 123R and investors and users of the financial statements in analyzing the information provided. We will follow the guidance prescribed in SAB No. 107 in connection with our adoption of SFAS No. 123R.

Information Presented Pursuant to the Indentures of our 7.50% Notes, 7.125% Notes and ATI 7.25% Notes

The following table sets forth information that is presented solely to address certain tower cash flow reporting requirements contained in the indentures for our 7.50% Notes, 7.125% Notes and ATI 7.25% Notes (collectively, the Notes). The information contained in note 21 to our consolidated financial statements is also presented to address certain reporting requirements contained in the indenture for our ATI 7.25% Notes.

The indentures governing the Notes contain restrictive covenants with which we and certain subsidiaries under these indentures must comply. These include restrictions on our ability to incur additional debt, guarantee debt, pay dividends and make other distributions and make certain investments. Any failure to comply with these covenants would constitute a default, which could result in the acceleration of the principal amount and accrued and unpaid interest on all the outstanding Notes. In order for the holders of the Notes to assess our compliance with certain of these covenants, the indentures require us to disclose in the periodic reports we file with the SEC our Tower Cash Flow, Adjusted Consolidated Cash Flow and Non-Tower Cash Flow (each as defined in the indentures). Under the indentures, our ability to make certain types of restricted payments is limited by the amount of Adjusted Consolidated Cash Flow that we generate, which is determined based on our Tower Cash Flow and Non-Tower Cash Flow. In addition, the indentures for the Notes restrict us from incurring additional debt or issuing certain types of preferred stock if on a pro forma basis the issuance of such debt and preferred stock would cause our consolidated debt to be greater than 7.5 times our Adjusted Consolidated Cash Flow. As of December 31, 2005, the ratio of our consolidated debt to Adjusted Consolidated Cash Flow was approximately 5.5. For more information about the restrictions under our notes indentures, see note 8 to our consolidated financial statements included in this annual report and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Factors Affecting Sources of Liquidity."

Tower Cash Flow, Adjusted Consolidated Cash Flow and Non-Tower Cash Flow are considered non-GAAP financial measures. We are required to provide these financial metrics by the indentures for the Notes, and we have included them below because we consider the indentures for the Notes to be material agreements, the covenants related to Tower Cash Flow, Adjusted Consolidated Cash Flow and Non-Tower Cash Flow to be material terms of the indentures, and information about compliance with such covenants to be material to an investor's understanding of our financial results and the impact of those results on our liquidity.

The following table presents Tower Cash Flow, Adjusted Consolidated Cash Flow and Non-Tower Cash Flow for the Company and its restricted subsidiaries, as defined in the indentures for the applicable notes (in thousands):

Tower Cash Flow, for the three months ended December 31, 2005	$ 139,590
Consolidated Cash Flow, for the twelve months ended December 31, 2005	$ 496,783
Less: Tower Cash Flow, for the twelve months ended December 31, 2005	(524,804)
Plus: four times Tower Cash Flow, for the three months ended December 31, 2005	558,360
Adjusted Consolidated Cash Flow, for the twelve months ended December 31, 2005	$ 530,339
Non-Tower Cash Flow, for the twelve months ended December 31, 2005	$ (32,067)

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as a part of this report:

1. *Financial Statements.* See Index to Consolidated Financial Statements, which appears on page F-1 hereof. The financial statements listed in the accompanying Index to Consolidated Financial Statements are filed herewith in response to this Item.

2. *Financial Statement Schedules.* All schedules are omitted because they are not applicable or because the required information is contained in the consolidated financial statements or notes included in this annual report on Form 10-K/A.

3. *Exhibits.* See Index to Exhibits. The exhibits listed in the Index to Exhibits immediately preceding the exhibits are filed herewith in response to this Item.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on the 23rd day of February, 2007.

AMERICAN TOWER CORPORATION

By: /s/ JAMES D. TAICLET, JR.

James D. Taiclet, Jr.
Chairman, President and Chief Executive Officer

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

Signature	Title	Date
/s/ JAMES D. TAICLET, JR. **James D. Taiclet, Jr.**	Chairman, President and Chief Executive Officer (Principal Executive Officer)	February 23, 2007
/s/ BRADLEY E. SINGER **Bradley E. Singer**	Chief Financial Officer and Treasurer (Principal Financial Officer)	February 23, 2007
/s/ JEAN A. BUA **Jean A. Bua**	Senior Vice President, Finance and Corporate Controller (Principal Accounting Officer)	February 23, 2007
/s/ RAYMOND P. DOLAN **Raymond P. Dolan**	Director	February 23, 2007
/s/ CAROLYN F. KATZ **Carolyn F. Katz**	Director	February 23, 2007
/s/ GUSTAVO LARA CANTU **Gustavo Lara Cantu**	Director	February 23, 2007
/s/ FRED R. LUMMIS **Fred R. Lummis**	Director	February 23, 2007
/s/ PAMELA D. A. REEVE **Pamela D. A. Reeve**	Director	February 23, 2007
/s/ DAVID E. SHARBUTT **David E. Sharbutt**	Director	February 23, 2007
/s/ SAMME L. THOMPSON **Samme L. Thompson**	Director	February 23, 2007

AMERICAN TOWER CORPORATION

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

(RESTATED)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
American Tower Corporation
Boston, Massachusetts

We have audited the accompanying consolidated balance sheets of American Tower Corporation and subsidiaries (the “Company”) as of December 31, 2005 and 2004, and the related consolidated statements of operations, stockholders’ equity, and cash flows for each of the three years in the period ended December 31, 2005. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the financial statements based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2005 and 2004, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to consolidated financial statements, in 2005 the Company adopted the provisions of Financial Accounting Standards Board (FASB) Interpretation No. 47, “Accounting for Conditional Asset Retirement Obligations-an interpretation of FASB Statement No. 143,” effective December 31, 2005.

As discussed in Note 2, the consolidated financial statements have been restated.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of the Company’s internal control over financial reporting as of December 31, 2005, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 14, 2006 (November 28, 2006 as to the effect of the material weaknesses described in Management’s Annual Report on Internal Control over Financial Reporting (as revised)) expressed an unqualified opinion on management’s assessment of the effectiveness of the Company’s internal control over financial reporting and an adverse opinion on the effectiveness of the Company’s internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP

Boston, Massachusetts
March 14, 2006 (November 28, 2006 as to Note 20 and February 23, 2007 as to the effects of the matters discussed in Note 2)

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	December 31,	
	2005 (as restated, see note 2)	2004 (as restated, see note 2)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 112,701	$ 215,557
Accounts receivable, net of allowances	36,995	38,634
Prepaid and other current assets	44,823	45,367
Deferred income taxes	31,359	6,090
Assets held for sale		3,389
Total current assets	225,878	309,037
PROPERTY AND EQUIPMENT, net	3,460,526	2,273,356
GOODWILL	2,142,551	592,683
OTHER INTANGIBLE ASSETS, net	2,077,312	985,303
DEFERRED INCOME TAXES	523,293	655,538
NOTES RECEIVABLE AND OTHER LONG-TERM ASSETS	357,294	291,779
TOTAL	$ 8,786,854	$ 5,107,696
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 178,951	$ 123,582
Accrued interest	37,850	39,466
Current portion of long-term obligations	162,153	138,386
Unearned revenue	77,655	32,681
Total current liabilities	456,609	334,115
LONG-TERM OBLIGATIONS	3,451,276	3,155,228
OTHER LONG-TERM LIABILITIES	327,354	121,505
Total liabilities	4,235,239	3,610,848
COMMITMENTS AND CONTINGENCIES		
MINORITY INTEREST IN SUBSIDIARIES	9,794	6,081
STOCKHOLDERS' EQUITY:		
Preferred Stock: $.01 par value; 20,000,000 shares authorized; no shares issued or outstanding		
Class A Common Stock: $.01 par value; 1,000,000,000 and 500,000,000 shares authorized, 415,636,595 and 229,745,116 shares issued, and 412,654,855 and 229,599,895 shares outstanding, respectively	4,156	2,297
Class C Common Stock: $.01 par value; 0 and 10,000,000 shares authorized, respectively; no shares issued or outstanding		
Additional paid-in capital	7,383,320	4,072,881
Accumulated deficit	(2,761,404)	(2,580,045)
Unearned compensation	(2,497)	
Accumulated other comprehensive loss	(803)	
Treasury stock (2,981,740 and 145,221 shares at cost)	(80,951)	(4,366)
Total stockholders' equity	4,541,821	1,490,767
TOTAL	$ 8,786,854	$ 5,107,696

See notes to consolidated financial statements.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Year Ended December 31,		
	2005	2004	2003
	(as restated, see note 2)	(as restated, see note 2)	(as restated, see note 2)
REVENUES:			
Rental and management	$ 929,762	$ 684,422	$ 619,697
Network development services	15,024	22,238	12,796
Total operating revenues	944,786	706,660	632,493
OPERATING EXPENSES:			
Costs of operations (exclusive of items shown separately below)			
Rental and management	247,781	195,242	192,380
Network development services	8,346	16,220	7,419
Depreciation, amortization and accretion	411,254	329,449	330,414
Selling, general, administrative and development expense (including stock-based compensation expense of $6,597, $9,874 and $10,082, respectively)	108,059	83,094	83,492
Impairments, net loss on sale of long-lived assets, restructuring and merger related expense (including stock-based compensation expense of $9,333, $876 and $1,106, respectively)	34,232	23,876	31,656
Total operating expenses	809,672	647,881	645,361
OPERATING INCOME (LOSS) FROM CONTINUING OPERATIONS	135,114	58,779	(12,868)
OTHER INCOME (EXPENSE):			
Interest income, TV Azteca, net of interest expense of $1,492, $1,497, and $1,496, respectively	14,232	14,316	14,222
Interest income	4,402	4,844	5,255
Interest expense	(222,419)	(262,237)	(279,783)
Loss on retirement of long-term obligations	(67,110)	(138,016)	(46,197)
Other income (expense)	227	(2,798)	(8,598)
Total other expense	(270,668)	(383,891)	(315,101)
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES, MINORITY INTEREST AND LOSS ON EQUITY METHOD INVESTMENTS	(135,554)	(325,112)	(327,969)
Income tax (provision) benefit	(5,714)	83,338	85,567
Minority interest in net earnings of subsidiaries	(575)	(2,366)	(3,703)
Loss on equity method investments	(2,078)	(2,915)	(21,221)
LOSS FROM CONTINUING OPERATIONS BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	(143,921)	(247,055)	(267,326)
LOSS FROM DISCONTINUED OPERATIONS, NET OF INCOME TAX BENEFIT OF $1,030, $4,447 AND $11,776, RESPECTIVELY	(1,913)	(8,409)	(61,633)
LOSS BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	(145,834)	(255,464)	(328,959)
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, NET OF INCOME TAX BENEFIT OF $11,697	(35,525)		
NET LOSS	$(181,359)	$(255,464)	$(328,959)
BASIC AND DILUTED LOSS PER COMMON SHARE AMOUNTS:			
Loss from continuing operations	$ (0.47)	$ (1.10)	$ (1.28)
Loss from discontinued operations	(0.01)	(0.04)	(0.30)
Cumulative effect of change in accounting principle, net	(0.12)		
NET LOSS PER COMMON SHARE	$ (0.60)	$ (1.14)	$ (1.58)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	302,510	224,336	208,098

See notes to consolidated financial statements.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

Years Ended December 31, 2005, 2004, and 2003 (as restated, see note 2)
(In thousands, except share data)

	Common Stock Class A		Common Stock Class B		Common Stock Class C		Treasury Stock								
	Issued Shares	Amount	Issued Shares	Amount	Issued Shares	Amount	Shares	Amount	Note Receivable	Additional Paid-in Capital (as restated, see note 2)	Unearned Compensation	Accumulated Other Comprehensive Loss	Accumulated Deficit (as restated, see note 2)	Total Stockholders' Equity (as restated, see note 2)	Total Comprehensive Loss (as restated, see note 2)
BALANCE, JANUARY 1, 2003, as previously reported	185,643,625	$ 1,856	7,917,070	$ 79	2,267,813	$ 23	(144,597)	$ (4,340)	$ (6,720)	$ 3,642,019		$ (5,564)	$(1,966,495)	$ 1,660,858	
Restatement adjustments, see note 2										43,861			(29,127)	14,734	
BALANCE, JANUARY 1, 2003, as restated	185,643,625	$ 1,856	7,917,070	$ 79	2,267,813	$ 23	(144,597)	$ (4,340)	$ (6,720)	$ 3,685,880		$ (5,564)	$(1,995,622)	$ 1,675,592	
Issuance of common stock—August offering	14,260,000	143								120,200				120,343	
2.25% convertible notes exchanged for common stock	8,415,984	84								86,045				86,129	
12.25% Senior Subordinated Notes—Warrants										52,525				52,525	
Issuance of common stock—Employee Stock Purchase Plan	200,287	2								959				961	
Share Class Exchanges	1,990,440	20	(947,541)	(9)	(1,042,899)	(11)									
Stock option activity, as restated	1,345,322	14								19,128				19,142	
Treasury stock activity							(624)	(26)						(26)	
Net change in fair value of cash flow hedges, net of tax												(329)		(329)	$ (329)
Reclassification adjustment for realized losses on derivative instruments, net of tax												5,893		5,893	5,893
Tax provision from disposition of stock options, as restated										(1,650)				(1,650)	
Net loss, as restated													(328,959)	(328,959)	(328,959)
Total comprehensive loss, as restated															$ (323,395)
BALANCE, DECEMBER 31, 2003, as restated	211,855,658	$ 2,119	6,969,529	$ 70	1,224,914	$ 12	(145,221)	$ (4,366)	$ (6,720)	$ 3,963,087			$(2,324,581)	$ 1,629,621	
Share Class Exchanges	8,194,443	82	(6,969,529)	(70)	(1,224,914)	(12)									
Stock option activity, as restated	6,249,324	62								52,951				53,013	
Issuance of common stock—Stock Purchase Plans	86,045									854				854	
ATC Mexico activity	3,359,646	34							6,720	41,421				48,175	
ATC South America activity										67				67	
Tax benefit from disposition of stock options, as restated										14,501				14,501	
Net loss, as restated													(255,464)	(255,464)	(255,464)
Total comprehensive loss, as restated															$ (255,464)
BALANCE, DECEMBER 31, 2004, as restated	229,745,116	$ 2,297					(145,221)	$ (4,366)		$ 4,072,881			$(2,580,045)	$ 1,490,767	
Issuance of common stock and assumption of options and warrants—SpectraSite merger Plan	169,506,083	1,695								3,104,377				3,106,072	
Stock option activity, as restated	11,106,693	111								76,810				76,921	
Issuance of common stock upon exercise of warrants	398,412	4								1,778				1,782	
Issuance of common stock—Stock Purchase Plans	50,119	1								767				768	
Treasury stock activity							(2,836,519)	(76,585)						(76,585)	
Unearned compensation—SpectraSite merger											$ (4,861)			(4,861)	
Unearned compensation amortization—SpectraSite merger											2,364			2,364	
Net change in fair value of cash flow hedges, net of tax												(803)		(803)	(803)
3.25% convertible notes exchanged for	4,670,336	46								55,659				55,705	

common stock															
ATC Mexico activity	159,836	2								2,829				2,831	
ATC South America activity										2,026				2,026	
Tax benefit from disposition of stock options, as restated										66,193				66,193	
Net loss, as restated													(181,359)	(181,359)	(181,359)
Total comprehensive loss, as restated															$ (182,162)
BALANCE, DECEMBER 31, 2005, as restated	415,636,595	$ 4,156					(2,981,740)	$(80,951)		$ 7,383,320	$ (2,497)	$ (803)	$(2,761,404)	$ 4,541,821	

See notes to consolidated financial statements.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Year Ended December 31, 2005 (as restated, see note 2)	2004 (as restated, see note 2)	2003 (as restated, see note 2)
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:			
Net loss	$ (181,359)	$ (255,464)	$ (328,959)
Cumulative effect of change in accounting principle, net	35,525		
Adjustments to reconcile net loss to cash provided by operating activities:			
Depreciation, amortization and accretion	411,254	329,449	330,414
Non-cash items reported in discontinued operations (primarily depreciation, asset impairments and net losses on dispositions)	(2,145)	3,798	54,230
Non-cash stock-based compensation expense	15,930	10,750	11,188
Minority interest in net earnings of subsidiaries	575	2,366	3,703
Loss on investments and other non-cash expense	2,078	4,295	20,525
Impairments, net loss on sale of long-lived assets, non-cash restructuring and merger related expense	19,096	22,254	28,294
Loss on retirement of long-term obligations	67,110	138,016	46,197
Amortization of deferred financing costs, debt discounts and other non-cash interest	45,214	72,857	75,595
Provision for losses on accounts receivable	8,492	17,440	21,940
Deferred income taxes	(11,029)	(95,614)	(85,596)
Changes in assets and liabilities, net of acquisitions:			
Accounts receivable	7,570	1,335	(3,649)
Prepaid and other assets	(10,331)	(18,665)	(11,908)
Accounts payable and accrued expenses	(35,120)	(2,146)	481
Accrued interest	(5,641)	(20,268)	(4,363)
Unearned revenue	5,179	(10,990)	(3,139)
Other long-term liabilities	24,806	17,287	1,433
Cash provided by operating activities	397,204	216,700	156,386
CASH FLOWS (USED FOR) PROVIDED BY INVESTING ACTIVITIES:			
Payments for purchase of property and equipment and construction activities	(88,637)	(42,181)	(61,608)
Payments for acquisitions, net of cash acquired	(7,479)	(33,403)	(95,077)
Payments for acquisition of Mexico minority interest	(7,270)	(3,947)	
Proceeds from notes receivable, net			6,946
Cash acquired from SpectraSite merger, net of transaction costs paid	16,696		
Proceeds from sales of businesses and other long-term assets	6,881	31,987	110,753
Restricted cash and investments		170,036	(170,036)
Deposits and investments and other	(725)	2,328	(17,024)
Cash (used for) provided by investing activities	(80,534)	124,820	(226,046)
CASH FLOWS (USED FOR) PROVIDED BY FINANCING ACTIVITIES:			
Proceeds from issuance of debt securities and notes payable		1,072,500	1,032,384
Net proceeds from equity offerings, stock options, warrants and stock purchase plans	65,357	40,556	126,847
Borrowings under credit facilities	1,543,000	700,000	
Repayment of notes payable, credit facilities and capital leases	(1,949,444)	(2,003,401)	(1,071,956)
Purchases of Class A common stock	(68,927)		
Deferred financing costs and other financing activities	(9,512)	(41,083)	(39,442)
Cash (used for) provided by financing activities	(419,526)	(231,428)	47,833
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(102,856)	110,092	(21,827)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	215,557	105,465	127,292
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 112,701	$ 215,557	$ 105,465

See notes to consolidated financial statements.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business—American Tower Corporation and subsidiaries (collectively, ATC or the Company), is an independent owner, operator and developer of wireless and broadcast communications sites in the United States, Mexico and Brazil. The Company's primary business, as discussed in note 17, is the leasing of antenna space on multi-tenant communications towers to wireless service providers and radio and television broadcast companies. The Company also operates distributed antenna systems within buildings and provides limited network development services that support its rental and management operations and the addition of new tenants and equipment on its sites. During 2004 and 2003, the Company sold or committed to sell certain non-core businesses, which have been reported as discontinued operations. (See note 4.)

The Company completed its merger with SpectraSite, Inc. in August 2005, as more fully described in note 3. The merger was approved by the stockholders of the Company and SpectraSite, Inc. on August 3, 2005, and the results of operations of SpectraSite have been included in the Company's accompanying consolidated financial statements for the year ended December 31, 2005, commencing on August 3, 2005.

ATC is a holding company that conducts its operations in the United States, Mexico and Brazil through operating subsidiaries. ATC's principal United States operating subsidiaries are American Towers, Inc. (ATI) and SpectraSite Communications, Inc. (SpectraSite). ATC's principal international operating subsidiary is American Tower International, Inc., which conducts operations in Mexico through its subsidiary ATC Mexico Holding Corp. (ATC Mexico) and in Brazil through its subsidiary ATC South America Holding Corp. (ATC South America).

Principles of Consolidation and Basis of Presentation—The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany accounts and transactions have been eliminated. The Company consolidates those entities in which it owns greater than fifty percent of the entity's voting stock, with the exception of Verestar, Inc. (Verestar), as discussed in note 4.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates, and such differences could be material to the accompanying consolidated financial statements. The significant estimates in the accompanying consolidated financial statements include revenue recognition, impairment of long-lived assets (including goodwill), purchase price allocation, asset retirement obligations and valuation allowances related to deferred tax assets.

Revenue Recognition—Rental and management revenues are recognized on a monthly basis under lease or management agreements when earned. Fixed escalation clauses present in non-cancelable lease agreements, excluding those tied to the Consumer Price Index (CPI) or other inflation-based indices, and other incentives present in lease agreements with the Company's customers are recognized on a straight-line basis over the terms of the applicable leases. Straight-line revenues for the years ended December 31, 2005, 2004 and 2003 approximated $30,304,000, $24,762,000 and $22,944,000, respectively. Amounts billed up-front for certain services provided in connection with the execution of lease agreements are initially deferred and recognized as revenue over the initial terms of the applicable leases. Amounts billed or received prior to being earned are deferred and reflected in unearned revenue in the accompanying consolidated balance sheets until such time as the earnings process is complete.

Network development services revenues are derived under contracts or arrangements with customers that provide for billings on a fixed price basis. Revenues are recognized as services are performed, excluding certain fees for services provided in connection with the execution of lease agreements which are initially deferred and recognized as revenue over the initial terms of the applicable leases.

Rent Expense—Many of the leases underlying the Company's tower sites have fixed rent escalators, which provide for periodic increases in the amount of ground rent payable by the Company over time. The Company calculates straight-line ground rent expense for these leases based on the fixed non-cancellable term of the underlying ground lease plus all periods, if any, for which failure to renew the lease imposes an economic penalty to the Company such that renewal appears, at the inception of the lease, to be reasonably assured. Certain of the Company's tenant leases require the Company to exercise available renewal options pursuant to the underlying ground lease, if the tenant exercises its renewal option. For towers with these types of tenant leases at the inception of the ground lease, the Company calculates its straight-line ground rent over the term of the ground lease, including all renewal options required to fulfill the tenant lease obligation.

Straight-line ground rent expense approximated $15,946,000, $12,101,000 and $14,687,000, for the years ended December 31, 2005, 2004 and 2003, respectively. The Company's straight-line rent liability of approximately $97.1 million and $81.2 million is included in other long-term liabilities in the accompanying consolidated balance sheets as of December 31, 2005 and 2004, respectively.

Selling, General, Administrative and Development Expense—Selling, general and administrative expense consists of overhead expenses related to the Company's rental and management and services segment and corporate overhead costs not specifically allocable to any of the Company's individual business segments. Development expense consists of uncapitalized acquisition costs, costs to integrate acquisitions, costs associated with new business initiatives and abandoned acquisition costs. (See "Reclassifications" in note 2.)

Loss on Retirement of Long-Term Obligations—Loss on retirement of long-term obligations primarily includes cash paid to retire debt in excess of its carrying value and non-cash charges related to the write-off of deferred financing fees. In addition, it also includes non-cash charges related to the fair value of incremental stock issued to induce convertible noteholders to convert their holdings prior to the scheduled redemption date. Such amounts are expensed as incurred in accordance with Statement of Financial Accounting Standard (SFAS) No. 84 "Induced Conversions of Convertible Debt." Loss on retirement of long-term obligations also includes gains from repurchasing or refinancing certain of the Company's debt obligations. (See note 8.)

Discount and Premium on Notes—The Company amortizes the discount on its convertible, senior and senior subordinated discount notes (including the allocated fair value of the related warrants) and the premium on its senior notes, using the effective interest method over the term of the obligation. Such amortization is recorded as interest expense in the accompanying consolidated statements of operations. (See note 8.)

Concentrations of Credit Risk—Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash and cash equivalents, notes receivable, trade receivables and derivative instruments. The Company mitigates its risk with respect to cash and cash equivalents and derivative instruments by maintaining its deposits and contracts at high quality financial institutions and monitoring the credit ratings of those institutions. The Company derives the largest portion of its revenues, corresponding trade receivables and the related deferred rent asset from a small number of customers in the telecommunications industry, and over 50% of its revenues are derived from five customers in the industry. In addition, the Company has concentrations of credit risk in certain geographic areas. (See notes 7, 9 and 17.)

The Company mitigates its concentrations of credit risk with respect to notes and trade receivables by actively monitoring the credit worthiness of its borrowers and customers. Accounts receivable are reported net of allowances of $15,071,000, $13,968,000 and $17,445,000 as of December 31, 2005, 2004 and 2003, respectively. Amounts charged against allowances, net of recoveries, for the years ended December 31, 2005, 2004 and 2003 approximated $13,083,000, $20,917,000, and $20,536,000, respectively. The fair value of accounts receivable acquired in the merger with SpectraSite, Inc. increased the allowances by approximately $5,694,000 as of the date of acquisition in August 2005.

Derivative Financial Instruments—The Company accounts for derivative financial instruments in accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended. All derivatives are recorded on the consolidated balance sheet at fair value. If a derivative is designated as a cash flow hedge, the effective portions of changes in the fair value of the derivative are recorded in accumulated other comprehensive income (loss) and are recognized in the results of operations when the hedged item affects earnings (loss). Ineffective portions of changes in the fair value of cash flow hedges are recognized in the results of operations. For derivative instruments not designated as hedging instruments, changes in fair value are recognized in the results of operations in the period that the change occurs.

The Company is exposed to interest rate risk relating to variable interest rates on its new credit facilities described in note 8. During the years ended December 31, 2005, 2004 and 2003, as part of its overall strategy to manage the level of exposure to the risk of interest rate fluctuations under its variable rate credit facilities, the Company used interest rate swaps and caps. As of December 31, 2005, the Company had derivative financial instruments in the form of interest rate swaps that were designated as cash flow hedges of floating interest rate payments on the Company's credit facilities. The interest rate swap agreements effectively convert the interest payments for a portion of the debt from floating rate to fixed rate debt.

The Company assesses, both at the inception of the hedge and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items. The Company does not hold derivatives for trading purposes. (See note 9.)

Other Comprehensive Income (Loss)—Other comprehensive income (loss) refers to revenues, expenses, gains and losses that under accounting principles generally accepted in the United States of America are included in other comprehensive income (loss), but are excluded from net income (loss), as these amounts are recorded directly as an adjustment to stockholders' equity, net of tax. The Company's other comprehensive income (loss) is comprised of unrealized gains/losses on derivative cash flow hedges.

