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

Form 10-Q

(Mark One):

☒ **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. For the quarterly period ended June 30, 2004.**

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

Commission File Number: 001-14195

American Tower Corporation

(Exact name of registrant as specified in its charter)

Delaware	**65-0723837**
(State or other jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

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

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

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

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

As of August 5, 2004, 224,416,228 shares of Class A Common Stock were outstanding.

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PART 1. FINANCIAL INFORMATION

ITEM 1. UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS—Unaudited

(In Thousands, Except Share Data)

	June 30, 2004	December 31, 2003
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 197,856	$ 105,465
Restricted cash and investments		170,036
Accounts receivable, net of allowances of $13,677 and $17,445, respectively	44,193	57,735
Prepaid and other current assets	38,045	34,105
Costs and earnings in excess of billings on uncompleted contracts and unbilled receivables	16,065	19,933
Deferred income taxes	14,122	14,122
Assets held for sale	3,389	10,119
Total current assets	313,670	411,515
PROPERTY AND EQUIPMENT, net	2,450,921	2,546,525
OTHER INTANGIBLE ASSETS, net	1,043,706	1,057,077
GOODWILL, net	592,683	592,683
DEFERRED INCOME TAXES	479,469	449,180
NOTES RECEIVABLE AND OTHER LONG-TERM ASSETS	285,821	275,508
TOTAL	$ 5,166,270	$ 5,332,488
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 104,285	$ 107,557
Accrued interest	52,639	59,734
Current portion of long-term obligations	6,495	77,622
Billings in excess of costs on uncompleted contracts and unearned revenue	34,445	41,449
Liabilities held for sale		8,416
Total current liabilities	197,864	294,778
LONG-TERM OBLIGATIONS	3,260,322	3,283,603
OTHER LONG-TERM LIABILITIES	46,228	23,961
Total liabilities	3,504,414	3,602,342
COMMITMENTS AND CONTINGENCIES		
MINORITY INTEREST IN SUBSIDIARIES	11,697	18,599
STOCKHOLDERS' EQUITY:		
Preferred Stock: $.01 par value; 20,000,000 shares authorized; no shares issued or outstanding		
Class A Common Stock: $.01 par value; 500,000,000 shares authorized; 224,287,636 and 211,855,658 shares issued, 224,142,415 and 211,710,437 shares outstanding, respectively	2,243	2,119
Class B Common Stock: $.01 par value; 50,000,000 shares authorized; 0 and 6,969,529 shares issued and outstanding, respectively		70
Class C Common Stock: $.01 par value; 10,000,000 shares authorized; 0 and 1,224,914 shares issued and outstanding, respectively		12
Additional paid-in capital	3,946,144	3,910,879
Accumulated deficit	(2,293,862)	(2,190,447)
Note receivable		(6,720)
Treasury stock (145,221 shares at cost)	(4,366)	(4,366)
Total stockholders' equity	1,650,159	1,711,547
TOTAL	$ 5,166,270	$ 5,332,488

See notes to condensed consolidated financial statements.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
REVENUES:				
Rental and management	$ 167,587	$ 151,916	$ 332,163	$ 298,378
Network development services	25,385	23,366	46,988	38,371
Total operating revenues	192,972	175,282	379,151	336,749
OPERATING EXPENSES:				
Rental and management	55,551	54,205	111,217	108,901
Network development services	24,183	21,500	44,997	36,212
Depreciation, amortization and accretion	81,925	79,624	159,059	159,278
Corporate general, administrative and development expense	6,651	6,965	13,530	13,613
Impairments, net loss on sale of long-lived assets and restructuring expense	5,373	8,002	9,287	11,698
Total operating expenses	173,683	170,296	338,090	329,702
OPERATING INCOME FROM CONTINUING OPERATIONS	19,289	4,986	41,061	7,047
OTHER INCOME (EXPENSE):				
Interest income, TV Azteca, net of interest expense of $375, $371, $751 and $747, respectively	3,652	3,528	7,192	7,030
Interest income	1,122	1,930	2,236	2,856
Interest expense	(68,045)	(71,201)	(137,217)	(142,943)
Loss on retirement of long-term obligations	(31,388)	(35,832)	(39,441)	(44,323)
Loss on investments and other expense	(1,277)	(402)	(2,099)	(25,601)
Minority interest in net earnings of subsidiaries	(490)	(793)	(1,913)	(1,363)
Total other expense	(96,426)	(102,770)	(171,242)	(204,344)
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(77,137)	(97,784)	(130,181)	(197,297)
INCOME TAX BENEFIT	17,194	17,585	27,644	36,860
LOSS FROM CONTINUING OPERATIONS	(59,943)	(80,199)	(102,537)	(160,437)
LOSS FROM DISCONTINUED OPERATIONS, NET OF INCOME TAX BENEFIT OF $318, $1,358, $473 AND $4,205, RESPECTIVELY	(592)	(27,516)	(878)	(38,901)
NET LOSS	$ (60,535)	$ (107,715)	$ (103,415)	$ (199,338)
BASIC AND DILUTED LOSS PER COMMON SHARE AMOUNTS:				
Loss from continuing operations	$ (0.27)	$ (0.40)	$ (0.46)	$ (0.80)
Loss from discontinued operations	(0.00)	(0.13)	(0.01)	(0.20)
NET LOSS PER COMMON SHARE	$ (0.27)	$ (0.53)	$ (0.47)	$ (1.00)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	223,578	202,913	221,993	199,328

See notes to condensed consolidated financial statements.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

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

	Six Months Ended June 30,	
	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (103,415)	$ (199,338)
Other non-cash items reflected in statements of operations	224,028	265,104
Decrease in assets	2,934	7,558
Decrease in liabilities	(18,157)	(22,737)
Cash provided by operating activities	105,390	50,587
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for purchase of property and equipment and construction activities	(18,666)	(32,691)
Payments for acquisitions	(18,353)	(41,096)
Payment for acquisition of Mexico minority interest	(3,947)	
Proceeds from sale of businesses and other long-term assets	21,288	77,317
Deposits, investments and other long-term assets	548	635
Cash (used for) provided by investing activities	(19,130)	4,165
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of debt securities	225,000	419,884
Net proceeds from stock options and other	8,780	1,584
Repayment of notes payable, credit facility and capital leases	(1,076,978)	(281,799)
Borrowings under credit facility	700,000	
Restricted cash and investments	170,036	(192,885)
Deferred financing costs	(20,707)	(21,231)
Cash provided by (used for) financing activities	6,131	(74,447)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	92,391	(19,695)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	105,465	127,292
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 197,856	$ 107,597
CASH PAID FOR INCOME TAXES	$ 989	$ 1,158
CASH PAID FOR INTEREST	$ 103,979	$ 122,399
NON-CASH TRANSACTIONS		
Issuance of common stock in exchange for acquisition of Mexico minority interest	$ 24,773	
Capital leases	2,996	
Change in fair value of cash flow hedges (net of tax)		$ 4,584
2.25% note conversions (excluding note conversion expense)		47,647

See notes to condensed consolidated financial statements.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—Unaudited

1. Basis of Presentation and Accounting Policies

The accompanying condensed consolidated financial statements have been prepared by American Tower Corporation (the Company) without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). The financial information included herein is unaudited; however, the Company believes such information and the disclosures herein are adequate to make the information presented not misleading and reflect all adjustments (consisting only of normal recurring adjustments) that are necessary for a fair presentation of the Company's financial position and results of operations for such periods. Results of interim periods may not be indicative of results for the full year. These condensed consolidated financial statements and related notes should be read in conjunction with the Company's 2003 Annual Report on Form 10-K.

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

Inventories—Inventories, which consist entirely of finished goods, are stated at the lower of cost or market, with cost being determined on the first-in, first-out (FIFO) basis. As of June 30, 2004 and December 31, 2003, inventories were approximately $3.5 million and $3.2 million, respectively, and are included in prepaid and other current assets in the accompanying condensed consolidated balance sheets.

Loss Per Common Share—Basic and diluted loss per common share have been computed by dividing the Company's loss by the weighted average number of common shares outstanding during the period. For the three and six months ended June 30, 2004 and 2003, potential common shares, including options, warrants and shares issuable upon conversion of the Company's convertible notes, have been excluded from the computation of diluted loss per common share, as their effect is anti-dilutive. Potential common shares excluded from the calculation of loss per share were approximately 57.9 million and 57.8 million for the six months ended June 30, 2004 and 2003, respectively.

Sales of Subsidiary Stock—As described in note 10, during the six months ended June 30, 2004, certain option holders exercised options to purchase a 3.2% interest in the subsidiary that conducts the Company's Mexico operations. As a result, the Company adopted the provisions of SEC Staff Accounting Bulletin (SAB) No. 51, "Accounting for Sales of Stock by a Subsidiary," and recorded the difference between the Company's carrying value of the interest in the subsidiary's equity that was sold over the proceeds received for that interest to additional paid-in-capital. The Company will record any gains or losses resulting from the future sale of stock by a subsidiary as a component of stockholders' equity.

Stock-Based Compensation—The Company continues to use Accounting Principles Board Opinion 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 Statement of Financial Accounting Standard (SFAS) No. 148, "Accounting for Stock-Based Compensation—Transition and Disclosure—an amendment of SFAS No. 123."

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—Unaudited—(Continued)

The following table illustrates the effect on net loss and net loss per 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):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Net loss as reported	$ (60,535)	$ (107,715)	$ (103,415)	$ (199,338)
Less: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effect	(6,937)	(6,435)	(12,840)	(13,735)
Pro-forma net loss	$ (67,472)	$ (114,150)	$ (116,255)	$ (213,073)
Basic and diluted net loss per share—as reported	$ (0.27)	$ (0.53)	$ (0.47)	$ (1.00)
Basic and diluted net loss per share pro-forma	$ (0.30)	$ (0.56)	$ (0.52)	$ (1.07)

Asset Retirement Obligations—The Company adopted the provisions of SFAS No. 143, "Accounting for Asset Retirement Obligations," during 2003. During the three months ended June 30, 2004, the Company revised certain assumptions used in estimating its aggregate retirement obligation. The impact of these revisions resulted in an increase in depreciation, amortization and accretion expense of $4.5 million, an increase in tower assets of $12.0 million, and an increase in other long-term liabilities of approximately $16.0 million.

Recent Accounting Pronouncements—In December 2003, the FASB issued Interpretation (FIN) No. 46-R, a revision of FIN 46, "Consolidation of Variable Interest Entities." FIN 46-R addresses the consolidation of entities whose equity holders have either not provided sufficient equity at risk to allow the entity to finance its own activities or do not possess certain characteristics of a controlling financial interest. FIN 46-R was applicable for financial statements of public entities that have interests in variable interest entities (VIEs) or potential VIEs referred to as special purpose entities for periods ending after December 15, 2003, of which the Company had none. Application by public entities for all other types of entities was required in financial statements for periods ending after March 15, 2004. The Company adopted the remaining provisions of FIN 46-R in the first quarter of 2004 and such adoption was not material to the Company's consolidated financial position and results of operations.

Reclassifications—Certain reclassifications have been made to the accompanying 2003 condensed consolidated financial statements and related notes to conform to the 2004 presentation.

2. Income Taxes

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

3. Discontinued Operations

During the six months ended June 30, 2004 and the year ended December 31, 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, "Accounting for the Impairment or Disposal of Long-Lived Assets," the Company classified the operating results of these businesses as discontinued operations in the

accompanying condensed consolidated statements of operations. In addition, the assets and liabilities of the discontinued operations not disposed of as of June 30, 2004 and December 31, 2003 have been reflected as assets held for sale and liabilities held for sale in the accompanying condensed consolidated balance sheets.

The following businesses have been reflected as discontinued operations in the accompanying condensed consolidated statements of operations:

Verestar—In December 2002, the Company committed to a plan to sell Verestar, Inc., a wholly owned subsidiary, by December 31, 2003. On December 22, 2003, Verestar and its subsidiaries (collectively, Verestar) filed for protection under Chapter 11 of the federal bankruptcy laws. Verestar was reported as a discontinued operation through the date of the bankruptcy filing, and, as of that date, the Company ceased to consolidate Verestar's financial results. (See note 9.)

Kline—In June 2003, the Company committed to a plan to sell Kline Iron & Steel Co., Inc. (Kline). During 2004, the Company sold substantially all the assets of Kline for approximately $4.0 million in cash and up to an additional $2.0 million in cash payable in 2006 based on future revenues generated by Kline. Kline was previously included in the Company's network development services segment.

Summary operating results of the discontinued operations are as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003(1)	2004	2003(1)
Revenue	$ 220	$ 51,601	$ 3,857	$113,414
Loss from discontinued operations	$(910)	$ (3,360)	$(1,014)	$ (11,390)
Income tax benefit on loss from discontinued operations	318	486	355	1,182
Net loss on disposal of discontinued operations, net of tax benefit of $0, $872, $118, and $3,023, respectively	—	(24,642)	(219)	(28,693)
Loss from discontinued operations, net	$(592)	$(27,516)	$ (878)	$ (38,901)

(1) In addition to the businesses described above, loss from discontinued operations, net for the periods ended June 30, 2003 includes the results of operations of the following: Flash Technologies, sold in January 2003; Maritime Telecommunications Network, sold in February 2003; an office building in Schaumburg, Illinois, sold in March 2003; an office building in Westwood, Massachusetts, sold in May 2003; and Galaxy Engineering, sold in August 2003. Loss from discontinued operations, net for the six months ended June 30, 2003 also includes estimated net losses on the disposal of Verestar and Kline and a net loss on the disposal of an office building in Westwood, Massachusetts.

As of June 30, 2004 and December 31, 2003, the Company had assets held for sale and liabilities held for sale comprised of the following (in thousands):

	June 30, 2004	December 31, 2003
Accounts receivable, net		$ 2,982
Prepaid and other current assets		1,554
Property and equipment, net	$ 3,389	5,532
Other long-term assets		51
Assets held for sale	$ 3,389	$ 10,119
Accounts payable, accrued expenses and other current liabilities	$ —	$ 8,416
Liabilities held for sale	$ —	$ 8,416

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—Unaudited—(Continued)

4. Goodwill and Other Intangible Assets

The Company's net carrying amount of goodwill as of June 30, 2004 and December 31, 2003 was approximately $592.7 million, all of which related to its rental and management segment.

Summarized information about the Company's acquired intangible assets subject to amortization is as follows (in thousands):

	June 30, 2004	December 31, 2003
Acquired customer base and network location intangibles	$1,335,546	$ 1,299,708
Deferred financing costs	99,968	111,484
Acquired licenses and other intangibles	43,326	43,125
Subtotal	1,478,840	1,454,317
Less accumulated amortization	(435,134)	(397,240)
Other intangible assets, net	$1,043,706	$ 1,057,077

The Company amortizes its intangible assets over periods ranging from three to fifteen years. Amortization of intangible assets for the three and six months ended June 30, 2004 was approximately $22.9 million and $45.7 million (excluding amortization of deferred financing costs, which is included in interest expense). The Company expects to record estimated amortization expense of $91.5 million for the year ended December 31, 2004, $91.5 million for the years ended December 31, 2005 and 2006, and $89.1 million for the years ended December 31, 2007, 2008 and 2009.

5. Financing Transactions

New Credit Facility—In May 2004, the Company refinanced its previous credit facility with a new $1.1 billion senior secured credit facility. At closing, the Company received $685.5 million of net proceeds from the borrowings under the new facility, after deducting related expenses and fees. Approximately $670.0 million of the net proceeds were used to repay principal of $665.8 million and interest of $4.2 million on the previous 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 its previous credit facility which is reflected in loss on retirement of long-term obligations in the accompanying condensed consolidated statement of operations for the six months ended June 30, 2004.

The new credit facility consists of the following:

- $400.0 million in undrawn revolving loan commitments, against which approximately $26.7 million of undrawn letters of credit were outstanding at June 30, 2004, maturing on February 28, 2011;
- a $300.0 million term loan A, which is fully drawn, maturing on February 28, 2011; and
- a $400.0 million term loan B, which is fully drawn, maturing on August 31, 2011.

The new credit facility extends the previous credit facility maturity dates from 2007 to 2011 for a majority of the borrowings outstanding under the new credit facility, subject to certain conditions described below, and permits the Company to use borrowings under the new credit facility and internally generated funds to repurchase other indebtedness without additional lender approval. The new credit facility is guaranteed by the Company and its subsidiaries and secured by a pledge of substantially all of the Company's assets. The new credit facility also

contains certain financial ratios and operating covenants and other restrictions similar to the previous credit facility (including limitations on additional debt, guarantees, use of proceeds from asset sales, dividends and distributions, investments and liens) with which the Company's borrower and restricted subsidiaries must comply.

The maturity date for term loan A and any outstanding revolving loans will be accelerated to August 15, 2008 and the maturity date for term loan B will be accelerated to October 31, 2008 if (1) on or prior to August 1, 2008, the Company's 9 3/8% senior notes have not been (a) refinanced with parent company indebtedness having a maturity date of February 28, 2012 or later or with loans under the new credit facility, or (b) repaid, prepaid, redeemed, repurchased or otherwise retired; and (2) the Company's consolidated leverage ratio (total parent company debt to annualized operating cash flow) at June 30, 2008 exceeds 4.50 to 1.00. If this were to occur, the payments due in 2008 for term loan A and term loan B would be $225.0 million and $386.0 million, respectively.

7.50% Senior Notes Offering—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 initial purchasers' discounts and commissions and other expenses related to the offering) and were used to redeem all of the Company's outstanding 6.25% convertible notes (6.25% Notes) and a portion of the Company's outstanding 5.0% convertible notes (5.0% Notes).

The 7.50% Notes mature on May 1, 2012 and interest is payable semiannually in arrears on May 1 and November 1 beginning May 1, 2004. 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 7.50% Notes rank equally with the 5.0% Notes, the 3.25% convertible notes and the 9 3/8% senior notes and are structurally and effectively junior to indebtedness outstanding under the credit facility, the 12.25% senior subordinated discount notes issued by American Towers, Inc. (ATI), a wholly owned subsidiary of the Company (ATI 12.25% Notes), and the 7.25% senior subordinated notes issued by ATI (ATI 7.25% Notes). 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.

ATI 12.25% Notes Repurchases—During the six months ended June 30, 2004, the Company repurchased an aggregate of $100.1 million face amount ($56.3 million accreted value, net of $5.0 million fair value discount allocated to warrants) of its ATI 12.25% Notes for approximately $73.6 million in cash. As a result of these transactions, the Company recorded a charge of $19.0 million related to the write-off of deferred financing fees and amounts paid in excess of accreted value. Such loss is reflected in loss on retirement of long-term obligations in the accompanying condensed consolidated statement of operations for the six months ended June 30, 2004.

9 3/8% Senior Notes Repurchases—During the six months ended June 30, 2004, the Company repurchased $6.6 million principal amount of its 9 3/8% senior notes for approximately $7.0 million in cash. As a result of these transactions, the Company recorded a charge of $0.5 million related to the write-off of deferred financing fees and amounts paid in excess of the principal amount. Such loss is reflected in loss on retirement of long-term obligations in the accompanying condensed consolidated statement of operations for the six months ended June 30, 2004.

5.0% Notes Repurchases—During the six months ended June 30, 2004, the Company repurchased $73.7 million principal amount of its 5.0% Notes for approximately $73.3 million in cash. As a result of these transactions, the Company recorded a charge of $0.7 million related to the write-off of deferred financing fees. Such loss is reflected in loss on retirement of long-term obligations in the accompanying condensed consolidated statement of operations for the six months ended June 30, 2004.

6.25% Notes Redemption—In February 2004, the Company completed the redemption of its 6.25% Notes. The 6.25% Notes were redeemed pursuant to the terms of the indenture at 102.083% of the principal amount plus unpaid and accrued interest. The total aggregate redemption price was $221.9 million, including $4.8 million in accrued interest. As a result, the Company recorded a charge of $7.2 million related to the loss on redemption and write-off of deferred financing fees. Such loss is reflected in loss on retirement of long-term obligations in the accompanying condensed consolidated statement of operations for the six months ended June 30, 2004.

6. Restructuring

During the six months ended June 30, 2004, the Company made cash payments against its accrued restructuring liability. Such payments were as follows (in thousands):

	Liability as of January 1, 2004	Cash Payments	Liability as of June 30, 2004
Employee separations	$ 2,239	$ (1,812)	$ 427
Lease terminations and other facility closing costs	1,450	(197)	1,253
Total	$ 3,689	$ (2,009)	$ 1,680

There were no material changes in estimates related to the Company's accrued restructuring liability during the six months ended June 30, 2004. The Company expects to pay the balance of the employee separation liabilities during the remainder of 2004. Additionally, the Company continues to negotiate certain lease terminations associated with its restructuring liability. Such liability is reflected in accounts payable and accrued expenses in the accompanying condensed consolidated balance sheets.