Foreign Currency Translation—The functional currency of the Company's foreign subsidiaries in Mexico and Brazil is the U.S. dollar. Monetary assets and liabilities related to the Company's Mexican and Brazilian operations are remeasured from the local currency into U.S. dollars at the rate of currency exchange at the end of the applicable fiscal reporting period. Non-monetary assets and liabilities are remeasured at historical exchange rates. Revenues and expenses are remeasured at average monthly exchange rates. All remeasurement gains and losses are included in the Company's consolidated statement of operations, within the caption other income (expense). The net remeasurement gain (loss) for the years ended December 31, 2005, 2004 and 2003 approximated $396,000, $(146,000), and $(1,142,000), respectively.

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

Property and Equipment—Property and equipment are recorded at cost or at estimated fair value (in the case of acquired properties). Cost for self-constructed towers includes direct materials and labor, indirect costs associated with construction and capitalized interest. Approximately $473,000, $226,000, and $672,000 of interest was capitalized for the years ended December 31, 2005, 2004 and 2003, respectively.

Depreciation is recorded using the straight-line method over the assets' estimated useful lives. Property and equipment acquired through capital leases are amortized using the straight-line method over the shorter of the lease term or the estimated useful life of the asset. Towers on leased land are depreciated over the shorter of the term of the ground lease (including renewal options) or the estimated useful life of the tower (15 years). Asset useful lives are as follows:

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

For towers acquired through capital lease, the Company records the entire purchase price as a capital lease, and reflects that value in property and equipment. Property and equipment, network/location intangibles and assets held under capital lease related to tower acquisitions are amortized over their useful lives for a period up to fifteen years. Expenditures for repairs and maintenance are expensed as incurred. Betterments and improvements that extend an asset’s useful life or enhance capacity are capitalized.

Goodwill and Other Intangible Assets—The Company complies with the provisions of SFAS No. 142, “Goodwill and Other Intangible Assets” (SFAS No. 142) which requires that goodwill and intangible assets with indefinite lives no longer be amortized, but reviewed for impairment at least annually or whenever events or circumstances indicate the carrying value of an asset may not be recoverable, in accordance with SFAS No. 142. Intangible assets that are deemed to have a definite life continue to be amortized over their useful lives. (See note 6.)

Income Taxes—The consolidated financial statements reflect provisions for federal, state, local and foreign income taxes. The Company recognizes deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, as well as operating loss and tax credit carryforwards. The Company measures deferred tax assets and liabilities using enacted tax rates expected to apply to taxable income in the years in which those temporary differences and carryforwards are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company provides valuation allowances if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. (See notes 2 and 14.)

Sales of Subsidiary Stock—The Company complies with the provisions of SEC Staff Accounting Bulletin (SAB) No. 51, “Accounting for Sales of Stock by a Subsidiary” and records the difference between the Company’s carrying value of the interest in the subsidiary’s equity that was sold and the proceeds received for that interest to additional paid-in-capital. The Company records any gains or losses resulting from the sale of stock by a subsidiary as a component of stockholders’ equity. (See note 12.)

Treasury Stock—The Company records treasury stock purchases under the cost method, whereby the purchase price, including legal costs and commissions, is recorded in a contra equity account (treasury stock). The equity accounts from which the shares were originally issued are not adjusted for any treasury stock purchases. (See notes 15 and 19.)

Loss per Common Share—Basic and diluted net loss per common share has been computed by dividing the Company’s net loss by the weighted average number of common shares outstanding during the period. For the years ended December 31, 2005, 2004 and 2003, potential common shares, including shares issuable upon exercise of options and warrants and upon conversion of the Company’s convertible notes, have been excluded from the computation of diluted loss per common share, as their effect is anti-dilutive. Potential common shares excluded from the calculation of net loss per share were approximately 72.9 million, 68.8 million, and 65.6 million for the years ended December 31, 2005, 2004 and 2003, respectively.

Impairments, Net Loss on Sale of Long-Lived Asset and Discontinued Operations—The Company reviews long-lived assets, including intangibles with definite lives, for impairment whenever events, changes in circumstances or the Company's review of its tower portfolio indicate that the carrying amount of an asset may not be recoverable. The Company's tower portfolio review includes sites for which the Company has no current tenant leases. The Company assesses recoverability by determining whether the net book value of the related assets will be recovered, either through projected undiscounted future cash flows (with respect to operating assets), or anticipated proceeds from sales (with respect to non-core assets that are designated for sale or towers that have no current tenant leases). If the Company determines that the carrying value of an asset may not be recoverable, it measures any impairment based on the projected future discounted cash flows to be provided from the asset or the estimated sale proceeds, as compared to the asset's carrying value. The Company also complies with the provisions of SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," (SFAS No. 144) regarding impairment assessments and decisions concerning discontinued operations. The Company records impairment losses in the period in which it identifies such impairments. (See notes 4 and 13.)

Notes Receivable and Other Long-Term Assets—Other long-term assets primarily represent the Company's notes receivable described in note 7, the straight-line asset associated with non-cancelable tenant leases that contain fixed escalation clauses over the terms of the applicable leases, as well as investments, prepaid ground lease assets, long-term deposits, favorable leasehold interests and other long-term assets acquired in connection with the merger with SpectraSite, Inc. The Company's straight-line asset was approximately $152.1 million and $121.9 million in the accompanying consolidated balance sheets at December 31, 2005 and 2004, respectively.

Investments in those entities where the Company owns less than twenty percent of the voting stock of the individual entity and does not exercise significant influence over operating and financial policies of the entity are accounted for using the cost method. Investments in entities where the Company owns less than twenty percent but has the ability to exercise significant influence over operating and financial policies of the entity, or where the Company owns more than twenty percent of the voting stock of the individual entity, but not in excess of fifty percent, are accounted for using the equity method. As of December 31, 2005 and 2004, the Company's investments were in companies that are not publicly traded, and, therefore, no established market for their securities exists. The Company has a policy in place to review the fair value of its investments on a regular basis to evaluate the carrying value of the investments in these companies. If the Company believes that the carrying value of an investment is in excess of fair market value, the Company records an impairment charge to adjust the carrying value to fair market value. The Company's only investment, with a carrying value of $10.1 million and $10.2 million as of December 31, 2005 and 2004, respectively, was accounted for as a cost investment as of December 31, 2005 and as an equity investment as of December 31, 2004.

During the years ended December 31, 2005, 2004 and 2003, the Company recorded losses on equity method investments of approximately $2.1 million, $2.9 million, and $1.9 million, respectively. During the year ended December 31, 2003, the Company recorded impairment charges on its cost and equity investments of approximately $19.3 million. Losses on equity method investments are recorded in accordance with Emerging Issues Task Force No. 99-10 "Percentage Used to Determine the Amount of Equity Method Losses."

Asset Retirement Obligations—The Company complies with the provisions of SFAS No. 143, "Accounting for Asset Retirement Obligations" (SFAS No. 143) and the provisions of Financial Accounting Standards Board (FASB) Interpretation No. 47 "Accounting for Conditional Asset Retirement Obligations" (FIN No. 47). Both pronouncements address the financial accounting and reporting requirements for conditional obligations associated with the Company's legal obligation to retire tangible long-lived assets and the related asset retirement costs.

The fair value of a liability for asset retirement obligations is recognized in the period in which it is incurred and can be reasonably estimated. Such asset retirement costs are capitalized as part of the carrying amount of the related long-lived asset and depreciated over the asset's estimated useful life. Fair value estimates of liabilities for asset retirement obligations generally involve discounting of estimated future cash flows. Periodic accretion of such liabilities due to the passage of time is recorded as an operating expense. The Company has certain legal obligations related to tower assets which fall within the scope of SFAS No. 143 and FIN No. 47, principally obligations to remediate leased land on which certain of the Company's tower assets are located. The significant assumptions used in estimating the Company's aggregate asset retirement obligation are: timing of tower removals; cost of tower removals; timing and number of land lease renewals; expected inflation rates; and credit-adjusted risk-free interest rates that approximate the Company's incremental borrowing rate. The adoption of FIN No. 47 primarily resulted in the acceleration of settlement date assumptions, as FIN No. 47 precludes the Company from considering non contractual lease renewal periods in determining its settlement date assumptions.

The Company adopted the provisions of SFAS No. 143 as of January 1, 2003 and the provisions of FIN No. 47 as of December 31, 2005. Upon adoption of the provisions of FIN No. 47, the Company recognized a $35.5 million charge (net of an $11.7 million tax benefit) as a cumulative effect of a change in accounting principle in the consolidated statement of operations for the year ended December 31, 2005. In addition, the adoption of FIN No. 47 resulted in an increase to the tower assets included in property and equipment, net of $66.9 million. Had the Company adopted the provisions of FIN No. 47 as of January 1, 2003, the aggregate asset retirement obligation as of January 1, 2003, December 31, 2003 and December 31, 2004 would have approximated $86.7 million, $92.9 million and $99.5 million, respectively. Had the Company adopted the provisions of FIN No. 47 in prior periods, net loss for the years ended December 31, 2003 and 2004 would have been approximately $(336,036) and $(261,504), respectively and basic and diluted net loss per share for the years ended December 31, 2003 and December 31, 2004 would have been approximately $(1.61) and $(1.17), respectively.

The Company's asset retirement obligation is included in other long-term liabilities in the accompanying consolidated balance sheets. The changes in the carrying value of the Company's asset retirement obligations for years ended December 31, 2005, 2004 and 2003 are as follows:

	2005	2004	2003
Beginning balance as of January 1,	$ 23,464	$ 4,635	$ 1,250
Additions and revisions in estimated cash flows, net of settlements	2,587	17,016	3,223
Accretion expense	3,069	1,813	162
Liability assumed in merger with SpectraSite, Inc.	21,126		
Increase due to change in accounting principle	113,976		
Balance as of December 31,	$ 164,222	$ 23,464	$ 4,635

Stock-Based Compensation—The Company complies with the provisions of SFAS No. 148, "Accounting for Stock-Based Compensation—Transition and Disclosure—an amendment of SFAS No. 123," which provides optional transition guidance for those companies electing to voluntarily adopt the accounting provisions of SFAS No. 123 "Accounting for Stock-Based Compensation" (SFAS No. 123). The Company continues to use Accounting Principles Board Opinion No. 25 (APB No. 25), "Accounting for Stock Issued to Employees," to account for equity grants and awards to employees, officers and directors and has adopted the disclosure-only provisions of SFAS No. 148. In accordance with APB No. 25, the Company recognizes compensation expense based on the excess, if any, of the quoted market price of the stock at the accounting measurement date over the amount an employee must pay to acquire the stock. The Company's stock option plans are more fully described in note 15. In December 2004, the FASB issued SFAS No. 123 (revised 2004), "Share-Based Payment" (SFAS No. 123R), as further described below.

Under APB No. 25, compensation expense is measured as of the date an award has received approval by relevant authority, the number of shares and exercise price are fixed and allocation to specific individuals has occurred. Generally, this occurs on the date the grant is approved by the compensation committee of the Company's Board of Directors, or, if grant authority has been delegated to management, when the shares are allocated to specific individuals. The stock-based compensation expense is recognized over the vesting period using the ratable method, whereby an equal amount of expense is recognized for each year of vesting.

The Company accounts for modifications to stock options under FIN 44 "Accounting for Certain Transactions Involving Stock Compensation, an interpretation of APB No. 25" (FIN 44). Modifications include, but are not limited to, acceleration of vesting and continued vesting while not providing substantive services. Compensation expense is recorded in the period of modification for the intrinsic value of the vested portion of the award, including vesting that occurs while not providing substantive services, on the date of modification. The intrinsic value of the award is the difference between the fair market value of the Company's stock on the date of modification and the optionee's exercise price.

The Company values stock options assumed in conjunction with business combinations accounted for using the purchase method at fair value on the date of acquisition using the Black-Scholes option-pricing model, in accordance with FIN 44. The fair value of assumed options is included as a component of the purchase price. The intrinsic value of unvested stock options is recorded as unearned stock-based compensation and amortized to expense over the remaining vesting period of the stock options using the straight-line method.

During the year ended December 31, 2005, the Company reevaluated the assumptions used to estimate the fair value of stock options issued to employees. As a result, the Company lowered its expected volatility assumption for options granted after July 1, 2005 to approximately 30% and increased the expected life of option grants to 6.25 years using the simplified method permitted by SEC SAB No. 107, "Share-Based Payment" (SAB No. 107). The Company made this change based on a number of factors, including the Company's execution of its strategic plans to sell non-core businesses, reduce leverage and refinance its debt, and its recent merger with SpectraSite, Inc. (See note 3.) Management had previously based its volatility assumptions on historical volatility since inception, which included periods when the Company's capital structure was more highly leveraged than current levels and expected levels for the foreseeable future. Management's estimate of future volatility is based on its consideration of all available information, including historical volatility, implied volatility of publicly traded options, the Company's current capital structure and its publicly announced future business plans. For comparative purposes, a 10% change in the volatility assumption would change pro forma stock compensation expense and pro forma net loss by approximately $0.1 million for the year ended December 31, 2005. (See note 15.)

The following table illustrates the effect on net loss and net loss per common share if the Company had applied the fair value recognition provisions of SFAS No. 123 (as amended) to stock-based compensation. The estimated fair value of each option is calculated using the Black-Scholes option-pricing model (in thousands, except per share amounts):

	2005	2004	2003
Net loss as restated	$ (181,359)	$ (255,464)	$ (328,959)
Add: Stock-based employee compensation expense, net of related tax effect, included in net loss as reported	11,392	8,715	8,630
Less: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effect	(21,176)	(26,574)	(24,131)
Pro-forma net loss	$ (191,143)	$ (273,323)	$ (344,460)
Basic and diluted net loss per share as restated	$ (0.60)	$ (1.14)	$ (1.58)
Basic and diluted net loss per share pro-forma	$ (0.63)	$ (1.22)	$ (1.66)

The table above includes stock-based compensation amounts where the Company modified certain option awards to revise vesting and exercise terms for certain terminated employees and recognized charges of $10.0 million, $6.6 million and $2.5 million for the years ended December 31, 2005, 2004 and 2003, respectively. In addition, the stock-based employee compensation amounts above for the year ended December 31, 2005, include approximately $2.4 million of unearned compensation amortization related to unvested stock options assumed in the merger with SpectraSite, Inc. Such charges are reflected in selling, general administrative and development expense, impairments, net loss on sale of long-lived assets, restructuring and merger related expense and loss from discontinued operations, net, with corresponding adjustments to additional paid-in capital and unearned compensation in the accompanying consolidated financial statements.

Recent Accounting Pronouncements—In December 2004, the FASB issued SFAS No. 123R, which supersedes APB No. 25, and amends SFAS No. 95, “Statement of Cash Flows.” This statement addressed the accounting for share-based payments to employees, including grants of employee stock options. Under the new standard, companies will no longer be able to account for share-based compensation transactions using the intrinsic value method in accordance with APB No. 25. Instead, companies will be required to account for such transactions using a fair-value method and recognize the related expense associated with share-based payments in the statement of operations. SFAS No. 123R is effective for the Company as of January 1, 2006. The Company historically accounted for share-based payments to employees under APB No. 25’s intrinsic value method. The Company will adopt the provisions of SFAS No. 123R under the modified prospective method, in which compensation cost for all share-based payments granted or modified after the effective date is recognized based upon the requirements of SFAS No. 123R, and compensation cost for all awards granted to employees prior to the effective date that are unvested as of the effective date of SFAS No. 123R is recognized based on SFAS No. 123. Tax benefits will be recognized related to the cost for share-based payments to the extent the equity instrument would ordinarily result in a future tax deduction under existing law. Tax expense will be recognized to write off excess deferred tax assets when the tax deduction upon settlement of a vested option is less than the expense recorded in the statement of operations (to the extent not offset by prior tax credits for settlements where the tax deduction was greater than the fair value cost). The Company estimates that it will recognize equity-based compensation expense of approximately $38 million to $40 million for the year ending December 31, 2006. This amount is subject to revisions as the Company finalizes certain assumptions related to 2006, including the size and nature of share-based awards and forfeiture rates. SFAS No. 123R also requires the benefits of tax deductions in excess of recognized compensation cost be reported as a financing cash flow rather than as operating cash flow as was previously required. The Company cannot estimate what the future tax benefits will be as the amounts depend on, among other factors, future employee stock option exercises. Due to the Company’s tax loss position, there was no operating cash inflow realized for December 31, 2005 and 2004 for such excess tax deductions.

In March 2005, the SEC issued SAB No. 107 regarding the Staff’s interpretation of SFAS No. 123R. This interpretation provides the Staff’s views regarding interactions between SFAS No. 123R and certain SEC rules and regulations and provides interpretations of the valuation of share-based payments for public companies. The interpretive guidance is intended to assist companies in applying the provisions of SFAS No. 123R and investors and users of the financial statements in analyzing the information provided. The Company will follow the guidance prescribed in SAB No. 107 in connection with its adoption of SFAS No. 123R.

Fair Value of Financial Instruments—The carrying values of the Company’s financial instruments, with the exception of long-term obligations, including current portion, reasonably approximate the related fair values as of December 31, 2005 and 2004. As of December 31, 2005, the carrying amount and fair value of long-term obligations, including current portion, were $3.6 billion and $4.0 billion, respectively. As of December 31, 2004, the carrying amount and fair value of long-term obligations, including current portion, were $3.3 billion and

$3.6 billion, respectively. Fair values are based primarily on quoted market prices for those or similar instruments.

Retirement Plan—The Company has a 401(k) plan covering substantially all employees who meet certain age and employment requirements. Under the plan, the Company's matching contribution for periods prior to June 30, 2004 was 35% up to a maximum 5% of a participant's contributions. Effective July 1, 2004, the plan was amended to increase the Company match to 50% up to a maximum 6% of a participant's contributions. The Company contributed approximately $1,061,000, $533,000 and $825,000 to the plan for the years ended December 31, 2005, 2004 and 2003, respectively.

Reclassifications—Certain reclassifications have been made to the accompanying 2004 and 2003 consolidated financial statements and related notes to conform to the 2005 presentation. The Company changed the classification of its changes in restricted cash and investment balances to present such changes as an investing activity in the accompanying consolidated statement of cash flows for the year ended December 31, 2004. The Company had previously presented such changes as a financing activity. The change in classification resulted in an increase of $170.0 million in investing cash flows and a corresponding decrease in financing cash flows from the amounts previously reported. In addition, as discussed in note 2 below, a reclassification has been made related to the Company's presentation of selling, general and administrative expenses.

2. RESTATEMENT OF CONSOLIDATED FINANCIAL STATEMENTS

Subsequent to the issuance of the Company's consolidated financial statements for the year ended December 31, 2005, the Company determined that certain of its previously issued financial statements should be restated to correct certain errors related to (i) stock-based compensation not previously recorded for certain stock option grants, including the related payroll and income tax effects, (ii) additional charges for stock-based compensation expense related to the modification and repricing of certain stock option grants, primarily associated with options awarded to two former executive officers of the Company, and (iii) changes to income taxes related to the tax effects of foreign currency fluctuations on an intercompany loan with a foreign subsidiary of the Company. Accordingly, the Company has restated its beginning accumulated deficit as of January 1, 2003 and its consolidated financial statements as of December 31, 2005 and 2004 and for each of the years ended December 31, 2005, 2004 and 2003.

The following table reconciles as previously reported to as restated net loss and accumulated deficit (in thousands):

	Net Loss for the Years Ended December 31,			Accumulated Deficit as of January 1, 2003	Accumulated Deficit as of December 31, 2005
	2005	2004	2003		
As Previously Reported	$ (171,590)	$ (247,587)	$ (325,321)	$ (1,966,495)	$ (2,710,993)
(Increase) Decrease to Net Loss and Accumulated Deficit:					
Stock-Based Compensation Adjustments Related to Revised Accounting Measurement Dates (including related Payroll Tax Effects)(1)	(4,983)	(6,510)	(11,252)	(55,055)	(77,800)
Tax effect of Stock-Based Compensation Adjustments Related to Revised Accounting Measurement Dates(1)	478	1,633	1,060	18,561	21,732
Stock-Based Compensation Adjustments Related to Modifications and Repricings(1)	(3,062)	(4,540)	(186)	(881)	(8,669)
Tax effect of Stock-Based Compensation Adjustments Related to Modifications and Repricings(1)	1,147	1,364	207		2,718
Income Taxes related to Foreign Currency Denominated Loan	(3,349)	176	6,533	8,248	11,608
Total (Increase) in Net Loss and Accumulated Deficit	(9,769)	(7,877)	(3,638)	(29,127)	(50,411)
As Restated	$ (181,359)	$ (255,464)	$ (328,959)	$ (1,995,622)	$ (2,761,404)

(1) Subsequent to the issuance of the consolidated financial statements included in the Company's Amendment No. 1 to Annual Report on Form 10-K/A for the year ended December 31, 2005, the Company determined that the stock-based compensation adjustments related to revised accounting measurement dates and adjustments related to modifications and repricings previously shown net of tax effects should have been presented gross of related tax effects. As a result, the Company has modified the table above to show the gross expense amounts and the related tax effects for the adjustments related to revised accounting measurement dates and adjustments related to modifications and repricings.

The Company's decision to restate its consolidated financial statements was based, in part, on an independent review of the Company's historical stock option granting practices and related accounting. On May 19, 2006, the Company announced that its Board of Directors had established a special committee of independent directors to conduct a review of the Company's stock option granting practices and related accounting with the assistance of independent legal counsel and forensic auditors. The special committee determined that, for certain stock option grants, the legal grant dates when all necessary corporate action had been taken differ from the dates previously recorded by the Company for financial accounting and tax purposes.

Stock-Based Compensation Adjustments Related to Revised Accounting Measurement Dates—In connection with the review by the special committee, the Company undertook a review of option grant dates recorded for financial accounting and tax purposes. Based on the Company's facts and circumstances, the Company concluded that it should use the legal grant date, as determined by the special committee, as the accounting measurement date for such awards. Accordingly, based on this conclusion, the Company applied new measurement dates to the affected stock option grants and, as a result, determined that charges for stock-based compensation expense and related payroll and income tax effects were required in instances where the quoted market price of the underlying stock at the new measurement date exceeded the employee's exercise price, in accordance with APB No. 25, "Accounting for Stock Issued to Employees." As a result of the changes in accounting measurement dates discussed above, the Company recorded additional stock-based compensation.

In instances where a new measurement date was applied to those stock options that were originally classified as incentive stock options, the new dates also had the effect of disqualifying incentive stock option tax treatment for certain options, causing such options to be recharacterized as non-qualified stock options. The disqualification of incentive stock option classification and the recharacterization to non-qualified stock option status resulted in the Company's recording additional expense in the period of exercise for penalties and interest for failure to withhold employee taxes.

In addition to the tax consequences described in the preceding paragraph, under Section 409A of the Internal Revenue Code (Section 409A), individuals who received options with exercise prices below the quoted market price of the underlying stock at the legal grant date likely will be subject to additional taxes and penalties with respect to options that vest after December 31, 2004. Holders of these options likely will be required to recognize income at vesting, rather than upon exercise, on the difference between the amount of the fair market value of the underlying stock on the date of vesting and the exercise price, plus an additional 20% penalty tax on this amount, plus interest on any tax to be paid. In order to remedy the unfavorable personal tax consequences under Section 409A, the Company intends to provide holders of these options the opportunity to amend their affected options through a tender offer as discussed in note 20.

Stock-Based Compensation Adjustments Related to Modifications and Repricings—The Company also determined that it should have recorded stock-based compensation expense associated with the modification and repricing of certain stock option grants. The expense for the years ended December 31, 2005 and 2004 relates primarily to options awarded to two former executive officers of the Company, as discussed below. In February 2004, the Company granted its former chief financial officer options to purchase 363,333 shares of the Company's Class A common stock, which were granted prior to but in connection with the surrender of options to purchase an aggregate of 495,000 shares of the Company's Class A common stock in December 2004. The Company had originally recorded this as two independent transactions, and it has since determined to account for these transactions as an indirect repricing, resulting in additional stock-based compensation expense of $3.2 million and $2.8 million for the years ended December 31, 2005 and 2004, respectively. In May 2004, the Company signed a separation agreement with its former chief operating officer that provided for the reinstatement of previously terminated options to purchase 240,001 shares of the Company's Class A common stock. The Company has since determined that the agreement constituted an option award to a non-employee with no ongoing service requirements, and accordingly, the Company should have accounted for this transaction as a stock option modification based on the fair value of the award as of the agreement date, resulting in additional stock-based compensation expense of $2.1 million for the year ended December 31, 2004. As a result of these stock option modifications and repricings and other stock option modifications, primarily associated with employee terminations, the Company recorded additional stock-based compensation.

Income Taxes Related to Foreign Currency Denominated Loan—In addition, the restatement of the Company's previously issued financial statements includes changes to income tax benefits (provisions) relating to the tax effects of foreign currency fluctuations on a foreign currency denominated intercompany loan between two wholly owned subsidiaries of the Company. The Company determined that the tax effects of foreign currency gains and losses on the intercompany loan were not properly recorded, as the Company should have treated such gains and losses as taxable at the subsidiary level and the tax effect should not have been eliminated by the Company in consolidation. As a result, the Company recorded increases (decreases) to income tax benefits (provisions).

Reclassifications—Segment selling, general and administrative expense previously was a component of the Company's rental and management and network development services segment operating expenses. The Company has changed its classification to aggregate all segment and corporate selling, general, administrative and development expenses previously included in rental and management expense, network development services expense, and corporate, general, administrative and development expense into one line item entitled selling, general, administrative and development expense. The Company made this change in classification to enable the evaluation of the Company's rental and management segment gross margin, which is calculated based on direct tower-level expenses and does not include selling, general, administrative and development expense related to the rental and management segment. (See note 17.)

The following schedules reconcile the amounts as previously reported in the Company's consolidated statements of operations for each year in the three year period ended December 31, 2005 and the consolidated balance sheets as of December 31, 2005 and 2004, to the corresponding restated amounts, which reflect the restatement and reclassification adjustments described above (in thousands, except per share amounts):

	Consolidated Statements of Operations			
	As previously reported	Restatement Adjustments	Reclassification Adjustments	As restated
Year Ended December 31, 2005				
Rental and management expenses	$ 306,148		$ (58,367)	$ 247,781
Network development services expense	11,981		(3,635)	8,346
Selling, general, administrative and development expense	37,977	$ 8,080	62,002	108,059
Total operating expenses	801,592	8,080		809,672
Operating income from continuing operations	143,194	(8,080)		135,114
Loss from continuing operations before income taxes, minority interest and loss on equity method investments	(127,474)	(8,080)		(135,554)
Income tax provision	(4,003)	(1,711)		(5,714)
Loss from continuing operations before cumulative effect of change in accounting principle	(134,130)	(9,791)		(143,921)
Loss from discontinued operations, net of tax	(1,935)	22		(1,913)
Net loss	(171,590)	(9,769)		(181,359)
Basic and diluted loss per common share amounts:				
Loss from continuing operations	(0.44)	(0.03)		(0.47)
Loss from discontinued operations	(0.01)			(0.01)
Cumulative effect of change in accounting principle, net	(0.12)			(0.12)
Net loss	(0.57)	(0.03)		(0.60)
Year Ended December 31, 2004				
Rental and management expenses	$ 237,312		$ (42,070)	$ 195,242
Network development services expense	18,801		(2,581)	16,220
Selling, general, administrative and development expense	27,468	$ 10,975	44,651	83,094
Total operating expenses	636,906	10,975		647,881
Operating income from continuing operations	69,754	(10,975)		58,779
Loss from continuing operations before income taxes, minority interest and loss on equity method investments	(314,137)	(10,975)		(325,112)
Income tax benefit	80,176	3,162		83,338
Loss from continuing operations	(239,242)	(7,813)		(247,055)
Loss from discontinued operations, net of tax	(8,345)	(64)		(8,409)
Net loss	(247,587)	(7,877)		(255,464)
Basic and diluted loss per common share amounts:				
Loss from continuing operations	(1.07)	(0.03)		(1.10)
Loss from discontinued operations	(0.03)	(0.01)		(0.04)
Net loss	(1.10)	(0.04)		(1.14)

	Consolidated Statements of Operations			
	As previously reported	Restatement Adjustments	Reclassification Adjustments	As restated
Year Ended December 31, 2003				
Rental and management expenses	$ 236,680		$ (44,300)	$ 192,380
Network development services expense	9,493		(2,074)	7,419
Selling, general, administrative and development expense	26,867	10,251	46,374	83,492
Total operating expenses	635,110	10,251		645,361
Operating loss from continuing operations	(2,617)	(10,251)		(12,868)
Loss from continuing operations before income taxes, minority interest and loss on equity method investments	(317,718)	(10,251)		(327,969)
Income tax benefit	77,796	7,771		85,567
Loss from continuing operations	(264,846)	(2,480)		(267,326)
Loss from discontinued operations, net of tax	(60,475)	(1,158)		(61,633)
Net loss	(325,321)	(3,638)		(328,959)
Basic and diluted loss per common share amounts:				
Loss from continuing operations	(1.27)	(0.01)		(1.28)
Loss from discontinued operations	(0.29)	(0.01)		(0.30)
Net loss	(1.56)	(0.02)		(1.58)

	Consolidated Balance Sheets		
	As previously reported	Restatement Adjustments	As restated
December 31, 2005			
Deferred income taxes	$ 504,659	$ 18,634	$ 523,293
Total assets	8,768,220	18,634	8,786,854
Accounts payable and accrued expenses	175,558	3,393	178,951
Total current liabilities	453,216	3,393	456,609
Total liabilities	4,231,846	3,393	4,235,239
Additional paid-in capital	7,317,668	65,652	7,383,320
Accumulated deficit	(2,710,993)	(50,411)	(2,761,404)
Total stockholders' equity	4,526,580	15,241	4,541,821
Total liabilities and stockholders' equity	8,768,220	18,634	8,786,854
December 31, 2004			
Deferred income taxes	$ 633,814	$ 21,724	$ 655,538
Total assets	5,085,972	21,724	5,107,696
Accounts payable and accrued expenses	121,672	1,910	123,582
Total current liabilities	332,205	1,910	334,115
Total liabilities	3,608,938	1,910	3,610,848
Additional paid-in capital	4,012,425	60,456	4,072,881
Accumulated deficit	(2,539,403)	(40,642)	(2,580,045)
Total stockholders' equity	1,470,953	19,814	1,490,767
Total liabilities and stockholders' equity	5,085,972	21,724	5,107,696

3. ACQUISITIONS

General—The acquisitions consummated by the Company during 2005, 2004 and 2003, have been accounted for under the purchase method of accounting in accordance with SFAS No. 141 "Business Combinations" (SFAS No. 141). The purchase prices have been allocated to the net assets acquired and the liabilities assumed based on their estimated fair values at the date of acquisition, as further discussed below.

During the years ended December 31, 2005, 2004 and 2003, the Company primarily acquired its tower assets from third parties in one of two types of transactions: the purchase of a business or the purchase of assets. The structure of each transaction affects the way the Company allocates purchase price within the consolidated financial statements. In the case of tower assets acquired through the purchase of a business, the Company allocates the purchase price to the assets acquired and liabilities assumed at their estimated fair values as of the date of acquisition. The excess of the purchase price paid by the Company over the estimated fair value of net assets acquired has been recorded as goodwill. In the case of an asset purchase, the Company first allocates the purchase price to property and equipment for the appraised value of the tower and to identifiable intangible assets (primarily customer base). The Company then records any remaining purchase price within intangible assets as a "network location intangible."

The Company's accompanying consolidated financial statements reflect preliminary allocations of purchase price for certain of its acquisitions, as appraisals of the net assets acquired have not been finalized. The Company does not expect any changes in depreciation and amortization from the finalization of these appraisals to be material to its consolidated results of operations.

Merger with SpectraSite, Inc.—In May 2005, the Company entered into an agreement and plan of merger with SpectraSite, Inc., an owner and operator of approximately 7,800 wireless and broadcast towers and in-building systems in the United States. The Company completed the merger in August 2005, which increased the size of the Company's communications site portfolio to over 22,000 sites.

Under the terms of the merger agreement, SpectraSite, Inc. merged with a wholly owned subsidiary of the Company, and each share of SpectraSite, Inc. common stock converted into the right to receive 3.575 shares of the Company's Class A common stock. In August 2005, the Company issued approximately 169.5 million shares of its Class A common stock with respect to shares of SpectraSite, Inc. common stock outstanding as of the closing of the merger and reserved for issuance approximately 9.9 million and 6.8 million shares of Class A common stock issuable pursuant to SpectraSite, Inc. options and warrants, respectively, assumed in the merger.

The total preliminary purchase price of approximately $3.1 billion includes the fair value of shares of Class A common stock issued, the fair value of SpectraSite, Inc. options and warrants assumed, and estimated transaction costs, as follows (in thousands):

	Total
Issuance of American Tower Class A common stock to stockholders of SpectraSite, Inc. (169.5 million shares at $17.21)	$ 2,917,130
Fair value of options assumed, net of estimated tax benefit	88,487
Fair value of warrants assumed	100,455
Estimated transaction costs	22,733
Total preliminary purchase price	$ 3,128,805

The fair value of shares of Class A common stock issued and options and warrants assumed was determined using a value of $17.21 per share, which represents the average closing price of the Class A common stock from the two trading days before, to the two trading days after, the signing of the merger agreement and the public announcement of the merger. The fair value of the SpectraSite, Inc. options and warrants assumed was calculated using a Black-Scholes valuation model. Upon completion of the merger, the assumed SpectraSite, Inc. stock options were exercisable for an aggregate of 9.9 million shares of the Company's Class A common stock. Of these options, options to purchase approximately 8.3 million shares were fully vested as of the closing date and the remaining unvested options to purchase 1.6 million shares vest monthly through the first quarter of 2008. The portion of the intrinsic value of the unvested options related to future service has been allocated to unearned compensation of $4.9 million and is being amortized over the remaining vesting periods, which range from approximately one to three years from the date of acquisition. Approximately $2.4 million was amortized to selling, general, administrative and development expense in the accompanying consolidated financial statements for the year ended December 31, 2005. The purchase price and residual goodwill has also been adjusted to reflect an estimated tax benefit of $35.1 million associated with the post merger exercises of options assumed in the merger. Transaction costs include investment banking, legal and accounting fees and other external costs directly related to the merger.

The Company is in the process of finalizing a third-party valuation of SpectraSite's property and equipment, intangible assets and certain other assets and liabilities. Given the size of the SpectraSite transaction, the values of certain assets and liabilities are based on preliminary valuations and are subject to adjustment as additional information is obtained and the third-party valuation is finalized. The primary areas of the purchase price allocation which are not yet finalized relate to the fair values of property and equipment, intangibles, restructuring and merger related liabilities, other assumed liabilities, deferred income taxes and residual goodwill. Changes to the valuation of these items may result in adjustments to depreciation and amortization and associated income taxes. Goodwill resulting from the merger was assigned to the Company's rental and management segment. Deferred taxes were recorded for the differing book and tax bases of all SpectraSite assets and liabilities other than goodwill.

The following table summarizes the preliminary allocation of the purchase price based on the estimated fair values of the assets acquired and liabilities assumed and related deferred income taxes in connection with the merger (in thousands):

Assets acquired:	
Current assets	$ 69,844
Property and equipment	1,314,547
Intangible assets subject to amortization:	
Acquired customer base and network location intangible	1,215,000
Other intangibles	17,300
Total intangible assets	1,232,300
Goodwill	1,549,868
Other long-term assets	36,255
Deferred income taxes	24,334
Total assets acquired	$ 4,227,148
Liabilities assumed:	
Current liabilities	$ 120,525
Long-term debt, including current portion	702,480
Other long-term liabilities	60,489
Deferred income taxes	219,710
Total liabilities assumed	$ 1,103,204
Other:	
Unearned compensation on unvested options	4,861
Net assets acquired	$ 3,128,805

Other Acquisitions—During the years ended December 31, 2005, 2004 and 2003, the Company used cash to acquire a total of 30 towers, 214 towers and 561 towers for approximately $6.0 million, $33.4 million and $95.1 million, respectively, primarily in Mexico and Brazil under agreements with NII Holdings, Inc. and Iusacell Celular.

Unaudited Pro Forma Operating Results—The following table presents the unaudited pro forma consolidated results of operations of the Company for the years ended December 31, 2005 and 2004, respectively, as if the merger with SpectraSite, Inc. was completed as of January 1, 2005 and 2004, as shown below. Unaudited pro forma results of operations of the other acquisitions are not presented due to their insignificant impact on the Company's consolidated results of operations.

	2005	2004
Revenues	$ 1,178,284	$ 1,080,394
Loss before cumulative effect of change in accounting principle	(177,837)	(268,609)
Net loss	(213,363)	(268,609)
Basic and diluted loss per common share amounts:		
Loss before cumulative effect of change in accounting principle	$ (0.44)	$ (0.68)
Net loss	$ (0.53)	$ (0.68)

The pro forma amounts include the historical operating results of the Company and SpectraSite, Inc. with appropriate adjustments that give effect to depreciation, amortization and accretion, interest expense, amortization of unearned compensation relating to unvested stock options assumed, income taxes, and certain conforming accounting policies of the Company. The pro forma amounts for the year ended December 31, 2005 contain approximately $20.7 million of merger related costs incurred by SpectraSite, Inc. prior to the merger. The pro forma amounts are not necessarily indicative of the operating results that would have occurred if the acquisition and related transactions had been completed at the beginning of the applicable periods presented. In addition, the pro forma amounts are not necessarily indicative of operating results in future periods.

4. DISCONTINUED OPERATIONS

In 2004 and 2003, in connection with the Company's plan to focus on its core tower business, the Company sold or committed to sell several non-core businesses. In accordance with SFAS No. 144, the Company classified the operating results of these businesses as discontinued operations in the accompanying consolidated statements of operations. In addition, the assets of the discontinued operations that were not disposed of as of December 31, 2004 were reflected as assets held for sale in the accompanying consolidated balance sheet.

The following table presents summary operating results of the discontinued operations for the years ended December 31, (in thousands):

	2005	2004	2003
Revenue		$ 71,993	$283,124
Income (loss) from discontinued operations	$ 34	(11,894)	(14,791)
Income tax (provision) benefit on income (loss) from discontinued operations	(12)	4,110	1,616
Net loss on disposal of discontinued operations, net of tax benefit of $1,042, $337 and $10,160 respectively	(1,935)	(625)	(48,458)
Loss from discontinued operations, net	$(1,913)	$ (8,409)	$ (61,633)

As of December 31, 2004, the Company had assets owned by its Kline Iron & Steel Co, Inc. (Kline) subsidiary held for sale that were comprised of property and equipment, net of $3.4 million.

The following businesses have been reflected as discontinued operations in the accompanying consolidated statements of operations for all periods presented. Impairment charges and gains/losses are presented net of taxes.

Tower Construction Services Unit—In November 2004, the Company consummated the sale of its tower construction services unit (previously included in the Company's network development services segment), including $3.9 million of inventory and $5.2 million of net property and equipment. Total consideration was approximately $9.1 million, including $6.8 million of cash proceeds, subject to adjustment, and the buyer's assumption of $2.3 million of capital lease obligations. Pursuant to this transaction, the Company recorded a net loss on disposal of approximately $1.7 million, which is reflected in loss from discontinued operations, net, in the accompanying consolidated statement of operations for the year ended December 31, 2004.

Kline, Iron & Steel—In June 2003, the Company committed to a plan to sell its steel fabrication and tall tower construction service subsidiary, Kline (previously included in the Company's network development services segment). During 2003, the Company recognized an aggregate non-cash charge of approximately $14.6 million (including $10.3 million of goodwill) related to the impairment of Kline's net assets to reduce their carrying value to the estimated proceeds expected upon disposal. This charge is reflected in loss from discontinued operations, net, in the accompanying consolidated statement of operations for the year ended December 31, 2003. In March 2004, the Company sold substantially all the assets of Kline for approximately $4.0 million.

Verestar—In December 2002, the Company committed to a plan to sell Verestar by December 31, 2003. In December 2003, Verestar filed for protection under Chapter 11 of the federal bankruptcy laws. Under generally accepted accounting principles, consolidation is generally required for investments of more than 50% of the outstanding voting stock of an investee, except when control is not held by the majority owner. Under these rules, legal reorganization or bankruptcy represent conditions which can preclude consolidation in instances where control rests with the bankruptcy court, rather than the majority owner. Accordingly, due to the bankruptcy filing, the Company ceased to consolidate Verestar's financial results beginning December 22, 2003. The operations of Verestar are included in loss from discontinued operations, net, in the accompanying consolidated statements of operations through the date of the bankruptcy filing. As described in note 10, the Company has incurred costs in connection with its involvement in the bankruptcy proceedings of Verestar, which are reflected within discontinued operations in the accompanying consolidated statements of operations.

The Company recognized aggregate impairment charges related to its investment in Verestar of approximately $26.5 million for the year ended December 31, 2003. These charges reduced the carrying value of the Company's investment in Verestar to zero as of December 31, 2003. These charges are included in loss from discontinued operations, net, in the accompanying consolidated statements of operations for the year ended December 31, 2003. (See note 10.)

Other Transactions—In August 2003, the Company consummated the sale of Galaxy Engineering (Galaxy), a radio frequency engineering, network design and tower-related consulting business (previously included in the Company's network development services segment). The purchase price of approximately $3.5 million included $2.0 million in cash, which the Company received at closing, and an additional $1.5 million payable on January 15, 2008, or at an earlier date based on the future revenues of Galaxy. The Company received $0.5 million of this amount in January 2005. Pursuant to this transaction, the Company recorded a net loss on disposal of approximately $2.4 million in the accompanying consolidated statement of operations for the year ended December 31, 2003.

In May 2003, the Company consummated the sale of an office building in Westwood, Massachusetts (previously held primarily as rental property and included in the Company's rental and management segment) for a purchase price of approximately $18.5 million, including $2.4 million of cash proceeds and the buyer's assumption of $16.1 million of related mortgage notes. Pursuant to this transaction, the Company recorded a net loss on disposal of approximately $3.6 million in the accompanying consolidated statement of operations for the year ended December 31, 2003.

In January 2003, the Company consummated the sale of Flash Technologies, its remaining components business (previously included in the Company's network development services segment) for approximately $35.5 million in cash and has recorded a net gain on disposal of approximately $0.1 million in the accompanying consolidated statement of operations for the year ended December 31, 2003.

In March 2003, the Company consummated the sale of an office building in Schaumburg, Illinois (previously held primarily as rental property and included in the Company's rental and management segment) for net proceeds of approximately $10.3 million in cash and recorded a net loss on disposal of $0.1 million in the accompanying consolidated statement of operations for the year ended December 31, 2003.

5. PROPERTY AND EQUIPMENT

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

	2005	2004
Towers	$ 4,134,155	$ 2,788,162
Equipment	167,504	115,244
Buildings and improvements	184,951	162,120
Land and improvements	215,974	176,937
Construction-in-progress	36,991	27,866
Total	4,739,575	3,270,329
Less accumulated depreciation and amortization	(1,279,049)	(996,973)
Property and equipment, net	$ 3,460,526	$ 2,273,356

6. GOODWILL AND OTHER INTANGIBLE ASSETS

The Company's net carrying amount of goodwill was approximately $2.1 billion as of December 31,2005 and $592.7 million as of December 31, 2004, all of which related to its rental and management segment. The increase in the carrying value was as a result of the goodwill of $1.5 billion acquired in the merger with SpectraSite, Inc. (See note 3.)

The Company has selected December 1 as the date to perform its annual impairment test. In performing its 2005 and 2004 testing, the Company completed an internal appraisal and estimated the fair value of the rental and management reporting unit that contains goodwill utilizing future discounted cash flows and market information. Based on the appraisals performed, the Company determined that goodwill in its rental and management segment was not impaired.

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

	2005	2004
Acquired customer base and network location intangibles	$ 2,606,546	$ 1,369,607
Deferred financing costs	65,623	89,736
Acquired licenses and other intangibles	51,703	43,404
Total	2,723,872	1,502,747
Less accumulated amortization	(646,560)	(517,444)
Other intangible assets, net	$ 2,077,312	$ 985,303

The Company amortizes its intangible assets over periods ranging from three to fifteen years. Amortization of intangible assets for the years ended December 31, 2005 and 2004 aggregated approximately $136.0 million and $97.8 million, respectively (excluding amortization of deferred financing costs, which is included in interest expense). The Company expects to record amortization expense of approximately $183.6 million, $178.3 million, $174.4 million, $172.7 million and $170.3 million, for the years ended December 31, 2006, 2007, 2008, 2009 and 2010, respectively. These amounts are subject to changes in estimates until the preliminary allocation of the SpectraSite purchase price is finalized.

7. NOTES RECEIVABLE

In 2000, the Company loaned TV Azteca, S.A. de C.V. (TV Azteca), the owner of a major national television network in Mexico, $119.8 million. The loan, which initially bore interest at 12.87%, payable quarterly, was discounted by the Company, as the fair value interest rate at the date of the loan was determined to be 14.25%. The loan was amended effective January 1, 2003 to increase the original interest rate to 13.11%. As of December 31, 2005 and 2004, approximately $119.8 million undiscounted ($108.2 million discounted) under the loan was outstanding and included in notes receivable and other long-term assets in the accompanying consolidated balance sheets. The term of the loan is seventy years; however, the loan may be prepaid by TV Azteca without penalty during the last fifty years of the agreement. The discount on the loan is being amortized to interest income—TV Azteca, net, using the effective interest method over the seventy-year term of the loan.

Simultaneous with the signing of the loan agreement, the Company also entered into a seventy year Economic Rights Agreement with TV Azteca regarding space not used by TV Azteca on approximately 190 of its broadcast towers. In exchange for the issuance of the below market interest rate loan discussed above and the annual payment of $1.5 million to TV Azteca (under the Economic Rights Agreement), the Company has the right to market and lease the unused tower space on the broadcast towers (the Economic Rights). TV Azteca retains title to these towers and is responsible for their operation and maintenance. The Company is entitled to 100% of the revenues generated from leases with tenants on the unused space and is responsible for any incremental operating expenses associated with those tenants.

The term of the Economic Rights Agreement is seventy years; however, TV Azteca has the right to purchase, at fair market value, the Economic Rights from the Company at any time during the last fifty years of the agreement. Should TV Azteca elect to purchase the Economic Rights (in whole or in part), it would also be obligated to repay a proportional amount of the loan discussed above at the time of such election. The Company's obligation to pay TV Azteca $1.5 million annually would also be reduced proportionally.

The Company has accounted for the annual payment of $1.5 million as a capital lease (initially recording an asset and a corresponding liability of approximately $18.6 million). The capital lease asset and the discount on the note, which aggregate approximately $30.2 million, represent the cost to acquire the Economic Rights and are being amortized over the seventy-year life of the Economic Rights agreement.

On a quarterly basis, the Company assesses the recoverability of its note receivable from TV Azteca. As of December 31, 2005 and 2004, the Company has assessed the recoverability of the note receivable from TV Azteca and concluded that no adjustment to its carrying value is required.

An executive officer and former director of the Company served as a director of TV Azteca from December 1999 to February 2006.

As of December 31, 2005 and 2004, the Company also had other long-term notes receivable outstanding of approximately $11.1 million and $11.2 million, respectively.

8. FINANCING ARRANGEMENTS

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

	2005	2004
American Tower credit facility	$ 793,000	$ 698,000
SpectraSite credit facility	700,000	
Senior subordinated notes	400,000	400,000
Senior subordinated discount notes, net of discount and warrant valuation	160,252	303,755
Senior notes, net of discount and premium	726,754	1,001,817
Convertible notes, net of discount	773,058	830,056
Notes payable and capital leases	60,365	59,986
Total	3,613,429	3,293,614
Less current portion of other long-term obligations	(162,153)	(138,386)
Long-term debt	$ 3,451,276	$ 3,155,228

New Credit Facilities—In October 2005, the Company refinanced the two existing credit facilities of its principal operating subsidiaries. The Company replaced the existing American Tower $1.1 billion senior secured credit facility with a new $1.3 billion senior secured credit facility and replaced the existing SpectraSite $900.0 million senior secured credit facility with a new $1.15 billion senior secured credit facility. As a result of the repayment of the previous credit facilities, the Company recorded a net loss on retirement of long-term obligations of $9.8 million in the fourth quarter of 2005.

As of December 31, 2005, the new American Tower credit facility consists of the following:

- a $300.0 million revolving credit facility, against which approximately $18.2 million of undrawn letters of credit are outstanding at December 31, 2005, maturing on October 27, 2010;
- a $750.0 million Term Loan A, which is fully drawn, maturing on October 27, 2010; and
- a $250.0 million Delayed Draw Term Loan, of which $43.0 million was drawn at December 31, 2005, maturing on October 27, 2010.

The borrowers under the American Tower credit facility include ATI, American Tower, L.P., American Tower International, Inc. and American Tower LLC. The Company and the borrowers' restricted subsidiaries (as defined in the loan agreement) have guaranteed all of the loans under the credit facility. These loans are secured by liens on and security interests in substantially all assets of the borrowers and the restricted subsidiaries, with a carrying value aggregating approximately $4.0 billion at December 31, 2005. At closing, the Company drew down the entire Term Loan A of the American Tower credit facility and used the net proceeds to repay principal and interest on the $745.0 million outstanding under the previous American Tower credit facility.

In December 2005, the Company drew down $43.0 million of the Delayed Draw Term Loan to finance repurchases of ATI 12.25% senior subordinated discount notes due 2008 (ATI 12.25% Notes). As of December 31, 2005, the Company had $793.0 million outstanding under the new American Tower credit facility. Under the terms of the new American Tower credit facility, the Company could borrow approximately $488.8 million while remaining in compliance with the applicable covenants as of December 31, 2005.

As of December 31, 2005, the new SpectraSite credit facility consists of the following:

- a $250.0 million revolving credit facility, against which approximately $4.6 million of undrawn letters of credit were outstanding at December 31, 2005, maturing on October 27, 2010;
- a $700.0 million Term Loan A, which is fully drawn, maturing on October 27, 2010; and
- a $200.0 million Delayed Draw Term Loan, none of which was drawn at December 31, 2005, maturing on October 27, 2010.

The borrower under the SpectraSite credit facility is SpectraSite Communications. SpectraSite Communications, its parent company (SpectraSite, LLC), and its restricted subsidiaries (as defined in the loan agreement) have guaranteed all of the loans under the credit facility. These loans are secured by liens on and security interests in substantially all assets of the borrower and the restricted subsidiaries, with a carrying value aggregating approximately $4.0 billion at December 31, 2005. At closing, the Company drew down the entire Term Loan A of the SpectraSite credit facility and used the net proceeds to repay principal and interest on the $697.0 million principal amount outstanding under the previous SpectraSite credit facility.

As of December 31, 2005, the Company had $700.0 million outstanding under the new SpectraSite credit facility. Under the terms of the new SpectraSite credit facility, the Company could borrow approximately $445.4 million while remaining in compliance with the applicable covenants as of December 31, 2005.

The revolving credit facility and Delayed Draw Term Loan components of each of the American Tower and SpectraSite credit facilities remained undrawn at closing. Each credit facility provides that any portion of the Delayed Draw Term Loan component that is not drawn as of October 27, 2006 will be canceled. As of December 31, 2005, the Company had drawn $43.0 million of the Delayed Draw Tem Loan under the American Tower credit facility. Interest rates for the revolving loan and the term loan components of each of the credit facilities are determined at the option of the borrowers under the facility and range between 0.50% and 1.25% above the LIBOR rate for LIBOR based borrowings or between 0.0% and 0.25% above the defined base rate for base rate borrowings, in each case based on the applicable borrowers' debt ratings. A quarterly commitment fee on the undrawn portion of each credit facility is required, ranging from 0.10% to 0.375% per annum, based on the applicable borrowers' debt ratings.

The American Tower and SpectraSite credit facilities contain certain financial ratios and operating covenants and other restrictions (including limitations on additional debt, guaranties, sales of assets and liens) with which the borrowers and their restricted subsidiaries must comply. Each credit facility contains the following two financial maintenance tests with which the borrowers under the applicable credit facility must comply:

- a leverage ratio (Total Debt to Adjusted EBITDA) of not greater than 5.50 to 1.00 for the borrowers and their restricted subsidiaries; and
- an interest coverage ratio (Adjusted EBITDA to Interest Expense) of not less than 2.50 to 1.00 for the borrowers and their restricted subsidiaries.

Any failure to comply with the financial and operating covenants of the American Tower credit facility or the SpectraSite credit facility would not only prevent the Company from being able to borrow additional funds under the revolving loans, but would constitute a default, resulting in, among other things, the amounts outstanding, including all accrued interest and unpaid fees, becoming immediately due and payable. As of December 31, 2005, the Company was in compliance with all of the foregoing tests.

Each credit facility has a term of five years and matures on October 27, 2010. All amounts will be due and payable in full at maturity. The credit facilities do not require amortization of principal and may be paid prior to maturity in whole or in part at the borrowers' option without penalty or premium. The new credit facilities allow the Company to use borrowings for general corporate purposes and, provided certain conditions are met, permit the use of borrowings under the credit facilities and internally generated funds to repurchase the Company's equity securities and repurchase and refinance other indebtedness without additional lender approval. (See note 20.)

Previous American Tower Credit Facilities—In each of 2005, 2004 and 2003, the Company amended its previous American Tower Credit facilities. The Company amended its credit facility in 2003 (2003 Credit Facility), refinanced the 2003 Credit Facility with a new credit facility in 2004 (2004 Credit Facility), and amended the 2004 Credit Facility in 2005. As discussed above, the 2004 Credit Facility was terminated and repaid in October 2005 in connection with the implementation of the Company's new American Tower credit facility.