7. Business Segments

The Company operates in two business segments: rental and management (RM) and network development services (Services). The RM segment provides for the leasing and subleasing of antennae sites on multi-tenant towers and other properties for a diverse range of customers primarily in the wireless communication and broadcast industries. The Services segment offers a broad range of services, including antenna and line installation, maintenance, construction, site acquisition and zoning.

The accounting policies applied in compiling segment information below are similar to those described in the Company's 2003 Annual Report on Form 10-K. In evaluating financial performance, management focuses on operating profit (loss), excluding depreciation, amortization and accretion; corporate general, administrative and development expense; and impairments, net loss on sale of long-lived assets and restructuring expense. This measure of operating profit (loss) is also before interest income, interest expense, loss on investments and other expense, loss on retirement of long-term obligations, minority interest in net earnings of subsidiaries, income taxes and discontinued operations. For reporting purposes, the RM 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 three and six months ended June 30, 2004 and 2003 is shown in the following table. The Other column below represents amounts excluded from specific segments, such as depreciation, amortization and accretion; corporate general, administrative and development expense; impairments, net loss on sale of long-lived assets and restructuring expense; interest income; interest expense; loss on investments and other expense; loss on retirement of long-

term obligations; and minority interest in net earnings of subsidiaries. In addition, the Other column also includes corporate assets such as cash and cash equivalents, certain tangible and intangible assets and income tax accounts that have not been allocated to specific segments, as well as assets held for sale.

Three months ended June 30, (in thousands)	RM	Services	Other	Total
2004				
Revenues	$ 167,587	$25,385		$ 192,972
Operating profit (loss)	115,688	1,202	$ (194,027)	(77,137)
Assets	4,274,899	72,730	818,641	5,166,270
2003				
Revenues	$ 151,916	$23,366		$ 175,282
Operating profit (loss)	101,239	1,866	$ (200,889)	(97,784)
Assets	4,458,383	72,399	1,045,470	5,576,252

Six months ended June 30, (in thousands)				
2004				
Revenues	$ 332,163	$46,988		$ 379,151
Operating profit (loss)	228,138	1,991	$ (360,310)	$ (130,181)
Assets	4,274,899	72,730	818,641	5,166,270
2003				
Revenues	$ 298,378	$38,371		$ 336,749
Operating profit (loss)	196,507	2,159	$ (395,963)	(197,297)
Assets	4,458,383	72,399	1,045,470	5,576,252

8. Acquisitions

During the six months ended June 30, 2004, the Company acquired 138 communications sites for an aggregate preliminary purchase price of approximately $18.4 million in cash. The Company has accounted for the acquisition of these towers under the purchase method of accounting.

Unaudited Pro Forma Operating Results—The unaudited pro forma results of operations for the three and six months ended June 30, 2004 and 2003 are not presented for comparative purposes due to the insignificant impact of the 2004 acquisitions (as described above) on the Company's condensed consolidated results of operations.

9. Commitments and Contingencies

Verestar—As discussed in note 3, Verestar filed for protection under Chapter 11 of the federal bankruptcy laws on December 22, 2003. 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 estimate of costs to settle these obligations as of December 31, 2003 and there were no material changes to this estimate during the six months ended June 30, 2004. In addition, Verestar's bankruptcy estate may bring certain claims against the Company or seek to hold the Company liable for certain transfers made by Verestar to the Company and/or for Verestar's obligations to creditors under various equitable theories recognized under bankruptcy law. The Official Committee of Unsecured Creditors appointed in the Verestar bankruptcy proceeding (the Committee) has requested, and the Company has agreed to produce, certain documents in connection with a subpoena for Rule 2004 Examination (as defined under federal bankruptcy laws) issued by the Committee. The Bankruptcy Court also entered an order approving a stipulation between Verestar and the

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—Unaudited—(Continued)

Committee that permits the Committee to file claims against the Company and/or its affiliates on behalf of Verestar. The Committee has not filed any claims against the Company or its affiliates. In the opinion of management, the resolution of any claims that may be made against the Company by Verestar's bankruptcy estate will not have a material impact 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 reorganization or liquidation of Verestar's business.

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

Acquisition Commitments—As of June 30, 2004, the Company was party to agreements relating to the acquisition of 63 tower assets from Iusacell Celular (Iusacell) for an aggregate remaining purchase price of approximately $13.2 million. The Company may pursue the acquisitions of other properties and businesses in new and existing locations, although there are no definitive material agreements with respect thereto.

Build-to-Suit Agreements—As of June 30, 2004, the Company was party to various arrangements relating to the construction of tower sites under existing build-to-suit agreements. Under the terms of the agreements, the Company may be obligated to construct up to 750 towers (400 towers in Mexico and 350 towers in Brazil) over a three-year period. During the six months ended June 30, 2004, the Company constructed 16 towers in Mexico and no towers in Brazil.

10. ATC International Transactions

ATC Mexico Holding— In April 2004, the Company repurchased an 8.8% interest in ATC Mexico Holding Corp., the subsidiary through which the Company conducts its Mexico operations (ATC Mexico) from J. Michael Gearon, Jr. (Mr. Gearon), an executive officer of the Company. Mr. Gearon had exercised his previously disclosed put right in January 2004 requiring the Company to purchase his interest in ATC Mexico. The net aggregate consideration paid for Mr. Gearon's interest was $35.9 million (after the repayment of Mr. Gearon's $6.7 million loan from the Company, inclusive of the related accrued interest). The Company issued Mr. Gearon 2,203,968 shares of its Class A common stock valued at $24.8 million and paid $3.9 million in cash in satisfaction of 80% of the net consideration due to him. Payment of the remaining 20% of the purchase price of $7.3 million is contingent upon ATC Mexico satisfying certain performance criteria and will be paid in cash, if at all, in January 2005. 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.

In accordance with FASB No. 141 "Business Combinations" the acquisition has been accounted for under the purchase method of accounting. The purchase price has been preliminarily allocated to the net assets acquired (principally intangible assets). The allocation is preliminary as an appraisal of the net assets acquired has not been finalized. The Company does not expect changes in depreciation and amortization from the finalization of the purchase price allocation to be material to its consolidated results of operations.

As of June 30, 2004, the Company owns a 96.8% interest in ATC Mexico. The remaining 3.2% minority interest in ATC Mexico is held by ATC Mexico employees and an executive officer of the Company. In the first quarter of 2004, 318 options held by ATC Mexico employees and an executive officer of the Company under the ATC Mexico Stock Option Plan were exercised. In connection with the issuance of these shares, the Company adopted the provisions of SEC SAB No. 51 and recorded a $1.8 million reduction to stockholders' equity in the

accompanying condensed consolidated balance sheet as of June 30, 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 also may require the Company to purchase their interests in ATC Mexico six months following their issuance at the then fair market value, which date will occur in the third quarter of 2004. William H. Hess, an executive officer of the Company, owns a 1.4% interest in ATC Mexico as a result of his exercise of options granted to him under the ATC Mexico Stock Option Plan.

ATC South America—During the six months ended June 30, 2004, the Company consummated a previously disclosed arrangement with Mr. Gearon pursuant to which he would purchase an equity interest in certain of the Company's international subsidiaries, including ATC South America Holding Corp., the subsidiary through which the Company conducts its Brazilian operations (ATC South America). On March 31, 2004, ATC South America issued Mr. Gearon stock representing a 1.68% interest for approximately $1.0 million in cash. The Company's carrying value of the equity interest that was sold approximated the fair value. Accordingly, the Company recorded no gain or loss in accordance with SEC SAB No. 51. The purchase price represented the fair market value of a 1.68% interest in ATC South America on the date of the sale, as determined by an independent appraiser. Mr. Gearon may 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 has 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 10.32% interest in ATC South America. During the six months ended June 30, 2004, ATC South America granted 6,027 options to purchase shares of ATC South America common stock to officers and employees, including Messrs. Gearon and Hess, who received options to purchase shares representing a 6.72% and 1.6% interest, respectively. The exercise price per share is $1,000, which was the fair market value per share on the date of grant based on an independent appraisal performed at the Company's request. Options granted vest upon the earlier to occur of: the exercise by or on behalf of Mr. Gearon of his right to require the Company to purchase his interest in ATC South America; the exercise by the Company of its right to acquire Mr. Gearon's interest in ATC South America; or July 1, 2006. These options expire ten years from the date of grant. The employees holding these options may also require the Company to purchase their interests in ATC South America six months following the exercise of their options at the then fair market value.

11. Common Stock Conversions

In February 2004, Steven B. Dodge, our former Chairman and Chief Executive Officer, 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. The Company's charter prohibits the future issuance of shares of Class B common stock, but permits the future issuance of shares of Class C common stock.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—Unaudited—(Continued)

12. Subsequent Events

In August 2004, the Company announced that it is considering strategic alternatives for its construction services group, including a potential sale of all of its construction service capabilities. The construction services group is currently included in the network development services segment and had revenues of $21.2 million and $22.6 million for the three months ended June 30, 2004 and 2003, respectively, and $39.2 million and $36.2 million for the six months ended June 30, 2004 and 2003, respectively. The construction services group had essentially no segment operating profit for the three months ended June 30, 2004 and segment operating profit of $2.3 million for the three months ended June 30, 2003, and it had segment operating profit of $0.3 million and $2.0 million for the six months ended June 30, 2004 and 2003, respectively. Regardless of the alternative chosen with respect to the construction services group, the Company's network development services segment will continue to provide complementary non-construction services to our rental and management segment such as site acquisition, zoning, permitting and structural analysis.

ATI 12.25% Notes Repurchases—From July 1, 2004 to August 5, 2004, the Company repurchased an aggregate of $52.6 million face amount ($29.9 million accreted value, net of $2.6 million fair value discount allocated to warrants) of its ATI 12.25% Notes for approximately $39.0 million in cash. As a result of these transactions, the Company expects to record a charge of $10.1 million related to the write-off of deferred financing fees and amounts paid in excess of accreted value, which will be reflected in loss on retirement of long-term obligations in its condensed consolidated statement of operations for the third quarter of 2004**.**

9 3/8% Senior Notes Repurchases—From July 1, 2004 to August 5, 2004, the Company repurchased $20.3 million principal amount of its 9 3/8% Senior Notes for approximately $21.8 million in cash. As a result of these transactions, the Company expects to record a charge of $1.8 million related to the write-off of deferred financing fees and amounts paid in excess of the principal amount, which will be reflected in loss on retirement of long-term obligations in its condensed consolidated statement of operations for the third quarter of 2004.

13. Subsidiary Guarantees

ATI's payment obligations under the ATI 12.25% Notes and the ATI 7.25% Notes (collectively, the ATI Notes) are fully and unconditionally guaranteed on joint and several bases by the Company (ATI's parent) and substantially all of the Company's and ATI's wholly owned domestic subsidiaries. The ATI Notes and the subsidiary guarantees under the ATI Notes are subordinated to all indebtedness under the credit facility.

The following condensed consolidating financial data illustrates the composition of the Company, ATI, the combined guarantor subsidiaries under the ATI Notes and non-guarantor subsidiaries. These statements have been prepared in accordance with the rules and requirements of the Securities and Exchange Commission and the requirements contained in the ATI Notes indenture. The Company believes that separate complete financial statements of the respective guarantors would not provide additional material information which 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 credit facility described above.

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. The principal elimination entries eliminate investments in subsidiaries and intercompany balances and transactions.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—Unaudited—(Continued)

CONDENSED CONSOLIDATING BALANCE SHEET

JUNE 30, 2004
(In Thousands)

	Parent	ATI	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated Totals
ASSETS						
CURRENT ASSETS:						
Cash & cash equivalents	$ 105,854	$ 63,394	$ 211	$ 28,397		$ 197,856
Accounts receivable, net		38,934	436	4,823		44,193
Prepaid & other current assets	4,435	37,012	5,070	7,593		54,110
Deferred income taxes	14,122					14,122
Assets held for sale			3,389			3,389
Total current assets	124,411	139,340	9,106	40,813		313,670
PROPERTY AND EQUIPMENT, NET		2,107,841	19,443	323,637		2,450,921
INTANGIBLE ASSETS, NET	34,006	1,476,375	9,503	116,505		1,636,389
INVESTMENTS IN AND ADVANCES TO SUBSIDIARIES	2,766,428	26,282	501,365		$ (3,294,075)	
OTHER LONG-TERM ASSETS	486,636	167,823	25	110,806		765,290
TOTAL	$ 3,411,481	$ 3,917,661	$ 539,442	$ 591,761	$ (3,294,075)	$ 5,166,270
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES:						
Accounts payable and accrued expenses	$ 57,173	$ 80,204	$ 3,634	$ 15,913		$ 156,924
Current portion of long-term obligations	45	5,994		456		6,495
Other current liabilities		33,888	577	(20)		34,445
Total current liabilities	57,218	120,086	4,211	16,349		197,864
LONG-TERM OBLIGATIONS	1,704,104	1,521,275	4	34,939		3,260,322
OTHER LONG-TERM LIABILITIES		45,001	98	1,129		46,228
Total liabilities	1,761,322	1,686,362	4,313	52,417		3,504,414
MINORITY INTEREST IN SUBSIDIARIES				11,697		11,697
STOCKHOLDERS' EQUITY						
Common stock	2,243					2,243
Additional paid-in capital	3,946,144	3,419,799	470,464	956,635	$ (4,846,898)	3,946,144
Accumulated (deficit) earnings	(2,293,862)	(1,188,500)	64,665	(428,988)	1,552,823	(2,293,862)
Note receivable						
Treasury stock	(4,366)					(4,366)
Total stockholders' equity	1,650,159	2,231,299	535,129	527,647	(3,294,075)	1,650,159
TOTAL	$ 3,411,481	$ 3,917,661	$ 539,442	$ 591,761	$ (3,294,075)	$ 5,166,270

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—Unaudited—(Continued)

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

THREE MONTHS ENDED JUNE 30, 2004
(In Thousands)

	Parent	ATI	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Totals
Operating revenues		$ 158,964	$ 3,636	$ 30,372		$ 192,972
Operating expenses		149,196	3,641	20,846		173,683
Operating income (loss) from continuing operations		9,768	(5)	9,526		19,289
Other income (expense):						
Interest income, TV Azteca, net				3,652		3,652
Interest income	$ 262	544		316		1,122
Interest expense	(34,647)	(32,887)	(2)	(509)		(68,045)
Other expense	(622)	(31,404)	(2)	(637)		(32,665)
Minority interest in net earnings of subsidiaries				(490)		(490)
Equity in (loss) income of subsidiaries, net of income taxes recorded at the subsidiary level	(30,609)	490	13,218		$ 16,901	
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(65,616)	(53,489)	13,209	11,858	16,901	(77,137)
INCOME TAX BENEFIT	5,081	10,243	20	1,850		17,194
(LOSS) INCOME FROM CONTINUING OPERATIONS	(60,535)	(43,246)	13,229	13,708	16,901	(59,943)
INCOME (LOSS) FROM DISCONTINUED OPERATIONS, NET OF INCOME TAX (PROVISION) BENEFIT		61	(653)			(592)
NET (LOSS) INCOME	$ (60,535)	$ (43,185)	$ 12,576	$ 13,708	$ 16,901	$ (60,535)

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—Unaudited—(Continued)

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

SIX MONTHS ENDED JUNE 30, 2004
(In Thousands)

	Parent	ATI	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Totals
Operating revenues		$ 313,652	$ 4,756	$ 60,743		$ 379,151
Operating expenses		293,720	4,402	39,968		338,090
Operating income from continuing operations		19,932	354	20,775		41,061
Other income (expense):						
Interest income, TV Azteca, net				7,192		7,192
Interest income	$ 558	1,297		381		2,236
Interest expense	(70,375)	(66,037)	(2)	(803)		(137,217)
Other expense	(8,441)	(32,260)	(2)	(837)		(41,540)
Minority interest in net earnings of subsidiaries				(1,913)		(1,913)
Equity in (loss) income of subsidiaries, net of income taxes recorded at the subsidiary level	(41,500)	920	19,155		$ 21,425	
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(119,758)	(76,148)	19,505	24,795	21,425	(130,181)
INCOME TAX BENEFIT (PROVISION)	16,343	16,094	(73)	(4,720)		27,644
(LOSS) INCOME FROM CONTINUING OPERATIONS	(103,415)	(60,054)	19,432	20,075	21,425	(102,537)
LOSS FROM DISCONTINUED OPERATIONS, NET OF INCOME TAX BENEFIT		(121)	(757)			(878)
NET (LOSS) INCOME	$ (103,415)	$ (60,175)	$ 18,675	$ 20,075	$ 21,425	$ (103,415)

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—Unaudited—(Continued)

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

SIX MONTHS ENDED JUNE 30, 2004
(In Thousands)

	Parent	ATI	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Consolidated Totals
CASH FLOWS (USED FOR) PROVIDED BY OPERATING ACTIVITIES	$ (71,376)	$ 132,597	$ (1,283)	$ 45,452	$ 105,390
CASH FLOWS FROM INVESTING ACTIVITIES:					
Payments for purchase of property and equipment and construction activities		(12,352)	(1,171)	(5,143)	(18,666)
Payments for acquisitions		(4,511)		(17,789)	(22,300)
Proceeds from sale of businesses and other long-term assets		13,444	3,683	4,161	21,288
Deposits, investments and other long-term assets		857	25	(334)	548
Cash (used for) provided by investing activities		(2,562)	2,537	(19,105)	(19,130)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from issuance of debt securities	225,000				225,000
Borrowings under credit facility		700,000			700,000
Repayment of notes payable, credit facility and capital leases	(297,441)	(779,168)		(369)	(1,076,978)
Deferred financing costs, restricted cash and other	125,911	32,198			158,109
Investments in and advances from (to) subsidiaries	109,843	(81,480)	(1,879)	(26,484)	
Cash provided by (used for) financing activities	163,313	(128,450)	(1,879)	(26,853)	6,131
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	91,937	1,585	(625)	(506)	92,391
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	13,917	61,809	836	28,903	105,465
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 105,854	$ 63,394	$ 211	$ 28,397	$ 197,856

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—Unaudited—(Continued)

CONDENSED CONSOLIDATING BALANCE SHEET

DECEMBER 31, 2003
(In Thousands)

	Parent	ATI	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated Totals
ASSETS						
CURRENT ASSETS:						
Cash and cash equivalents	$ 13,917	$ 61,809	$ 836	$ 28,903		$ 105,465
Restricted cash and investments	120,915	49,121				170,036
Accounts receivable, net		49,957	317	7,461		57,735
Prepaid and other current assets	3,621	42,582	3,717	4,118		54,038
Deferred income taxes	14,122					14,122
Assets held for sale			10,119			10,119
Total current assets	152,575	203,469	14,989	40,482		411,515
PROPERTY AND EQUIPMENT, NET		2,191,674	19,199	335,652		2,546,525
INTANGIBLE ASSETS, NET	37,679	1,520,212	9,508	82,361		1,649,760
INVESTMENTS IN AND ADVANCES TO SUBSIDIARIES	2,895,958	26,822	463,723		$ (3,386,503)	
OTHER LONG-TERM ASSETS	465,429	158,668		100,591		724,688
TOTAL	$ 3,551,641	$ 4,100,845	$ 507,419	$ 559,086	$ (3,386,503)	$ 5,332,488
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES:						
Accounts payable and accrued expenses	$ 61,175	$ 91,938		$ 14,178		$ 167,291
Current portion of long-term obligations	44	77,166		412		77,622
Other current liabilities		41,449				41,449
Liabilities held for sale			$ 8,416			8,416
Total current liabilities	61,219	210,553	8,416	14,590		294,778
LONG-TERM OBLIGATIONS	1,772,155	1,476,096		35,352		3,283,603
OTHER LONG-TERM LIABILITIES		23,961				23,961
Total liabilities	1,833,374	1,710,610	8,416	49,942		3,602,342
MINORITY INTEREST IN SUBSIDIARIES				18,599		18,599
STOCKHOLDERS' EQUITY:						
Common stock	2,201					2,201
Additional paid-in capital	3,910,879	3,518,560	453,013	946,328	$ (4,917,901)	3,910,879
Accumulated (deficit) earnings	(2,190,447)	(1,128,325)	45,990	(449,063)	1,531,398	(2,190,447)
Note receivable				(6,720)		(6,720)
Treasury stock	(4,366)					(4,366)
Total stockholders' equity	1,718,267	2,390,235	499,003	490,545	(3,386,503)	1,711,547
TOTAL	$ 3,551,641	$ 4,100,845	$ 507,419	$ 559,086	$ (3,386,503)	$ 5,332,488

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—Unaudited—(Continued)

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

THREE MONTHS ENDED JUNE 30, 2003
(In Thousands)

	Parent	ATI	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Totals
Operating revenues		$ 151,509	$ 1,013	$ 22,760		$ 175,282
Operating expenses		151,840	767	17,689		170,296
Operating (loss) income from continuing operations		(331)	246	5,071		4,986
Other income (expense):						
Interest income, TV Azteca, net				3,528		3,528
Interest income		1,861		69		1,930
Interest expense	$ (36,502)	(34,274)		(425)		(71,201)
Other expense	(35,832)	(149)		(253)		(36,234)
Minority interest in net earnings of subsidiaries				(793)		(793)
Equity in (loss) income of subsidiaries, net of income taxes recorded at the subsidiary level	(45,074)	250	4,330		$ 40,494	
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(117,408)	(32,643)	4,576	7,197	40,494	(97,784)
INCOME TAX BENEFIT (PROVISION)	9,693	10,306	(76)	(2,338)		17,585
(LOSS) INCOME FROM CONTINUING OPERATIONS	(107,715)	(22,337)	4,500	4,859	40,494	(80,199)
INCOME (LOSS) FROM DISCONTINUED OPERATIONS, NET OF INCOME TAX BENEFIT		(228)	(13,037)	(14,251)		(27,516)
NET (LOSS) INCOME	$ (107,715)	$ (22,565)	$ (8,537)	$ (9,392)	$ 40,494	$ (107,715)

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—Unaudited—(Continued)

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

SIX MONTHS ENDED JUNE 30, 2003
(In Thousands)

	Parent	ATI	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Totals
Operating revenues		$ 292,816	$ 1,995	$ 41,938		$ 336,749
Operating expenses		296,230	1,563	31,909		329,702
Operating (loss) income from continuing operations		(3,414)	432	10,029		7,047
Other income (expense):						
Interest income, TV Azteca, net				7,030		7,030
Interest income		2,737		119		2,856
Interest expense	$ (73,839)	(68,219)		(885)		(142,943)
Other expense	(48,476)	(21,053)		(395)		(69,924)
Minority interest in net earnings of subsidiaries				(1,363)		(1,363)
Equity in (loss) income of subsidiaries, net of income taxes recorded at the subsidiary level	(96,448)	(2,926)	9,705		$ 89,669	
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(218,763)	(92,875)	10,137	14,535	89,669	(197,297)
INCOME TAX BENEFIT (PROVISION)	19,425	21,317	(112)	(3,770)		36,860
(LOSS) INCOME FROM CONTINUING OPERATIONS	(199,338)	(71,558)	10,025	10,765	89,669	(160,437)
LOSS FROM DISCONTINUED OPERATIONS, NET OF INCOME TAX BENEFIT		(1,737)	(12,790)	(24,374)		(38,901)
NET (LOSS) INCOME	$ (199,338)	$ (73,295)	$ (2,765)	$ (13,609)	$ 89,669	$ (199,338)

AMERICAN TOWER CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—Unaudited—(Continued)

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

SIX MONTHS ENDED JUNE 30, 2003
(In Thousands)

	Parent	ATI	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Consolidated Totals
CASH FLOWS (USED FOR) PROVIDED BY OPERATING ACTIVITIES	$ (69,388)	$ 100,284	$ (3,071)	$ 22,762	$ 50,587
CASH FLOWS FROM INVESTING ACTIVITIES:					
Payments for purchase of property and equipment and construction activities		(22,504)	(221)	(9,966)	(32,691)
Payments for acquisitions			(129)	(40,967)	(41,096)
Proceeds from sale of businesses and other long-term assets		49,148		28,169	77,317
Deposits, investments and other long-term assets		(545)		1,180	635
Cash provided by (used for) investing activities		26,099	(350)	(21,584)	4,165
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from issuance of debt securities		419,884			419,884
Repayment of notes payable, credit facility and capital leases	(24,846)	(253,389)		(3,564)	(281,799)
Deferred financing costs, restricted cash and other		(212,532)			(212,532)
Investments in and advances from (to) subsidiaries	94,234	(107,459)	4,525	8,700	
Cash provided by (used for) financing activities	69,388	(153,496)	4,525	5,136	(74,447)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(27,113)	1,104	6,314	(19,695)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		107,600	756	18,936	127,292
CASH AND CASH EQUIVALENTS, END OF PERIOD	$	$ 80,487	$ 1,860	$ 25,250	$ 107,597

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

This Quarterly Report on Form 10-Q contains forward-looking statements relating to our goals, beliefs, plans or current expectations and other statements that are not of historical facts. For example, when we use words such as "project," "believe," "anticipate," "expect," "estimate," "intend," "should," "would," "could" or "may," or other words that convey uncertainty of future events or outcome, we are making forward-looking statements. Certain important factors may cause actual results to differ materially from those indicated by our forward-looking statements, including those set forth below under the caption "Factors That May Affect Future Results." Forward-looking statements represent management's current expectations and are inherently uncertain. We do not undertake any obligation to update forward-looking statements made by us.

The discussion and analysis of our financial condition and results of operations that follows are based upon our condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. 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 disclosure of contingent assets and liabilities at the date of our financial statements. Actual results may differ significantly from these estimates under different assumptions or conditions. This discussion should be read in conjunction with our condensed consolidated financial statements herein and the accompanying notes thereto, and our 2003 Form 10-K, in particular, the information set forth therein under Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Our continuing operations are reported in two segments, rental and management and network development services. Management focuses on segment profit (loss) as a means to measure operating performance in these business segments. We define segment operating profit (loss) as segment revenues less segment operating expenses excluding depreciation, amortization and accretion; corporate general, administrative and development expense; and impairments, net loss on sale of long-lived assets and restructuring expense. Segment profit (loss) for the rental and management segment also includes interest income, TV Azteca, net (see note 7 to our accompanying condensed consolidated financial statements). In accordance with generally accepted accounting principles, our accompanying condensed consolidated statements of operations for periods presented in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" have been adjusted to reflect certain businesses as discontinued operations (see note 3 to our accompanying condensed consolidated financial statements).

Results of Operations

Three Months Ended June 30, 2004 and 2003 (dollars in thousands)

	Three Months Ended June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2004	2003		
REVENUES:				
Rental and management	$ 167,587	$ 151,916	$ 15,671	10%
Network development services	25,385	23,366	2,019	9
Total revenues	192,972	175,282	17,690	10
OPERATING EXPENSES:				
Rental and management	55,551	54,205	1,346	2
Network development services	24,183	21,500	2,683	12
Depreciation, amortization and accretion	81,925	79,624	2,301	3
Corporate general, administrative and development expense	6,651	6,965	(314)	(5)
Impairments, net loss on sale of long-lived assets and restructuring expense	5,373	8,002	(2,629)	(33)
Total operating expenses	173,683	170,296	3,387	2
OTHER INCOME (EXPENSE):				
Interest income, TV Azteca, net of interest expense of $375 and $371	3,652	3,528	124	4
Interest income	1,122	1,930	(808)	(42)
Interest expense	(68,045)	(71,201)	(3,156)	(4)
Loss on retirement of long-term obligations	(31,388)	(35,832)	(4,444)	(12)
Loss on investments and other expense	(1,277)	(402)	875	218
Minority interest in net earnings of subsidiaries	(490)	(793)	(303)	(38)
Income tax benefit	17,194	17,585	(391)	(2)
Loss from discontinued operations, net	(592)	(27,516)	(26,924)	(98)
Net loss	$ (60,535)	$ (107,715)	$ (47,180)	(44)%

Total Revenues

Total revenues for the three months ended June 30, 2004 were $193.0 million, an increase of $17.7 million from the three months ended June 30, 2003. The increase resulted from an increase in rental and management revenues of $15.7 million, coupled with an increase in network development services revenue of $2.0 million.

Rental and Management Revenue

Rental and management revenue for the three months ended June 30, 2004 was $167.6 million, an increase of $15.7 million from the three months ended June 30, 2003. The increase resulted primarily from adding additional wireless and broadcast tenants subsequent to April 1, 2003 to towers that existed as of April 1, 2003 and, to a lesser extent, from revenue generated on the approximately 580 towers acquired and/or constructed subsequent to April 1, 2003. This increase was partially offset by a reduction in revenue on the approximately 350 owned towers sold or disposed of subsequent to April 1, 2003.

We continue to believe that our leasing revenue, which drives our core business, is likely to grow more rapidly than revenue from our network development services segment due to our expected increase in utilization

of existing tower capacity. In addition, we believe that the majority of our new leasing activity in 2004 will continue to come from wireless and broadcast service providers.

Network Development Services Revenue

Network development services revenue for the three months ended June 30, 2004 was $25.4 million, an increase of $2.0 million from the three months ended June 30, 2003. The increase in revenue was primarily a result of year over year volume improvement in construction and structural analysis services.

In August 2004, we announced that we are considering strategic alternatives for our construction services group, which is currently included in our network development services segment, including a potential sale of all of our construction service capabilities. Our construction services group had revenues of $21.2 million and $22.6 million for the three months ended June 30, 2004 and 2003, respectively, and essentially no segment operating profit for the three months ended June 30, 2004 and segment operating profit of $2.3 million for the three months ended June 30, 2003. Regardless of the alternative chosen, our network development services segment will continue to provide complementary non-construction services to our rental and management segment such as site acquisition, zoning, permitting and structural analysis.

Total Operating Expenses

Total operating expenses for the three months ended June 30, 2004 were $173.7 million, an increase of $3.4 million from the three months ended June 30, 2003. The principal components of the increase were attributable to increases in expenses within our network development services segment of $2.7 million; an increase in depreciation, amortization and accretion expense of $2.3 million; and an increase in expenses within our rental and management segment of $1.3 million. These increases were primarily offset by a decrease in impairments, net loss on sale of long-lived assets and restructuring expense of $2.6 million.

Rental and Management Expense/Segment Profit

Rental and management expense for the three months ended June 30, 2004 was $55.6 million, an increase of $1.3 million from the three months ended June 30, 2003. The increase resulted primarily from an increase in tower expenses related to approximately 580 towers we have acquired/constructed since April 1, 2003. This increase was partially offset by a reduction in expenses related to our existing towers resulting from overhead efficiencies and by a reduction in expenses on the approximately 350 owned towers sold or disposed of subsequent to April 1, 2003.

Rental and management segment profit for the three months ended June 30, 2004 was $115.7 million, an increase of $14.5 million from the three months ended June 30, 2003. The increase resulted primarily from incremental revenues and operating profit from adding additional tenants to existing towers and newly acquired and/or constructed towers, partially offset by towers sold and an increase in tower expenses, as discussed above.

Network Development Services Expense

Network development services expense for the three months ended June 30, 2004 was $24.2 million, an increase of $2.7 million from the three months ended June 30, 2003. The majority of the increase correlates directly to the revenue expansion noted above.

Depreciation, Amortization and Accretion

Depreciation, amortization and accretion for the three months ended June 30, 2004 was $81.9 million, an increase of $2.3 million from the three months ended June 30, 2003. This increase is primarily attributable to revisions in assumptions used in estimating our asset retirement obligation under SFAS No. 143, as described more fully in note 1 of the accompanying condensed consolidated financial statements, which resulted in an

increase in depreciation, amortization and accretion expense of $4.5 million during the three months ended June 30, 2004. This increase was offset primarily by a decrease in depreciation expense due to certain long-lived assets becoming fully depreciated.

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 three months ended June 30, 2004 was $5.4 million, a decrease of $2.6 million from the three months ended June 30, 2003. The decrease resulted primarily from decreased losses on sales of long-lived tower and other non-core assets, partially offset by an increase in impairment charges for such long-lived assets.

Interest Expense

Interest expense for the three months ended June 30, 2004 was $68.0 million, a decrease of $3.2 million from the three months ended June 30, 2003. The decrease resulted primarily from the following: a net decrease in interest expense on our credit facility as a result of repayments made during 2003; and, to a lesser extent, a decrease in interest expense on our 2.25% convertible notes and our 6.25% convertible notes as a result of retirements made in 2003 and 2004 and a decrease in interest expense on our 5.0% convertible notes as a result of repurchases made during 2004. These decreases were primarily offset by increases in interest expense related to our 7.25% senior subordinated notes issued in November 2003 and our 7.50% senior notes issued in February 2004.

Loss on Retirement of Long-Term Obligations

During the three months ended June 30, 2004, we refinanced our previous credit facility and recorded a charge of $11.7 million related to the write-off of deferred financing fees. We also repurchased a total of $129.2 million of face value of debt securities consisting of: $22.5 million of our 5.0% convertible notes; $100.1 million face amount ($56.3 million accreted value, net of $5.0 million fair value discount allocated to warrants) of our ATI 12.25% senior subordinated discount notes; and $6.6 million of our 9 3/8% senior notes; all for an aggregate of $102.8 million in cash. As a result of these repurchases, we recorded a $19.7 million charge related to the write-off of deferred financing fees and amounts paid in excess of the carrying value of the notes.

During the three months ended June 30, 2003, we repurchased an aggregate of $70.7 million accreted value ($89.5 million face amount) of our 2.25% convertible notes in exchange for an aggregate of 7,815,742 shares of our Class A common stock. As a result, we incurred a charge of approximately $35.8 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.

Income Tax Benefit

The income tax benefit for the three months ended June 30, 2004 was $17.2 million, a decrease of $0.4 million from the three months ended June 30, 2003. The effective tax rate was 22.3% for the three months ended June 30, 2004, as compared to 18.0% for the three months ended June 30, 2003. The primary reason for the increase in the effective rate is a result of non-deductible note conversion expense in the three months ended June 30, 2003. The effective tax rate on loss from continuing operations for the three months ended June 30, 2004 and 2003 differs from the federal statutory rate due primarily to valuation allowances related to our capital losses, foreign items and non-deductible note conversion expense.

In June 2003, we filed an income tax refund claim with the IRS related to carrying back net operating losses that we generated in 1998, 1999 and 2001. We filed a similar claim in October 2003 with respect to net operating losses generated in 2002. We anticipate receiving a refund of approximately $90.0 million as a result of these claims, which will monetize a portion of our deferred tax asset. We estimate recovery of these amounts within

two to three years of the dates the claims were filed with the IRS. There can be no assurances, however, with respect to the specific amount and timing of the refund.

SFAS No. 109, “Accounting for Income Taxes,” requires that we record a valuation allowance when it is “more likely than not that some portion or all of the deferred tax assets will not be realized.” At June 30, 2004, we have provided a valuation allowance of approximately $163.1 million primarily related to net state deferred tax assets, capital loss carryforwards and the lost tax benefit and costs associated with the tax refund claims described above (recorded in 2002). We have not provided a valuation allowance for the remaining deferred tax assets, primarily our tax refund claims and our federal net operating loss carryforwards, as we believe that we will be successful with our tax refund claims and 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 tax refund claims discussed above. 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, we believe that our net deferred tax asset will be realized. The realization of our deferred tax assets as of June 30, 2004 will be dependent upon our ability to generate approximately $1.1 billion in taxable income from July 1, 2004 to December 31, 2024. 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, which would result in a corresponding decrease in stockholders’ equity.

Depending on the resolution of the Verestar bankruptcy proceedings described in notes 3 and 9 to our accompanying condensed 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.

Loss from Discontinued Operations, Net

Loss from discontinued operations, net for the three months ended June 30, 2004 was $0.6 million, a decrease of $26.9 million from the three months ended June 30, 2003. The decrease is primarily a result of our disposal of substantially all of our discontinued operations prior to April 1, 2004.

Six Months Ended June 30, 2004 and 2003 (dollars in thousands)

	Six Months Ended June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2004	2003		
REVENUES:				
Rental and management	$ 332,163	$ 298,378	$ 33,785	11%
Network development services	46,988	38,371	8,617	22
Total revenues	379,151	336,749	42,402	13
OPERATING EXPENSES:				
Rental and management	111,217	108,901	2,316	2
Network development services	44,997	36,212	8,785	24
Depreciation, amortization and accretion	159,059	159,278	(219)	(0)
Corporate general, administrative and development expense	13,530	13,613	(83)	(1)
Impairments, net loss on sale of long-lived assets and restructuring expense	9,287	11,698	(2,411)	(21)
Total operating expenses	338,090	329,702	8,388	3
OTHER INCOME (EXPENSE):				
Interest income, TV Azteca, net of interest expense of $751 and $747	7,192	7,030	162	2
Interest income	2,236	2,856	(620)	(22)
Interest expense	(137,217)	(142,943)	(5,726)	(4)
Loss on retirement of long-term obligations	(39,441)	(44,323)	(4,882)	(11)
Loss on investments and other expense	(2,099)	(25,601)	(23,502)	(92)
Minority interest in net earnings of subsidiaries	(1,913)	(1,363)	550	40
Income tax benefit	27,644	36,860	(9,216)	(25)
Loss from discontinued operations, net	(878)	(38,901)	(38,023)	(98)
Net loss	$ (103,415)	$ (199,338)	$ (95,923)	(48)%

Total Revenues

Total revenues for the six months ended June 30, 2004 were $379.2 million, an increase of $42.4 million from the six months ended June 30, 2003. The increase resulted from an increase in rental and management revenues of $33.8 million coupled with an increase in network development services revenue of $8.6 million.

Rental and Management Revenue

Rental and management revenue for the six months ended June 30, 2004 was $332.2 million, an increase of $33.8 million from the six months ended June 30, 2003. The increase resulted primarily from adding additional wireless and broadcast tenants to towers that existed as of January 1, 2003 and, to a lesser extent, from revenue generated on the approximately 780 towers acquired and/or constructed subsequent to January 1, 2003. This increase was partially offset by a reduction in revenue on the approximately 380 owned towers sold or disposed of subsequent to January 1, 2003.

We continue to believe that our leasing revenue, which drives our core business, is likely to grow more rapidly than revenue from our network development services segment due to our expected increase in utilization of existing tower capacity. In addition, we believe that the majority of our new leasing activity in 2004 will continue to come from wireless and broadcast service providers.

Network Development Services Revenue

Network development services revenue for the six months ended June 30, 2004 was $47.0 million, an increase of $8.6 million from the six months ended June 30, 2003. The increase in revenue during the first quarter of 2004 was primarily a result of year over year volume improvement in construction and structural analysis services.

In August 2004, we announced that we are considering strategic alternatives for our construction services group, which is currently included in our network development services segment, including a potential sale of all of our construction service capabilities. Our construction services group had revenues of $39.2 million and $36.2 million for the six months ended June 30, 2004 and 2003, respectively, and segment operating profit of $0.3 million and $2.0 million for the six months ended June 30, 2004 and 2003, respectively. Regardless of the alternative chosen with respect to our construction services group, our network development services segment will continue to provide complementary non-construction services to our rental and management segment such as site acquisition, zoning, permitting and structural analysis.

Total Operating Expenses

Total operating expenses for the six months ended June 30, 2004 were $338.1 million, an increase of $8.4 million from the six months ended June 30, 2003. The increase was primarily due to increases in expenses within our network development services segment of $8.8 million and within our rental and management segment of $2.3 million. These increases were primarily offset by a decrease in impairments, net loss on sale of long-lived assets and restructuring expense of $2.4 million.

Rental and Management Expense/Segment Profit

Rental and management expense for the six months ended June 30, 2004 was $111.2 million, an increase of $2.3 million from the six months ended June 30, 2003. The increase resulted primarily from an increase in tower expenses related to the approximately 780 towers we have acquired/constructed since January 1, 2003. This increase was partially offset by a reduction in expenses related to our existing towers resulting from overhead efficiencies and by a reduction in expenses on the approximately 380 owned towers sold or disposed of subsequent to January 1, 2003.

Rental and management segment profit for the six months ended June 30, 2004 was $228.1 million, an increase of $31.6 million from the six months ended June 30, 2003. The increase resulted primarily from incremental revenues and operating profit from adding additional tenants to existing towers and newly acquired and/or constructed towers, partially offset by an increase in tower expenses, as discussed above.

Network Development Services Expense

Network development services expense for the six months ended June 30, 2004 was $45.0 million, an increase of $8.8 million from the six months ended June 30, 2003. The majority of the increase correlates directly to the revenue expansion noted above.