In May 2005, the Company amended its 2004 Credit Facility to replace the $397.0 million Term Loan B due August 31, 2011 with a new $397.0 million Term Loan C due August 31, 2011. The new Term Loan C had substantially the same terms as the previous Term Loan B, except that the interest rate spreads for the existing LIBOR and base rate loans were reduced.

In May 2004, the Company refinanced its 2003 Credit Facility and replaced it with the 2004 Credit Facility, a $1.1 billion senior secured credit facility. At closing, the Company received $685.5 million of net proceeds from the borrowings under the 2004 Credit Facility, after deducting related expenses and fees. Approximately $670.0 million of the net proceeds were used to repay principal and interest on the 2003 Credit Facility. The Company used the remaining net proceeds of $15.5 million for general corporate purposes, including the repurchase of other outstanding debt securities. The Company recorded a charge of $11.7 million related to the write-off of deferred financing fees associated with the 2003 Credit Facility, which is reflected in loss on retirement of long-term obligations in the accompanying consolidated statement of operations for the year ended December 31, 2004.

In January 2004, the Company amended its 2003 Credit Facility primarily to facilitate the 7.50% senior notes offering described below. The amendment permitted the Company, among other things, to complete the offering provided that the net proceeds were used to prepay obligations under its convertible notes. The Company also refinanced its $267.0 million Term Loan B under its 2003 Credit Facility with a new Term Loan C due December 31, 2007. The new Term Loan C had substantially the same terms as the previous Term Loan B, except that the interest rate spreads for the LIBOR and base rate loans were reduced from 3.5% above LIBOR to 2.25% and from 2.5% above the base rate to 1.25%, respectively. The amendment also removed the requirement that any remaining proceeds from the August 2003 equity offering held as restricted cash and investments on August 4, 2004 be contributed to the borrower subsidiaries.

During 2003, the Company reduced the borrowing capacity under its 2003 Credit Facility through certain amendments and related prepayments of $938.8 million and principal payments of $61.5 million. In connection with the amendments during 2003, the Company recorded non-cash charges related to the write-off of deferred financing fees associated with the reduction in the borrowing capacity under the 2003 Credit Facility of approximately $11.9 million. These charges are reflected in loss on retirement of long-term obligations in the accompanying consolidated statement of operations for the year ended December 31, 2003.

For the years ended December 31, 2004 and 2003 the combined weighted average interest rate related to the Company's previous American Tower credit facilities was 4.35%, and 3.85% respectively. Commitment fees incurred by the Company related to the previous American Tower credit facilities aggregated approximately $2,761,000, and $2,376,000 for the years ended December 31, 2004 and 2003, respectively.

Notes Offerings—The following is a description of the Company's notes offerings during the years ended December 31, 2004 and 2003. The Company did not complete any notes offerings in the year ended December 31, 2005.

7.125% Senior Notes—In October and December 2004, the Company sold $300.0 million and $200.0 million, respectively, principal amount of 7.125% senior notes due October 15, 2012 (7.125% Notes) through institutional private placements. The net proceeds were approximately $292.8 million in October 2004 and $199.8 million in December 2004, after deducting the commissions payable to the initial purchaser and other expenses related to the offering. The $200.0 million principal amount of 7.125% Notes issued in December 2004 were issued at 101.25% of face amount. All net proceeds were used to redeem a portion of the Company's 9 $^{3}/_{8}$% senior notes due 2009 (9 $^{3}/_{8}$% Notes) as described below.

The 7.125% Notes mature on October 15, 2012, and interest is payable semi-annually in arrears on April 15 and October 15 of each year, beginning April 15, 2005. The Company may redeem up to 35% of the original principal amount of the 7.125% Notes prior to October 15, 2007 at a price equal to 107.125% of the principal amount plus accrued and unpaid interest using proceeds from certain types of equity offerings. The Company may redeem all or a partial amount of the original principal amount of the 7.125% Notes prior to October 15, 2008 at a price equal to 100% of the principal amount plus an applicable premium. The Company may redeem all or a partial amount of the original principal amount of the 7.125% Notes on or after October 15, 2008 at an initial redemption price of 103.563%, subject to a ratable decline in each of the following years to 100% of the principal amount in 2010 and thereafter. The indenture for the 7.125% Notes contains certain covenants that restrict the Company's ability to incur more debt; guarantee indebtedness; issue preferred stock; pay dividends; make certain investments; merge, consolidate or sell assets; enter into transactions with affiliates; and enter into sale leaseback transactions. The 7.125% Notes rank equally with the Company's other senior unsecured debt obligations, the Company's convertible notes and the 7.50% senior notes due 2012 and are structurally and effectively junior to indebtedness outstanding under the American Tower and SpectraSite credit facilities and the ATI 7.25% senior subordinated notes due 2011 (ATI 7.25% Notes).

As of December 31, 2005 and 2004, the Company had a total of $501.8 million, net and $501.9 million, net ($500.0 million principal amount) outstanding, respectively, under the 7.125% Notes. These carrying values included a premium of $2.2 million and $2.5 million and a discount of $0.5 million and $0.6 million, as of December 31, 2005 and 2004, respectively.

7.50% Senior Notes—In February 2004, the Company sold $225.0 million principal amount of 7.50% senior notes due 2012 (7.50% Notes) through an institutional private placement. The net proceeds of the offering were approximately $221.7 million, after deducting the commissions payable to the initial purchasers and other expenses related to the offering. The net proceeds were used to redeem all of the Company's outstanding 6.25% convertible notes due 2009 (6.25% Notes) and repurchase a portion of the Company's outstanding 5.0% convertible notes due 2010 (5.0% Notes), as discussed below.

The 7.50% Notes mature on May 1, 2012, and interest is payable semiannually in arrears on May 1 and November 1 of each year. The Company may redeem the 7.50% Notes after May 1, 2008. The initial redemption price on the 7.50% Notes is 103.750% of the principal amount, subject to a ratable decline after May 1 of the following year to 100% of the principal amount in 2010 and thereafter. The indenture for the 7.50% Notes contains certain covenants that restrict the Company's ability to incur more debt; guarantee indebtedness; issue preferred stock; pay dividends; make certain investments; merge, consolidate or sell assets; enter into transactions with affiliates; and enter into sale leaseback transactions. The 7.50% Notes rank equally with the Company's convertible notes and the 7.125% Notes and are structurally and effectively junior to indebtedness outstanding under the American Tower and SpectraSite credit facilities and the ATI 7.25% Notes.

As of December 31, 2005 and 2004 respectively, the Company had a total of $225.0 million outstanding under the 7.50% Notes.

3.00% Convertible Notes—In August 2004, the Company sold $345.0 million principal amount of 3.00% convertible notes due August 15, 2012 (3.00% Notes) through an institutional private placement. The net proceeds were approximately $335.9 million, after deducting the commissions payable to the initial purchaser and other expenses related to the offering. The net proceeds were used to redeem a portion of the 9 $^{3}/_{8}$% Notes, as described below.

The 3.00% Notes mature on August 15, 2012, and interest is payable semi-annually in arrears on February 15 and August 15 of each year. The 3.00% Notes are convertible at any time prior to maturity, subject to their prior redemption or repurchase, into shares of the Company's Class A common stock at a conversion price of approximately $20.50 per share, subject to adjustment in certain events. Upon a fundamental change of control as defined in the notes indenture, the holders of the 3.00% Notes may require the Company to repurchase all or part of the 3.00% Notes for a cash purchase price equal to 100% of the principal amount. In addition, upon a fundamental change of control, the holders may elect to convert their notes based on a conversion rate adjustment that entitles the holders to receive additional shares of the Company's Class A common stock upon conversion depending on the terms and timing of the change of control. The Company may redeem the 3.00% notes after August 20, 2009 at an initial redemption price of 101.125% of the principal amount, subject to a ratable decline after August 15 of the following year to 100% of the principal amount in 2012. The 3.00% Notes rank equally with the Company's other convertible notes, the 7.50% Notes and the 7.125% Notes and are structurally and effectively junior to indebtedness outstanding under the American Tower and SpectraSite credit facilities and the ATI 7.25% Notes.

In certain instances upon a fundamental change of control, the holders of the 3.00% Notes may elect to convert their notes based on a conversion rate adjustment and receive additional shares of the Company's Class A common stock, the acquirer's common stock or, at the election of the acquirer, in certain instances, such feature may be settled in cash. This feature qualifies as an embedded derivative under SFAS No. 133. In addition, the Company's 7.125% Notes contain a call provision that also represents an embedded derivative. The Company has recorded the fair value of these provisions, $1.3 million, as a discount under the 3.00% Notes and 7.125% Notes and as a liability in other long-term liabilities in the accompanying December 31, 2005 and 2004 consolidated balance sheet, respectively. The Company will record any changes in fair value to the liability in future periods to other expense and will amortize the discount to interest expense within its consolidated statement of operations.

As of December 31, 2005 and 2004, the outstanding debt under the 3.00% Notes was $344.4 million and $344.3 million ($345.0 million principal amount), net of $0.6 million and $0.7 million discount, respectively.

ATI 7.25% Senior Subordinated Notes—In November 2003, ATI completed a private placement of $400.0 million principal amount of 7.25% senior subordinated notes due 2011 (ATI 7.25% Notes). Net proceeds of approximately $389.3 million (after deducting the initial purchasers' discounts and commissions and other expenses related to the offering) were used to prepay indebtedness under the Company's 2003 Credit Facility.

The ATI 7.25% Notes mature on December 1, 2011 and interest is payable semi-annually in arrears on June 1 and December 1 of each year. The Company may redeem the notes after December 1, 2007. The initial redemption price on the notes is 103.625% of the principal amount, subject to a ratable decline after December 1 of the following year to 100% of the principal amount in 2009 and thereafter. The Company may also redeem up to 35% of the notes prior to December 1, 2006 at a price equal to 107.25% of the principal amount, plus accrued and unpaid interest using proceeds from certain types of equity offerings. The indenture governing the ATI 7.25% Notes contains certain restrictive covenants, including restrictions on the Company's ability to incur more debt, pay dividends and make certain investments. The ATI 7.25% Notes are jointly and severally guaranteed on a senior subordinated basis by the Company and substantially all of the wholly owned domestic subsidiaries of ATI and the Company, other than SpectraSite and its subsidiaries. The notes rank junior in right of payment to all existing and future senior indebtedness of ATI, the sister guarantors (as defined in the indenture relating to the notes) and their domestic subsidiaries, including all indebtedness outstanding under the American Tower and SpectraSite credit facilities. The ATI 7.25% Notes are structurally senior in right of payment to all other existing and future indebtedness of the Company, including the Company's convertible notes and senior notes.

As of December 31, 2005 and 2004, the Company had $400.0 million outstanding under the ATI 7.25% Notes.

3.25% Convertible Notes—In August 2003, the Company sold $210.0 million principal amount of 3.25% convertible notes due August 1, 2010 (3.25% Notes) through an institutional private placement. The net proceeds were approximately $202.8 million, after deducting the initial purchasers' discounts and commissions and other expenses related to the offering. The Company utilized $100.0 million of the net proceeds to prepay a portion of its outstanding indebtedness under the 2003 Credit Facility and placed the remaining $102.8 million in a restricted account, which the Company subsequently utilized to fund repurchases of its 2.25% convertible notes due 2009 and 5.0% Notes.

The 3.25% Notes mature on August 1, 2010, and interest is payable semi-annually in arrears on February 1 and August 1 of each year. The 3.25% Notes are convertible at any time into shares of the Company's Class A common stock at a conversion price of $12.22 per share, subject to certain adjustments. The Company may redeem the 3.25% Notes on or after August 6, 2008. The initial redemption price on the 3.25% Notes is 100.929% of the principal amount, subject to a ratable decline after August 1 of the following year to 100% of the principal amount in 2010. The 3.25% Notes rank equally with the Company's other convertible notes, the 7.50% Notes and the 7.125% Notes and are structurally and effectively junior to indebtedness outstanding under the American Tower and SpectraSite credit facilities and the ATI 7.25% Notes.

As described below, during the year ended December 31, 2005, holders of $57.1 million principal amount of the 3.25% Notes converted their holdings to shares of the Company's Class A common stock. As of December 31, 2005 and 2004, the Company had $152.9 million and $210.0 million outstanding under the 3.25% Notes.

ATI 12.25% Senior Subordinated Discount Notes and Warrants—In January 2003, the Company issued 808,000 units, each consisting of (1) $1,000 principal amount at maturity of ATI 12.25% Notes and (2) a warrant to purchase 14.0953 shares of Class A common stock of the Company, for gross proceeds of approximately $420.0 million. Net proceeds from the offering aggregated approximately $397.0 million (after deducting the initial purchasers' discounts and commissions and other expenses related to the offering) and were primarily used to prepay $200.0 million of term loans under the 2003 Credit Facility and to repurchase other outstanding debt.

The gross offering proceeds of approximately $420.0 million were allocated between the ATI 12.25% Notes ($367.4 million) and the warrants ($52.6 million) based on their respective fair values. The value ascribed to the warrants is reflected as a discount to the ATI 12.25% Notes in the accompanying balance sheets and is being accreted to interest expense utilizing the effective interest method over the applicable term.

The Company was permitted to redeem the ATI 12.25% Notes on or after February 1, 2006, and the Company redeemed all outstanding ATI 12.25% Notes on February 1, 2006, as discussed below. Upon completion of this redemption, no ATI 12.25% Notes remained outstanding. (See note 19.)

The ATI 12.25% Notes accrued no cash interest. Instead, the accreted value of each ATI 12.25% Note increased between the date of original issuance and maturity (August 1, 2008) at a rate of 12.25% per annum. The effective interest rate on the ATI 12.25% Notes (after giving effect to the accretion of the original discount and the accretion of the warrants) was 14.7% per annum. The warrants are exercisable at any time on or after January 29, 2006 and will expire on August 1, 2008. The redemption price of the ATI 12.25% Notes was 106.125% of the accreted value on the first redemption date, February 1, 2006, and was subject to a ratable decline the following year to 100% of the accreted value in 2008. The indenture governing the ATI 12.25% Notes contained certain restrictive covenants, including restrictions on the Company's ability to incur more debt, pay dividends and make certain investments. The Company's payment obligations under the ATI 12.25% Notes were fully and unconditionally guaranteed on a joint and several basis by the Company and substantially all of the wholly owned domestic subsidiaries of ATI and the Company, other than SpectraSite and its subsidiaries. The ATI 12.25% Notes ranked junior in right of payment to all existing and future senior indebtedness of ATI, the sister guarantors (as defined in the indenture relating to the notes) and their domestic subsidiaries, including all indebtedness outstanding under the American Tower and SpectraSite credit facilities, and were pari passu with the ATI 7.25% Notes. The ATI 12.25% Notes were structurally senior in right of payment to all other existing and future indebtedness of the Company, including the Company's convertible notes and senior notes.

As of December 31, 2005 and 2004, the outstanding debt under the ATI 12.25% Notes was $227.7 million face amount ($160.3 million accreted value, net of $7.2 million fair value allocated to warrants), and $498.2 million face amount ($303.8 million accreted value, net of $21.6 million fair value allocated to warrants), respectively.

Notes Repurchases, Redemptions and Conversions—The following is a description of the Company's notes repurchases, redemptions and conversions during the years ended December 31, 2005, 2004 and 2003.

9 $^3/_8$% Senior Notes—During the year ended December 31, 2005, the Company redeemed an aggregate of $274.9 million principal amount of its 9 $^3/_8$% senior notes due 2009 (9 $^3/_8$% Notes), representing all of its outstanding 9 $^3/_8$% Notes. The Company completed partial redemptions of 9 $^3/_8$% Notes in accordance with the terms of the indenture in January, July and September 2005 for an aggregate redemption price of $288.3 million, plus approximately $9.5 million in accrued interest. In connection with these redemptions, the Company recorded a charge of $17.9 million related to amounts paid in excess of carrying value and write-off of deferred financing fees, which is reflected in loss on retirement of long-term obligations in the accompanying consolidated statement of operations for the year ended December 31, 2005.

During the year ended December 31, 2004, the Company redeemed an aggregate of $613.0 million principal amount of its 9 3/8% Notes. The Company completed partial redemptions of 9 3/8% Notes in accordance with the terms of the indenture in September and November 2004 for an aggregate redemption price of $654.0 million, plus approximately $11.0 million in accrued interest. In connection with these redemptions, the Company recorded a charge of $52.5 million related to amounts paid in excess of carrying value and write-off of deferred financing fees, which is reflected in loss on retirement of long-term obligations in the accompanying consolidated statement of operations for the year ended December 31, 2004.

During the year ended December 31, 2004, in addition to the redemptions discussed above, the Company repurchased in privately negotiated transactions an aggregate of $112.1 million principal amount of its 9 3/8% Notes for $118.9 million in cash. As a consequence of these transactions, the Company recorded an aggregate charge of $8.8 million related to amounts paid in excess of carrying value and write-off of deferred financing fees, which is reflected in loss on retirement of long-term obligations in the accompanying consolidated statement of operations for the year ended December 31, 2004.

As of December 31, 2005 and 2004, the Company had $0 and $274.9 million principal amount outstanding under the 9 3/8% Notes, respectively.

ATI 12.25% Notes—During the year ended December 31, 2005, the Company repurchased a portion of its ATI 12.25% Notes in privately negotiated transactions. The Company repurchased an aggregate of $270.6 million face amount ($177.8 million accreted value, net of $10.1 million fair value allocated to warrants) of ATI 12.25% Notes for approximately $208.4 million in cash. The Company recorded a charge of $34.2 million related to the amounts paid in excess of carrying value and write-off of deferred financing fees, which is reflected in loss on retirement of long-term obligations in the accompanying consolidated statement of operations for the year ended December 31, 2005.

During the year ended December 31, 2004, the Company repurchased in privately negotiated transactions an aggregate of $309.7 million face amount of its ATI 12.25% Notes ($179.4 million accreted value, net of $14.7 million fair value allocated to warrants) for approximately $230.9 million in cash. The Company recorded a charge of $56.8 million related to the amounts paid in excess of carrying value and write-off of deferred financing fees, which is reflected in loss on retirement of long-term obligations in the accompanying consolidated statement of operations for the year ended December 31, 2004.

In December 2005, the Company issued a notice for the redemption on February 1, 2006 of all remaining outstanding ATI 12.25% Notes. Pursuant to the indenture for the notes, once a notice to redeem is issued, notes called for redemption become irrevocably due and payable on the redemption date. As of December 31, 2005, there was $227.7 million face amount ($160.3 million accreted value, net of $7.2 million fair value allocated to warrants) of ATI 12.25% Notes outstanding. On February 1, 2006, the Company redeemed $227.7 million face amount of ATI 12.25% Notes in accordance with the indenture at 106.125% of their accreted value for an aggregate of $179.5 million. Accordingly, such amount has been included in the current portion of long-term obligations in the accompanying consolidated balance sheet as of December 31, 2005. The Company expects to record a charge of $19.9 million in the first quarter of 2006 related to the amounts paid in excess of carrying value and write-off of deferred financing fees. Upon completion of this redemption, no ATI 12.25% Notes remained outstanding. (See note 19.)

3.25% Convertible Notes—During the year ended December 31, 2005, holders of an aggregate of $57.1 million principal amount of the Company's 3.25% convertible notes due August 1, 2010 (3.25% Notes) converted their notes into an aggregate of 4.7 million shares of the Company's Class A common stock. Pursuant to the terms of the indenture, the holders of the 3.25% Notes received 81.808 shares of the Company's Class A common stock for every $1,000 principal amount of notes converted. In connection with these conversions, the Company paid such holders an aggregate of $4.9 million, calculated based on the accrued and unpaid interest on the 3.25% Notes and the discounted value of future interest payments on such notes. The Company recorded a charge of $4.9 million related to amounts paid in excess of carrying value and write-off of deferred financing fees, which is reflected in loss on retirement of long-term obligations in the consolidated statement of operations for the year ended December 31, 2005.

6.25% Convertible Notes—In February 2004, the Company redeemed all of its outstanding $212.7 million principal amount of 6.25% convertible notes due 2009 (6.25% Notes) pursuant to the terms of the indenture at a purchase price equal to 102.083% of the principal amount, plus accrued interest. The total aggregate redemption price was $221.9 million, including $4.8 million in accrued interest. The Company recorded a charge of $7.2 million related to the amounts paid in excess of carrying value and write-off of deferred financing fees, which is reflected in loss on retirement of long-term obligations in the consolidated statement of operations for the year ended December 31, 2004.

As of December 31, 2005 and 2004, the Company had no outstanding 6.25% Notes.

5.0% Convertible Notes—During the year ended December 31, 2004, the Company repurchased in privately negotiated transactions an aggregate of $73.7 million principal amount of its 5.0% convertible notes due 2010 (5.0% Notes) for approximately $73.3 million in cash. The Company recorded an aggregate charge of $0.7 million related to the write-off of deferred financing fees and amounts paid in excess of carrying value. Such loss is reflected in loss on retirement of long-term obligations in the accompanying consolidated statement of operations for the year ended December 31, 2004.

As of December 31, 2005 and 2004, the Company had $275.7 million outstanding under the 5.0% Notes.

2.25% Convertible Notes—During the year ended December 31, 2003, the Company repurchased an aggregate of $215.0 million accreted value ($269.8 million face value) of its 2.25% convertible notes due 2009 (2.25% Notes) in exchange for an aggregate of 8,415,984 shares of Class A common stock and $166.4 million in cash, including $84.2 million accreted value ($104.9 million face amount) of 2.25% Notes repurchased in the Company's cash tender offer in October 2003. The shares issued to noteholders included an aggregate of 6,440,636 shares of Class A common stock issued to such holders in addition to the amounts issuable upon conversion of those notes as provided in the applicable indentures. The Company made these repurchases pursuant to negotiated transactions with a limited number of note holders. As a consequence of these transactions, the Company recorded charges of approximately $41.4 million during the year ended December 31, 2003, which primarily represent the fair market value of the shares of stock issued to the note holders in excess of the number of shares originally issuable upon conversion of the notes, as well as cash paid in excess of the related debt retired. These charges are included in loss on retirement of long-term obligations in the consolidated statement of operations for the year ended December 31, 2003.

As of December 31, 2005 and 2004, the Company had $0.1 million accreted value outstanding under the 2.25% Notes.

Capital Lease Obligations and Notes Payable—The Company's capital lease obligations and notes payable approximated $60.4 million and $60.0 million as of December 31, 2005 and 2004, respectively. These obligations bear interest at rates ranging from 6.1% to 9.5% and mature in periods ranging from less than one year to approximately seventy years.

Maturities—As of December 31, 2005, aggregate carrying value of long-term debt, including capital leases, for the next five years and thereafter are estimated to be (in thousands):

Year Ending December 31,	
2006 (excluding $67,417 accreted value attributable to original issue discount of ATI 12.25% Notes and fair value allocated to warrants)	$ 162,153
2007	276,967
2008	873
2009	521
2010	1,646,458
Thereafter	1,525,291
Total cash obligations	$ 3,612,263
Accreted value of the discount and premium of 3.00% Notes and 7.125% Notes	1,166
Balance as of December 31, 2005	$ 3,613,429

The holders of the Company's 5.0% Notes have the right to require the Company to repurchase their notes on specified dates prior to the maturity date in 2010, but the Company may pay the purchase price by issuing shares of Class A common stock, subject to certain conditions. Obligations with respect to the right of the holders to put the 5.0% Notes have been included in the table above as if such notes mature the date on which the put rights become exercisable in 2007.

9. DERIVATIVE FINANCIAL INSTRUMENTS

The Company has entered into interest rate protection agreements to manage exposure on its variable rate debt. Under these agreements, the Company is exposed to credit risk to the extent that a counterparty fails to meet the terms of a contract. Such exposure is limited to the current value of the contract at the time the counterparty fails to perform. The Company believes its contracts as of December 31, 2005 and 2004 are with credit worthy institutions.

During the fourth quarter of 2005, the Company entered into eight interest rate swap agreements to manage exposure to variable rate interest obligations under its new American Tower and SpectraSite credit facilities. The Company has designated all eight of these swaps as cash flow hedges.

In August 2005, and as a result of the merger with SpectraSite, Inc., the Company acquired three interest rate swap instruments and one interest rate cap instrument. The three interest rate swaps, which had a fair value of $6.7 million at the date of acquisition, have an aggregate notional amount of $300.0 million, a weighted average fixed rate of approximately 3.88% and expire in December 2009. The interest rate cap has a notional amount of $175.0 million, a fixed rate of 7.0%, and expires in February 2006. The interest rate swaps and the interest rate cap were not designated as cash flow hedges. During the year ended December 31, 2005, the Company recorded $3.0 million of income, representing changes in fair market value which were charged to other income (expense) in the consolidated statements of operations.

As of December 31, 2004, the Company also had two interest rate caps outstanding with an aggregate notional amount of $350.0 million (each at an interest rate of 6.0%) that expire in 2006. As of December 31, 2004, there was no fair value associated with these interest rate caps.

As of December 31, 2005, the carrying amounts of the Company's derivative financial instruments, along with the estimated fair values of the related assets (liabilities), are as follows (in thousands):

Derivative	Notional Amount	Interest Range	Term	Carrying Amount and Fair Value
Interest rate swaps	$ 300,000	3.88%	Expiring in 2009	$ 9,679
Interest rate swaps	300,000	4.75%	Expiring in 2010	49
Interest rate swaps	150,000	4.88%-4.95%	Expiring in 2010	(909)
Interest rate caps	350,000	6.0%	Expiring in 2006	
Interest rate cap	175,000	7.0%	Expiring in 2006	
Interest rate cap	25,000	8.0%	Expiring in 2007	
Total				$ 8,819

During the year ended December 31, 2005, the Company recorded a net unrealized loss of approximately $0.8 million (net of a tax benefit of approximately $0.4 million) in other comprehensive loss for the change in fair value of interest rate swaps designated as cash flow hedges. No amounts were reclassified into results of operations during the year ended December 31, 2005. During the year ended December 31, 2003, the Company recorded an unrealized loss of approximately $0.3 million (net of a tax benefit of approximately $0.2 million) in other comprehensive loss for the change in fair value of cash flow hedges and reclassified $5.9 million (net of a tax benefit of approximately $3.2 million) into results of operations.

10. COMMITMENTS AND CONTINGENCIES

Lease Obligations—The Company leases certain land, office and tower space under operating leases that expire over various terms. Many of the leases contain renewal options with specified increases in lease payments upon exercise of the renewal option. Escalation clauses present in operating leases, excluding those tied to CPI or other inflation-based indices, are recognized on a straight-line basis over the term of the lease. (See note 1.)