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 six months ended June 30, 2004 was $9.3 million, a decrease of $2.4 million from the six months ended June 30, 2003. The majority of the decrease resulted from decreased losses on sales of long-lived tower and other non-core assets, primarily offset by an increase in impairment charges for such long-lived assets.

Interest Expense

Interest expense for the six months ended June 30, 2004 was $137.2 million, a decrease of $5.7 million from the six months ended June 30, 2003. The decrease resulted primarily from the following: a net decrease in interest expense on our credit facility as a result of repayments made during 2003; a decrease in interest expense on our 2.25% convertible notes and our 6.25% convertible notes as a result of retirements made in 2003 and 2004; and, to a lesser extent, a decrease in interest expense on our 5.0% convertible notes as a result of repurchases made during 2004. These decreases were primarily offset by increases in interest expense related to our 12.25% senior subordinated discount notes issued in January 2003, our 7.25% senior subordinated notes issued in November 2003 and our 7.50% senior notes issued in February 2004.

Loss on Retirement of Long-Term Obligations

During the six months ended June 30, 2004, we refinanced our previous credit facility and recorded a charge of $11.7 million related to the write-off of deferred financing fees. We also repurchased a total of $180.4 million of face amount of debt securities, redeemed all of our 6.25% convertible notes for $221.9 million in cash (including $4.8 million in accrued interest) and made a voluntary repayment of $21.0 million of term loans under our previous credit facility. The debt repurchases consisted of: $73.7 million of our 5.0% convertible notes; $100.1 million face amount ($56.3 million accreted value, net of $5.0 million fair value discount allocated to warrants) of our ATI 12.25% senior subordinated discount notes; and $6.6 million of our 9 3/8% senior notes; all for an aggregate of $153.8 million in cash. As a result of these transactions, we recorded an aggregate charge of $27.7 million.

During the six months ended June 30, 2003, we amended our previous credit facility, which allowed us to prepay a portion of our term loans from the net proceeds of our 12.25% senior subordinated discount notes offering and reduced the borrowing capacity of our revolving loan commitment. As a result, we recorded an aggregate charge of approximately $5.8 million related to the write-off of deferred financing fees associated with the reduction in our overall borrowing capacity. Additionally, during the six months ended June 30, 2003, we repurchased an aggregate of $73.9 million accreted value ($93.5 million face amount) of our 2.25% convertible notes in exchange for an aggregate of 8,415,984 shares of our Class A common stock and $24.8 million in cash. As a result, we incurred a charge of approximately $38.5 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.

Loss on Investments and Other Expense

Loss on investments and other expense for the six months ended June 30, 2004 was $2.1 million, a decrease of $23.5 million from the six months ended June 30, 2003. The decrease resulted primarily from a decrease in impairment charges on our cost and equity investments, as well as a decrease in losses on our equity method investments. In addition, during the six months ended June 30, 2003, we incurred fees and expenses in connection with a financing transaction that we did not consummate. We incurred no such charges during the six months ended June 30, 2004.

Income Tax Benefit

The income tax benefit for the six months ended June 30, 2004 was $27.6 million, a decrease of $9.2 million from the six months ended June 30, 2003. The effective tax rate was 21.2% for the six months ended June 30, 2004, as compared to 18.7% for the six months ended June 30, 2003. The primary reason for the increase in the effective rate is a decrease in capital losses and non-deductible note conversion expense compared to 2003. The effective tax rate on loss from continuing operations for the six months ended June 30, 2004 and 2003 differs from the federal statutory rate due primarily to valuation allowances related to our capital losses, foreign items and non-deductible note conversion expense.

In June 2003, we filed an income tax refund claim with the IRS related to carrying back net operating losses that we generated in 1998, 1999 and 2001. We filed a similar claim in October 2003 with respect to net operating losses generated in 2002. We anticipate receiving a refund of approximately $90.0 million as a result of these claims, which will monetize a portion of our deferred tax asset. We estimate recovery of these amounts within two to three years of the dates the claims were filed with the IRS. There can be no assurances, however, with respect to the specific amount and timing of the refund.

SFAS No. 109, “Accounting for Income Taxes,” requires that we record a valuation allowance when it is “more likely than not that some portion or all of the deferred tax assets will not be realized.” At June 30, 2004, we have provided a valuation allowance of approximately $163.1 million primarily related to net state deferred tax assets, capital loss carryforwards and the lost tax benefit and costs associated with the tax refund claims (recorded in 2002). We have not provided a valuation allowance for the remaining deferred tax assets, primarily our tax refund claims and our federal net operating loss carryforwards, as we believe that we will be successful with our tax refund claims and 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 tax refund claims discussed above. 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, we believe that our net deferred tax asset will be realized. The realization of our deferred tax assets as of June 30, 2004 will be dependent upon our ability to generate approximately $1.1 billion in taxable income from July 1, 2004 to December 31, 2024. 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, which would result in a corresponding decrease in stockholders' equity.

Depending on the resolution of the Verestar bankruptcy proceedings described in notes 3 and 9 to our accompanying condensed 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.

Loss from Discontinued Operations, Net

Loss from discontinued operations, net for the six months ended June 30, 2004 was $0.9 million, a decrease of $38.0 from the six months ended June 30, 2003. The decrease is primarily a result of our disposal of substantially all of our discontinued operations prior to January 1, 2004.

Liquidity and Capital Resources

The information in this section updates, as of June 30, 2004, certain portions of the "Liquidity and Capital Resources" section of our 2003 Annual Report on Form 10-K and should be read in conjunction with that report.

We continue to expect that our cash flows from operations and our cash on hand will be sufficient to fund our capital expenditures, acquisitions and debt service for 2004.

Uses of Cash

Tower Acquisitions, Construction and Improvements.

- *Acquisitions*. During the six months ended June 30, 2004, we acquired a total of 138 towers for approximately $18.4 million, including 11 towers in Brazil and 12 towers in Mexico from NII Holdings for $3.7 million, 46 towers in Mexico from Iusacell Celular for $9.7 million, and 69 towers in the United States from various sellers for $3.7 million. We expect to acquire an additional 63 towers from Iusacell Celular for approximately $13.2 million during the remainder of 2004.
- *Construction and Improvements*. Payments for purchases of property and equipment and construction activities during the six months ended June 30, 2004 totaled $18.7 million, including capital expenditures incurred in connection with the construction of 26 towers. We expect to construct an additional 64 to 84 new towers during the remainder of 2004, and expect our 2004 total capital expenditures for construction and improvements, services and corporate, including the $18.7 million incurred through June 30, 2004, to be between approximately $44.0 million and $51.0 million.

Debt Service. As of June 30, 2004, we had outstanding debt of approximately $3.3 billion. During the six months ended June 30, 2004, we paid approximately $104.0 million in cash interest and repaid or refinanced

$1.1 billion of principal on our outstanding debt, including the refinancing of our previous credit facility of $665.8 million, a $21.0 million prepayment of term loan A under our previous credit facility, $212.7 million related to the redemption of our 6.25% convertible notes and $180.4 million face amount of repurchases of our other debt securities. For more information about debt reductions and refinancings, see "Financing Activities."

Contractual Obligations. The following table updates certain information provided under the section entitled "Liquidity and Capital Resources—Uses of Cash—Contractual Obligations" in our 2003 Annual Report on Form 10-K to reflect the impact, as of June 30, 2004, of (i) the issuance of $225.0 million principal amount of our 7.50% senior notes in February 2004, (ii) the redemption of all of our outstanding 6.25% convertible notes in February 2004, (iii) the refinancing of our credit facility in May 2004 with a new credit facility comprised of a $300.0 million term loan A, a $400.0 million term loan B, and an undrawn $400.0 million revolving loan (against which approximately $26.7 million of undrawn letters of credit were outstanding at June 30, 2004), and (iv) the repurchase during the six months ended June 30, 2004 of $73.7 million principal amount of our 5.0% convertible notes, $6.6 million principal amount of our 9 3/8% senior notes and $100.1 million face amount ($56.3 million accreted value, net of $5.0 million fair value discount allocated to warrants) of our 12.25% senior subordinated discount notes.

	Payments Due by Period						
Contractual Obligations (in thousands)	**Remainder of 2004**	**2005**	**2006**	**2007**	**2008**	**Thereafter**	**Total**
Credit facility term loan A (1)(2)			$ 22,500	$ 52,500	$ 60,000	$ 165,000	$ 300,000
Credit facility term loan B (1)(2)	$ 2,000	$ 4,000	4,000	4,000	4,000	382,000	400,000
Credit facility revolving loan (1)(2)							
9 3/8% senior notes						993,416	993,416
12.25% senior subordinated discount notes (3)					707,895		707,895
7.25% senior subordinated notes						400,000	400,000
7.50% senior notes						225,000	225,000
5.0% convertible notes (4)				275,688			275,688
3.25% convertible notes						210,000	210,000
2.25% convertible notes	45						45
Total long-term obligations, excluding capital leases and other notes payable	2,045	4,000	26,500	332,188	771,895	2,375,416	3,512,044
Cash interest expense (2)(3)(4)	94,000	189,000	188,000	175,000	171,000	212,000	1,029,000
Total	$ 96,045	$ 193,000	$ 214,500	$ 507,188	$ 942,895	$ 2,587,416	$ 4,541,044

See Item 3. "Quantitative and Qualitative Disclosures About Market Risk" and note 5 to our accompanying condensed consolidated financial statements included herein for the impact of our financing activities described below on the maturities of our contractual obligations.

(1) The maturity date for our term loan A and any outstanding revolving loans will be accelerated to August 15, 2008, and the maturity date for our term loan B will be accelerated to October 31, 2008, if (1) on or prior to August 1, 2008, our 9 3/8% senior notes have not been (a) refinanced with parent company indebtedness having a maturity date of February 28, 2012 or later or with loans under the new credit facility, or (b) repaid, prepaid, redeemed, repurchased or otherwise retired; and (2) our consolidated leverage ratio (total parent company debt to annualized operating cash flow) at June 30, 2008 exceeds 4.50 to 1.00. If this were to occur, the payments due in 2008 for term loan A and term loan B would be $225.0 million and $386.0 million, respectively. See "Financing Activities."

(2) Interest under our credit facility is payable in accordance with the applicable London Interbank Offering Rate (LIBOR) agreement or quarterly and accrues at our option, either at LIBOR plus margin (as defined) or the base rate plus margin (as defined). The weighted average interest rate in effect at June 30, 2004 for the credit facility was 3.55%. For projections of our cash interest expense related to the credit facility, we have assumed the LIBOR rate before the margin as defined in our credit facility agreement, is 1.6% through August 31, 2011.

(3) The 12.25% senior subordinated discount 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, with principal due at maturity of $707.9 million. As of June 30, 2004, the outstanding debt under the 12.25% senior subordinated discount notes was $400.8 million accreted value, net of the allocated fair value of $34.7 million relating to warrants issued in conjunction with these notes.

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

Sources of Cash

Total Liquidity at June 30, 2004. As of June 30, 2004, we had approximately $571.2 million of total liquidity, comprised of approximately $197.9 million in cash and cash equivalents and the ability to draw approximately $373.3 million of the revolving loan under our credit facility.

Cash Generated by Operations. For the six months ended June 30, 2004, our cash provided by operating activities was $105.4 million, compared to $50.6 million for the same period in 2003. Each of our rental and management and network development services segments are expected to generate cash flows from operations during 2004 in excess of their cash needs for expenditures for construction, improvements and acquisitions. We expect to use the excess cash generated from these segments principally to service our debt. See "Results of Operations."

Proceeds from the Sale of Debt Securities. In February 2004, we raised approximately $221.7 million of net proceeds through an institutional private placement of our 7.50% senior notes due 2012. See "Financing Activities."

Divestiture Proceeds. During the six months ended June 30, 2004, we completed certain transactions that generated approximately $21.3 million in cash. Significant transactions included the sale of approximately $13.4 million of non-core assets, including 48 non-strategic towers and one building. Additionally, in March 2004, we received approximately $4.0 million for substantially all the assets of Kline. We anticipate receiving approximately $10.0 million of proceeds from additional sales of non-core assets and we may receive up to an additional $2.0 million in cash payable in 2006 based on future revenues generated by Kline.

Sales of Subsidiary Stock. As described more fully in note 10 of our condensed consolidated financial statements included in this quarterly report on Form 10-Q, we entered into certain transactions during the six months ended June 30, 2004 involving the purchase and sale of shares of our Mexican and Brazilian subsidiaries to certain employees. We do not believe these transactions had or will have a material impact on our results of operations or financial condition, nor do we expect to enter into similar transactions in future periods.

Financing Activities

During the six months ended June 30, 2004, we took several actions to increase our financial flexibility and extend the maturities of our indebtedness.

New Credit Facility. In May 2004, we refinanced our previous credit facility with a new $1.1 billion senior secured credit facility. At closing, we received $685.5 million of net proceeds from the borrowings under the new facility, after deducting related expenses and fees, approximately $670.0 million of which we used to repay principal of $665.8 million and interest of $4.2 million under the previous credit facility. We used the remaining net proceeds of $15.5 million for general corporate purposes, including the repurchase of other outstanding debt securities.

The new credit facility consists of the following:

- $400.0 million in undrawn revolving loan commitments, against which approximately $26.7 million of undrawn letters of credit were outstanding at June 30, 2004, maturing on February 28, 2011;
- a $300.0 million term loan A, which is fully drawn, maturing on February 28, 2011; and
- a $400.0 million term loan B, which is fully drawn, maturing on August 31, 2011.

The new credit facility extends the previous credit facility maturity dates from 2007 to 2011 for a majority of the borrowings outstanding under the new credit facility, subject to earlier maturity upon the occurrence of

certain events described below, and allows us to use credit facility borrowings and internally generated funds to repurchase other indebtedness without additional lender approval. The new credit facility is guaranteed by us and is secured by a pledge of substantially all of our assets.

The maturity date for term loan A and any outstanding revolving loans will be accelerated to August 15, 2008, and the maturity date for term loan B will be accelerated to October 31, 2008, if (1) on or prior to August 1, 2008, our 9 3/8% senior notes have not been (a) refinanced with parent company indebtedness having a maturity date of February 28, 2012 or later or with loans under the new credit facility, or (b) repaid, prepaid, redeemed, repurchased or otherwise retired, and (2) our consolidated leverage ratio (total parent company debt to annualized operating cash flow) at June 30, 2008 exceeds 4.50 to 1.00. If this were to occur, the payments due in 2008 for term loan A and term loan B would be $225.0 million and $386.0 million, respectively.

7.50% Notes Offering. In February 2004, we sold $225.0 million principal amount of our 7.50% senior notes due 2012 through an institutional private placement. The net proceeds of the offering were approximately $221.7 million (after deducting the initial purchasers' discounts and commissions and other expenses related to the offering) and were used to redeem all of our outstanding 6.25% convertible notes and to repurchase a portion of our outstanding 5.0% convertible notes.

The 7.50% notes mature on May 1, 2012 and interest is payable semiannually in arrears on May 1 and November 1 each year beginning May 1, 2004. We may redeem the 7.50% notes after May 1, 2008. The initial redemption price 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 7.50% notes rank equally with our 5.0% convertible notes, our 3.25% convertible notes and our 9 3/8% senior notes and are structurally and effectively junior to indebtedness outstanding under our credit facility, our 12.25% senior subordinated discount notes and our 7.25% senior subordinated notes. The indenture for the 7.50% notes contains certain covenants that restrict our 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.

6.25% Convertible Notes Redemption. In February 2004, we completed the redemption of all of our outstanding $212.7 million principal amount of 6.25% convertible notes. The 6.25% convertible notes were redeemed pursuant to the terms of the indenture at 102.083% of the principal amount plus accrued and unpaid interest. The total aggregate redemption price was $221.9 million, including $4.8 million in accrued interest.

Other Debt Repurchases. From January 1, 2004 to June 30, 2004 we repurchased a total of $180.4 million face amount of our debt securities and we repurchased an additional $72.9 million face amount between July 1, 2004 and August 5, 2004. These repurchases consisted of $73.7 million of our 5.0% convertible notes, $152.7 million face amount ($86.2 million accreted value, net of $7.5 million fair value discount allocated to warrants) of our 12.25% senior subordinated discount notes and $26.9 million of our 9 3/8% senior notes in privately negotiated transactions for an aggregate of approximately $214.6 million in cash.

Capital Markets. In April 2004, the SEC declared effective our "universal" shelf registration statement for possible future public offerings of an aggregate of up to $1.0 billion of debt and/or equity securities, including the offering of shares of our Class A common stock pursuant to a direct stock purchase plan, with respect to which our Board of Directors currently has approved offerings of up to an aggregate of $150.0 million.

Factors Affecting Sources of Liquidity

Restrictions Under New Credit Facility. The new credit facility with our borrower subsidiaries contains certain financial ratios and operating covenants and other restrictions (including limitations on additional debt, guarantees, use of proceeds from asset sales, dividends and other distributions, investments and liens) with which our borrower subsidiaries and restricted subsidiaries must comply.

The credit facility contains four financial tests with which we must comply:

- a total borrower leverage ratio (Total Debt to Annualized Operating Cash Flow). As of June 30, 2004, we were required to maintain a ratio of not greater than 5.50 to 1.00, decreasing to 5.25 to 1.00 at July 1, 2005, to 5.00 to 1.00 at January 1, 2006, to 4.75 to 1.00 at April 1, 2006, to 4.50 to 1.00 at July 1, 2006, and to 4.00 to 1.00 at January 1, 2007 and thereafter;
- a senior leverage ratio (Senior Debt to Annualized Operating Cash Flow). As of June 30, 2004, we were required to maintain a ratio of not greater than 4.00 to 1.00, decreasing to 3.75 to 1.00 at January 1, 2006, to 3.50 to 1.00 at July 1, 2006, and to 3.00 to 1.00 at January 1, 2007 and thereafter;
- an interest coverage ratio (Annualized Operating Cash Flow to Interest Expense). As of June 30, 2004, we were required to maintain a ratio of not less than 2.50 to 1.00; and
- a fixed charge coverage ratio (Annualized Operating Cash Flow to Fixed Charges). As of June 30, 2004, we were required to maintain a ratio of not less than 1.00 to 1.00.

Any failure to comply with these covenants would not only prevent us from being able to borrow additional funds under our revolving loan, but would also constitute a default. These covenants also restrict our ability, as the parent company, to incur any debt other than that currently outstanding and refinancings of that debt. The credit facility also limits our revolving loan drawdowns based on our cash on hand.

If a default occurred under our credit facility or any of our 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 facility 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 facility agreement 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. However, due to the risk factors outlined below under “Factors That May Affect Future Results,” there can be no assurance that our financial performance will not deteriorate to a point that would result in a default.

As outlined above, as of June 30, 2004, our annual consolidated cash debt service obligations (principal and interest) for the remainder of 2004 and for each of the next four years and thereafter are approximately: $96.0 million, $193.0 million, $214.5 million, $507.2 million, $942.9 million and $2.6 billion, respectively. If we are unable to refinance our subsidiary debt or renegotiate the terms of such debt, we may not be able to meet our debt service requirements in the future. 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 facility and senior subordinated 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 below under “Factors That May Affect Future Results.” 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. We expect that we will need to refinance a substantial portion of our debt on or prior to its scheduled maturity in the future. 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.

Critical Accounting Policies and Estimates

Management's discussion and analysis of financial condition and results of operations are based upon our condensed 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, impairment of assets, allowances for accounts receivable, investment impairment charges and revenue recognition. We base our 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.

In our Form 10-K for the year ended December 31, 2003, our most critical accounting policies and estimates upon which our consolidated financial statements were prepared were those relating to income taxes, impairment of assets, allowances for accounts receivable, investment impairment charges and revenue recognition. We have reviewed our policies and determined that these remain our most critical accounting policies for the quarter ended June 30, 2004. We did not make any changes to these policies during the quarter.

Factors That May Affect Future Results

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

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

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

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

Substantial leverage and debt service obligations may adversely affect us.

We have a substantial amount of indebtedness. As of June 30, 2004, we had approximately $3.3 billion of consolidated debt. Our substantial level of indebtedness increases the possibility that we may be unable to generate cash sufficient to pay when due the principal of, interest on or other amounts due in respect of our indebtedness. Approximately 21% of our outstanding indebtedness bears interest at floating rates. As a result, our interest payment obligations on such indebtedness will increase if interest rates increase. In addition, we are permitted under the indenture for our 7.50% senior notes due 2012 to enter into swap agreements or similar transactions that increase our floating rate obligations. Consequently, changes in interest rates could increase our interest payment obligations on our floating rate indebtedness or our payment obligations under any such swap agreements or similar transactions. We may also obtain additional long-term debt and working capital lines of credit to meet future financing needs. This would have the effect of increasing our total leverage.

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

- impairing our ability to meet one or more of the financial ratios contained in our debt agreements or to generate cash sufficient to pay interest or principal, including periodic principal amortization payments, which events could result in an acceleration of some or all of our outstanding debt as a result of cross-default provisions;
- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our ability to obtain additional debt or equity financing;
- requiring the dedication of a substantial portion of our cash flow from operations to service our debt, thereby reducing the amount of our cash flow available for other purposes, including capital expenditures;
- requiring us to sell debt or equity securities or to sell some of our core assets, possibly on unfavorable terms, to meet payment obligations;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industries in which we compete; and
- placing us at a possible competitive disadvantage with less leveraged competitors and competitors that may have better access to capital resources.

Restrictive covenants in our credit facility and indentures could adversely affect our business by limiting flexibility.

Our credit facility and the indentures governing the terms of our other debt securities contain restrictive covenants and, in the case of the credit facility, requirements that we comply with certain leverage and other financial tests. These limit our ability to take various actions, including incurring additional debt, guaranteeing indebtedness, issuing preferred stock, engaging in various types of transactions, including mergers and sales of assets, and paying dividends and making distributions or other restricted payments, including investments. These covenants could have an adverse effect on our business by limiting our ability to take advantage of financing, new tower development, merger and acquisition or other opportunities.

Our participation or inability to participate in tower industry consolidation could involve certain risks.

We believe there are benefits to consolidation among tower companies, and have in the past and may in the future explore merger or acquisition transactions with one or more other companies in our industry. Any merger or acquisition transaction would involve several risks to our business, including demands on managerial personnel that could divert their attention from other aspects of our core leasing business, increased operating

risks due to the integration of major national networks into our operational system, and potential antitrust constraints, either in local markets or on a regional basis, that could require selective divestitures at unfavorable prices. Any completed transaction may have an adverse effect on our operating results, particularly in the fiscal quarters immediately following its completion while we integrate the operations of the other business. In addition, once integrated, combined operations may not necessarily achieve the levels of revenues, profitability or productivity anticipated. There also may be limitations on our ability to consummate a merger or acquisition transaction. For example, any transaction would have to comply with the terms of the credit facility and note indentures, or may require the consent of lenders under those instruments that might be required that might not be obtainable on acceptable terms. In addition, regulatory constraints might impede or prevent business combinations. Our inability to consummate a merger or acquisition for these or other reasons could result in our failure to participate in the expected benefits of industry consolidation and may have an adverse effect on our ability to compete effectively.

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

Significant consolidation among our wireless service provider customers, such as the recently announced transaction between Cingular Wireless and AT&T Wireless, may result in reduced capital expenditures in the aggregate because the existing networks of many wireless carriers overlap, as do their expansion plans. Similar consequences might occur if wireless service providers engage in extensive sharing, roaming or resale arrangements as an alternative to leasing our antennae space. In January 2003, the Federal Communications Commission (FCC) eliminated its spectrum cap, which prohibited wireless carriers from owning more than 45 MHz of spectrum in any given geographical area. The FCC has also eliminated the cross-interest rule for metropolitan areas, which limited an entity's ability to own interests in multiple cellular licenses in an overlapping geographical service area. Also, in May 2003, the FCC adopted new rules authorizing wireless radio services holding exclusive licenses to freely lease unused spectrum. Some wireless carriers may be encouraged to consolidate with each other as a result of these regulatory changes as a means to strengthen their financial condition. Consolidation among wireless carriers would also increase our risk that the loss of one or more of our major customers could materially decrease revenues and cash flows.

Due to the long-term expectations of revenue from tenant leases, the tower industry is sensitive to the creditworthiness of its tenants.

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

Our foreign operations are subject to expropriation risk, governmental regulation, funds inaccessibility and foreign exchange exposure.

Our expansion in Mexico and Brazil, and any other possible foreign operations in the future, could result in adverse financial consequences and operational problems not experienced in the United States. We have loaned $119.8 million (undiscounted) to a Mexican company, own or have the economic rights to over 1,850 towers in Mexico, including approximately 200 broadcast towers (after giving effect to pending transactions) and, subject to certain rejection rights, are contractually committed to construct up to approximately 400 additional towers in that country over the next three years. We also own or have acquired the rights to approximately 425 communications towers in Brazil and are, subject to certain rejection rights, contractually committed to construct up to 350 additional towers in that country over the next three years. The actual number of sites constructed will vary depending on the build out plans of the applicable carrier. We may, if economic and capital market

conditions permit, also engage in comparable transactions in other countries in the future. Among the risks of foreign operations are governmental expropriation and regulation, the credit quality of our customers, inability to repatriate earnings or other funds, currency fluctuations, difficulty in recruiting trained personnel, and language and cultural differences, all of which could adversely affect our operations.

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

A substantial portion of our total operating revenues is derived from a small number of customers. Approximately 60.9% of our revenues for the six months ended June 30, 2004 and approximately 61.5% of our revenues for the year ended December 31, 2003 were derived from nine customers. Our largest domestic customer is Verizon Wireless, which represented 11.3% of our total revenues for the six months ended June 30, 2004 and 12.3% of our revenues for the year ended December 31, 2003. If the recently announced transaction between Cingular Wireless and AT&T Wireless had occurred as of January 1, 2003, the combined revenues would have represented 13.6% of our revenues for the six months ended June 30, 2004 and 13.2% of our revenues for the year ended December 31, 2003. Our largest international customer is Iusacell Celular, which is an affiliate of TV Azteca. Iusacell Celular accounted for approximately 4.2% and 4.7% of our total revenues for the six months ended June 30, 2004 and the year ended December 31, 2003, respectively. TV Azteca also owns a minority interest in Unefon, which is our second largest customer in Mexico and accounted for approximately 2.9% and 2.8% of our total revenues for the six months ended June 30, 2004 and the year ended December 31, 2003, respectively. In addition, we received $7.2 million and $14.2 million in interest income, net, from TV Azteca for the six months ended June 30, 2004 and the year ended December 31, 2003, respectively. If any of these customers were unwilling or unable to perform their obligations under our agreements with them, our revenues, results of operations, and financial condition could be adversely affected.

In the ordinary course of our business, we also sometimes experience disputes with our customers, generally regarding the interpretation of terms in our agreements. Although historically we have resolved these disputes in a manner that did not have a material adverse effect on our company or our customer relationships, these disputes could lead to a termination of our agreements with customers or a material modification of the terms of those agreements, either of which could have a material adverse effect on our business, results of operations and financial condition. If we are forced to resolve any of these disputes through litigation, our relationship with the applicable customer could be terminated or damaged, which could lead to decreased revenues or increased costs, resulting in a corresponding adverse effect on our operating results.

Status of Iusacell Celular's financial restructuring exposes us to certain risks and uncertainties.

Iusacell Celular is our largest customer in Mexico and accounted for approximately 4.2% of our total revenues for the six months ended June 30, 2004 and approximately 4.7% of our total revenues for the year ended December 31, 2003. In addition, in December 2003 we agreed to acquire up to 143 tower sites from Iusacell for up to an aggregate of $31.4 million, and had acquired 80 tower sites for approximately $18.2 million as of June 30, 2004. Iusacell currently is in default under certain of its debt obligations and is involved in litigation with certain of its creditors. If Iusacell files for bankruptcy, or if the creditor litigation has an adverse impact on Iusacell's overall liquidity, it could interfere with Iusacell's ability to meet its operating obligations, including rental payments under our leases with them.

New technologies could make our tower antenna leasing services less desirable to potential tenants and result in decreasing revenues.

The development and implementation of new technologies designed to enhance the efficiency of wireless networks could reduce the use and need for tower-based wireless services transmission and reception and have the effect of decreasing demand for antenna space. Examples of such technologies include technologies that enhance spectral capacity, such as lower-rate vocoders, which can increase the capacity at existing sites and reduce the number of additional sites a given carrier needs to serve any given subscriber base. In addition, the

emergence of new technologies could reduce the need for tower-based broadcast services transmission and reception. For example, the growth in delivery of video services by direct broadcast satellites could adversely affect demand for our antenna space. The development and implementation of any of these and similar technologies to any significant degree could have an adverse effect on our operations.

We could have liability under environmental laws.

Our operations, like those of other companies engaged in similar businesses, are subject to the requirements of various federal, state and local and foreign environmental and occupational safety and health laws and regulations, including those relating to the management, use, storage, disposal, emission and remediation of, and exposure to, hazardous and non-hazardous substances, materials and wastes. As owner, lessee or operator of approximately 15,000 real estate sites, we may be liable for substantial costs of remediating soil and groundwater contaminated by hazardous materials, without regard to whether we, as the owner, lessee or operator, knew of or were responsible for the contamination. In addition, we cannot assure you that we are at all times in complete compliance with all environmental requirements. We may be subject to potentially significant fines or penalties if we fail to comply with any of these requirements. The current cost of complying with these laws is not material to our financial condition or results of operations. However, the requirements of these laws and regulations are complex, change frequently, and could become more stringent in the future. It is possible that these requirements will change or that liabilities will arise in the future in a manner that could have a material adverse effect on our business, financial condition and results of operations.

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

We are subject to federal, state, local and foreign regulation of our business, including regulation by the Federal Aviation Administration (FAA), the FCC, the Environmental Protection Agency, the Department of Transportation and the Occupational Safety and Health Administration. Both the FCC and the FAA regulate towers used for wireless communications and radio and television antennae and the FCC separately regulates transmitting devices operating on towers. Similar regulations exist in Mexico, Brazil and other foreign countries regarding wireless communications and the operation of communications towers. Local zoning authorities and community organizations are often opposed to construction in their communities and these regulations can delay, prevent or increase the cost of new tower construction, collocations or site upgrade projects, thereby limiting our ability to respond to customer demand. Existing regulatory policies may adversely affect the timing or cost of new tower construction and locations and additional regulations may be adopted that increase delays or result in additional costs to us or that prevent or restrict new tower construction in certain locations. These factors could adversely affect our operations.

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

Our industry is highly competitive, and our customers have numerous alternatives for leasing antenna space. Some of our competitors are larger and have greater financial resources than we do, while other competitors are in weak financial condition or may have lower return on investment criteria than we do. Competitive pricing pressures for tenants on towers from these competitors could adversely affect our lease rates and services income.

In addition, if we lose customers due to pricing, we may not be able to replace these customers, leading to an accompanying adverse effect on our profitability. Increasing competition could also make the acquisition of high quality tower assets more costly.

Our competition includes:

- national tower companies;

- wireless carriers that own towers and lease antenna space to other carriers;
- site development companies that purchase antenna space on existing towers for wireless carriers and manage new tower construction; and
- alternative site structures (e.g., building rooftops, billboards and utility poles).

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

Public perception of possible health risks associated with cellular and other wireless communications media could slow the growth of wireless companies, which could in turn slow our growth. In particular, negative public perception of, and regulations regarding, these perceived health risks could slow the market acceptance of wireless communications services and increase opposition to the development and expansion of tower sites. The potential connection between radio frequency emissions and certain negative health effects has been the subject of substantial study by the scientific community in recent years. To date, the results of these studies have been inconclusive.

If a connection between radio frequency emissions and possible negative health effects, including cancer, were established, or if the public perception that such a connection exists were to increase, our operations, costs and revenues would be materially and adversely affected. We do not maintain any significant insurance with respect to these matters.

The bankruptcy proceeding of our Verestar subsidiary exposes us to risks and uncertainties.

Our wholly owned subsidiary, Verestar, Inc., filed for protection under Chapter 11 of the federal bankruptcy laws on December 22, 2003. Verestar was reported as a discontinued operation through the date of the bankruptcy filing in 2003 for financial statement purposes and, as of the date of the bankruptcy filing, was deconsolidated for financial statement purposes.

If Verestar fails to honor certain of its contractual obligations because of its bankruptcy filing or otherwise, claims may be made against us for breaches by Verestar of those contracts as to which we are primarily or secondarily liable as a guarantor, which we do not expect will exceed $10.0 million. In addition, Verestar's bankruptcy estate may bring certain claims against us or seek to hold us liable for certain transfers made by Verestar to us and/or for Verestar's obligations to creditors under various equitable theories recognized under bankruptcy law. The Official Committee of Unsecured Creditors appointed in the Verestar bankruptcy proceeding (the "Committee") has requested, and we have agreed to produce, certain documents in connection with a subpoena for Rule 2004 Examination (as defined under federal bankruptcy laws) issued by the Committee. The Bankruptcy Court also has entered an order approving a stipulation between Verestar and the Committee that permits the Committee to file claims against us and/or our affiliates on behalf of Verestar. As of the date of this filing, the Committee has not filed any claims against us or our affiliates on behalf of Verestar. The outcome of complex litigation (including claims which may be asserted against us by Verestar's bankruptcy estate) cannot be predicted with certainty and is dependent upon many factors beyond our control; however, any such claims, if successful, could have a material adverse impact on our financial condition. Finally, we will incur additional costs in connection with our involvement in the reorganization or liquidation of Verestar's business.

Information Presented Pursuant to the Indentures of Our 9 3/8% Notes, 7.50% Notes, ATI 12.25% 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 9 3/8% Notes, 7.50% Notes, ATI 12.25% Notes and ATI 7.25% Notes (the Notes). The information contained in note 13 to our condensed consolidated financial statements is also presented to address certain reporting requirements contained in the indentures for our ATI 12.25% Notes and ATI 7.25% Notes.

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 Notes, are as follows (in thousands):

	9 3/8% Notes	ATI 12.25% Notes, ATI 7.25% Notes, and 7.50% Notes
Tower Cash Flow, for the three months ended June 30, 2004	$ 115,688	$ 114,150
Consolidated Cash Flow, for the twelve months ended June 30, 2004	$ 425,282	$ 419,263
Less: Tower Cash Flow, for the twelve months ended June 30, 2004	(442,826)	(436,828)
Plus: four times Tower Cash Flow, for the three months ended June 30, 2004	462,752	456,600
Adjusted Consolidated Cash Flow, for the twelve months ended June 30, 2004	$ 445,208	$ 439,035
Non-Tower Cash Flow, for the twelve months ended June 30, 2004	$ (20,819)	$ (20,855)

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk from changes in interest rates on long-term debt obligations. We attempt to reduce these risks by utilizing derivative financial instruments, namely interest rate caps pursuant to our policies. All derivative financial instruments are for purposes other than trading. During the six months ended June 30, 2004, we repaid or refinanced approximately $1.1 billion of principal on our outstanding debt, including the refinancing of our previous credit facility of $665.8 million with a new $1.1 billion senior secured credit facility; we made a $21.0 million prepayment of term loan A under our previous credit facility; we repaid $212.7 million related to the redemption of our 6.25% convertible notes; and we repurchased $180.4 million face amount of our other debt securities. In February 2004, we issued $225.0 million principal amount of 7.50% senior notes due May 1, 2012. In June 2004, we also entered into a cap agreement with an aggregate notional amount of $250.0 million and, during the three months ended June 30, 2004, we had three caps expire with aggregate notional amounts totaling $375.0 million.

The following tables provide information as of June 30, 2004 about our market risk exposure associated with changing interest rates. For long-term debt obligations, the tables present principal cash flows by maturity date and average interest rates related to outstanding obligations. For interest rate caps, the tables present notional principal amounts and weighted-average interest rates by contractual maturity dates.

Twelve month period ended June 30, 2004
Principal Payments and Interest Rate Detail by Contractual Maturity Dates
(In thousands, except percentages)

Long-Term Debt	2005	2006	2007	2008	2009	Thereafter	Total	Fair Value
Fixed Rate Debt (a)	$ 2,495	$ 17,046	$ 276,276	$ 132	$ 1,701,322	$ 876,654	$ 2,873,925	$ 2,832,423
Average Interest Rate (a)	8.83%	8.98%	9.29%	9.78%	7.89%	6.91%		
Variable Rate Debt (a)	$ 4,000	$ 11,500	$ 41,500	$ 64,000	$ 64,000	$ 515,000	$ 700,000	$ 707,001
Average Interest Rate (a)								

Aggregate Notional Amounts Associated with Interest Rate Caps in Place
As of June 30, 2004 and Interest Rate Detail by Contractual Maturity Dates
(In thousands, except percentages)

Interest Rate CAPS (d)	2005	2006
Notional Amount	$ 125,000(b)	$ 250,000(c)
Cap Rate	5.00%	6.00%

(a) As of June 30, 2004, variable rate debt consists of our credit facility ($700.0 million) and fixed rate debt consists of: the 2.25% Notes ($0.1 million); the 5.0% Notes ($275.7 million); the 3.25% Notes ($210.0 million); the 7.50% Notes ($225.0 million); the ATI 7.25% Notes ($400.0 million); the ATI 12.25% Notes ($707.9 million principal amount due at maturity; the balance as of June 30, 2004 is $400.8 million accreted value, net of the allocated fair value of the related warrants of $34.7 million); the 9 3/8% Notes ($993.4 million); and other debt of $61.9 million. Interest on the credit facility is payable in accordance with the applicable London Interbank Offering Rate (LIBOR) agreement or quarterly and accrues at our option either at LIBOR plus margin (as defined) or the base rate plus margin (as defined). The weighted average interest rate in effect at June 30, 2004 for the credit facility was 3.55%. For the six months ended June 30, 2004, the weighted average interest rate under the credit facility was 3.58%. The 2.25% Notes bear interest (after giving effect to the accretion of the original discount on the 2.25% Notes) at 6.25% per annum, which is payable semiannually on April 15 and October 15 of each year. The 5.0% Notes bear interest at 5.0% per annum, which is payable semiannually on February 15 and August 15 of each year. The ATI 12.25% Notes bear interest (after giving effect to the accretion of the original discount and the accretion of the fair value of the warrants) at 14.7% per annum, payable upon maturity. The 9 3/8% Notes bear interest at 9 3/8% per annum, which is payable semiannually on February 1 and August 1 of each year. The 3.25% Notes bear interest at 3.25% per annum, which is payable semiannually on February 1 and August 1 of each year. The ATI 7.25% Notes bear interest at 7.25% per annum, which is payable semiannually on June 1 and December 1 of each year. The 7.50% Notes bear interest at 7.50% per annum, which is payable semiannually on May 1 and November 1 of each year. Other debt consists of notes payable, capital leases and other obligations bearing interest at rates ranging from 7.9% to 12.0%, payable monthly.
(b) Includes notional amount of $125,000 that expired in July 2004.
(c) Includes notional amount of $250,000 that will expire in June 2006.
(d) Subsequent to June 30, 2004, we entered into a 6.00% cap agreement with a notional amount of $100,000 that will expire in July 2006.

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

Our foreign operations include rental and management segment divisions in Mexico and Brazil. The remeasurement loss for the three and six months ended June 30, 2004 approximated $0.5 million and $0.7 million, respectively. The remeasurement loss for the three and six months ended June 30, 2003 approximated $0.2 million and $0.5 million, respectively.

ITEM 4. CONTROLS AND PROCEDURES

We have established disclosure controls and procedures to ensure that material information relating to us, including our consolidated subsidiaries, is made known to the officers who certify our financial reports and to other members of senior management and the Board of Directors.

(a) *Evaluation of disclosure controls and procedures.* Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our principal executive officer and principal financial officer concluded that these disclosure controls and procedures are effective and designed to ensure that the information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the requisite time periods.

(b) *Changes in internal controls.* There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended) identified in connection with the evaluation of our internal control performed during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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

ITEM 2. CHANGES IN SECURITIES, USE OF PROCEEDS AND ISSUER PURCHASES OF EQUITY SECURITIES

In April 2004, we issued 2,203,968 shares of our Class A common stock to J. Michael Gearon, Jr., President of American Tower International, as partial consideration for his interest in ATC Mexico Holding Corp., the subsidiary through which we conduct our Mexico operations (ATC Mexico). As discussed more fully in note 10 of the accompanying condensed consolidated financial statements, the shares were valued at $24.8 million and, together with $3.9 million in cash, represented 80% of the net consideration due to Mr. Gearon for his interest in ATC Mexico (payment of the remaining 20% is contingent upon ATC Mexico satisfying certain performance criteria and will be paid in cash, if at all, in January 2005). The shares were issued to Mr. Gearon in reliance upon the exemption provided under Section 4(2) of the Securities Act of 1933, as amended, based upon, among other things, the following factors: (i) the issuance was made in a private offering and Mr. Gearon was the only offeree; (ii) Mr. Gearon is an accredited investor, as defined in Rule 501 under the Securities Act; and (iii) the shares issued to Mr. Gearon cannot be resold without registration under the Securities Act or an exemption therefrom.