Future minimum rental payments under non-cancelable operating leases include payments for certain renewal periods at the Company's option because failure to renew could result in a loss of the applicable tower site and related revenues from tenant leases, thereby making it reasonably assured that the Company will renew the lease. Such payments in effect at December 31, 2005 are as follows (in thousands):

Year Ending December 31,	
2006	$ 190,129
2007	183,595
2008	180,910
2009	178,456
2010	172,060
Thereafter	2,507,444
Total	$ 3,412,594

Aggregate rent expense (including the effect of straight-line rent expense) under operating leases for the years ended December 31, 2005, 2004 and 2003 approximated $168,670,000, $118,741,000, and $113,956,000 respectively.

Future minimum payments under capital leases (see note 8) in effect at December 31, 2005 are as follows (in thousands):

Year Ending December 31,	
2006	$ 4,551
2007	3,965
2008	3,567
2009	3,232
2010	3,257
Thereafter	199,335
Total minimum lease payments	217,907
Less amounts representing interest	(173,562)
Present value of capital lease obligations	$ 44,345

Customer Leases—The Company's lease agreements with its customers vary depending upon the region and the industry of the customer. In the United States, initial terms for television and radio broadcast leases typically range between 10 to 20 years, while leases for wireless communications providers generally have initial terms of five to ten years. In Mexico and Brazil, the Company's typical tenant lease has an initial term of 10 years. In most cases, the Company's tenant leases have multiple renewal terms at the option of the customer.

Future minimum rental receipts expected from customers under non-cancelable operating lease agreements in effect at December 31, 2005 are as follows (in thousands):

Year Ending December 31,	
2006	$ 1,044,097
2007	988,154
2008	930,441
2009	881,145
2010	759,347
Thereafter	2,150,543
Total	$ 6,753,727

Verestar—Verestar, Inc., a subsidiary of the Company, filed for protection under Chapter 11 of the federal bankruptcy laws in December 2003. In connection with the bankruptcy filing, the Company asserted certain claims against Verestar as an unsecured creditor. If Verestar fails to honor certain of its contractual obligations because of its bankruptcy filing or otherwise, claims may be made against the Company for breaches by Verestar of those contracts as to which the Company is primarily or secondarily liable as a guarantor. The Company accrued its initial estimate of costs to settle these obligations of $10.0 million as of December 31, 2003 and has adjusted such estimate to reflect actual payments and changes in estimates made through December 31, 2005. The liability of $3.2 million is included in accounts payable and accrued expenses in the accompanying consolidated balance sheets as of December 31, 2005 and 2004.

In June 2004, the Bankruptcy Court approved a stipulation between Verestar and the Official Committee of Unsecured Creditors appointed in the bankruptcy proceeding (the Committee) that permits the Committee to file claims on behalf of Verestar against the Company, its affiliates and certain current and former officers and directors of Verestar and the Company. The Committee requested and received authorization from the Bankruptcy Court to take discovery of the Company and certain of Verestar's current and former officers and directors. The Company produced various documents and a limited number of depositions were conducted by the Committee. In July 2005, the Committee filed a complaint in the U.S. District Court for the Southern District of New York against the Company and certain of its and Verestar's current and former officers, directors and advisors, and also filed a complaint in the Bankruptcy Court against the Company. (The case initially filed in the District Court has since been transferred to the Bankruptcy Court, and both cases are now pending as a single, consolidated case before the same Bankruptcy judge.) The Company may be obligated or may agree to indemnify certain of the defendants named in the litigation. The complaint originally filed in the District Court asserts various causes of action against the defendants, including declaratory judgment for alter ego, breach of fiduciary duty, conversion, conspiracy, tortuous interference with contract and business relations, deepening insolvency, and avoidance and recovery of fraudulent transfers and preferential transfers. In connection with those claims, the Committee is seeking unspecified compensatory damages of not less than $150.0 million, punitive damages and various costs and fees. The complaint originally filed in the Bankruptcy Court includes an objection to the Company's claims against Verestar and seeks to recharacterize and equitably subordinate those claims. The complaint also seeks substantive consolidation of the Company's assets and liabilities with Verestar's assets and liabilities. During 2005, the Company, together with the individual defendants, filed motions to dismiss certain claims asserted in the complaints. In February 2006, the Bankruptcy Court heard oral arguments on the motions to dismiss, but has not yet decided any of the motions. The outcome of this complex litigation cannot be predicted by the Company with certainty, is dependent upon many factors beyond the Company's control, and could take several years to resolve. In the opinion of management, the resolution of the claims made against the Company by the Committee will not likely have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity. Finally, the Company will incur additional costs in connection with its involvement in the Verestar bankruptcy proceedings. Such costs will be recorded as incurred and reflected within discontinued operations in the accompanying consolidated financial statements.

SBC Transactions—SpectraSite entered into an agreement with SBC Communications Inc. (SBC) for the lease or sublease of approximately 2,500 towers from SBC between December 2000 and August 2004. The average term of the lease or sublease for all sites at the inception of the agreement was approximately 27 years, assuming renewals or extensions of the underlying ground leases for the sites. SpectraSite has the option to purchase the sites subject to the lease or sublease upon their expiration. Each of the towers is assigned into an annual tranche, ranging from 2013 to 2032, which represents the outside expiration date for the sublease rights to that tower. The purchase price for each site is a fixed amount stated in the sublease for that site plus the fair market value of certain alterations made to the related tower by SBC. The aggregate purchase option price for the towers leased and subleased was approximately $282.4 million as of December 31, 2005, and will accrete at a rate of 10% per year to the applicable expiration of the lease or sublease of a site. For all such sites purchased by SpectraSite at the expiration of the lease or sublease, SBC has the right to continue to lease the reserved space for successive one year terms at a rent equal to the lesser of the agreed upon market rate and the then current monthly fee, which is subject to an annual increase based on changes in the CPI.

ALLTEL Transaction—In December 2000, the Company entered into an agreement with ALLTEL to acquire communications towers from ALLTEL through a 15-year sublease agreement. Pursuant to the agreement with ALLTEL, as amended, the Company acquired rights to a total of 1,776 towers in tranches between April 2001 and March 2002. The Company has the option at the expiration of the sublease period, which will occur between April 2016 and March 2017 based on the original closing date for such tranche of towers, to purchase the tower sites at a purchase price per tower of $27,500 and will accrete at a rate of 3% per annum. The aggregate purchase option price for the subleased towers was approximately $56.2 million as of December 31, 2005. At ALLTEL's option, at the expiration of the sublease period the purchase price will be payable in cash or with 769 shares of the Company's Class A common stock per tower.

Build-to-Suit Agreements—As of December 31, 2005, the Company was party to various arrangements relating to the construction of tower sites under existing build-to-suit agreements. During the year ended December 31, 2005, the Company completed construction on 137 towers in Mexico pursuant to these build-to-suit agreements for an aggregate cost of approximately $24.2 million. As of December 31, 2005, the Company had completed construction on a total 167 towers in Mexico under the terms of these agreements, and the Company is obligated over a two-year remaining period to construct approximately 130 additional towers in Mexico for an aggregate cost of approximately $23.0 million.

Guarantees and Indemnifications—The Company complies with the liability and measurement provisions of FIN 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, an interpretation of FASB Statements No. 5, 57 and 107 and rescission of FASB Interpretation No. 34." The Company enters into agreements from time to time in the ordinary course of business pursuant to which it agrees to indemnify third parties for certain claims. The Company has also entered into purchase and sale agreements relating to the sale or acquisition of assets containing customary indemnification provisions. The Company's indemnification obligations under these agreements generally are limited solely to damages resulting from breaches of representations and warranties or covenants under the applicable agreements, but do not guaranty future performance. In addition, payments under such indemnification clauses are generally conditioned on the other party making a claim that is subject to whatever defenses the Company may have and are governed by dispute resolution procedures specified in the particular contract. Further, the Company's obligations under these agreements may be limited in duration and/or amount, and in some instances, the Company may have recourse against third parties for payments made by the Company. The Company has not historically made any material payments under these agreements and, as of December 31, 2005, is not aware of any agreements that could result in a material payment.

Litigation—The Company periodically becomes involved in various claims and lawsuits that are incidental to its business. In the opinion of Company management, after consultation with counsel, other than the litigation related to the Verestar bankruptcy discussed above, there are no matters currently pending which would, in the event of an adverse outcome, have a material impact on the Company's consolidated financial position, results of operations or liquidity. (See note 20.)

11. RELATED PARTY TRANSACTIONS

In addition to the related party transactions described in notes 12 and 15, the Company had the following related party transactions during the years ended December 31, 2005, 2004 and 2003.

In the fourth quarter of 2004, the Company entered into a consulting agreement with the brother of J. Michael Gearon, Jr. (Mr. Gearon), an executive officer of the Company, for the provision of implementation, development and deployment services on the Company's projects in Brazil. Under the terms of the agreement, the Company agreed to pay the individual a consulting fee of $5,000 per month, plus expenses. The Company paid $64,600 of fees under this agreement during the year ended December 31, 2005.

In January 2004, the Company entered into an employment agreement with Steven B. Dodge (Mr. Dodge), the Company's then Chairman and former Chief Executive Officer, that provided for Mr. Dodge to provide ongoing services as a part-time employee of the Company under the supervision of the Company's current Chief Executive Officer. Under the employment agreement, Mr. Dodge receives an annual salary of $12,000, reimbursement of out of pocket business expenses and the continuation of vesting of outstanding stock options through the term of the employment agreement, which ends December 2012. At the initiation of the employment agreement, Mr. Dodge held unexercised stock options to purchase 4,435,867 shares of the Company's Class A common stock, of which options to purchase 285,000 shares were unvested. As of December 31, 2005, Mr. Dodge held outstanding options to purchase 1,909,997 shares, of which options to purchase 75,000 shares were unvested.

In February 2004, Mr. Dodge retired from the Company's Board of Directors and as Chairman of the Company. The Company agreed to pay Mr. Dodge $1.4 million pursuant to the terms of his retirement agreement. The expense was reflected in impairments, net loss on sale of long-lived assets, restructuring and merger related expense in the accompanying statement of operations for the year ended December 31, 2003. Mr. Dodge also elected to convert all of his shares of the Company's Class B common stock into shares of Class A common stock. (See note 15.)

In December 2003, the Company entered into an employment agreement with Joseph Winn (Mr. Winn), the Company's former Chief Financial Officer that provided for Mr. Winn to provide ongoing services as a part-time employee of the Company under the supervision of the Company's current Chief Financial Officer. Under the employment agreement, Mr. Winn receives an annual salary of $12,000, reimbursement of out of pocket business expenses and the continuation of vesting of outstanding stock options through the term of the employment agreement, which ends March 2008. At the initiation of the employment agreement, Mr. Winn held unexercised stock options to purchase 999,679 shares of the Company's Class A common stock, of which options to purchase 74,500 shares were unvested. In February 2004, the Company granted Mr. Winn options to purchase 363,333 shares of the Company's Class A common stock, which were granted prior to but in connection with the surrender of options to purchase 495,000 shares of the Company's Class A common stock in December 2004. The Company had originally recorded this as two independent transactions, and it has since determined to account for these transactions as an indirect repricing, resulting in additional stock-based compensation expense of $3.2 million and $2.8 million for the years ended December 31, 2005 and 2004, respectively. As of December 31, 2005, Mr. Winn held outstanding options to purchase 363,333 shares, all of which were vested.

During the year ended December 31, 2003, a director of the Company (who resigned in January 2004) was a partner of J.P. Morgan Partners, LLC (JPMP). For the year ended December 31, 2003 JP Morgan Chase Bank (Chase) was a lender under the Company's credit facilities. Chase is an affiliate of JPMP, which indirectly controls J.P. Morgan Partners (BHCA), L.P. (JPLP) and J.P. Morgan Partners (23ASBIC), LLC (JPSBIC), stockholders of the Company. During 2003 Chase had participation percentages under the Company's credit facility ranging from 0.88% to 2.22%. At December 31, 2003, the aggregate principal amount outstanding under the credit facility was approximately $704.7 million. Chase's participation in the credit facility at December 31, 2003 was 1.77%. Chase's approximate share of interest and fees paid by the Company pursuant to its various credit arrangements was approximately $0.7 million in 2003. In addition, J.P. Morgan Securities Inc., an affiliate of Chase, was an initial purchaser in certain of the Company's note offerings during 2003 and received initial purchasers' discounts and commissions in connection therewith.

As of December 31, 2004, amounts outstanding under demand loans to certain executive officers approximated $0.1 million. These loans were made prior to July 30, 2002, and were repaid in full during the year ended December 31, 2005.

During the years ended December 31, 2005, 2004 and 2003, the Company retained certain affiliates of Nordblom Co. Inc., including Nordic Properties, to provide various real estate services in connection with the Company's acquisition, financing, ownership and leasing of several properties. Services rendered by those companies included the following: advice in connection with the acquisition and mortgage financing of two office buildings in which the Company maintained regional offices (one of which was sold in May 2003); the management of those buildings; and the leasing of space in certain of these buildings. The Company paid the Nordblom companies, including Nordic Properties, an aggregate of $117,000, $143,000, and $151,000 in 2005, 2004 and 2003, respectively. Two brothers and the father of Mr. Dodge's wife own the controlling interest of Nordblom Co. Inc. and Nordic Properties. Mr. Dodge's wife has no interest in Nordblom Co. Inc. or Nordic Properties and Mr. Dodge was not involved in the negotiation of any of the arrangements.

In December 2002, in connection with a potential financing transaction between the Company and SPO Partners II, LP (SPO), the Company entered into a letter agreement with SPO, which at the time was a holder of more than 5% of its Class A common stock. The agreement provided for a $2.0 million break-up fee (plus expenses) payable to SPO in the event that the Company consummated an alternative financing transaction. As a result of the ATI 12.25% Notes offering described in note 8, the Company paid this $2.0 million break-up fee and recorded these expenses in other expense in the accompanying statement of operations for the year ended December 31, 2003.

12. ATC INTERNATIONAL TRANSACTIONS

ATC Mexico Holding Corp.—During the year ended December 31, 2004, the Company repurchased a 12.0% interest in ATC Mexico from certain stockholders of ATC Mexico. The Company owned 100% of ATC Mexico as of December 31, 2005 and 2004. In accordance with FASB No. 141 "Business Combinations" the acquisitions have been accounted for under the purchase method of accounting. The purchase prices have been allocated to the net assets acquired (principally intangible assets) and liabilities assumed based on the estimated fair values at the date of acquisition.

In April 2004, the Company repurchased an 8.8% interest in ATC Mexico from J. Michael Gearon, Jr. (Mr. Gearon), an executive officer of the Company. Mr. Gearon had originally purchased this interest in ATC Mexico from the Company in October 2001 for $8.4 million ($1.7 million in cash and the remaining portion of the purchase price with a 7% secured note due 2010 in the principal amount of $6.7 million). In the first quarter of 2004, Mr. Gearon exercised his right to require the Company to purchase his interest in ATC Mexico. In consideration for his interest in ATC Mexico, the Company issued to Mr. Gearon 2,203,968 shares of its Class A common stock and paid $3.7 million in cash, representing 80% of the aggregate purchase price for Mr. Gearon's interest. The 2,203,968 shares issued to Mr. Gearon had an aggregate market value on the date of issuance of $24.8 million. Payment of the remaining 20% of the purchase price of $7.3 million, plus interest, was contingent upon ATC Mexico satisfying certain performance criteria. In February 2005, the Company's Board of Directors determined that the performance criteria had been satisfied, and the Company paid Mr. Gearon $7.7 million in cash. The Company's Board of Directors approved the determination of the fair market value of Mr. Gearon's interest with the assistance of an independent financial advisor. Interest income received by the Company from Mr. Gearon on the secured note approximated $196,000 and $470,000 for the years ended December 31, 2004, and 2003 respectively.

In October 2004, the Company repurchased the remaining 3.2% minority interest in ATC Mexico held by certain employees, including William H. Hess (Mr. Hess), an executive officer of the Company. In the first quarter of 2004, these employees exercised options to purchase an aggregate of 318 shares of ATC Mexico under the ATC Mexico Stock Option Plan. In connection with the issuance of these shares, the Company recorded a $1.8 million reduction to stockholders' equity in the accompanying consolidated balance sheet as of December 31, 2004. Such adjustment reflected the difference in the Company's carrying value of the interest in ATC Mexico's equity that was sold over the proceeds received for that interest. (See note 1.) The employees holding these shares had the right to require the Company to purchase their interests in ATC Mexico six months following their issuance at the then fair market value. In October 2004, these employees exercised these rights and required the Company to purchase their collective 3.2% interest in ATC Mexico. In consideration for their interests in ATC Mexico, the Company issued to these employees an aggregate of 1,155,678 shares of Class A common stock, representing 80% of the aggregate purchase price for their collective interests. The 1,155,678 shares issued to these employees had an aggregate market value on the date of issuance of $18.5 million. Payment of the remaining 20% of the net purchase price was contingent upon ATC Mexico satisfying certain performance criteria. In February 2005, the Company's Board of Directors determined that the performance criteria had been satisfied, and the Company issued to these employees 159,836 shares of Class A common stock, net of 58,730 shares of Class A common stock retained by the Company to satisfy tax withholding obligations. On the date of issuance, these 218,566 shares had an aggregate market value of $3.9 million. The Company's Board of Directors approved the determination of the fair market value of the interests held by these employees with the assistance of an independent financial advisor. The Company recorded the aggregate purchase price of these shares of $3.9 million in the accompanying consolidated balance sheet as of December 31, 2005. In accordance with SFAS No. 141, the acquisition has been accounted for under the purchase method of accounting. The purchase prices have been allocated to the net assets acquired (principally intangible assets) and liabilities assumed based on the estimated fair values at the date of acquisition.

ATC South America Holding Corp.—During each of the years ended December 31, 2005 and 2004, ATC South America issued shares of its common stock to certain employees. During the year ended December 31, 2005, the Company repurchased shares from these employees. The Company owned 90.7% and 98.4% of ATC South America as of December 31, 2005 and 2004, respectively.

During the year ended December 31, 2004, the Company consummated a previously disclosed arrangement with Mr. Gearon pursuant to which he purchased an equity interest in ATC South America. In March 2004, ATC South America issued to Mr. Gearon stock representing an approximate 1.6% interest for approximately $1.2 million in cash. In connection with the issuance of these shares, the Company recorded a $0.1 million increase in stockholders' equity in the accompanying consolidated balance sheet as of December 31, 2004. Such adjustment represented the difference in the proceeds received for that interest over the Company's carrying value of the interest in ATC South America's equity. The purchase price represented the fair market value of the interest on the date of the sale, as determined by the Board of Directors with the assistance of an independent financial advisor. Pursuant to the arrangement, Mr. Gearon had the right to require the Company to purchase his interest in ATC South America, for its then fair market value, at any time after the earliest to occur of December 31, 2004 or Mr. Gearon's death or disability, and the Company had the right to purchase Mr. Gearon's interest in ATC South America, for its then fair market value, at any time after the earliest to occur of December 31, 2005, Mr. Gearon's death or disability, or the occurrence of either a Gearon Termination Event or a Forfeiture Event (each as defined in the Company's stockholder agreement with Mr. Gearon).

As part of Mr. Gearon's investment, ATC South America's Board of Directors also approved the formation of the ATC South America Stock Option Plan that provides for the issuance of options to officers, employees, directors and consultants of ATC South America, including Mr. Gearon, to purchase up to an aggregate 10.3% interest in ATC South America. In the first quarter of 2004, ATC South America granted options to purchase 6,024 shares of ATC South America common stock to officers and employees, including Messrs. Gearon and Hess, who received options to purchase shares representing a 6.7% and 1.6% interest, respectively. The exercise price was $1,349 per share, which was determined to be the fair market value per share on the date of issuance based on an independent appraisal performed at the Company's request. Options granted vest upon the earliest to occur of (a) the exercise by or on behalf of Mr. Gearon of his right to require the Company to purchase his interest in ATC South America, (b) the exercise by the Company of its right to acquire Mr. Gearon's interest in ATC South America, or (c) July 1, 2006. These options expire ten years from the date of grant. (See note 15).

In October 2005, Mr. Gearon exercised his right to require the Company to purchase his 1.6% interest in ATC South America. The purchase price for Mr. Gearon's interest in ATC South America is subject to review by an independent financial advisor, and is payable in cash or shares of the Company's Class A common stock, at the Company's option. In October 2005, in connection with the exercise by Mr. Gearon of his right to require the

Company to purchase his interest in ATC South America, all options granted under the ATC South America Stock Option Plan vested in full and were exercised. Upon exercise of these options, the holders received 4,428 shares of ATC South America (representing a 7.8% interest), net of 1,596 shares retained by the Company to satisfy employee tax withholding obligations. As of December 31, 2005, as a result of exercises of options granted pursuant to the ATC South America Stock Option Plan, Mr. Gearon owns a 6.5% interest in ATC South America and Mr. Hess owns a 1.2% interest in ATC South America. (See note 15.)

In connection with the issuance of these shares to employees, the Company recorded a $2.0 million increase in stockholders equity in the accompanying consolidated balance sheet as of December 31, 2005. Such adjustment reflected the difference in the proceeds received for that interest and the Company’s carrying value of the interest in ATC South America’s equity that was sold. (See note 1). The 1,596 shares retained by the Company described above have been treated as a repurchase of a minority interest in accordance with SFAS No. 141. As a result, the Company recorded a preliminary purchase price allocation adjustment of $5.4 million as an increase to intangible assets and a corresponding increase in minority interest as of the date of acquisition. The preliminary purchase price will be finalized in the first half of 2006, but is not expected to significantly impact depreciation and amortization expense when finalized. In addition, these holders may require the Company to purchase their interests in ATC South America at their then fair market value six months following their issuance, which date will occur in April 2006. Based on the fair value information described in note 19, the Company estimates that its repurchase obligation with respect to these shares in April 2006 will be approximately $19 million. (See note 19.)

13. IMPAIRMENTS, NET LOSS ON SALE OF LONG-LIVED ASSETS, RESTRUCTURING AND MERGER RELATED EXPENSE

The significant components reflected in impairments, net loss on sale of long-lived assets, restructuring and merger related expense in the accompanying consolidated statements of operations include the following:

Impairments and Net Loss on Sale of Long-Lived Assets—During the years ended December 31, 2005, 2004 and 2003, the Company recorded impairments and net loss on sale of long-lived assets (primarily related to its rental and management segment) of $19.1 million, $22.3 million and $28.3 million, respectively.

- *Non-Core Asset Impairment Charges*—During the years ended December 31, 2005 and 2004 respectively, the Company sold a limited number of non-core towers and other non-core assets and recorded impairment charges to write-down these and other non-core assets to net realizable value. During the year ended December 31, 2003, the Company sold approximately 300 non-core towers and certain other non-core assets and recorded impairment charges to write-down these and other non-core assets to net realizable value. As a result, the Company recorded impairment charges and net losses of approximately $16.8 million, $17.7 million and $19.1 million for the years ended December 31, 2005, 2004 and 2003, respectively.
- *Construction-In-Progress Impairment Charges*—For the year ended December 31, 2005, 2004 and 2003, the Company wrote-off approximately $2.3 million, $4.6 million and $9.2 million, respectively, of construction-in-progress costs, primarily associated with sites that it no longer planned to build.

Restructuring Expense—During the year ended December 31, 2005, the Company made cash payments against its previous accrued restructuring liability in the amount of $0.8 million. During the year ended December 31, 2004, the Company incurred employee separation costs of $0.8 million and decreased its lease terminations and other facility closing costs liability by $0.1 million. During the year ended December 31, 2003, the Company incurred employee separation costs primarily associated with a reorganization of certain functions within its rental and management segment and increased its accrued restructuring liability by $2.3 million. Such charges are reflected in impairments, net loss on sale of long-lived assets, restructuring and merger related expense in the accompanying consolidated statement of operations for the years ended December 31, 2004 and 2003.

The following table displays activity with respect to the accrued restructuring liability for the years ended December 31, 2003, 2004 and 2005 (in thousands). The accrued restructuring liability is reflected in accounts payable and accrued expenses in the accompanying consolidated balance sheets as of December 31, 2005 and 2004.

	Liability as of January 1, 2003	2003 Restructuring Expense	2003 Cash Payments	Liability as of December 31, 2003	2004 Restructuring Expense	2004 Cash Payments	Liability as of December 31, 2004	2005 Restructuring Expense	2005 Cash Payments	Liability as of December 31, 2005
Employee separations	$ 1,639	$ 1,919	$ (1,319)	$ 2,239	$ 823	$ (2,397)	$ 665	$ 84	$ (448)	$ 301
Lease terminations and other facility closing costs	1,993	347	(890)	1,450	(131)	(888)	431	12	(325)	118
Total	$ 3,632	$ 2,266	$ (2,209)	$ 3,689	$ 692	$ (3,285)	$ 1,096	$ 96	$ (773)	$ 419

There were no material changes in estimates related to this accrued restructuring liability during the year ended December 31, 2005. The Company expects to pay the balance of these employee separation liabilities prior to the end of 2006. Additionally, the Company continues to negotiate certain lease terminations associated with this restructuring liability.

Merger Related Expense—During the year ended December 31, 2005, the Company assumed certain obligations, as a result of the merger with SpectraSite, Inc., primarily related to employee separation costs of former SpectraSite employees. Severance payments made to former SpectraSite, Inc. employees were subject to plans and agreements established by SpectraSite, Inc. and assumed by the Company in connection with the merger. These costs were recognized as an assumed liability in the preliminary purchase price allocation. In addition, the Company also incurred certain merger related costs for additional employee retention and separation costs incurred during the year ended December 31, 2005. The following table displays the activity with respect to this accrued liability for the year ended December 31, 2005 (in thousands):

	Assumed Merger Liability	Merger Related Expense	Cash Payments	Liability as of December 31, 2005
Employee separations	$ 22,373	$ 5,074	$ (6,484)	$ 20,963

As described in note 3, there have been and may be additional changes in estimates of the assumed liability until the allocation of the preliminary SpectraSite, Inc. purchase price is finalized. The current portion of the liability of $14.5 million is reflected in accounts payable and accrued expenses and the long-term portion of the liability of $6.5 million is reflected in other long-term liabilities in the accompanying consolidated balance sheet as of December 31, 2005. The Company expects to pay the long-term portion of these merger related liabilities through the third quarter of 2008.

The Company modified certain option awards to revise vesting and exercise terms for certain employees that were terminated in connection with the SpectraSite, Inc. merger. The Company recorded a charge of $1.6 million, which is included in merger related expense and additional paid-in capital in the accompanying consolidated financial statements for the year ended December 31, 2005.