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

The 2004 Annual Meeting of Stockholders was held on May 6, 2004, to consider and act upon the following matters, all of which were approved and adopted. The results of the stockholder voting were as follows:

1. Election of the following directors for the ensuing year or until their successors are elected and qualified.

	Vote Cast For	Votes Withheld
Raymond P. Dolan	190,823,828	2,001,494
Carolyn F. Katz	191,288,872	1,536,450
Fred R. Lummis	171,621,807	21,203,515
Pamela D.A. Reeve	189,682,614	3,142,708
James D. Taiclet, Jr.	185,398,188	7,427,134

2. Ratification of the selection of Deloitte & Touche LLP as the Company's independent auditors for 2004.

Votes Cast for	Votes Against	Votes Abstained
191,026,879	1,732,662	65,781

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits.

10.1	Loan Agreement dated as of May 24, 2004 among American Tower, L.P., American Towers, Inc., American Tower International, Inc., American Tower, LLC, as borrowers, Toronto Dominion Bank, New York Branch, a Issuing Bank, Toronto Dominion (Texas), Inc., as Administrative Agent, and the several lead-arrangers and joint bookrunners, co-arrangers and co-documentation agents, the syndication agent and the several lenders that are parties thereto (incorporated by reference from Exhibit 99.2 to the Company's Current Report on Form 8-K (File No. 001-14195) filed on May 25, 2004).
10.2	ATC South America Holding Corp. 2004 Stock Option Plan.
10.3	Stockholder/Optionee Agreement dated as of January 1, 2004 among ATC South America Holding Corp., American Tower Corporation, American Tower International, Inc., J. Michael Gearon, Jr. and the Persons who from time to time may execute a counterpart thereto.
10.4	Noncompetition and Confidentiality Agreement dated as of January 1, 2004 between American Tower Corporation and J. Michael Gearon, Jr.
10.5	Letter Agreement dated April 2, 2004 among American Tower Corporation, J. Michael Gearon, Jr. and the other Stockholders identified therein.
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certifications pursuant to 18 U.S.C. Section 1350.

The exhibits listed on the Exhibit Index are filed herewith in response to this Item.

(b) Reports on Form 8-K.

During the quarter ended June 30, 2004, the Registrant filed or furnished with the Commission the following Current Reports on Form 8-K:

1. Form 8-K (Items 7 and 12) filed on April 27, 2004. *
2. Form 8-K (Items 5 and 7) filed on May 25, 2004.

* Information furnished under Item 9 or 12 of Form 8-K is not incorporated by reference, is not deemed filed and is not subject to liability under Section 11 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934.

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SIGNATURES

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

AMERICAN TOWER CORPORATION

Date: August 9, 2004

By: /s/ BRADLEY E. SINGER

Bradley E. Singer
Chief Financial Officer and Treasurer
(Duly Authorized Officer and Principal Financial Officer)

EXHIBIT INDEX

The following exhibits are filed as part of this quarterly report on Form 10-Q:

Exhibit No.	Item
10.1	Loan Agreement dated as of May 24, 2004 among American Tower, L.P., American Towers, Inc., American Tower International, Inc., American Tower, LLC, as borrowers, Toronto Dominion Bank, New York Branch, a Issuing Bank, Toronto Dominion (Texas), Inc., as Administrative Agent, and the several lead-arrangers and joint bookrunners, co-arrangers and co-documentation agents, the syndication agent and the several lenders that are parties thereto (incorporated by reference from Exhibit 99.2 to the Company's Current Report on Form 8-K (File No. 001-14195) filed on May 25, 2004).
10.2	ATC South America Holding Corp. 2004 Stock Option Plan.
10.3	Stockholder/Optionee Agreement dated as of January 1, 2004 among ATC South America Holding Corp., American Tower Corporation, American Tower International, Inc., J. Michael Gearon, Jr. and the Persons who from time to time may execute a counterpart thereto.
10.4	Noncompetition and Confidentiality Agreement dated as of January 1, 2004 between American Tower Corporation and J. Michael Gearon, Jr.
10.5	Letter Agreement dated April 2, 2004 among American Tower Corporation, J. Michael Gearon, Jr. and the other Stockholders identified therein.
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certifications pursuant to 18 U.S.C. Section 1350.

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Exhibit 10.2

ATC SOUTH AMERICA HOLDING CORP.

2004 Stock Option Plan

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ATC SOUTH AMERICA HOLDING CORP.

2004 STOCK OPTION PLAN

1. PURPOSE

The purpose of this 2004 Stock Option Plan (the "Plan") is to encourage directors, officers and employees of and consultants and other persons providing services to ATC South America Holding Corp. (the "Company") and its Affiliates (as hereinafter defined) to continue their association with the Company and its Affiliates, by providing opportunities for such persons to participate in the ownership of the Company and in its future growth through the granting of stock options (the "Options") which may be options designed to qualify as incentive stock options (within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code") (an "ISO"), or Options not intended to qualify for any special tax treatment under the Code (a "NQO"). The term "Affiliate" as used in the Plan means a corporation or other business organization which owns in the Company, or in which the Company or any such corporation or other business entity owns, directly or indirectly through an unbroken chain of ownership, fifty percent (50%) or more of the total combined voting power of all classes of stock.

2. ADMINISTRATION OF THE PLAN

The Plan shall be administered by a committee (the "Committee") consisting of two or more members of the Company's Board of Directors (the "Board"). The Committee shall from time to time determine to whom options or other rights shall be granted under the Plan, whether options granted shall be ISOs or NQOs, the terms of the options or other rights, and the number of shares that may be granted under options. The Committee shall report to the Board the names of individuals to whom stock or options or other rights are to be granted, the number of shares covered, and the terms and conditions of each grant. The determinations described in this Section 2 may be made by the Committee or by the Board, as the Board shall direct in its sole and absolute discretion, and references in the Plan to the Committee shall be understood to refer to the Board in any such case.

The Committee shall select one of its members as Chairman and shall hold meetings at such times and places as it may determine. A majority of the Committee shall constitute a quorum, and acts of the Committee at which a quorum is present, or acts reduced to or approved in writing by all the members of the Committee, shall be the valid acts of the Committee. The Committee shall have the authority to adopt, amend, and rescind such rules and regulations as, in its opinion, may be advisable in the administration of the Plan. All questions of interpretation and application of such rules and regulations, of the Plan and of Options, shall be subject to the determination of the Committee, which shall be final and binding. The Plan shall be administered in such a manner as to permit those Options granted hereunder and specially designated under Section 5 as ISOs to qualify as incentive stock options as described in Section 422 of the Code.

For so long as Section 16 of the Securities Exchange Act of 1934, as amended from time to time (the "Exchange Act"), is applicable to the Company, each member of the Committee shall be a "non-employee director" or the equivalent within the meaning of Rule 16b-3 under the Exchange Act, and, for so long as Section 162(m) of the Code is applicable to the Company, an "outside director" within the meaning of Section 162 of the Code and the regulations thereunder. If, however, the Committee is not comprised of two or more "outside directors," then, although the Committee may still administer the Plan, the Compensation Committee of the Board of Directors of American Tower Corporation ("ATC"), so long as it is the parent of the Company, or such other committee that makes grants pursuant to the parent's stock option or similar plan, shall make grants of options or other rights under the Plan (if the Compensation Committee or such committee consists of two or more members who are "outside directors").

With respect to persons subject to Section 16 of the Exchange Act ("Insiders"), transactions under the Plan are intended to comply with all applicable conditions of Rule 16b-3 or its successor under the Exchange Act. To the extent any provision of the Plan or action by the Committee fails to so comply, it shall be deemed to be modified so as to be in compliance with such Rule, or, if such modification is not possible, it shall be deemed to be null and void, to the extent permitted by law and deemed advisable by the Committee.

3. OPTION SHARES

The stock subject to Options under the Plan shall be shares of Common Stock, par value $.01 per share (the "Stock"). The total amount of the Stock with respect to which Options may be granted (the "Option Pool"), shall not exceed in the aggregate 6,144 shares; provided, however, such aggregate number of shares shall be subject to adjustment in accordance with the provisions of Section 17. If an outstanding Option shall expire for any reason or shall terminate by reason of the death or severance of employment of the Optionee, the surrender of any such Option, or any other cause, the shares of Stock allocable to the unexercised portion of such Option may again be subject to an option under the Plan. The maximum number of shares of Stock subject to Options that may be granted to any Optionee in the aggregate in any calendar year shall not exceed 3,925 shares, subject to adjustment in accordance with the provisions of Section 17.

4. AUTHORITY TO GRANT OPTIONS

The Committee may determine, from time to time, which employees of the Company or any Affiliate or other persons shall be granted Options under the Plan, the terms of the Options (including without limitation whether an Option shall be an ISO or a NQO), and the number of shares which may be purchased under the Option or Options. Without limiting the generality of the foregoing, the Committee may from time to time grant: (a) to such employees (other than employees of an Affiliate which is not a corporation) as it shall determine an Option or Options to buy a stated number of shares of Stock under the terms and conditions of the Plan which Option or Options will to the extent so designated at the time of grant constitute an ISO; and (b) to such eligible directors, employees or other persons as it shall determine an Option or Options to buy a stated number of shares of Stock under the terms and conditions of the Plan which Option or Options shall constitute a NQO. Subject only to any applicable limitations set forth elsewhere in the Plan, the number of shares of Stock to be covered by any Option shall be as determined by the Committee.

5. WRITTEN AGREEMENT

Each Option granted hereunder shall be embodied in an option agreement (the "Option Agreement") substantially in the form of Exhibit 1, which shall be signed by the Optionee and by a duly authorized officer of the Company for and in the name and on behalf of the Company. An Option Agreement may contain such restrictions on exercisability and such other provisions not inconsistent with the Plan as the Committee in its sole and absolute discretion shall approve.

6. ELIGIBILITY

The individuals who shall be eligible for grant of Options under the Plan shall be employees (including officers who may be members of the Board), directors who are not employees and other individuals, whether or not employees, who render services of special importance to the management, operation or development of the Company or an Affiliate, and who have contributed or may be expected to contribute to the success of the Company or an Affiliate. An employee, director or other person to whom an Option has been granted pursuant to an Option Agreement is hereinafter referred to as an "Optionee."

7. OPTION PRICE

The price at which shares of Stock may be purchased pursuant to an Option shall be specified by the Committee at the time the Option is granted, but shall in no event be less than the par value of such shares and, in the case of an ISO, except as set forth in the following sentence, one hundred percent (100%) of the fair market value of the Stock on the date the ISO is granted. In the case of an employee who owns (or is considered under Section 424(d) of the Code as owning) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Affiliate, the price at which shares of Stock may be so purchased pursuant to an ISO shall be not less than one hundred and ten percent (110%) of the fair value of the Stock on the date the ISO is granted.

For purposes of the Plan, the "fair market value" of a share of Stock on any date specified herein, shall mean (a) the last reported sales price, regular way, or, in the event that no sale takes place on such day, the average of the reported closing bid and asked prices, regular way, in either case (i) as reported on the New York Stock Exchange Composite Tape, or (ii) if the Stock is not listed or admitted to trading on the New York Stock Exchange, on the principal national securities exchange on which such security is listed or admitted to trading, or (iii) if not then listed or admitted to trading on any national securities exchange, on the NASDAQ National Market System; or (b) if the Stock is not quoted on such National Market System, (i) the average of the closing bid and asked prices on each such day in the over-the-counter market as reported by NASDAQ, or (ii) if bid and asked prices for such security on each such day shall not have been reported through NASDAQ, the average of the bid and asked prices for such day as furnished by any New York Stock Exchange member firm regularly making a market in such security selected for such purpose by the Committee; or (c) if the Stock is not then listed or admitted to trading on any national exchange or quoted in the over-the-counter market, the fair value thereof will be based on the Company Value; provided, however, that any method of determining fair market value employed by the Committee with respect to an ISO shall be consistent with any applicable laws or regulations pertaining to "incentive stock options".

8. DURATION OF OPTIONS

The duration of any Option shall be specified by the Committee in the Option Agreement, but no Option shall be exercisable after the expiration of ten (10) years from the date such Option is granted. In the case of any employee who owns (or is considered under Section 424(d) of the Code as owning) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Affiliate, no ISO shall be exercisable after the expiration of five (5) years from the date such Option is granted. The Committee, in its sole and absolute discretion, may extend any Option theretofore granted.

9. VESTING PROVISIONS

Each Option may be exercised so long as it is valid and outstanding from time to time, in part or as a whole, in such manner and subject to such conditions as the Committee, in its sole and absolute discretion, may provide in the Option Agreement. The Committee may, in its sole and absolute discretion, accelerate Options, in whole or in part, on such terms and conditions as the Committee may, in its sole and absolute discretion, determine.

10. EXERCISE OF OPTIONS

Options shall be exercised by the delivery of written notice to the Company setting forth the number of shares of Stock with respect to which the Option is to be exercised, accompanied by payment

of the option price of such shares, which payment shall be made, subject to the alternative provisions of this Section, in cash or by such cash equivalents, payable to the order of the Company in an amount in United States dollars equal to the option price of such shares, as the Committee in its sole and absolute discretion shall consider acceptable. Such notice shall be delivered in person to the Secretary of the Company or shall be sent by registered mail, return receipt requested, to the Secretary of the Company, in which case delivery shall be deemed made on the date such notice is deposited in the mail.

Alternatively, if the Option Agreement so specifies, and subject to such rules as may be established by the Committee, payment of the option price may be made through a so-called "cashless exercise" procedure, under which the Optionee shall deliver irrevocable instructions to a broker to sell shares of Stock acquired upon exercise of the Option and to remit promptly to the Company a sufficient portion of the sale proceeds to pay the option price and any tax withholding resulting from such exercise.

Alternatively, payment of the option price may be made, in whole or in part, in shares of Stock owned by the Optionee; provided, however, that the Optionee may not make payment in shares of Stock that he acquired upon the earlier exercise of any ISO (or other "incentive stock option"), unless and until he has held the shares until at least two (2) years after the date the ISO (or such other incentive stock option) was granted and at least one (1) year after the date the ISO (or such other option) was exercised. If payment is made in whole or in part in shares of Stock, then the Optionee shall deliver to the Company in payment of the option price of the shares with respect of which such Option is exercised (a) certificates registered in the name of such Optionee representing a number of shares of Stock legally and beneficially owned by such Optionee, free of all liens, claims and encumbrances of every kind, and having a fair market value on the date of delivery of such notice equal to the option price of the shares of Stock with respect to which such Option is to be exercised, such certificates to be accompanied by stock powers duly endorsed in blank by the record holder of the shares of Stock represented by such certificates; and (b) if the option price of the shares with respect to which such Option is to be exercised exceeds such fair market value, cash or such cash equivalents payable to the order to the Company, in an amount in United States dollars equal to the amount of such excess, as the Committee in its sole and absolute discretion shall consider acceptable. Notwithstanding the foregoing provisions of this Section, the Committee, in its sole and absolute discretion, (i) may refuse to accept shares of Stock in payment of the option price of the shares of Stock with respect to which such Option is to be exercised and, in that event, any certificates representing shares of Stock which were delivered to the Company with such written notice shall be returned to such Optionee together with notice by the Company to such Optionee of the refusal of the Committee to accept such shares of Stock and (ii) may accept, in lieu of actual delivery of stock certificates, an attestation by the Optionee substantially in the form attached herewith as Exhibit B or such other form as may be deemed acceptable by the Committee that he or she owns of record the shares to be tendered free and clear of all liens, claims and encumbrances of every kind.

As promptly as practicable after the receipt by the Company of (a) written notice from the Optionee setting forth the number of shares of Stock with respect to which such Option is to be exercised and (b) payment of the option price of such shares in the form required by the foregoing provisions of this Section, the Company shall cause to be delivered to such Optionee certificates representing the number of shares with respect to which such Option has been so exercised (less a number of shares equal to the number of shares as to which ownership was attested under the procedure described in clause (ii) of the preceding paragraph).

11. TRANSFERABILITY OF OPTIONS

Options shall not be transferable by the Optionee otherwise than by will or under the laws of descent and distribution, and shall be exercisable during his or her lifetime only by the Optionee, except that the Committee may, subject to such conditions as it shall, in its sole and absolute discretion, determine, specify in an Option Agreement that pertains to an NQO that the Optionee may transfer such NQO to a member of the Immediate Family of the Optionee, to a trust solely for the benefit of the

Optionee and the Optionee's Immediate Family, or to a partnership or limited liability company whose only partners or members are the Optionee and members of the Optionee's Immediate Family. "Immediate Family" shall mean, with respect to any Optionee, such Optionee's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, and shall include adoptive relationships.

12. TERMINATION OF EMPLOYMENT OR INVOLVEMENT OF OPTIONEE WITH THE COMPANY

For purposes of this Section, employment by or involvement with (in the case of an Optionee who is not an employee) an Affiliate shall be considered employment by or involvement with the Company. Except as otherwise set forth in the Option Agreement, after the Optionee's termination of employment with the Company other than by reason of death or disability, including his retirement in good standing from the employ of the Company for reasons of age under the then established rules of the Company, the Option shall terminate on the earlier of the date of its expiration or three (3) months after the date of such termination or retirement. After the death of the Optionee, his or her executors, administrators or any persons to whom his or her Option may be transferred by will or by the laws of descent and distribution shall have the right to exercise the Option to the extent to which the Optionee was entitled to exercise the Option. The Committee may, subject to such conditions as it shall, in its sole and absolute discretion, determine, specify in an Option Agreement that, in the event that such termination is a result of disability, the Optionee shall have the right to exercise the Option pursuant to its terms as if such Optionee continued as an employee.

Authorized leave of absence or absence on military or government service shall not constitute severance of the employment relationship between the Company and the Optionee for purposes of the Plan, provided that either (a) such absence is for a period of no more than ninety (90) days or (b) the Employee's right to re-employment after such absence is guaranteed either by law or by contract.

For Optionees who are not employees of the Company, options shall be exercisable for such periods following the termination of the Optionee's involvement with the Company as may be set forth in the Option Agreement.

13. REQUIREMENTS OF LAW

The Company shall not be required to sell or issue any shares of Stock upon the exercise of any Option if the issuance of such shares shall constitute or result in a violation by the Optionee or the Company of any provisions of any law, statute or regulation of any governmental authority. Specifically, in connection with the Securities Act of 1933, as amended (the "Securities Act"), and any applicable state securities or "blue sky" law (a "Blue Sky Law"), upon exercise of any Option the Company shall not be required to issue such shares unless the Committee has received evidence satisfactory to it to the effect that the holder of such Option will not transfer such shares except pursuant to a registration statement in effect under the Securities Act and Blue Sky Laws or unless an opinion of counsel satisfactory to the Company has been received by the Company to the effect that such registration and compliance is not required. Any determination in this connection by the Committee shall be final, binding and conclusive. The Company shall not be obligated to take any action in order to cause the exercise of an Option or the issuance of shares of Stock pursuant thereto to comply with any law or regulations of any governmental authority, including, without limitation, the Securities Act or applicable Blue Sky Law.

Notwithstanding any other provision of the Plan to the contrary, the Company may refuse to permit transfer of shares of Stock if in the opinion of its legal counsel such transfer would violate federal or state securities laws or subject the Company to liability thereunder. Any sale, assignment, transfer, pledge or other disposition of shares of Stock received upon exercise of any Option (or any other shares or securities derived therefrom) which is not in accordance with the provisions of this Section shall be void and of no effect and shall not be recognized by the Company.

Legend on Certificates. The Committee may cause any certificate representing shares of Stock acquired upon exercise of an Option (and any other shares or securities derived therefrom) to bear a legend to the effect that the securities represented by such certificate have not been registered under the Securities Act of 1933, as amended, or any applicable state securities laws, and may not be sold, assigned, transferred, pledged or otherwise disposed of except in accordance with the Plan and applicable agreements binding the holder and the Company or any of its stockholders.

14. NO RIGHTS AS STOCKHOLDER

No Optionee shall have any rights as a stockholder with respect to shares covered by his or her Option until the date of issuance of a stock certificate for such shares; except as otherwise provided in Section 17, no adjustment for dividends or otherwise shall be made if the record date therefor is prior to the date of issuance of such certificate.

15. EMPLOYMENT OBLIGATION

The granting of any Option shall not impose upon the Company or any Affiliate any obligation to employ or continue to employ any Optionee, or to engage or retain the services of any person, and the right of the Company or any Affiliate to terminate the employment or services of any person shall not be diminished or affected by reason of the fact that an Option has been granted to him or her. The existence of any Option shall not be taken into account in determining any damages relating to termination of employment or services for any reason.

16. CERTAIN RIGHTS OF THE COMPANY

(a) Voluntary or Involuntary Transfers of Stock. The voluntary or involuntary transfer of shares of Stock acquired by an Optionee pursuant to the exercise of an Option or Options granted under the Plan is subject to the provisions of the Stockholder Agreement.

(b) Termination of Employment or Involvement. If the Optionee's employment by or involvement with the Company (including, for this purpose, any Affiliate) shall terminate because of (x) the death or Disability of Optionee, (y) a Wrongful Termination, or (z) a Forfeiture Event, the Company shall have the assignable right to repurchase all but not less than all of the shares of Stock (or other shares or securities derived therefrom) acquired pursuant to the exercise of an Option at a price equal to the Put/Call Price at the time of such repurchase. In addition, if at the time of such termination an Optionee holds an Option granted under the Plan which is by its terms exercisable after such termination, the Company shall have the assignable right to repurchase all but not less than all of the shares of Stock acquired pursuant to the exercise of such Option, at the Put/Call Price at the time of such repurchase. If the option price for any repurchased shares has been paid by the Optionee's promissory note pursuant to Section 10, then the repurchase price for such shares of Stock shall be first applied to the repayment of the outstanding amount, if any, due under such note in respect of the repurchased shares, and any accrued but unpaid interest thereon. The Company's right to repurchase shares of Stock (or other shares or securities) may be exercised at any time not earlier than one hundred and eighty (180) days following the exercise of the Option with respect to the shares of Stock (or other shares or securities) to be repurchased, and not later than three hundred and sixty-five (365) days following the date of (i) the Optionee's termination of employment or involvement or (ii) in the case of a repurchase of shares of Stock (or other shares or securities) acquired pursuant to the exercise of an Option subsequent to such termination, such exercise. Any such shares of Stock (or other shares or securities) as to which the Company does not exercise its repurchase rights within such period shall thereafter be free of the foregoing restrictions, but subject, however, to the provisions of the Stockholder Agreement.

17. CHANGES IN THE COMPANY'S CAPITAL STRUCTURE

The existence of outstanding Options shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business or any merger or consolidation of the Company or any issue of bonds, debentures, preferred or preference stock, whether or not convertible into the Stock or other securities, ranking prior to the Stock or affecting the rights thereof, or warrants, rights or options to acquire the same, or the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business or any other corporate act or proceeding, whether of a similar character or otherwise.

The number of shares of Stock in the Option Pool (less the number of shares theretofore delivered upon exercise of Options) and the number of shares of Stock covered by any outstanding Option and the price per share payable upon exercise thereof (provided that in no event shall the option price be less than the par value of such shares) shall be proportionately adjusted for any increase or decrease in the number of issued and outstanding shares of Stock resulting from any subdivision, split, combination or consolidation of shares of Stock or the payment of a dividend on the Stock in shares of Stock or other securities of the Company. The decision of the Board as to the adjustment, if any, required by the provisions of this Section shall be final, binding and conclusive.

If the Company merges or consolidates with a wholly-owned subsidiary for the purpose of reincorporating itself under the laws of another jurisdiction, the Optionees will be entitled to acquire shares of Stock of the reincorporated Company upon the same terms and conditions as were in effect immediately prior to such reincorporation (unless such reincorporation involves a change in the number of shares or the capitalization of the Company, in which case proportional adjustments shall be made as provided above) and the Plan, unless otherwise rescinded by the Board, will remain the Plan of the reincorporated Company.

Except as otherwise provided in the preceding paragraph, if the Company is merged or consolidated with another corporation, whether or not the Company is the surviving entity, or if the Company is liquidated or sells or otherwise disposes of all or substantially all of its assets to another entity while unexercised Options remain outstanding under the Plan, or if other circumstances occur in which the Board in its sole and absolute discretion deems it appropriate for the provisions of this paragraph to apply (in each case, an "Applicable Event"), then (a) each holder of an outstanding Option shall be entitled, upon exercise of such Option, to receive in lieu of shares of Stock, such stock or other securities or property as he or she would have received had he exercised such option immediately prior to the Applicable Event; (b) the Board may, in its sole and absolute discretion, waive, generally or in one or more specific cases, any limitations imposed pursuant to Section 9 so that some or all Options from and after a date prior to the effective date of such Applicable Event, specified by the Board, in its sole and absolute discretion, shall be exercisable in full or in part; (c) the Board may, in its sole and absolute discretion, cancel all outstanding and unexercised Options as of the effective date of any such Applicable Event; (d) the Board may, in its sole discretion, convert some or all Options into options to purchase the stock or other securities of the surviving corporation pursuant to an Applicable Event; or (e) the Board may, in its sole and absolute discretion, assume the outstanding and unexercised options to purchase stock or other securities of any corporation and convert such options into Options to purchase Stock, whether pursuant to this Plan or not, pursuant to an Applicable Event; provided, however, in the case of any such cancellation pursuant to clause (c), (i) notice shall be given to each holder of an Option not less than thirty (30) days preceding the effective date of such Applicable Event, and (ii) all such outstanding and unexercised Options shall immediately vest, to the extent that were not so vested so that such Options shall be exercisable in full during such thirty (30) day period.

Except as expressly provided herein, the issue by the Company of shares of Stock or other securities of any class or series or securities convertible into or exchangeable or exercisable for shares of

Stock or other securities of any class or series for cash or property or for labor or services either upon direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Company convertible into such shares or other securities, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number, class or price of shares of Stock then subject to outstanding Options.

18. AMENDMENT OR TERMINATION OF PLAN

The Board may, in its sole and absolute discretion, modify, revise or terminate the Plan at any time and from time to time; provided, however, that without the further approval of the holders of at least a majority of the outstanding shares of Stock, the Board may not change the aggregate number of shares of Stock which may be issued under Options pursuant to the provisions of the Plan either to any one person or in the aggregate; or change the class of persons eligible to receive ISOs. Notwithstanding the preceding sentence, the Board shall in all events have the power and authority to make such changes in the Plan and in the regulations and administrative provisions hereunder or in any outstanding Option as, in the opinion of counsel for the Company, may be necessary or appropriate from time to time to enable any Option granted pursuant to the Plan to qualify as an ISO or such other stock option as may be defined under the Code, as amended from time to time, so as to receive preferential federal income tax treatment.

19. CERTAIN TERMS

As used herein the following terms shall have the following respective meanings:

"ATC" shall mean American Tower Corporation, a Delaware corporation.

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

"Company Value" shall mean the Holding Value as defined in and determined from time to time in accordance with the provisions of the Stockholder Agreement.

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

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

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

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

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

"Good Reason" shall mean:

(a) the assignment to Optionee of any duties inconsistent in any negatively material respect with his position, authority, duties or responsibilities as of the time of the grant of an Option to him or her or any other action by the Company or its Affiliates that results in a diminution, in any material respect, in such position, authority, duties or responsibilities; or

(b) a Change of Control; or

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

(d) any failure by the Company to comply in any material respect with any material provision of this Agreement or the Plan;

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

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

"Stockholder Agreement" shall mean the Stockholder/Optionee Agreement, dated as of January 1, 2004, by and among the Company, ATC, the Optionee and certain other parties, as from time to time amendment, modified, supplemented, extended and restated.

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

20. GOVERNING LAW

The Plan shall be governed by and construed and enforced in accordance with the applicable laws of the United States of America and the law (other than the law governing conflict of law questions) of the State of Delaware except to the extent the laws of any other jurisdiction are mandatorily applicable.

21. EFFECTIVE DATE AND DURATION OF THE PLAN

The Plan shall become effective and shall be deemed to have been adopted on January 1, 2004. Unless the Plan shall have terminated earlier, the Plan shall terminate on the tenth (10th) anniversary of its effective date, and no Option shall be granted pursuant to the Plan after the day preceding the tenth (10th) anniversary of its effective date.

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ATC SOUTH AMERICA HOLDING CORP. 2004 STOCK OPTION PLAN

NOTICE OF GRANT OF STOCK OPTIONS

Option Certificate: No. M-

SPECIFIC TERMS OF THE OPTION

Subject to the terms and conditions hereinafter set forth and the terms and conditions of the ATC South America Holding Corp. 2004 Stock Option Plan (the "Plan"), ATC South America Holding Corp., a Delaware corporation (the "Company" which term shall include, unless the context otherwise clearly requires, all Affiliates (as defined in the Plan) of the Company), hereby grants the following option to purchase shares of Common Stock, par value $.01 per share (the "Stock") of the Company:

1. Name of Person to Whom the Option is granted (the "Optionee"):

2. Date of Grant of Option:

3. Number of shares of Stock: and type of Option: Incentive Nonqualified

4. Option Exercise Price (per share): $

5. Term: Subject to Section 9, this Option expires at 5:00 p.m. Eastern Time on

6. Exercisability: Provided that the Optionee is still employed by the Company at the time of vesting or, if the Optionee is not employed by the Company the Optionee is still actively involved in the Company (as determined by the Committee), the Option will, subject to the satisfaction of the conditions set forth in Section 9, become exercisable in its entirely on July 1, 2006 or earlier as provided in Section 9 below.

ATC South America Holding Corp.

By: _____ _____

Title: _____ (Signature of Optionee)

Date: _____

Optionee's Address:

ATC SOUTH AMERICA HOLDING CORP. 2004 STOCK OPTION PLAN

OPTION AGREEMENT

OTHER TERMS OF THE OPTION

WHEREAS, the Board of Directors (the "Board") has authorized the grant of stock options upon certain terms and conditions set forth in the Plan and herein; and

WHEREAS, the Committee (as defined in the Plan) has authorized the grant of this stock option pursuant and subject to the terms of the Plan, a copy of which is available from the Company and is hereby incorporated herein;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, the Company and the Optionee, intending to be legally bound, covenant and agree as set forth on the first page hereof and as follows:

7. Grant. Pursuant and subject to the Plan, the Company does hereby grant to the Optionee a stock option (the "Option") to purchase from the Company the number of shares of Stock set forth in Section 3 on the first page hereof upon the terms and conditions set forth in the Plan and upon the additional terms and conditions contained herein. If so provided in Section 4 on the first page hereof, this Option is an incentive stock option and is intended to qualify for special federal income tax treatment as an "incentive stock option" pursuant to Section 422 of the Code.

8. Option Price. This Option may be exercised at the option price per share of Stock set forth in Section 4 on the first page hereof, subject to adjustment as provided herein and in the Plan.

9. Term and Exercisability of Option. This Option shall expire on the date determined pursuant to Section 5 on first page hereof and shall be exercisable prior to that date in accordance with and subject to the conditions set forth in this Section 9 and the Plan. This Option shall become exercisable in its entirety upon the soonest to occur of (a) the exercise by or on behalf of J. Michael Gearon, Jr. of his rights set forth in Section 6(a) of the Stockholder Agreement, (b) the exercise by ATC of its rights pursuant to the provisions of Section 6(b)(i) of the Stockholder Agreement, or (c) a Change of Control.

If before this Option has been exercised in full the Optionee ceases to be an employee of or ceases to provide services for the Company or an Affiliate for any reason other than a termination for a reason specified in Section 16 of the Plan, the Optionee may exercise this Option to the extent that he or she might have exercised it on the date of termination of his or her employment (or provision of services), but only during the period ending on the earlier of (a) the date on which the Option expires in accordance with Section 5 of the first page hereof or (b) three (3) months after the date of termination of the Optionee's employment with or provision of services for the Company or an Affiliate. However, if the Optionee dies before the date of expiration of this Option and while in the employ of or during the course of providing services for the Company or an Affiliate, or during the three month period described in the preceding sentence, or in the event of the retirement of the Optionee for reasons of disability (within the meaning of Code §22(e)(3)), the Option shall remain exercisable until its expiration in accordance with Section 5 on the first page hereof or, in the case of an Option designated as an incentive stock option, the earlier of one year from the date of such death or retirement or the date of its expiration. If the Optionee dies before this Option has been exercised in full, the executor, administrator or personal representative of the estate of the Optionee may exercise this Option as set forth in the preceding sentence.

10. Method of Exercise. To the extent that the right to purchase shares of Stock has accrued hereunder, this Option may be exercised from time to time by written notice to the Company substantially in the form attached hereto as Exhibit A, stating the number of shares with respect to which this Option is being exercised, and accompanied by payment in full of the option price for the number of shares to be delivered, by means of payment acceptable to the Company in accordance with Section 10 of the Plan. As soon as practicable after its receipt of such notice, the Company shall, without transfer or issue tax to the Optionee (or other person entitled to exercise this Option), deliver to the Optionee (or other person entitled to exercise this Option), at the principal executive offices of the Company or such other place as shall be mutually acceptable, a certificate or certificates for such shares out of theretofore authorized but unissued shares or reacquired shares of its Stock as the Company may elect; provided, however, that the time of such delivery may be postponed by the Company for such period as may be required for it with reasonable diligence to comply with any applicable requirements of law. Payment of the option price may be made in cash or cash equivalents or, in accordance with the terms and conditions of Section 10 of the Plan in whole or in part in shares of Common Stock of the Company, whether or not through the attestation procedure in the Plan; provided, however, that the Board reserves the right upon receipt of any written notice of exercise from the Optionee to require payment in cash with respect to the shares contemplated in such notice if the receipt of the shares of Common Stock would result in a compensation expense to the Company or any Affiliate of the Company for financial reporting purposes. If the Optionee (or other person entitled to exercise this Option) fails to pay for and accept delivery of all of the shares specified in such notice upon tender of delivery thereof, the right to exercise this Option with respect to such shares not paid for may be terminated by the Company.

11. Nonassignability of Option Rights. This Option shall not be assignable or transferable by the Optionee except by will or by the laws of descent and distribution and shall be exercisable during the life of the Optionee only by the Optionee; provided, however, that the Option may transfer this Option with the consent of the Committee to a person or entity identified in Section 11 of the Plan.

12. Compliance with Securities Act. The Company shall not be obligated to sell or issue any shares of Stock or other securities pursuant to the exercise of this Option unless the shares of Stock or other securities with respect to which this Option is being exercised are at that time effectively registered or exempt from registration under the Securities Act of 1933, as amended, and applicable state securities laws. In the event shares or other securities shall be issued which shall not be so registered, the Optionee hereby represents, warrants and agrees that the shares or other securities received will be held for investment and not with a view to their resale or distribution, and he or she will execute an appropriate investment letter satisfactory to the Company and its counsel.

13. Legends. The Optionee hereby acknowledges that the stock certificate or certificates evidencing shares of Stock or other securities issued pursuant to any exercise of this Option will bear a legend setting forth the restrictions on their transferability described in Section 12 hereof and to the restrictions on transfer set forth in the Stockholder Agreement.

14. Rights as Stockholder. The Optionee shall have no rights as a stockholder with respect to any shares of Stock or other securities covered by this Option until the date of issuance of a certificate to him or her for such shares or other securities. No adjustment shall be made for dividends or other rights for which the record date is prior to the date such stock certificate is issued.

15. Withholding Taxes. The Optionee hereby agrees, as a condition to any exercise of this Option, to provide to the Company an amount sufficient to satisfy its obligation to withhold federal, state, local, Mexican and other applicable taxes arising by reason of such exercise (the “Withholding Amount”) by (a) authorizing the Company to withhold the Withholding Amount from his or her cash compensation,

or (b) remitting the Withholding Amount to the Company in cash; provided, however, that to the extent that the Withholding Amount is not provided by one or a combination of such methods, the Company in its sole and absolute discretion may refuse to issue such shares of Stock or may withhold from the shares of Stock delivered upon exercise of this Option that number of shares having a Fair Market Value, on the date of exercise, sufficient to eliminate any deficiency in the Withholding Amount; and provided, further, that the Fair Market Value of shares withheld shall not exceed an amount in excess of the minimum required withholding.

16. Notice of Disqualifying Disposition. If this Option is an incentive stock option, the Optionee agrees to notify the Company promptly in the event that he sells, transfers, exchanges or otherwise disposes of any shares of Stock issued upon exercise of the Option, before the later of (a) the second anniversary of the date of grant of the Option and (b) the first anniversary of the date the shares were issues upon his exercise of the Option.

17. Termination or Amendment of Plan. The Board may in its sole and absolute discretion at any time terminate or from time to time modify and amend the Plan, but no such termination or amendment will affect rights and obligations under this Option.

18. Effect Upon Employment. Nothing in this Option or the Plan shall be construed to impose any obligation upon the Company to employ or retain in its employ, or continue its involvement with, the Optionee.

19. Time for Acceptance. Unless the Optionee shall evidence acceptance of this Option by executing the Notice of Grant of Stock Options, which forms a part of this Agreement, and returning it to the Company within thirty (30) days after its delivery, the Option and this Agreement shall be voidable by the Company in its sole and absolute discretion.

20. General Provisions.

(a) Amendment; Waivers. This Agreement, including the Plan, contains the full and complete understanding and agreement of the parties hereto as to the subject matter hereof and, except as otherwise permitted by the express terms of the Plan and this Agreement, it may not be modified or amended, nor may any provision hereof be waived, except by a further written agreement duly signed by each of the parties; provided, however, that a modification or amendment that does not materially diminish the rights of the Optionee hereunder, as they may exist immediately before the effective date of the modification or amendment, shall be effective upon notice of its provisions to the Optionee. The waiver by either of the parties hereto of any provision hereof in any instance shall not operate as a waiver of any other provision hereof or in any other instance.

(b) Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and, to the extent provided herein and in the Plan, their respective heirs, executors, administrators, representatives, successors and assigns.

(c) Construction. This Agreement is to be construed in accordance with the terms of the Plan. In case of any conflict between the Plan and this Agreement, the Plan shall control. The titles of the sections of this Agreement and of the Plan are included for convenience only and shall not be construed as modifying or affecting their provisions. The masculine gender shall include both sexes; the singular shall include the plural and the plural the singular unless the context otherwise requires. Capitalized terms not defined herein shall have the meanings given to them in the Plan

(d) Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the applicable laws of the United States of America and the law (other than the law governing conflict of law questions) of the State of Delaware except to the extent the laws of any other jurisdiction are mandatorily applicable.

(e) Notices. Any notice in connection with this Agreement shall be deemed to have been properly delivered if it is in writing and is delivered in hand or sent by registered mail to the party addressed as follows, unless another address has been substituted by notice so given:

To the Optionee: To his or her address as listed on the books of the Company

To the Company:
ATC South America Holding Corp.
c/o American Tower Corporation
116 Huntington Avenue
Boston, MA 02116
Attention: Chief Financial Officer

with a copy to

American Tower Corporation
116 Huntington Avenue
Boston, MA 02116
Attention: Chief Financial Officer and
General Counsel

EXHIBIT A

[NOTICE OF EXERCISE]

[Date]

ATC South America Holding Corp.
c/o American Tower Corporation
116 Huntington Avenue
Boston, Massachusetts 02116

RE: Exercise of Option under ATC South America Holding Corp. 2004 Stock Option Plan

The Compensation Committee:

The undersigned hereby elects to exercise the stock option granted to (the "Optionee") pursuant and subject to the terms and conditions of the Notice of Grant of Stock Options and Stock Option Agreement between the Optionee and ATC South America Holding Corp. (the "Company") dated as of , 200 (together, the "Option Agreement") by and to the extent of purchasing shares of Common Stock, par value $.01 per share, of the Company for the option price of $ per share.

Payment for the shares is made as follows [check/complete as appropriate]:

☐ Check (make payable to "ATC South America Holding Corp.")

☐ Surrender of shares (attach certificate or attestation form). If the undersigned is making payment of any part of the purchase price by delivery of shares of Common Stock of the Company, he or she hereby confirms that he or she has investigated and considered the possible income tax consequences to him or her of making such payments in that form.

☐ Other (explain: _____)

Upon completion of payment, shares shall be delivered to [check/complete as appropriate]:

☐ The undersigned

☐ The following brokerage account

Brokerage firm: _____
Federal tax id. #: _____
DTC #: _____
Account #: _____
Broker: _____Phone: (____) ____-_____

The undersigned hereby agrees to provide the Company an amount sufficient to satisfy the obligation of the Company to withhold certain taxes, as provided in Section 15 of the Option Agreement. The undersigned hereby specifically confirms to the Company that he or she is acquiring said shares for investment and not with a view to their sale or distribution, and that said shares shall be held subject to all of the terms and conditions of the Option Agreement, the Plan and the Stockholder Agreement referred to in the Plan.