14. INCOME TAXES

The Company files a consolidated United States federal tax return, which includes all of its wholly owned domestic subsidiaries, and the Company also files combined or consolidated returns in many different states. These returns reflect different combinations of the Company’s subsidiaries and are dependent on the connection each subsidiary has with a particular state. The Company and its subsidiaries have entered into a tax sharing agreement providing, among other things, that each of its subsidiaries pay for its share of income taxes based on the proportion of such subsidiaries' tax liability on a separate return basis to the total tax liability on a consolidated basis. The following information pertains to the Company's income taxes on a consolidated basis.

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

	2005	2004	2003
Current	$(16,755)	$ (12,267)	
Deferred:			
Federal	72,423	119,127	$106,213
State	15,057	8,749	17,510
Foreign	(1,342)	(8,110)	(2,456)
Less:			
(Benefit) provision from disposition of stock options recorded to additional paid-in capital	(66,193)	(14,501)	1,650
Valuation allowance	(8,904)	(9,660)	(37,350)
Income tax (provision) benefit	$ (5,714)	$ 83,338	$ 85,567

The domestic and international components of (loss) income from continuing operations before income taxes, minority interest and loss on equity method investments were as follows for the years ended December 31, (in thousands):

	2005	2004	2003
United States	$ (148,641)	$ (325,865)	$ (328,356)
International	13,087	753	387
Total	$ (135,554)	$ (325,112)	$ (327,969)

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

	2005	2004	2003
Statutory tax rate	35%	35%	35%
State taxes, net of federal benefit	2	4	5
Non-deductible losses on retirement of long-term obligations	(1)		(4)
Non-deductible compensation	(1)		
Adjustment to refund claim	(22)		
Foreign taxes	(13)	(7)	(1)
Other (primarily valuation allowance)	(4)	(6)	(9)
Effective tax rate	(4)%	26%	26%

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

	2005	2004
Current assets:		
Allowances, accruals and other items not currently deductible	$ 31,359	$ 6,090
Long-term items:		
Assets:		
Net operating loss carryforwards	$ 891,287	$ 539,133
Refund receivable from net operating loss carryback	96,124	132,710
Capital loss carryforwards	39,769	
Basis step-up from corporate restructuring and tax planning strategies	69,092	78,296
Items not currently deductible and other	136,381	140,127
Depreciation and amortization		24,598
Liabilities:		
Depreciation and amortization	(257,084)	
Other	(103,483)	(83,145)
Subtotal	872,086	831,719
Less: Valuation allowance	(348,793)	(176,181)
Net long-term deferred tax assets	$ 523,293	$ 655,538

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

At December 31, 2005, the Company had net federal and state operating loss carryforwards available to reduce future taxable income of approximately $2.2 billion and $2.4 billion, respectively. If not utilized, the Company's net operating loss carryforwards expire as follows (in thousands):

Years ended December 31,	Federal	State
2006 to 2010	$ 5,248	$ 469,747
2011 to 2015	10,012	272,662
2016 to 2020	397,691	777,707
2021 to 2025	1,750,704	904,048
Total	$ 2,163,655	$ 2,424,164

SFAS No. 109, "Accounting for Income Taxes," requires that companies record a valuation allowance when it is "more likely than not that some portion or all of the deferred tax assets will not be realized." At December 31, 2005, the Company has provided a valuation allowance of approximately $348.8 million, including approximately $173.3 million attributable to SpectraSite, primarily related to net operating loss and capital loss carryforwards. Approximately $161.5 million of the SpectraSite valuation allowance was assumed as of the acquisition date. The balance of the valuation allowance primarily relates to net state deferred tax assets. The Company has not provided a valuation allowance for the remaining deferred tax assets, primarily its federal net operating loss carryforwards, as management believes the Company will have sufficient time to realize these federal net operating loss carryforwards during the twenty-year tax carryforward period.

The Company intends to recover a portion of its deferred tax asset through its federal income tax refund claims related to the carry back of certain federal net operating losses. In June 2003 and October 2003, the Company filed federal income tax refund claims with the IRS relating to the carry back of $380.0 million of net operating losses generated prior to 2003, of which the Company initially anticipated receiving approximately $90.0 million. Based on preliminary discussions with tax authorities, the Company has revised its estimate of the net realizable value of the federal income tax refund claims and anticipates receiving a refund of approximately $65.0 million as a result of these claims by the end of 2006. There can be no assurances, however, with respect to the specific amount and timing of any refund.

The recoverability of the Company's remaining net deferred tax asset has been assessed utilizing stable state (no growth) projections based on its current operations. The projections show a significant decrease in depreciation and interest expense in the later years of the carryforward period as a result of a significant portion of its assets being fully depreciated during the first fifteen years of the carryforward period and debt repayments reducing interest expense. Accordingly, the recoverability of the net deferred tax asset is not dependent on material improvements to operations, material asset sales or other non-routine transactions. Based on its current outlook of future taxable income during the carryforward period, management believes that the net deferred tax asset will be realized.

The realization of the Company's deferred tax assets as of December 31, 2005 will be dependent upon its ability to generate approximately $1.3 billion in taxable income from January 1, 2006 to December 31, 2025. If the Company is unable to generate sufficient taxable income in the future, or carry back losses, as described above, it will be required to reduce its net deferred tax asset through a charge to income tax expense, which would result in a corresponding decrease in stockholders' equity.

From time to time the Company is subject to examination by various tax authorities in jurisdictions in which the Company has significant business operations. The Company regularly assesses the likelihood of additional assessments in each of the tax jurisdictions resulting from these examinations. During the year ended December 31, 2005, the Company recorded a $29.5 million income tax provision to reflect a reduction in management's estimate of the net realizable value of the Company's pending federal income tax refund claims as described above. The Company believes that adequate provisions have been made for income taxes for all periods through December 31, 2005.

Depending on the resolution of the Verestar bankruptcy proceedings described in notes 4 and 10, the Company may be entitled to a worthless stock or bad debt deduction for its investment in Verestar. No income tax benefit has been provided for these potential deductions due to the uncertainty surrounding the bankruptcy proceedings.

15. STOCKHOLDERS' EQUITY

Amended and Restated Certificate of Incorporation—In August 2005, the stockholders of the Company approved the amendment and restatement of the Company's Restated Certificate of Incorporation, subject to the consummation of the merger with SpectraSite, Inc. On August 8, 2005, the Company completed its merger with SpectraSite, Inc. and filed the Amended and Restated Certificate of Incorporation with the Secretary of State of Delaware. The Amended and Restated Certificate of Incorporation increased the authorized number of shares of the Company's Class A common stock from 500.0 million to 1.0 billion, eliminated the Company's Class B common stock and Class C common stock, lowered the threshold to amend certain provisions of the Company's Restated Certificate of Incorporation to a majority, eliminated restrictions applicable to certain holders of the Company's Class B common stock and made other conforming changes in connection with the foregoing.

Preferred Stock—As of December 31, 2005 and 2004, the Company was authorized to issue up to 20.0 million shares of $.01 par value preferred stock. As of December 31, 2005 and 2004, there were no preferred shares issued or outstanding.

Common Stock—As of December 31, 2005 and 2004, the Company was authorized to issue up to 1.0 billion and 500.0 million shares, respectively, of its $.01 par value per share Class A common stock and 0 and 10.0 million shares, respectively, of its $0.1 par value per share Class C common stock. As of December 31, 2003, the Company was also authorized to issue 50.0 million shares of its $.01 par value per share Class B common stock. The Class A stockholders are entitled to one vote per share, the Class B stockholders were entitled to ten votes per share and the Class C common stock was non-voting. The Class B common stock and Class C common stock were exchangeable for shares of Class A common stock on a one-for-one basis. During the years ended December 31, 2004, and 2003, holders of Class B and Class C common stock exchanged a total of 8,194,443 and 1,990,440 of their shares, respectively, for shares of Class A common stock.

In February 2004, Mr. Dodge retired from the Company's Board of Directors and elected to convert all of his shares of the Company's Class B common stock, which triggered the Dodge Conversion Event as defined in the Company's charter. Accordingly, all outstanding shares of Class B common stock were converted into shares of Class A common stock on a one-for-one basis. In addition, in February 2004, all outstanding shares of the Company's Class C common stock were converted into shares of its Class A common stock on a one-for-one basis.

Warrants—In January 2003, the Company issued warrants to purchase approximately 11.4 million shares of its Class A common stock in connection with the ATI 12.25% Notes offering. These warrants became exercisable on January 29, 2006 at an exercise price of $0.01 per share and will expire on August 1, 2008. (See notes 8 and 19.)

In August 2005, in connection with the merger with SpectraSite, Inc., the Company assumed warrants to purchase shares of SpectraSite, Inc. common stock. (See note 3.) As of the merger completion date, each warrant was exercisable for two shares of SpectraSite, Inc. common stock at an exercise price of $32 per warrant. Upon completion of the merger, each warrant to purchase shares of SpectraSite, Inc. common stock automatically converted into a warrant to purchase shares of the Company's Class A common stock, such that upon exercise of each warrant, the holder has a right to receive 3.575 shares of American Tower Class A common stock in lieu of each share of SpectraSite, Inc. common stock that would have been receivable under each assumed warrant prior to the merger. Upon completion of the Company's merger with SpectraSite, Inc., these warrants were exercisable for approximately 6.8 million shares of Class A common stock. As of December 31, 2005, warrants to purchase approximately 6.4 million shares of Class A common stock remained outstanding. These warrants will expire on February 10, 2010.

In addition, as of December 31, 2004, the Company had warrants outstanding to purchase approximately 2.7 million shares of its Class A common stock at an exercise price of $22.00 per share. These warrants expired in January 2005.

August 2003 Offering—In August 2003, the Company completed a public equity offering of 14,260,000 shares of its Class A common stock, at $8.89 per share. The net proceeds of the offering were approximately $120.3 million, after deducting the underwriters' discount and commissions and other expenses related to the offering.

Stock Option Plans—The Company maintains a stock option plan for directors, officers and employees (the Plan), which provides for non-qualified and incentive stock options. Exercise prices in the case of incentive stock options are not less than the fair market value of the underlying common stock on the date of grant. Exercise prices in the case of non-qualified stock options are set at the discretion of the compensation committee of the Company's Board of Directors. As of December 31, 2005, the option pool under the Plan consists of 32.9 million shares of common stock. Option grants generally vest ratably over various periods, generally four years, and generally expire ten years from the date of grant.

In August 2005, in connection with the merger with SpectraSite, Inc., the Company assumed stock options granted under SpectraSite's 2003 Equity Incentive Plan. Upon completion of the merger, the options to purchase shares of SpectraSite, Inc. common stock automatically converted into options to purchase shares of the Company's Class A common stock, such that upon exercise of each option, the holder has a right to receive 3.575 shares of Class A common stock in lieu of each share of SpectraSite, Inc. common stock that would have been receivable under each assumed stock option prior to the merger, at an exercise price per share equal to the exercise price of the SpectraSite, Inc. option prior to the merger divided by 3.575. Upon completion of the merger, the assumed SpectraSite, Inc. stock options were exercisable for an aggregate of 9.9 million shares of the Company's Class A common stock. Of these options, options to purchase approximately 8.3 million shares were fully vested as of the merger date and the remaining unvested options to purchase 1.6 million shares vest monthly through the first quarter of 2008. As of December 31, 2005, options to purchase approximately 2.0 million shares of Class A common stock remained outstanding. The Company does not plan to grant any additional options under this plan.

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

	Options	Weighted Average Exercise Price	Options Exercisable
Outstanding as of January 1, 2003	20,092,062	$ 12.61	10,482,884
Granted	4,258,300	5.04	
Exercised	(1,345,322)	4.97	
Cancelled	(4,470,432)	18.74	
Outstanding as of December 31, 2003	18,534,608	10.14	11,072,159
Granted	5,288,099	11.25	
Exercised	(6,249,324)	6.41	
Cancelled	(2,283,064)	13.36	
Outstanding as of December 31, 2004	15,290,319	11.55	8,121,719
Granted	7,105,650	19.74	
Options assumed in merger with SpectraSite, Inc.	9,878,295	5.54	
Exercised	(11,106,693)	5.70	
Cancelled	(764,069)	16.45	
Outstanding as of December 31, 2005	20,403,502	$ 14.48	9,416,743

The following table sets forth information regarding options outstanding at December 31, 2005:

Options Outstanding				Options Exercisable	
Outstanding Number of Options	Range of Exercise Price Per Share	Weighted Average Exercise Price Per Share	Weighted Average Remaining Life (Years)	Options Exercisable	Weighted Average Exercise Price Per Share
1,837,742	$ 0.75—$ 3.15	$ 2.42	6.78	958,356	$ 2.49
2,132,343	3.66— 5.98	4.56	2.69	1,865,529	4.52
2,036,754	6.82— 10.50	10.26	5.52	1,341,948	10.18
2,057,120	10.68— 10.74	10.68	6.86	545,741	10.68
2,060,171	10.83— 13.00	12.20	5.89	1,604,729	12.25
2,410,022	13.09— 18.15	17.49	7.20	402,665	16.46
2,788,275	18.16— 18.60	18.60	9.16	8,600	18.25
3,207,120	18.67— 22.20	21.88	7.50	954,620	21.13
1,865,015	22.55— 30.63	26.10	4.35	1,725,615	26.34
8,940	30.69— 48.88	40.02	4.57	8,940	40.02
20,403,502	$ 0.75—$48.88	$14.48	6.41	9,416,743	$13.03

Pro Forma Disclosure—The Company has adopted the disclosure-only provisions of SFAS No. 123, as amended by SFAS No. 148, and has presented such disclosure in note 1. The “fair value” of each option grant is estimated on the date of grant using the Black-Scholes option pricing model. During the year ended December 31, 2005, the Company reevaluated the assumptions used to estimate the fair value of stock options issued to employees. As a result, the Company lowered its expected volatility assumption for option grants to approximately 30% and increased the expected life of option grants to 6.25 years using the simplified method permitted by SEC SAB No. 107. (See note 1.) The weighted average fair values of the Company’s options granted during 2005, 2004 and 2003 were $10.27, $7.14, and $4.89 per share, respectively. Key assumptions used to apply this pricing model are as follows:

	July 1, 2005 – December 31, 2005	January 1, 2005 – June 30, 2005	2004	2003
Approximate risk-free interest rate	3.22% - 4.47%	3.55% - 4.04%	2.40% - 3.60%	1.89% - 2.91%
Expected life of option grants	6.25 years	4 years	4 years	4 years
Expected volatility of underlying stock	29.6%	77.8% - 79.2%	80.6%	86.6%
Expected volatility of underlying stock price (ATC Mexico and ATC South America Plans)	N/A	N/A	N/A	N/A
Expected annual dividends	N/A	N/A	N/A	N/A

Voluntary Option Exchanges—In February 2004, the Company issued to eligible employees 1,064,353 options with an exercise price of $11.19 per share. These options were issued in connection with a voluntary option exchange program entered into by the Company in August 2003, pursuant to which the Company accepted for surrender and cancelled options to purchase a total of 1,881,981 shares of its Class A common stock having an exercise price of $10.25 or greater. The program, which was offered to both full and part-time employees, excluding the Company’s executive officers and its directors, provided for the grant (at least six months and one day from the surrender date to employees still employed on that date) of new options exercisable for two shares of Class A common stock for every three shares of Class A common stock issuable upon exercise of a surrendered option. No options were granted to any employees who participated in the exchange offer between the cancellation date and the new grant date.

ATC Mexico Stock Option Plan—The Company maintains a stock option plan for its ATC Mexico subsidiary (ATC Mexico Plan). The ATC Mexico Plan provides for the issuance of options to officers, employees, directors and consultants of ATC Mexico. The ATC Mexico Plan limits the number of shares of common stock which may be granted to an aggregate of 360 shares, subject to adjustment based on changes in ATC Mexico’s capital structure. During 2002, ATC Mexico granted options to purchase 318 shares of ATC Mexico common stock to officers and employees. Such options were issued at one time with an exercise price of $10,000 per share. The exercise price per share was at fair market value as determined by the Board of Directors with the assistance of an independent appraisal performed at the Company’s request. The fair value of ATC Mexico Plan options granted during 2002 were $3,611 per share as determined by using the Black-Scholes option pricing model. As described in note 12, all outstanding options were exercised in March 2004. No options under the ATC Mexico Plan were outstanding as of December 31, 2005. (See note 12.)

ATC South America Stock Option Plan—The Company maintains a stock option plan for its ATC South America subsidiary (ATC South America Plan). The ATC South America Plan provides for the issuance of options to officers, employees, directors and consultants of ATC South America. The ATC South America Plan limits the number of shares of common stock which may be granted to an aggregate of 6,144 shares, (an approximate 10.3% interest on a fully-diluted basis), subject to adjustment based on changes in ATC South America’s capital structure. During 2004, ATC South America granted options to purchase 6,024 shares of ATC South America common stock to officers and employees, including Messrs. Gearon and Hess, who received options to purchase an approximate 6.7% and 1.6% interest, respectively. Such options were issued at one time with an exercise price of $1,349 per share. The exercise price per share was at fair market value on the date of issuance as determined by the Board of Directors with the assistance of an independent financial advisor performed at the Company's request. The fair value of ATC South America Plan options granted during 2004 were $79 per share as determined by using the Black-Scholes option pricing model. Options granted vest upon the earlier to occur of (a) the exercise by or on behalf of Mr. Gearon of his right to sell his interest in ATC South America to the Company, (b) the exercise by the Company of its right to acquire Mr. Gearon's interest in ATC South America, or (c) July 1, 2006. These options expire ten years from the date of grant. No options under the ATC South America Plan were exercised or cancelled in 2004, and no options were exercisable as of December 31, 2004. In October 2005, in connection with the exercise by Mr. Gearon's of his right to require the Company to purchase his interest in ATC South America, all options granted pursuant to the ATC South America Stock Option Plan vested in full and were exercised. Upon exercise of these options, the holders received 4,428 shares of ATC South America (representing a 7.8% interest), net of 1,596 shares retained by the Company to satisfy employee tax withholding obligations. The employees holding these shares may require the Company to purchase their interests in ATC South America six months following their issuance, which date will occur in April 2006. As a result of exercises of options granted pursuant to the ATC South America Stock Option Plan, Mr. Gearon owns a 6.5% interest in ATC South America and Mr. Hess owns a 1.2% interest in ATC South America. No options under the ATC South America Plan were granted in 2005, and as of December 31, 2005, no options were outstanding under the ATC South America Plan. (See note 12.)

Employee Stock Purchase Plan—The Company maintains an employee stock purchase plan for all eligible employees. Under the plan, shares of the Company's Class A common stock may be purchased during bi-annual offering periods at 85% of the lower of the fair market value on the first or the last day of each offering period. Employees may purchase shares having a value not exceeding 15% of their gross compensation during an offering period and may not purchase more than $25,000 worth of stock in a calendar year (based on market values at the beginning of each offering period). The offering periods run from June 1 through November 30 and December 1 through May 31 of each year. During the 2005, 2004 and 2003 offering periods, employees purchased 50,119, 85,750 and 200,287 shares, respectively, at weighted average prices per share of $15.32, $10.64 and $4.80 respectively. At December 31, 2005, 4,002,498 shares remain reserved for future issuance under the plan.

Direct Stock Purchase Plan—During 2004, the Company established a direct stock purchase plan for all eligible investors. Under the plan, shares of the Company's Class A common stock may be purchased without payment of a brokerage fee, at a discount, by making an initial cash investment of at least $1,000 and up to $10,000. During the year ended December 31, 2004, 295 shares of Class A common stock were purchased at weighted average prices per share of $15.01. At December 31, 2005 and 2004, 24,999,705 shares, respectively, remained reserved for future issuance under the plan. The Company suspended the direct stock purchase plan in May 2005. During the year ended December 31, 2005, there were no shares purchased under the plan.

Stock Repurchase Program—In November 2005, the Company announced that its Board of Directors had approved a stock repurchase program pursuant to which the Company intends to repurchase up to $750.0 million of its Class A common stock through December 2006. The Company expects to utilize cash from operations, borrowings under its credit facilities and cash on hand to fund the repurchase program. Under the program, the Company's management is authorized to purchase shares from time to time in open market purchases or privately negotiated transactions at prevailing prices as permitted by securities laws and other legal requirements, and subject to market conditions and other factors. To facilitate repurchases, the Company entered into a trading plan under Rule 10b5-1 of the Securities Exchange Act of 1934 (Exchange Act), which allows the Company to repurchase its shares during periods when it otherwise might be prevented from doing so under insider trading laws or because of self-imposed trading blackout periods. The program may be discontinued at any time. As of December 31, 2005, the Company had repurchased 2.8 million shares of its Class A common stock for an aggregate of $76.6 million, of which $68.9 million was paid in cash prior to December 31, 2005 and $7.7 million was included in accounts payable and accrued expenses in the accompanying consolidated balance sheet as of December 31, 2005. (See note 20.)

16. SUPPLEMENTAL CASH FLOW INFORMATION

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

	2005	2004	2003
Supplemental cash flow information:			
Cash paid during the period for interest (including amounts capitalized)	$ 183,307	$ 209,874	$ 223,263
Cash paid during the period for income taxes (net of refunds)	18,519	4,257	2,609
Non-cash investing and financing activities:			
Issuance of common stock and assumption of options and warrants in connection with the acquisition of SpectraSite net assets	3,106,072		
Conversion of convertible notes (excluding loss on retirement)	55,705		86,129
Common stock repurchases included in accounts payable and accrued expenses	7,658		
Capital leases	789	3,485	
ATC South America transaction	2,026		
ATC Mexico transaction		48,175	
Decrease in fair value of cash flow hedges (net of a tax benefit (provision) of $432 and $(2,996), respectively)	803		5,564

17. BUSINESS SEGMENTS

As of December 31, 2005, the Company operates in two business segments: rental and management and network development services. The rental and management segment provides for the leasing and subleasing of antenna sites on multi-tenant towers and other properties for a diverse range of customers primarily in the wireless communications and broadcast industries. The network development services segment offers services activities that support the Company's rental and management operations and the addition of new tenants and equipment on the Company's towers, including site acquisition, zoning, permitting and structural analysis.

The accounting policies applied in compiling segment information below are similar to those described in note 1. In evaluating financial performance, management focuses on segment gross margin and segment operating profit (loss). The Company defines segment gross margin as segment revenue less segment operating expenses excluding depreciation, amortization and accretion; selling, general, administrative and development expense; and impairments, net loss on sale of long-lived assets, restructuring and merger related expense. The Company defines segment operating profit as segment gross margin less selling, general, administrative and development expense attributable to the segment, excluding stock-based compensation expense and corporate expenses. These measures of segment gross margin and segment operating profit (loss) are also before interest income, interest expense, loss on retirement of long-term obligations, other income (expense), minority interest in net earnings of subsidiaries, income (loss) on equity method investments, income taxes and discontinued operations. For reporting purposes, the rental and management segment includes interest income, TV Azteca, net.

The Company's reportable segments are strategic business units that offer different services. They are managed separately because each segment requires different resources, skill sets and marketing strategies. Summarized financial information concerning the Company's reportable segments as of and for the years ended December 31, 2005, 2004 and 2003 is shown in the tables below. The Other column below represents amounts excluded from specific segments, such as non-cash stock-based compensation expense and corporate expenses included in selling, general, administrative and development expense; impairments, net loss on sale of long-lived assets, restructuring and merger related expense; interest income; interest expense; loss on retirement of long-term obligations; and other income (expense).

	R&M	Services	Other	Total
		(in thousands)		
Year Ended December 31, 2005				
Segment revenues	$ 929,762	$ 15,024		$ 944,786
Segment operating expenses	247,781	8,346		256,127
Interest income, TV Azteca, net	14,232			14,232
Segment gross margin	696,213	6,678		702,891
Selling, general, administrative and development expenses	58,367	3,635	$ 46,057	108,059
Depreciation, amortization and accretion	398,715	2,028	10,511	411,254
Other expenses			319,132	319,132
Operating profit (loss)	$ 239,131	$ 1,015	$ (375,700)	$ (135,554)
Capital expenditures—continuing operations	$ 82,155	$ 2,308	$ 4,174	$ 88,637
Year Ended December 31, 2004				
Segment revenues	$ 684,422	$ 22,238		$ 706,660
Segment operating expenses	195,242	16,220		211,462
Interest income, TV Azteca, net	14,316			14,316
Segment gross margin	503,496	6,018		509,514
Selling, general, administrative and development expenses	42,070	2,581	$ 38,443	83,094
Depreciation, amortization and accretion	316,587	2,159	10,703	329,449
Other expenses			422,083	422,083
Operating profit (loss)	$ 144,839	$ 1,278	$ (471,229)	$ (325,112)
Capital expenditures—continuing operations	$ 37,453	$ 290	$ 3,768	$ 41,511
Capital expenditures—discontinued operations				$ 670
Year Ended December 31, 2003				
Segment revenues	$ 619,697	$ 12,796		$ 632,493
Segment operating expenses	192,380	7,419		199,799
Interest income, TV Azteca, net	14,222			14,222
Segment gross margin	441,539	5,377		446,916
Selling, general, administrative and development expenses	44,300	2,074	$ 37,118	83,492
Depreciation, amortization and accretion	314,462	3,494	12,458	330,414
Other expenses			360,979	360,979
Operating profit (loss)	$ 82,777	$ (191)	$ (410,555)	$ (327,969)
Capital expenditures—continuing operations	$ 50,336	$ 106	$ 4,915	$ 55,357
Capital expenditures—discontinued operations				$ 6,251

Additional information relating to the Company's operating segments is as follows (in thousands):

	Total Assets	
	2005	2004
Rental and Management	$ 7,899,562	$ 4,072,427
Network Development Services	26,716	55,294
Other	860,576	979,975
	$ 8,786,854	$ 5,107,696

The Other line item above includes corporate assets such as cash and cash equivalents, certain tangible and intangible assets and income tax accounts which have not been allocated to specific segments, as well as assets held for sale.

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

	December 31,		
	2005	2004	2003
Operating Revenues:			
United States	$ 798,010	$ 589,395	$ 544,398
International:			
Mexico	111,421	93,186	76,325
Brazil	35,355	24,079	11,770
Total International	146,776	117,265	88,095
Total operating revenues	$ 944,786	$ 706,660	$ 632,493

	December 31,	
	2005	2004
Long-Lived Assets:		
United States	$ 7,266,005	$ 3,479,823
International:		
Mexico	364,633	332,266
Brazil	49,751	39,253
Total International	414,384	371,519
Total long-lived assets	$ 7,680,389	$ 3,851,342

For the year ended December 31, 2005, two customers within the rental and management and network development services segments accounted for greater than 10% of the Company's consolidated operating revenues: Cingular Wireless and Verizon Wireless, which accounted for approximately 17% and 11%, respectively. In the third quarter of 2005, a merger transaction was completed between two customers within the rental and management segment, Sprint PCS and Nextel. If the transaction had occurred as of January 1, 2005, the combined revenues of the customer would have accounted for approximately 14% of the Company's consolidated operating revenues for the year ended December 31, 2005.

For the year ended December 31, 2005, assuming the Company's merger with SpectraSite, Inc. occurred on January 1, 2005, three customers within the rental and management and network development services segments would have accounted for greater than 10% of the Company's consolidated operating revenues: Cingular Wireless would have accounted for approximately 19% of revenues, Sprint Nextel (assuming the merger of Sprint PCS and Nextel occurred on January 1, 2005) would have accounted for approximately 17% of revenues (approximately 22% including Sprint Nextel partners and affiliates) and Verizon Wireless would have accounted for approximately 10% of revenues.

For the years ended December 31, 2004 and 2003, one customer within the rental and management and network development services segments, Verizon Wireless, accounted for approximately 12% and 13%, respectively of the Company's consolidated operating revenues. In the fourth quarter of 2004, a merger transaction was completed between two customers, Cingular Wireless and AT&T Wireless. If the transaction had occurred as of January 1, 2004, the combined revenues of the customer would have accounted for approximately 14% of the Company's consolidated operating revenues for the year ended December 31, 2004.

18. SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

The unaudited quarterly results presented below reflect the restatement of the Company's previously issued financial statements as discussed above in note 2. The information presented below also reflects certain businesses as discontinued operations as described in note 4. As a result, the quarterly data presented herein does not agree to previously issued quarterly statements. In addition, subsequent to the issuance of the consolidated financial statements included in the Company's Amendment No. 1 to Annual Report on Form 10-K/A for the year ended December 31, 2005, the Company determined to expand its disclosure of quarterly financial data to reflect the restatement adjustments on a line by line basis in the quarterly statements of operations. Selected quarterly financial data for the years ended December 31, 2005 and 2004 is as follows (in thousands, except per share data):

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2005

	Initial Filing Three Months Ended March 31, 2005	Stock Based Compensation: Accounting Measurement Dates(1)	Stock Based Compensation: Modifications and Repricings(2)	Income Taxes: Foreign Currency Denominated Loan(3)	Reclassification Adjustments(4)	As Restated Three Months Ended March 31, 2005
REVENUES:						
Rental and management	$ 181,570					$ 181,570
Network development services	2,785					2,785
Total operating revenues	184,355					184,355
OPERATING EXPENSES:						
Rental and management	60,180				(11,955)	48,225
Network development services	2,202				(770)	1,432
Depreciation, amortization and accretion	81,971					81,971
Selling, general, administrative and development expense	6,973	1,208	(2)		12,725	20,904
Impairments, net loss on sale of long lived assets, restructuring and merger related expense	2,777					2,777
Total operating expenses	154,103	1,208	(2)			155,309
OPERATING INCOME FROM CONTINUING OPERATIONS	30,252	(1,208)	2			29,046
OTHER (EXPENSE) INCOME:						
Interest income, TV Azteca, net	3,498					3,498
Interest income	699					699
Interest expense	(54,716)					(54,716)
Loss on retirement of long term obligations	(15,042)					(15,042)
Other income (expense)	670					670
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES, MINORITY INTEREST AND LOSS ON EQUITY METHOD INVESTMENTS	(34,639)	(1,208)	2			(35,845)
Income tax benefit	4,338	272	20	72		4,702
Minority interest in net earnings of subsidiaries	(55)					(55)
(Loss) earnings on equity method investments	(1,098)					(1,098)
LOSS FROM CONTINUING OPERATIONS	(31,454)	(936)	22	72		(32,296)
LOSS FROM DISCONTINUED OPERATIONS, NET	(107)	24				(83)
NET LOSS	$ (31,561)	$ (912)	$ 22	$ 72		$ (32,379)
BASIC AND DILUTED LOSS PER COMMON SHARE AMOUNTS:						
Loss from continuing operations	$ (0.14)					$ (0.14)
Loss from discontinued operations						
Loss before cumulative effect of change in accounting principle, net						
NET LOSS PER COMMON SHARE	$ (0.14)					$ (0.14)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	230,158					230,158

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED JUNE 30, 2005

	Initial Filing Three Months Ended June 30, 2005	Stock Based Compensation: Accounting Measurement Dates(1)	Stock Based Compensation: Modifications and Repricings(2)	Income Taxes: Foreign Currency Denominated Loan(3)	Reclassification Adjustments(4)	As Restated Three Months Ended June 30, 2005
REVENUES:						
Rental and management	$ 184,609					$ 184,609
Network development services	3,451					3,451
Total operating revenues	188,060					188,060
OPERATING EXPENSES:						
Rental and management	59,388				(12,789)	46,599
Network development services	3,331				(1,241)	2,090
Depreciation, amortization and accretion	84,784					84,784
Selling, general, administrative and development expense	6,443	877	1,014		14,030	22,364
Impairments, net loss on sale of long lived assets, restructuring and merger related expense	1,473					1,473
Total operating expenses	155,419	877	1,014			157,310
OPERATING INCOME FROM CONTINUING OPERATIONS	32,641	(877)	(1,014)			30,750
OTHER (EXPENSE) INCOME:						
Interest income, TV Azteca, net	3,584					3,584
Interest income	808					808
Interest expense	(53,043)					(53,043)
Loss on retirement of long term obligations	(16,388)					(16,388)
Other income (expense)	(1,160)					(1,160)
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES, MINORITY INTEREST AND LOSS ON EQUITY METHOD INVESTMENTS	(33,558)	(877)	(1,014)			(35,449)
Income tax benefit	3,846	232	386	(3,060)		1,404
Minority interest in net earnings of subsidiaries	(56)					(56)
(Loss) earnings on equity method investments	(952)					(952)
LOSS FROM CONTINUING OPERATIONS	(30,720)	(645)	(628)	(3,060)		(35,053)
LOSS FROM DISCONTINUED OPERATIONS, NET	(1,098)					(1,098)
NET LOSS	$ (31,818)	$ (645)	$ (628)	$ (3,060)		$ (36,151)
BASIC AND DILUTED LOSS PER COMMON SHARE AMOUNTS:						
Loss from continuing operations	$ (0.13)			$ (0.02)		$ (0.15)
Loss from discontinued operations	$ (0.01)					$ (0.01)
Loss before cumulative effect of change in accounting principle, net						
NET LOSS PER COMMON SHARE	$ (0.14)			$ (0.02)		$ (0.16)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	230,793					230,793

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2005

	Initial Filing Three Months Ended September 30, 2005	Stock Based Compensation: Accounting Measurement Dates(1)	Stock Based Compensation: Modifications and Repricings(2)	Income Taxes: Foreign Currency Denominated Loan(3)	Reclassification Adjustments(4)	As Restated Three Months Ended September 30, 2005
REVENUES:						
Rental and management	$ 260,791					$ 260,791
Network development services	3,955					3,955
Total operating revenues	264,746					264,746
OPERATING EXPENSES:						
Rental and management	87,717				(17,941)	69,776
Network development services	2,901				(537)	2,364
Depreciation, amortization and accretion	116,752					116,752
Selling, general, administrative and development expense	11,887	800	1,429		18,478	32,594
Impairments, net loss on sale of long lived assets, restructuring and merger related expense	6,087					6,087
Total operating expenses	225,344	800	1,429			227,573
OPERATING INCOME FROM CONTINUING OPERATIONS	39,402	(800)	(1,429)			37,173
OTHER (EXPENSE) INCOME:						
Interest income, TV Azteca, net	3,609					3,609
Interest income	1,351					1,351
Interest expense	(57,651)					(57,651)
Loss on retirement of long term obligations	(14,420)					(14,420)
Other income (expense)	1,112					1,112
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES, MINORITY INTEREST AND LOSS ON EQUITY METHOD INVESTMENTS	(26,597)	(800)	(1,429)			(28,826)
Income tax benefit	6,646	194	497	329		7,666
Minority interest in net earnings of subsidiaries	(128)					(128)
(Loss) earnings on equity method investments	(70)					(70)
LOSS FROM CONTINUING OPERATIONS	(20,149)	(606)	(932)	329		(21,358)
LOSS FROM DISCONTINUED OPERATIONS, NET	(721)	(1)				(722)
NET LOSS	$ (20,870)	$ (607)	$ (932)	$ 329		$ (22,080)
BASIC AND DILUTED LOSS PER COMMON SHARE AMOUNTS:						
Loss from continuing operations	$ (0.06)		$ (0.01)			$ (0.07)
Loss from discontinued operations						
Loss before cumulative effect of change in accounting principle, net						
NET LOSS PER COMMON SHARE	$ (0.06)		$ (0.01)			$ (0.07)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	334,141					334,141

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2005

	Initial Filing Three Months Ended December 31, 2005	Stock Based Compensation: Accounting Measurement Dates(1)	Stock Based Compensation: Modifications and Repricings(2)	Income Taxes: Foreign Currency Denominated Loan(3)	Reclassification Adjustments(4)	As Restated Three Months Ended December 31, 2005
REVENUES:						
Rental and management	$ 302,792					$ 302,792
Network development services	4,833					4,833
Total operating revenues	307,625					307,625
OPERATING EXPENSES:						
Rental and management	98,863				(15,682)	83,181
Network development services	3,547				(1,087)	2,460
Depreciation, amortization and accretion	127,747					127,747
Selling, general, administrative and development expense	12,674	2,131	623		16,769	32,197
Impairments, net loss on sale of long lived assets, restructuring and merger related expense	23,895					23,895
Total operating expenses	266,726	2,131	623			269,480
OPERATING INCOME FROM CONTINUING OPERATIONS	40,899	(2,131)	(623)			38,145
OTHER (EXPENSE) INCOME:						
Interest income, TV Azteca, net	3,541					3,541
Interest income	1,544					1,544
Interest expense	(57,009)					(57,009)
Loss on retirement of long term obligations	(21,260)					(21,260)
Other income (expense)	(395)					(395)
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES, MINORITY INTEREST AND LOSS ON EQUITY METHOD INVESTMENTS	(32,680)	(2,131)	(623)			(35,434)
Income tax benefit	(18,833)	(208)	245	(690)		(19,486)
Minority interest in net earnings of subsidiaries	(336)					(336)
(Loss) earnings on equity method investments	42					42
LOSS FROM CONTINUING OPERATIONS	(51,807)	(2,339)	(378)	(690)		(55,214)
LOSS FROM DISCONTINUED OPERATIONS, NET	(9)	(1)	—			(10)
LOSS BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	(51,816)	(2,340)	(378)	(690)		(55,224)
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, NET OF INCOME TAX BENEFIT(5)	(35,525)					(35,525)
NET LOSS	$ (87,341)	$ (2,340)	$ (378)	$ (690)		$ (90,749)
BASIC AND DILUTED LOSS PER COMMON SHARE AMOUNTS:						
Loss from continuing operations	$ (0.13)					$ (0.13)
Loss from discontinued operations						
Loss before cumulative effect of change in accounting principle, net	$ (0.09)					$ (0.09)
NET LOSS PER COMMON SHARE	$ (0.21)					$ (0.22)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	412,595					412,595

CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2004

	Initial Filing Three Months Ended March 31, 2004	Stock Based Compensation: Accounting Measurement Dates(1)	Stock Based Compensation: Modifications and Repricings(2)	Income Taxes: Foreign Currency Denominated Loan(3)	Reclassification Adjustments(4)	As Restated Three Months Ended March 31, 2004
REVENUES:						
Rental and management	$ 164,576					$ 164,576
Network development services	4,215					4,215
Total operating revenues	168,791					168,791
OPERATING EXPENSES:						
Rental and management	58,876				(11,121)	47,755
Network development services	3,561				(484)	3,077
Depreciation, amortization and accretion	81,345					81,345
Selling, general, administrative and development expense	6,879	1,996	243		11,605	20,723
Impairments, net loss on sale of long lived assets, restructuring and merger related expense	3,914					3,914
Total operating expenses	154,575	1,996	243			156,814
OPERATING INCOME FROM CONTINUING OPERATIONS	14,216	(1,996)	(243)			11,977
OTHER (EXPENSE) INCOME:						
Interest income, TV Azteca, net	3,540					3,540
Interest income	1,114					1,114
Interest expense	(69,157)					(69,157)
Loss on retirement of long term obligations	(8,053)					(8,053)
Other income (expense)	(204)					(204)
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES, MINORITY INTEREST AND LOSS ON EQUITY METHOD INVESTMENTS	(58,544)	(1,996)	(243)			(60,783)
Income tax benefit	13,019	619	106	55		13,799
Minority interest in net earnings of subsidiaries	(1,423)					(1,423)
(Loss) earnings on equity method investments	(618)					(618)
LOSS FROM CONTINUING OPERATIONS	(47,566)	(1,377)	(137)	55		(49,025)
LOSS FROM DISCONTINUED OPERATIONS, NET	(672)	(140)	29			(783)
NET LOSS	$ (48,238)	$ (1,517)	$ (108)	$ 55		$ (49,808)
BASIC AND DILUTED LOSS PER COMMON SHARE AMOUNTS:						
Loss from continuing operations	$ (0.22)	$ (0.01)				$ (0.23)
Loss from discontinued operations						
NET LOSS PER COMMON SHARE	$ (0.22)	$ (0.01)				$ (0.23)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	220,408					220,408

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED JUNE 30, 2004

	Initial Filing Three Months Ended June 30, 2004	Stock Based Compensation: Accounting Measurement Dates(1)	Stock Based Compensation: Modifications and Repricings(2)	Income Taxes: Foreign Currency Denominated Loan(3)	Reclassification Adjustments(4)	As Restated Three Months Ended June 30, 2004
REVENUES:						
Rental and management	$ 167,587					$ 167,587
Network development services	4,705					4,705
Total operating revenues	172,292					172,292
OPERATING EXPENSES:						
Rental and management	58,320				(10,272)	48,048
Network development services	3,345				(533)	2,812
Depreciation, amortization and accretion	85,464					85,464
Selling, general, administrative and development expense	6,651	1,207	3,470		10,805	22,133
Impairments, net loss on sale of long lived assets, restructuring and merger related expense	5,373					5,373
Total operating expenses	159,153	1,207	3,470			163,830
OPERATING INCOME FROM CONTINUING OPERATIONS	13,139	(1,207)	(3,470)			8,462
OTHER (EXPENSE) INCOME:						
Interest income, TV Azteca, net	3,652					3,652
Interest income	1,122					1,122
Interest expense	(68,021)					(68,021)
Loss on retirement of long term obligations	(31,388)					(31,388)
Other income (expense)	(655)					(655)
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES, MINORITY INTEREST AND LOSS ON EQUITY METHOD INVESTMENTS	(82,151)	(1,207)	(3,470)			(86,828)
Income tax benefit	19,269	783	809	1,579		22,440
Minority interest in net earnings of subsidiaries	(490)					(490)
(Loss) earnings on equity method investments	(622)					(622)
LOSS FROM CONTINUING OPERATIONS	(63,994)	(424)	(2,661)	1,579		(65,500)
LOSS FROM DISCONTINUED OPERATIONS, NET	(1,203)	(188)	292			(1,099)
NET LOSS	$ (65,197)	$ (612)	$ (2,369)	$ 1,579		$ (66,599)
BASIC AND DILUTED LOSS PER COMMON SHARE AMOUNTS:						
Loss from continuing operations	$ (0.29)		$ (0.01)			$ (0.30)
Loss from discontinued operations						
NET LOSS PER COMMON SHARE	$ (0.29)		$ (0.01)			$ (0.30)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	223,578					223,578

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2004

	Initial Filing Three Months Ended September 30, 2004	Stock Based Compensation: Accounting Measurement Dates(1)	Stock Based Compensation: Modifications and Repricings(2)	Income Taxes: Foreign Currency Denominated Loan(3)	Reclassification Adjustments(4)	As Restated Three Months Ended September 30, 2004
REVENUES:						
Rental and management	$ 174,946					$ 174,946
Network development services	5,935					5,935
Total operating revenues	180,881					180,881
OPERATING EXPENSES:						
Rental and management	59,838				(9,814)	50,024
Network development services	5,134				(438)	4,696
Depreciation, amortization and accretion	81,569					81,569
Selling, general, administrative and development expense	6,861	1,212	56		10,252	18,381
Impairments, net loss on sale of long lived assets, restructuring and merger related expense	6,517					6,517
Total operating expenses	159,919	1,212	56			161,187
OPERATING INCOME FROM CONTINUING OPERATIONS	20,962	(1,212)	(56)			19,694
OTHER (EXPENSE) INCOME:						
Interest income, TV Azteca, net	3,584					3,584
Interest income	1,166					1,166
Interest expense	(65,631)					(65,631)
Loss on retirement of long term obligations	(47,951)					(47,951)
Other income (expense)	(1,176)					(1,176)
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES, MINORITY INTEREST AND LOSS ON EQUITY METHOD INVESTMENTS	(89,046)	(1,212)	(56)			(90,314)
Income tax benefit	30,396	373	32	(483)		30,318
Minority interest in net earnings of subsidiaries	(271)					(271)
(Loss) earnings on equity method investments	(611)					(611)
LOSS FROM CONTINUING OPERATIONS	(59,532)	(839)	(24)	(483)		(60,878)
LOSS FROM DISCONTINUED OPERATIONS, NET	(590)	(50)				(640)
NET LOSS	$ (60,122)	$ (889)	$ (24)	$ (483)		$ (61,518)
BASIC AND DILUTED LOSS PER COMMON SHARE AMOUNTS:						
Loss from continuing operations	$ (0.26)					$ (0.26)
Loss from discontinued operations	$ (0.01)					$ (0.01)
NET LOSS PER COMMON SHARE	$ (0.27)					$ (0.27)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	224,839					224,839

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2004

	Initial Filing Three Months Ended December 31, 2004	Stock Based Compensation: Accounting Measurement Dates(1)	Stock Based Compensation: Modifications and Repricings(2)	Income Taxes: Foreign Currency Denominated Loan(3)	Reclassification Adjustments(4)	As Restated Three Months Ended December 31, 2004
REVENUES:						
Rental and management	$ 177,313					$ 177,313
Network development services	7,383					7,383
Total operating revenues	184,696					184,696
OPERATING EXPENSES:						
Rental and management	60,278				(10,863)	49,415
Network development services	6,761				(1,126)	5,635
Depreciation, amortization and accretion	81,071					81,071
Selling, general, administrative and development expense	7,077	1,699	1,092		11,989	21,857
Impairments, net loss on sale of long lived assets, restructuring and merger related expense	8,072					8,072
Total operating expenses	163,259	1,699	1,092			166,050
OPERATING INCOME FROM CONTINUING OPERATIONS	21,437	(1,699)	(1,092)			18,646
OTHER (EXPENSE) INCOME:						
Interest income, TV Azteca, net	3,540					3,540
Interest income	1,442					1,442
Interest expense	(59,428)					(59,428)
Loss on retirement of long term obligations	(50,624)					(50,624)
Other income (expense)	(763)					(763)
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES, MINORITY INTEREST AND LOSS ON EQUITY METHOD INVESTMENTS	(84,396)	(1,699)	(1,092)		—	(87,187)
Income tax benefit	17,492	(149)	413	(975)		16,781
Minority interest in net earnings of subsidiaries	(182)					(182)
(Loss) earnings on equity method investments	(1,064)					(1,064)
LOSS FROM CONTINUING OPERATIONS	(68,150)	(1,848)	(679)	(975)	—	(71,652)
LOSS FROM DISCONTINUED OPERATIONS, NET	(5,880)	(7)				(5,887)
NET LOSS	$ (74,030)	$ (1,855)	$ (679)	$ (975)		$ (77,539)
BASIC AND DILUTED LOSS PER COMMON SHARE AMOUNTS:						
Loss from continuing operations	$ (0.30)	$ (0.01)				$ (0.31)
Loss from discontinued operations	$ (0.02)	$ (0.01)				$ (0.03)
NET LOSS PER COMMON SHARE	$ (0.32)	$ (0.02)				$ (0.34)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	228,469					228,469

(1) In connection with the restatement of the Company's previously issued financial statements, the Company applied new accounting measurement dates to certain stock option grants and, as a result, determined that charges for stock-based compensation expense and related payroll and income tax effects were required in instances where the quoted market price of the underlying stock at the new measurement date exceeded the employee's exercise price. As a result, the Company recorded additional stock-based compensation. See note 2 for additional information.

(2) In connection with the restatement of the Company's previously issued financial statements, the Company determined that it should have recorded stock-based compensation expense associated with the modification and repricing of certain stock option grants. The expense for the years ended December 31, 2005 and 2004 relates primarily to options awarded to two former executive officers of the Company. As a result of these stock option modifications and repricings and other stock option modifications, primarily associated with employee terminations, the Company recorded additional stock-based compensation. See note 2 for additional information.

(3) The restatement of the Company's previously issued financial statements includes changes to income tax benefits (provisions) relating to the tax effects of foreign currency fluctuations on a foreign currency denominated intercompany loan between two wholly owned subsidiaries of the Company. The Company determined that the tax effects of foreign currency gains and losses on the intercompany loan were not properly recorded, as the Company should have treated such gains and losses as taxable at the subsidiary level and the tax effect should not have been eliminated by the Company in consolidation. As a result, the Company recorded increases (decreases) to income tax benefits (provisions). See note 2 for additional information.

(4) Segment selling, general and administrative expense previously was a component of the Company's rental and management and network development services segment operating expenses. The Company changed its classification to aggregate all segment and corporate selling, general, administrative and development expenses previously included in rental and management expense, network development services expense, and corporate, general, administrative and development expense into one line item entitled selling, general, administrative and development expense. The Company made this change in classification to enable the evaluation of the Company's rental and management segment gross margin, which is calculated based on direct tower-level expenses and does not include selling, general, administrative and development expense related to the rental and management segment. See notes 2 and 17 for additional information.

(5) Effective December 31, 2005, the Company adopted the provisions of Financial Accounting Standards Board Interpretation No. 47 "Accounting for Conditional Asset Retirement Obligations" and recognized a $35.5 million non-cash charge (net of an $11.7 million tax benefit) as a cumulative effect of a change in accounting principle in the consolidated statement of operations for the quarter ended December 31, 2005.

19. SUBSEQUENT EVENTS

ATI 12.25% Notes Redemption—In December 2005, the Company issued a notice for the redemption on February 1, 2006 of all outstanding ATI 12.25% Notes. On February 1, 2006, the Company redeemed $227.7 million face amount ($162.1 million accreted value, net of $7.0 million fair value allocated to warrants) of ATI 12.25% Notes in accordance with the indenture at 106.125% of their accreted value for an aggregate of $179.5 million. The Company used $0.5 million in cash on hand and $179.0 million in borrowings under the Delayed Draw Term Loan component of the American Tower credit facility to fund the redemption. The Company expects to record a charge of $19.9 million in the first quarter of 2006 related to the amounts paid in excess of carrying value and write-off of deferred financing fees. Upon completion of this redemption, no ATI 12.25% Notes remained outstanding.

3.25% Convertible Notes—In March 2006, the Company issued an aggregate of 1,840,025 shares of Class A common stock upon conversion of $22.5 million principal amount of 3.25% Notes. Pursuant to the terms of the indenture, the holders of the 3.25% Notes received 81.808 shares of Class A common stock for every $1,000 principal amount of notes converted. In connection with the conversion, the Company paid such holders an aggregate of $1.7 million, calculated based on the accrued and unpaid interest on the notes and the discounted value of the future interest payments on the notes.

Issuer Purchases of Equity Securities—Between January 1, 2006 and March 9, 2006, the Company repurchased 3.9 million shares of Class A common stock for an aggregate of $117.4 million pursuant to its stock repurchase program. As discussed in note 15 above, the Company's Board of Directors approved a stock repurchase program in November 2005 pursuant to which the Company intends to purchase up to $750.0 million of its Class A common stock through December 2006.

Interest Rate Swap Agreements—In January 2006, the Company entered into two additional interest rate swap agreements to manage exposure to variable rate interest obligations on the Company's new credit facilities. These swaps have an aggregate notional amount of $100.0 million, a weighted average fixed rate of 4.68% and will expire in October 2010. The Company has designated both swaps as cash flow hedges.

20. SUBSEQUENT EVENTS RELATED TO REVIEW OF STOCK OPTION GRANTING PRACTICES AND RELATED ACCOUNTING

As further discussed in note 2 to these consolidated financial statements, the restatement of the Company's consolidated financial statements corrects certain errors related to (i) stock-based compensation not previously recorded for certain stock option grants, including the related payroll and income tax effects, (ii) additional charges for stock-based compensation expense related to the modification and repricing of certain stock option grants, primarily associated with options awarded to two former executive officers of the Company, and (iii) certain adjustments to income taxes related to an intercompany loan with a foreign subsidiary of the Company. The events set forth below have occurred subsequent to December 31, 2005, and the original filing date of the Form 10-K, and have been included below as they relate to the Company's review of its stock option granting practices and related accounting.

Legal and Governmental Proceedings—On May 18, 2006, the Company received a letter of informal inquiry from the SEC Division of Enforcement requesting documents related to Company stock option grants and stock option practices. The inquiry is focused on stock options granted to senior management and members of the Company's Board of Directors during the period 1997 to the present. The Company continues to cooperate with the SEC to provide the requested information and documents.

On May 19, 2006, the Company received a subpoena from the United States Attorney's Office for the Eastern District of New York for records and information relating to its historic stock option granting practices. The subpoena requests materials related to certain stock options granted between 1995 and the present. The Company continues to cooperate with the U.S. Attorney's Office to provide the requested information and documents.

On May 26, 2006, a securities class action was filed in United States District Court for the District of Massachusetts against the Company and certain of its current officers by John S. Greenebaum for monetary relief. Specifically, the complaint names the Company, James D. Taiclet, Jr. and Bradley E. Singer as defendants and alleges that the defendants violated federal securities laws in connection with public statements made relating to the Company's stock option practices and related accounting. The complaint asserts claims under Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5.

On May 24, 2006 and June 14, 2006, two shareholder derivative lawsuits were filed in Suffolk County Superior Court in Massachusetts by Eric Johnston and Robert L. Garber, respectively. The lawsuits were filed against certain of the Company's current and former officers and directors for alleged breaches of fiduciary duties and unjust enrichment in connection with the Company's historic stock option granting practices. The lawsuits also name the Company as a nominal defendant. The lawsuits seek to recover the damages sustained by the Company and disgorgement of all profits received with respect to the alleged backdated stock options.

On June 13, 2006 and June 22, 2006, two shareholder derivative lawsuits were filed in United States District Court for the District of Massachusetts by New South Wales Treasury Corporation, as Trustee for the Alpha International Managers Trust, and Frank C. Kalil and Don Holland, respectively. The lawsuits were filed against certain of the Company's current and former officers and directors for alleged breaches of fiduciary duties, waste of corporate assets, gross mismanagement and unjust enrichment in connection with the Company's historic stock option granting practices. The lawsuits also name the Company as a nominal defendant. The complaints assert claims under Sections 10(b), 14(a), and 20(a) of the Exchange Act and Rule 10b-5. A third shareholder derivative lawsuit was filed in United States District Court for the District of Massachusetts on August 23, 2006 by Leslie Cramer. The lawsuit was filed against certain of the Company's current and former officers and directors for alleged breaches of fiduciary duties and unjust enrichment in connection with the Company's historic stock option granting practices. The lawsuit also names the Company as a nominal defendant. Each of the three lawsuits seeks to recover the damages sustained by the Company and disgorgement of all profits received with respect to the alleged backdated stock options.

On June 8, 2006, the Company received a letter addressed to its Board of Directors from a law firm purporting to represent one of Company's current stockholders requesting that the Board investigate and institute proceedings pursuant to Section 16(b) of the Exchange Act against certain of the Company's current and former officers and directors to recover short-swing profits earned in connection with purchases and sales of the Company's equity securities. The Company's Board of Directors has concluded that there are no grounds on which to pursue the claims raised by the letter and, accordingly, has responded that it will not institute proceedings.

On August 31, 2006, the Company received an Information Document Request from the Internal Revenue Service for documents and information relating to its historic stock option granting practices and related accounting. The Information Document Request requests materials related to certain stock options granted between 1998 and 2005.

The class action and derivative proceedings set forth above are in their early stages and the Company cannot estimate the possible loss or range of loss, if any, associated with their resolution, nor can the Company predict the final disposition of these matters. In the event of an adverse outcome for one or more of these proceedings, these matters could result in a material adverse effect on the Company's consolidated financial position, results of operations or liquidity.

Stock Repurchase Program—On May 23, 2006, the Company announced that it was temporarily suspending repurchases under its stock repurchase program in light of the uncertainty surrounding the pending review of its historical stock option granting practices and the related governmental proceedings. The Company expects that, once this matter is resolved, it will resume repurchases of its Class A common stock.

Waiver Under Credit Facilities—On August 23, 2006, the Company obtained waivers from the lenders under the American Tower and SpectraSite credit facilities with respect to defaults resulting from the failure by the Company to timely provide lenders with the required financial reports for the quarter ended June 30, 2006, the restatement of the Company's previously issued financial statements and other potential defaults related to the Company's historical stock option granting practices. Under the terms of the waivers, the lenders under each of the Company's credit facilities extended the time of delivery for the Company's required financial reports for the period ended June 30, 2006 to November 15, 2006. The waivers also waive defaults or events of default that have arisen or may arise in connection with the stock option matter, the Company's restatement, and certain other related matters. The waivers also provide that for each credit facility, if lenders representing greater than 80% of the sum of the aggregate unutilized commitments plus the aggregate loans then outstanding under the credit facility deliver a notice demanding such financial reports, the waiver will extend only to the 30th day following such notice.

On November 13, 2006, the Company obtained new waivers with respect to defaults resulting from the failure by the Company to timely provide lenders with the required financial reports for the quarters ended June 30, 2006
and September 30, 2006, the restatement of the Company's previously issued financial statements and other potential defaults related to the Company's historical stock option granting practices. The new waivers had substantially the same terms as the previous waivers, except that the time of delivery for the Company's required financial reports is extended to December 22, 2006.

Tax Consequences under Internal Revenue Code Section 409A—As discussed above in note 2, as a result of the review of the Company's stock option granting practices, the Company has determined that a number of stock options were granted by the Company with exercise prices that were below the quoted market price of the underlying stock on the date of grant. Under Section 409A, part of recently enacted tax legislation, options that were granted with exercise prices below the quoted market price of the underlying stock on the date of grant and that vest after December 31, 2004 will likely be subject to unfavorable tax consequences that did not apply at the time of grant. While the IRS has not issued definitive final guidance under Section 409A, individuals who received such options likely will be required to recognize income at vesting, rather than upon exercise, on the amount of the difference between the fair market value of the underlying stock on the date of vesting and the exercise price, plus an additional 20% penalty tax on this amount, plus interest on any tax to be paid. Based on the review of the Company's stock option granting practices, the Company has determined that options to purchase up to 3.9 million shares of the Company's Class A common stock held by employees and members of the Company's Board of Directors may be subject to adverse tax consequences under Section 409A.

In order to remedy the unfavorable personal tax consequences under Section 409A, the Company intends to offer holders of these options the opportunity to amend their affected options. Specifically, the Company expects to conduct a tender offer for the affected options, pursuant to which the Company will offer to amend the affected options to increase the option grant price to the quoted market price on the revised grant date, and to give the option holders (excluding officers and Directors) a cash payment for the difference in option grant price between the amended option and the original price. The Company will account for the financial impact of the tender offer as a stock option modification under SFAS No. 123R, resulting in an estimated increase to stock-based compensation expense and additional paid-in capital of up to $0.3 million in the Company's consolidated financial statements to be recognized over the vesting period of the modified options. The Company also expects aggregate cash payments to option holders to approximate up to $4.0 million, which will be recorded as a reduction to additional paid-in capital in the Company's consolidated financial statements in the fourth quarter of 2006 and will be paid in the first quarter of 2007.

21. SUBSIDIARY GUARANTEES

ATI's payment obligations under the ATI 7.25% Notes are fully and unconditionally guaranteed on a joint and several basis by American Tower Corporation (the Parent) and substantially all of the wholly owned domestic subsidiaries of ATI and the Parent, other than SpectraSite and its subsidiaries (collectively Guarantor Subsidiaries). Prior to the Company's redemption of the ATI 12.25% Notes in February 2006, the ATI 12.25% Notes were likewise fully and unconditionally guaranteed on a joint and several basis by ATI, the Parent and the Guarantor Subsidiaries. The ATI 7.25% Notes and the subsidiary guarantees under the ATI 7.25% Notes are subordinated to all indebtedness under the American Tower credit facility and the SpectraSite credit facility.

The following condensed consolidating financial data illustrates the composition of the Parent, ATI and the combined Guarantor Subsidiaries, as well as the non-guarantor subsidiaries. As SpectraSite is not a Guarantor Subsidiary under the ATI 7.25% Notes, financial data for SpectraSite and its subsidiaries is included with the information for the non-guarantor subsidiaries. These statements have been prepared in accordance with the rules and requirements of the SEC and the requirements contained in the ATI 7.25% Notes indenture. The Company believes that separate complete financial statements of the respective guarantors would not provide additional material information that would be useful in assessing the financial composition of the guarantors. No single guarantor has any significant legal restrictions on the ability of investors or creditors to obtain access to its assets in event of default on the subsidiary guarantee other than its subordination to the new American Tower credit facility and the new SpectraSite credit facility.

Investments in subsidiaries are accounted for by the Company under the equity method for purposes of the supplemental consolidating presentation. In addition, ATI and the Guarantor Subsidiaries account for their subsidiaries that are not guarantors under the equity method. (Earnings) losses of subsidiaries accounted for under the equity method are therefore reflected in their parents' investment accounts. In addition, for presentation purposes, the Company has reflected its net deferred tax asset in the Parent column in the following condensed consolidating financial data. Intercompany receivables and payables related to deferred taxes are reflected in "investments in and advances to subsidiaries" in the following condensed consolidating financial data. The principal elimination entries eliminate investments in subsidiaries and intercompany balances and transactions.

As described in note 2, subsequent to the issuance of the Company's consolidated financial statements for the year ended December 31, 2005, management determined that certain of its previously issued financial statements should be restated. In connection with this restatement, the Company determined that it should also restate its previously presented condensed consolidating financial data for the three years ended December 31, 2005. The following schedule presents the amounts as originally reported in the Company's condensed consolidating balance sheet as of December 31, 2005 and the condensed consolidating statements of operations for the year ended December 31, 2005, and the corresponding restated amounts as described in note 2 (in thousands):

	Parent	ATI	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Totals
December 31, 2005:						
As originally reported:						
Total assets	$ 6,065,006	$ 2,002,118	$ 1,899,813	$ 4,195,031	$ (5,393,748)	$ 8,768,220
Total equity	4,529,880	321,492	1,899,199	3,169,757	(5,393,748)	4,526,580
Net (loss) income	(171,590)	(201,361)	138,041	(12,225)	75,545	(171,590)
As restated:						
Total assets	$ 6,080,247	$ 2,002,118	1,899,813	$ 4,195,031	$ (5,390,355)	$ 8,786,854
Total equity	4,545,121	318,099	1,899,199	3,169,757	(5,390,355)	4,541,821
Net (loss) income	(181,359)	(210,542)	137,455	(12,770)	85,857	(181,359)

In addition to the restatement described in note 2, subsequent to the issuance of the consolidated financial statements for the year ended December 31, 2004, management determined that the previously presented condensed consolidating financial data for 2004 and 2003 did not reflect certain intercompany loans, related interest and management fees. The current presentation has been restated to reflect all intercompany activity related to these entities. The changes in presentation did not affect the Company's consolidated financial position or results of operations, nor did the changes adversely impact the Company's compliance with debt covenants or ratios.

The following schedule presents the amounts as originally reported in the Company's condensed consolidating balance sheet as of December 31, 2004 and the condensed consolidating statements of operations for the years ended December 31, 2004 and 2003, and the corresponding restated amounts as described above and in note 2 (in thousands):

	Parent	ATI	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Totals
December 31, 2004:						
As originally reported:						
Total assets	$ 3,341,054	$ 3,640,154	$ 505,165	$ 561,717	$ (2,962,118)	$ 5,085,972
Total equity	1,470,953	1,965,231	501,677	495,210	(2,962,118)	1,470,953
Net (loss) income	(247,587)	(140,749)	22,742	24,362	93,645	(247,587)
As restated:						
Total assets	3,360,868	2,054,797	2,043,797	576,023	(2,927,789)	5,107,696
Total equity	1,490,767	377,964	2,040,309	509,516	(2,927,789)	1,490,767
Net (loss) income	(255,464)	(215,103)	89,325	4,911	120,867	(255,464)
December 31, 2003:						
Net (loss) income as originally reported	$ (325,321)	$ (141,599)	$ 2,301	$ (18,282)	$ 157,580	$ (325,321)
Net (loss) income as restated	(328,959)	(217,500)	74,679	(31,296)	174,117	(328,959)

CONDENSED CONSOLIDATING BALANCE SHEET

DECEMBER 31, 2005
(In thousands)
(As restated, see note 2)

	Parent	ATI	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Totals
ASSETS						
CURRENT ASSETS:						
Cash and cash equivalents	$ 35,010	$ 43,973	$ 110	$ 33,608		$ 112,701
Accounts receivable, net		20,374	1,812	14,809		36,995
Prepaid and other current assets	4,995	23,529		16,299		44,823
Deferred income taxes	8,119			23,240		31,359
Total current assets	48,124	87,876	1,922	87,956		225,878
PROPERTY AND EQUIPMENT, net		1,814,216	18,072	1,628,238		3,460,526
INTANGIBLE ASSETS, net	25,916	1,285,631	48,908	2,859,408		4,219,863
INVESTMENTS IN AND ADVANCES TO SUBSIDIARIES	5,319,999	25,973	44,383		$ (5,390,355)	
INTERCOMPANY NOTES (PAYABLE) RECEIVABLE		(1,400,277)	1,786,528	(386,251)		
OTHER LONG-TERM ASSETS	686,208	188,699		5,680		880,587
TOTAL	$ 6,080,247	$ 2,002,118	$ 1,899,813	$ 4,195,031	$ (5,390,355)	$ 8,786,854
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES:						
Accounts payable and accrued expenses	$ 32,229	$ 102,572	$ 516	$ 81,484		$ 216,801
Current portion of long-term obligations	48	161,237		868		162,153
Other current liabilities		37,526		40,129		77,655
Total current liabilities	32,277	301,335	516	122,481		456,609
LONG-TERM OBLIGATIONS	1,499,763	1,217,436		734,077		3,451,276
OTHER LONG-TERM LIABILITIES	3,086	165,248	98	158,922		327,354
Total liabilities	1,535,126	1,684,019	614	1,015,480		4,235,239
MINORITY INTEREST IN SUBSIDIARIES				9,794		9,794
STOCKHOLDERS' EQUITY	4,545,121	318,099	1,899,199	3,169,757	$ (5,390,355)	4,541,821
TOTAL	$ 6,080,247	$ 2,002,118	$ 1,899,813	$ 4,195,031	$ (5,390,355)	$ 8,786,854

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2005
(In thousands)
(As restated, see note 2)

	Parent	ATI	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Totals
Operating revenues		$ 609,605	$ 6,529	$ 328,652		$ 944,786
Operating expenses		542,220	8,309	259,143		809,672
Operating income (loss) from continuing operations		67,385	(1,780)	69,509		135,114
Other income (expense):						
Interest income, TV Azteca, net				14,232		14,232
Interest (expense) income, net	(94,796)	(221,747)	154,330	(55,804)		(218,017)
Other (expense) income	(24,663)	(46,780)	8,989	(4,429)		(66,883)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES, MINORITY INTEREST AND LOSS ON EQUITY METHOD INVESTMENTS	(119,459)	(201,142)	161,539	23,508		(135,554)
Income tax benefit (provision)	10,614	7,265	(7,485)	(16,108)		(5,714)
Minority interest in net earnings of subsidiaries				(575)		(575)
Loss on equity method investments		(2,078)				(2,078)
Equity in (loss) income of subsidiaries, net of income taxes recorded at the subsidiary level	(71,248)	1,987	(16,596)		$ 85,857	
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	(180,093)	(193,968)	137,458	6,825	85,857	(143,921)
LOSS FROM DISCONTINUED OPERATIONS, NET OF INCOME TAX BENEFIT	(1,266)	(644)	(3)			(1,913)
(LOSS) INCOME BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	(181,359)	(194,612)	137,455	6,825	85,857	(145,834)
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, NET OF INCOME TAX BENEFIT		(15,930)		(19,595)		(35,525)
NET (LOSS) INCOME	$(181,359)	$(210,542)	$ 137,455	$ (12,770)	$ 85,857	$ (181,359)

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2005
(In thousands)
(As restated, see note 2)

	Parent	ATI	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidated Totals
CASH FLOWS (USED FOR) PROVIDED BY OPERATING ACTIVITIES	$(106,391)	$ 224,524	$ 152,008	$ 127,063	$ 397,204
CASH FLOWS USED FOR INVESTING ACTIVITIES:					
Payments for purchase of property and equipment and construction activities		(32,531)	(90)	(56,016)	(88,637)
Payments for acquisitions		(2,100)	(7,270)	(5,379)	(14,749)
Cash acquired from SpectraSite merger, net of transaction costs	(22,349)			39,045	16,696
Proceeds from sales of businesses and other long-term assets		4,830	748	1,303	6,881
Deposits, investments and other long-term assets		(477)	25	(273)	(725)
Cash used for investing activities	(22,349)	(30,278)	(6,587)	(21,320)	(80,534)
CASH FLOWS USED FOR FINANCING ACTIVITIES:					
Net proceeds from stock options, warrants and stock purchase plans	65,357				65,357
Borrowings under credit facilities		843,000		700,000	1,543,000
Repayment of notes payable, credit facilities and capital leases	(293,253)	(957,345)		(698,846)	(1,949,444)
Purchase of Class A common stock	(68,927)				(68,927)
Deferred financing costs and other financing activities	(856)	(4,808)		(3,848)	(9,512)
Investment in and advances from (to) subsidiaries	267,946	(37,294)	(145,618)	(85,034)	
Cash used for financing activities	(29,733)	(156,447)	(145,618)	(87,728)	(419,526)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(158,473)	37,799	(197)	18,015	(102,856)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	193,483	6,174	307	15,593	215,557
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 35,010	$ 43,973	$ 110	$ 33,608	$ 112,701

CONDENSED CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2004
(In thousands)
(As restated, see note 2)

	Parent	ATI	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Totals
ASSETS						
CURRENT ASSETS:						
Cash and cash equivalents	$ 193,483	$ 6,174	$ 307	$ 15,593		$ 215,557
Accounts receivable, net		33,880	471	4,283		38,634
Prepaid and other current assets	3,793	33,243	3,102	5,229		45,367
Deferred income taxes	6,090					6,090
Assets held for sale			3,389			3,389
Total current assets	203,366	73,297	7,269	25,105		309,037
PROPERTY AND EQUIPMENT, net		1,977,603	18,466	277,287		2,273,356
INTANGIBLE ASSETS, net	36,463	1,390,729	9,853	140,941		1,577,986
INVESTMENTS IN AND ADVANCES TO SUBSIDIARIES	2,464,998	24,149	438,642		$ (2,927,789)	
INTERCOMPANY NOTES (PAYABLE) RECEIVABLE		(1,583,848)	1,569,542	14,306		
OTHER LONG-TERM ASSETS	656,041	172,867	25	118,384		947,317
TOTAL	$ 3,360,868	$ 2,054,797	$ 2,043,797	$ 576,023	$ (2,927,789)	$ 5,107,696
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES:						
Accounts payable and accrued expenses	$ 36,954	$ 101,784	$ 2,932	$ 21,378		$ 163,048
Current portion of long-term obligations	133,046	4,855		485		138,386
Other current liabilities		32,233	458	(10)		32,681
Total current liabilities	170,000	138,872	3,390	21,853		334,115
LONG-TERM OBLIGATIONS	1,698,827	1,421,768		34,633		3,155,228
OTHER LONG-TERM LIABILITIES	1,274	116,193	98	3,940		121,505
Total liabilities	1,870,101	1,676,833	3,488	60,426		3,610,848
MINORITY INTEREST IN SUBSIDIARIES				6,081		6,081
STOCKHOLDERS' EQUITY	1,490,767	377,964	2,040,309	509,516	$ (2,927,789)	1,490,767
TOTAL	$ 3,360,868	$ 2,054,797	$ 2,043,797	$ 576,023	$ (2,927,789)	$ 5,107,696

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2004
(In thousands)
(As restated, see note 2)

	Parent	ATI	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Totals
Operating revenues		$ 564,022	$ 15,003	$ 127,635		$ 706,660
Operating expenses		534,681	15,140	98,060		647,881
Operating income (loss) from continuing operations		29,341	(137)	29,575		58,779
Other income (expense):						
Interest income, TV Azteca, net				14,316		14,316
Interest (expense) income, net	$(132,111)	(257,909)	132,960	(333)		(257,393)
Other expense	(69,243)	(71,021)	(5)	(545)		(140,814)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES, MINORITY INTEREST AND LOSS ON EQUITY METHOD INVESTMENTS	(201,354)	(299,589)	132,818	43,013		(325,112)
Income tax benefit (provision)	70,474	94,866	(46,327)	(35,675)		83,338
Minority interest in net earnings of subsidiaries				(2,366)		(2,366)
Loss on equity method investments		(2,915)				(2,915)
Equity in (loss) income of subsidiaries, net of income taxes recorded at the subsidiary level	(125,884)	1,426	3,591		$ 120,867	
(LOSS) INCOME FROM CONTINUING OPERATIONS	(256,764)	(206,212)	90,082	4,972	120,867	(247,055)
INCOME (LOSS) FROM DISCONTINUED OPERATIONS, NET OF INCOME TAX BENEFIT (PROVISION)	1,300	(8,891)	(757)	(61)		(8,409)
NET (LOSS) INCOME	$(255,464)	$(215,103)	$ 89,325	$ 4,911	$ 120,867	$ (255,464)

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2004
(In thousands)
(As restated, see note 2)

	Parent	ATI	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidated Totals
CASH FLOWS (USED FOR) PROVIDED BY OPERATING ACTIVITIES	$ (149,729)	$ 139,876	$ 133,393	$ 93,160	$ 216,700
CASH FLOWS (USED FOR) PROVIDED BY INVESTING ACTIVITIES:					
Payments for purchase of property and equipment and construction activities		(26,547)	(1,530)	(14,104)	(42,181)
Payments for acquisitions		(4,867)		(32,483)	(37,350)
Proceeds from sales of businesses and other long-term assets		23,965	3,683	4,339	31,987
Restricted cash and investments	120,915	49,121			170,036
Deposits, investments and other long-term assets		2,885	25	(582)	2,328
Cash provided by (used for) investing activities	120,915	44,557	2,178	(42,830)	124,820
CASH FLOWS PROVIDED BY (USED FOR) FINANCING ACTIVITIES:					
Proceeds from issuance of debt securities	1,072,500				1,072,500
Net proceeds from stock options and stock purchase plans	40,556				40,556
Borrowings under credit facility		700,000			700,000
Repayment of notes payable, credit facility and capital leases	(1,063,342)	(939,413)		(646)	(2,003,401)
Deferred financing costs and other financing activities	(23,030)	(18,053)			(41,083)
Investment in and advances from (to) subsidiaries	181,696	17,398	(136,100)	(62,994)	
Cash provided by (used for) financing activities	208,380	(240,068)	(136,100)	(63,640)	(231,428)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	179,566	(55,635)	(529)	(13,310)	110,092
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	13,917	61,809	836	28,903	105,465
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 193,483	$ 6,174	$ 307	$ 15,593	$ 215,557

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2003
(In thousands)
(As restated, see note 2)

	Parent	ATI	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Totals
Operating revenues		$ 530,058	$ 4,131	$ 98,304		$ 632,493
Operating expenses		555,051	6,177	84,133		645,361
Operating (loss) income from continuing operations		(24,993)	(2,046)	14,171		(12,868)
Other income (expense):						
Interest income, TV Azteca, net				14,222		14,222
Interest (expense) income, net	$(144,872)	(261,635)	133,349	(1,370)		(274,528)
Other expense	(34,285)	(19,402)		(1,108)		(54,795)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES, MINORITY INTEREST AND LOSS ON EQUITY METHOD INVESTMENTS	(179,157)	(306,030)	131,303	25,915		(327,969)
Income tax benefit (provision)	37,590	109,275	(45,923)	(15,375)		85,567
Minority interest in net earnings of subsidiaries				(3,703)		(3,703)
Loss on equity method investments	(9,994)	(11,227)				(21,221)
Equity in (loss) income of subsidiaries, net of income taxes recorded at the subsidiary level	(177,398)	(2,184)	5,465		$ 174,117	
(LOSS) INCOME FROM CONTINUING OPERATIONS	(328,959)	(210,166)	90,845	6,837	174,117	(267,326)
LOSS FROM DISCONTINUED OPERATIONS, NET OF INCOME TAX BENEFIT		(7,334)	(16,166)	(38,133)		(61,633)
NET (LOSS) INCOME	$(328,959)	$(217,500)	$ 74,679	$ (31,296)	$ 174,117	$ (328,959)

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2003
(In thousands)
(As restated, see note 2)

	Parent	ATI	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidated Totals
CASH (USED FOR) PROVIDED BY OPERATING ACTIVITIES	$(121,884)	$ 99,801	$ 104,667	$ 73,802	$ 156,386
CASH FLOWS (USED FOR) PROVIDED BY INVESTING ACTIVITIES:					
Payments for purchase of property and equipment and construction activities		(40,483)	(428)	(20,697)	(61,608)
Payments for acquisitions		(202)	(129)	(94,746)	(95,077)
Proceeds from sales of businesses and other long-term assets		90,328	1,618	18,807	110,753
Restricted cash and investments	(120,915)	(49,121)			(170,036)
Deposits, investments and other long-term assets		(571)	50	(9,557)	(10,078)
Cash (used for) provided by investing activities	(120,915)	(49)	1,111	(106,193)	(226,046)
CASH FLOWS PROVIDED BY (USED FOR) FINANCING ACTIVITIES:					
Proceeds from issuance of debt securities and notes payable	210,000	819,884		2,500	1,032,384
Net proceeds from equity offering, stock options and stock purchase plans	126,847				126,847
Repayment of notes payable, credit facility and capital leases	(258,096)	(808,085)		(5,775)	(1,071,956)
Deferred financing costs and other financing activities	(7,250)	(32,192)			(39,442)
Investments in and advances from (to) subsidiaries	185,215	(125,150)	(105,698)	45,633	
Cash provided by (used for) financing activities	256,716	(145,543)	(105,698)	42,358	47,833
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	13,917	(45,791)	80	9,967	(21,827)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		107,600	756	18,936	127,292
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 13,917	$ 61,809	$ 836	$ 28,903	$ 105,465

INDEX TO EXHIBITS

The exhibits below are included as part of this Amendment No. 2 to Annual Report on Form 10-K/A. Exhibits are identified according to the number assigned to them in Item 601 of Regulation S-K.

Exhibit No.	Description of Document	Exhibit File No.
23	Consent of Independent Registered Public Accounting Firm—Deloitte & Touche LLP	Filed herewith as Exhibit 23
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith as Exhibit 31.1
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith as Exhibit 31.2
32	Certifications pursuant to 18 U.S.C. Section 1350	Filed herewith as Exhibit 32

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-127296, 333-41226, 333-41224, 333-72927, 333-56331, 333-76324 and 333-51959 each on Form S-8 and Registration Statement Nos. 333-126749, 333-109489, 333-111632, 333-114706 and 333-119162 each on Form S-3 of our report dated March 14, 2006 (November 28, 2006 as to Note 20 and February 23, 2007 as to the effects of the matters discussed in Note 2), relating to the financial statements of American Tower Corporation (which report expresses an unqualified opinion and includes explanatory paragraphs relating to (i) the adoption of FASB Interpretation No. 47 "Accounting for Conditional Asset Retirement Obligations-an interpretation of FASB Statement No. 143," effective December 31, 2005 and (ii) the restatement of the consolidated financial statements as discussed in Note 2), appearing in this Amendment No. 2 to Annual Report on Form 10-K/A of American Tower Corporation for the year ended December 31, 2005.

/s/ DELOITTE & TOUCHE LLP

Boston, Massachusetts
February 23, 2007

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James D. Taiclet, Jr., certify that:

1. I have reviewed this Amendment No. 2 to Annual Report on Form 10-K/A of American Tower Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

Date: February 23, 2007

/S/ JAMES D. TAICLET, JR.
James D. Taiclet, Jr.
Chairman, President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Bradley E. Singer, certify that:

1. I have reviewed this Amendment No. 2 to Annual Report on Form 10-K/A of American Tower Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

Date: February 23, 2007

/s/ BRADLEY E. SINGER

Bradley E. Singer
Chief Financial Officer and Treasurer

Exhibit 32

CERTIFICATIONS PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Amendment No. 2 to Annual Report on Form 10-K/A of American Tower Corporation (the “Company”) for the year ended December 31, 2005, as filed with the Securities and Exchange Commission on the date hereof, (the “Report”), each of the undersigned officers of the Company hereby certifies, pursuant to 18 U.S.C. Section 1350, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 23, 2007

By: /s/ JAMES D. TAICLET, JR.

James D. Taiclet, Jr.
Chairman, President and Chief Executive Officer

Date: February 23, 2007

By: /s/ BRADLEY E. SINGER

Bradley E. Singer
Chief Financial Officer and Treasurer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.