Very truly yours,

_____

(Signed by the Optionee or other
party duly exercising option)

Address: _____

Telephone number: (____) ____-____

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EXHIBIT B

ATTESTATION FORM

Pursuant to the Notice of Exercise submitted herewith, I have elected to purchase _____ shares of Common Stock, par value $.01 per share (the "Common Stock") of ATC South America Holding Corp. (the "Company") at $_____ per share, as stated in the Stock Option Agreement dated _____. I hereby attest to ownership of the shares under the certificate(s) listed below and hereby tender such shares in full or partial payment of the total Option Price of $_____.

I also certify that I either (a) have held the shares I am tendering for at least one year after acquiring such shares through the exercise of an incentive stock option, or (b) have not obtained such shares through the exercise of an incentive stock option.

I represent that I, with the consent of the joint owner (if any) of the shares, have full power to deliver and convey the certificates to the Company. The joint owner of the shares, by signing this form, consents to the above representations and the exercise of the stock option by this notice.

Common Stock Certificate(s)	No. of Shares Represented	Acquired by Stock Option Plan Exercise (Yes/No)	Date of Acquisition

You are hereby instructed to apply toward the Option Price: [check/complete as appropriate]:

☐ The maximum number of whole shares necessary to pay the Option Price, or, if fewer, the total number of shares represented by the listed certificate(s), with any remaining amount to be paid by attached check, payable to the Company, in the amount of $ for the balance of the Option Price..

☐ _____ of the listed shares, with any remaining amount to be paid by attached check, payable to the Company, in the amount of $ for the balance of the Option Price..

Date:

_____

Print name:

_____

Print name of Joint Owner, if any:

Exhibit 10.3

STOCKHOLDER/OPTIONEE AGREEMENT

AGREEMENT made and entered into, as of January 1, 2004, by and among ATC South America Holding Corp., a Delaware corporation ("Holding"), American Tower Corporation, a Delaware corporation ("ATC"), American Tower International, Inc., a Delaware corporation ("ATC International"), J. Michael Gearon, Jr., an individual residing in Atlanta, Georgia ("Gearon") and the Persons who from time to time execute a counterpart of this Agreement (individually a "Stockholder" and collectively the "Stockholders" which terms shall include Gearon in his capacity as such).

W I T N E S S E T H:

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

WHEREAS, the Stockholders other than Gearon will be acquiring from Holding, and Holding will issue to such Stockholders, pursuant to a 2004 Stock Option Plan (the "Plan") to be adopted pursuant to the provisions of Section 8, an option (individually an "Option" and collectively the "Options") to acquire shares of Holding Common Stock; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) Additional Gearon Investments. If Gearon has not, on or prior to the date hereof, invested an aggregate of US$1,680,000 in Holding, he will, simultaneously with ATC making additional investments in Holding Common Stock, make additional investments in Holding Common Stock such that Gearon shall on each such occasion contribute one hundred sixty eight-eight thousand eight hundredth (168/8,800th) of the amount being invested or contributed by ATC; provided, however, that in no event shall Gearon be required to invest more than an aggregate of US$1,680,000 in Holding Common Stock or to make any other investment in Holding; provided further, that the initial funding required to be made by Gearon shall occur no later than March 31, 2004. For the avoidance of doubt, this means that Gearon shall invest $190.91 in Holding for each $10,000 invested by ATC in Holding, subject to the limitations contained in this Section 3(b) and in Section 3(a). Payment for all such investments shall be in the form of wire transfer of immediately available funds.

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

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

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

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

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

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

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

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

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

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

Section 6. Put and Call; Tagalong Right.

(a) Gearon Put. Gearon may, at any time after the soonest to occur of (i) December 31, 2004, (ii) an ATC Change of Control, (iii) a Holding Change of Control, (iv) his death or Disability, or (v) termination by Gearon of his employment for Good Reason, or (vi) termination by ATC of Gearon's employment for any reason not involving a Forfeiture Event, require ATC to purchase at the Put/Call Price for the Holding Securities of all but not less than all of the Holding Securities then owned by him. Any such election (which may not, in any event, be made prior to the date that is six (6) months and one (1) day after the date of this Agreement) shall be made by written notice from Gearon to ATC (the "Put Notice") of its election to that effect. Gearon shall send a copy of the Put Notice to each of the other Stockholders. In such event, each of the other Stockholders shall have the right, exercised by written notice to ATC delivered within twenty (20) days of the mailing of the Put Notice to him, to require ATC to purchase at the Put/Call Price for the Holding Securities to be sold by such Stockholder (an "Electing Put Stockholder") all but not less than all of the Holding Securities then owned by each Electing Put Stockholder. For purposes of this Section 6(a), the Put/Call Price shall be determined as of the later of

December 31, 2004 or the date of the Put Notice; provided, however, with respect to each Electing Put Stockholder who has not held the Holding Securities proposed to be sold by him for a period of at least six (6) months and one (1) day as of the date of the Put Notice, the Put/Call Price shall be determined as of the date such Holding Securities were held by him for a period of at least six (6) months and one (1) day.

The closing pursuant to this Section shall occur at 10:00 a.m., local time, on the later of December 31, 2004 or the sixtieth (60^{th}) day (or, if such day is not a Business Day, the next succeeding Business Day) following the date of receipt by ATC of the Put Notice, at the principal executive offices of ATC, or such other time, date and place as ATC and Gearon shall reasonably agree (notice of which shall be given by ATC to each Electing Put Stockholder); provided, however, notwithstanding the foregoing, if, on the proposed closing date, any Electing Stockholder has not held the Holding Securities proposed to be sold by him for a period of at least six (6) months and one (1) day, then the closing with respect to those Holding Securities shall occur at 10:00 a.m., local time, on the tenth (10^{th}) day (or, if such day is not a Business Day, the next succeeding Business Day) following the expiration of such six (6) months and one (1) day. Each of the following (unless and except to the extent waived by ATC and Gearon) shall be a condition of the obligation of ATC, Gearon and each Electing Put Stockholder to proceed with any such purchase and sale: (i) ATC and Gearon shall have obtained all lender and other third-party consents, if any, required in connection with such purchase and sale, (ii) there shall be no suit, action or proceeding pending on the date of closing before or by any court or other governmental authority seeking to restrain or prohibit, or material damages or other relief in connection with, the purchase and sale, and (iii) ATC, Gearon and the Electing Put Stockholders shall have entered into a securities purchase agreement in form, scope and substance customary in comparable transactions and reasonably satisfactory to ATC and Gearon, including representations and warranties, covenants, closing certificates and opinions, and indemnities.

(b) ATC Call. ATC may, at any time after (i) December 31, 2005, require Gearon to sell at the Put/Call Price and each other Stockholder to sell at the Put/Call Price for the Holding Securities to be sold by him all but not less than all of the Holding Securities then owned by him, or (ii) the soonest to occur of (x) the death or Disability of Gearon, (y) a Gearon Termination Event, or (z) a Forfeiture Event require each member of the Gearon Group to sell at the Put/Call Price all but not less than all of the Holding Securities then owned by him. Any such election (which may not, in any event, be made prior to the date that is six (6) months and one (1) day after the date of this Agreement) shall be made by written notice from ATC to Gearon and, as applicable, each other Stockholder (the "Call Notice") of his election to that effect. For purposes of this Section 6(b), the Put/Call Price shall be determined as of the later of December 31, 2005 or the date of the Call Notice; provided, however, with respect to each other Stockholder who has not held the Holding Securities proposed to be sold by him for a period of at least six (6) months and one (1) day as of the date of the Call Notice, the Put/Call Price shall be determined as of the date such Holding Securities were held by him for a period of at least six (6) months and one (1) day. The closing pursuant to this Section shall occur at 10:00 a.m., local time, on the later of December 31, 2005 or the sixtieth (60^{th}) day (or, if such day is not a Business Day, the next succeeding Business Day) following the date of receipt by Gearon and, as applicable, the other Stockholders of the Call Notice, at the principal executive offices of ATC, or such other time, date and place as ATC and Gearon shall reasonably agree (notice of which shall be given by ATC to each other Stockholder); provided, however, notwithstanding the foregoing, if, on the proposed closing date, any other Stockholder has not held the Holding Securities proposed to be sold by him for a period of at least six (6) months and one (1) day, then the closing with respect to those Holding Securities shall occur at 10:00 a.m., local time, on the tenth (10^{th}) day (or, if such day is not a Business Day, the next succeeding Business Day) following the expiration of such six (6) months and one(1) day. Each of the following (unless and except to the extent waived by ATC and Gearon) shall be a condition of the obligation of ATC, Gearon and, as applicable, the other Stockholders to proceed with any such purchase and sale: (i) ATC and Gearon shall have obtained

all lender and other third-party consents, if any, required in connection with such purchase and sale, (ii) there shall be no suit, action or proceeding pending on the date of closing before or by any court or other governmental authority seeking to restrain or prohibit, or material damages or other relief in connection with, the purchase and sale, and (iii) ATC, Gearon and, as applicable, the other Stockholders shall have entered into a securities purchase agreement in form, scope and substance customary in comparable transactions and reasonably satisfactory to ATC and Gearon, including representations and warranties, covenants, closing certificates and opinions, and indemnities.

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

(d) Gearon and Other Stockholder Tagalong Right. In addition to the rights of Gearon and the other Stockholders set forth in Section 6(a), if a Holding Change of Control is likely to occur, ATC shall give prompt written notice (the "Holding Change of Control Notice") of the likelihood of such occurrence to Gearon and the other Stockholders, which notice shall describe, in reasonable detail, the material terms and conditions of such transaction (the "Holding Change of Control Transaction"). As a condition to the consummation of any Transfer by ATC in connection with a Holding Change of Control Transaction, Gearon and each other Stockholder shall have the right, exercised by written notice to ATC within ten (10) business days of its receipt of the Holding Change of Control Notice, to participate in the Holding Change of Control Transaction on the same terms and conditions as ATC (i.e., to sell or otherwise transfer the same relative proportion of its holdings as is ATC for the same type and per share amount of consideration). If Gearon or any other Stockholder elects to participate in a Holding Change of Control Transaction, it shall be required to execute and deliver all of the documents executed and delivered by ATC and to be bound by all of the same terms and conditions. The failure of Gearon or any other Stockholder to give timely notice of its election to participate in a Holding Change of Control Transaction in accordance with this Section 6(d) shall be deemed to be an irrevocable election by it not to so participate.

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

(a) Gearon or the Electing Offering Stockholder shall send a written notice (a "Transfer Notice") to Gearon (in the case of an Electing Offering Stockholder), Holding and ATC, which Transfer Notice shall state that Gearon or the Electing Offering Stockholder intends to effect a Proposed Transfer and shall specify the number and class or type of Holding Securities (the "Offered Securities") subject to the Proposed Transfer, the name and address of the Third Party or Third Parties to whom such Transfer is proposed to be made (or if no particular Third Party is identified, then the general class of Persons to whom the Transfer is proposed to be made), a price per share which shall be the minimum price at which Gearon or the Electing Offering Stockholder

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

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

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

(d) Subject to Section 7(f), to the extent Holding rejects the First Refusal Offer or exercises the right of first refusal with respect to fewer than all of the Offered Securities, ATC may exercise the First Refusal Offer within ten (10) days after the rejection by Holding of its right of first refusal pursuant to Section 7(c) (the "ATC Notice Period"), by delivery of a written notice to Gearon or an Electing Offering Stockholder within the ATC Notice Period with respect to the balance or all of the Offered Securities, as applicable. If ATC fails to respond to Gearon or an Electing Offering Stockholder within the ATC Notice Period, the failure shall be deemed a rejection of the First Refusal Offer.

(e) If the First Refusal Offer is accepted in its entirety by Gearon, Holding and/or ATC, the purchase of the Offered Securities by Gearon, Holding and/or ATC pursuant to this Section shall take place at 10:00 a.m., local time, at the principal executive offices of ATC, on such date within thirty (30) days after the expiration of the Holding Notice Period as Gearon,

Holding and/or ATC shall notify Gearon or an Electing Offering Stockholder of in writing at least five (5) days prior to such closing, on the terms and conditions of the Proposed Transfer, and Gearon, Holding and/or ATC and Gearon or an Electing Offering Stockholder shall enter into a securities purchase agreement containing the Minimum Price and the other terms and conditions set forth in the Proposed Transfer. The Minimum Price for the Offered Securities purchased by Gearon, Holding and ATC shall be paid by wire transfer to Gearon or an Electing Offering Stockholder against receipt of a certificate or certificates representing all Offered Securities so purchased, properly endorsed for transfer, free and clear of all Liens. At the election of ATC, the Holding Securities, if any, to be purchased by it may be acquired in the name of one or more nominees (whether or not any such nominee is an Affiliate of ATC); provided, however, that any such nominee is designated by written notice given at least five (5) days prior to the date of closing.

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

(g) Notwithstanding anything to the contrary contained herein, if Gearon, Holding and/or ATC have not exercised the right of first refusal with respect to all of the Offered Securities pursuant to this Section, then Gearon or an Electing Offering Stockholder may, subject to the provisions of Section 5, Transfer to the Third Party or Third Parties specified in the Notice (or to a member of the class of Persons described in the Notice) (the "Third Party Transferee") on the terms and conditions of the Proposed Transfer all but not less than all of the Offered Securities; provided, however, that such sale is consummated within ninety (90) days from the expiration of the Holding Notice Period; and provided further, however, that such Third Party Transferee shall agree, in writing, in advance with Gearon, Holding and ATC to be bound by and to comply with all applicable provisions of this Agreement to the same extent as if such Third Party Transferee were Gearon or an Electing Offering Stockholder, as applicable. If such sale is not consummated within such ninety (90)-day period, the restrictions provided for in this Section shall again become effective, and no Transfer of such Offered Securities may be made thereafter without again offering the same to Gearon, Holding and ATC in accordance with the terms and conditions of this Agreement. Any reduction in the Minimum Price or any material change in any of the other material terms and conditions of the Proposed Transfer favorable to the Third Party Transferee shall constitute a new Proposed Transfer and shall require Gearon or an Electing Offering Stockholder to comply with all of the provisions of this Section.

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

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

(a) Number of Shares. The Plan will cover a number of shares of Holding Common Stock equal to ten and thirty-two one-hundredths percent (10.32%) of the number of shares of Holding Common Stock to be outstanding on a pro forma basis assuming all shares covered by the Plan were issued and outstanding.

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

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

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

Section 9. Miscellaneous Provisions.

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

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

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

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

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

(ii) if to Gearon, at 3200 Cobb Galleria Parkway, Suite 205, Atlanta, Georgia 30339, Telecopier No: (770) 952-4999 with a copy (which shall not constitute notice to Gearon) to Jack Hardin, 229 Peachtree Street NE, Atlanta, Georgia 30303-1601, Telecopier No: (404) 525-2224; and

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

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

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

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

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

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

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

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

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

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

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES LAWS AND MAY NOT BE TRANSFERRED EXCEPT IN COMPLIANCE WITH THOSE LAWS. THE SECURITIES ARE ALSO SUBJECT TO CERTAIN RIGHTS AND RESTRICTIONS, INCLUDING BUT NOT LIMITED TO

RESTRICTIONS ON TRANSFER, SET FORTH IN AN AGREEMENT AMONG THE HOLDER, THE CORPORATION AND CERTAIN STOCKHOLDERS AND OPTIONEES OF THE CORPORATION, AS AMENDED FROM TIME TO TIME, A COPY OF WHICH IS ON FILE WITH AND AVAILABLE FROM THE SECRETARY OF THE CORPORATION UPON WRITTEN REQUEST."

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

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

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

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

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

ATC South America Holding Corp.

By: /s/

Name:
Title:

American Tower Corporation

By: /s/ James Taiclet., Jr.

Name: James Taiclet, Jr.
Title: President and CEO

American Tower International, Inc.

By: /s/ James Taiclet., Jr.

Name: James Taiclet, Jr.
Title: President and CEO

/s/ J. Michael Gearon, Jr.

J. Michael Gearon, Jr.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Good Reason" shall mean:

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

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

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

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

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

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

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

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

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

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

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

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

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

"Holding Value" shall mean the fair market value of the Holding Common Stock, determined in accordance with this definition. The parties agree that the fair market value of the Holding Common Stock shall mean the price at which a willing seller would sell and a willing buyer would buy a comparable business as an ongoing business in an arm's length transaction (as a sale of the stock or, if applicable, other equity interests), determined as if Holding were a public company and the Holding Common Stock were publicly traded on a securities exchange in the United States of America and widely held at the time of such determination and without consideration of any restrictions or encumbrances or contractual rights relating to the equity securities thereof, and assuming all of the outstanding stock or, if applicable, other equity interests are to be sold in a single transaction. The Board of Directors of ATC

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

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

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

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

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

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

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

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

"Other Agreement" shall mean the agreement, dated as of October 11, 2001, by and among Other Holding, ATC, ATC International, and Gearon.

"Other Holding" shall mean ATC Mexico Holding Corp., a Delaware corporation owned by ATC and Gearon.

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

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

"Permitted Transfer" shall mean:

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

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

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

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

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

"**Person"** means an individual or Entity.

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

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

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

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

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

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

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

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

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

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

SCHEDULE A

J. Michael Gearon, Jr.
William H. Hess
Guy Hamilton Eargle
Murillo Penchel
Kevin Corrigan
Lawrence Gleason
Dan Brooks
Alexandre Braga
Michael Bucey
Jeff Smith

Exhibit 10.4

NONCOMPETITION AND CONFIDENTIALITY AGREEMENT

This Agreement (this "Agreement") made as of January 1, 2004, by and between American Tower Corporation, a Delaware corporation ("ATC"), and J. Michael Gearon, Jr. ("Optionee"), an individual residing at .

WHEREAS, ATC, American Tower International, Inc., a Delaware corporation ("ATC International"), and ATC South America Holding Corp, a Delaware corporation ("Holding"), are parties to a Stockholder/Optionee Agreement, dated as of January 1, 2004, and of which Optionee executed a counterpart on January 1, 2004 (collectively, the "Stockholder Agreement"), pursuant to which Holding will issue to Optionee options to purchase shares of its Common Stock, par value $.01 per share; and

WHEREAS, Optionee is an employee of ATC or one of its subsidiaries and will perform services for Holding;

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

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

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

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

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

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

(d) Intellectual Property;

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

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

Good Reason shall mean:

(a) the assignment to Optionee of any duties inconsistent in any material respect with his current position, authority, duties or responsibilities or any other action by ATC or Holding or any of their Affiliates that results in a diminution, in any material respect, in such position, authority, duties or responsibilities; or

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

(c) any other failure by ATC or Holding or any of their Affiliates to comply in any material respect with any material provision of the Stockholder Agreement;

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

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

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

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

(a) any willful or gross failure or refusal to perform, or any willful or gross misconduct in the performance of, any significant portion of his obligations, duties and responsibilities as an

employee of Holding, the effect of which has been or reasonably could be expected to materially and adversely affect the business of ATC or any of its Affiliates, as determined in good faith by the ATC Board of Directors, and that (i) is incapable of cure, or (ii) has not been cured or remedied as promptly as is reasonably possible (and in any event within thirty (30) days) after written notice from the Holding Board to Optionee specifying in reasonable detail the nature of such failure, refusal or misconduct, or

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

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

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

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

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

Section 3. Disclosure and Assignment of Intellectual Property. Optionee shall promptly disclose to ATC and any successor or assign, and grant to ATC, and its successors and assigns (without any separate remuneration or compensation other than that received by him from time to time in the course of his employment) his entire right, title and interest throughout the world in and to all Intellectual Property. It is understood and agreed that Optionee has heretofore disclosed to ATC, and assigned to it, all Intellectual Property now known to him over which he has any control. Optionee agrees to execute all appropriate patent applications securing all United States and foreign patents on all Intellectual Property, and to do, execute and deliver any and all acts and instruments that may be necessary or proper to vest all Intellectual Property in ATC or its nominee or designee and to enable ATC, or its nominee or designee, to obtain all such patents; and Optionee agrees to render to ATC, or its nominee or designee, all such

reasonable assistance as it may require in the prosecution of all such patent applications and applications for the reissue of such patents, and in the prosecution or defense of all interferences which may be declared involving any of said patent applications or patents, but the expense of all such assignments and patent applications, or all other proceedings referred to herein above, shall be borne by ATC. Optionee shall be entitled to fair and reasonable compensation for any such assistance requested by ATC or its nominee or designee and furnished by him after the termination of his employment.

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

(a) Neither he nor any member of his Immediate Family will be interested, directly or indirectly, as an investor in any other Entity, business or enterprise within the Covered Territory, which is engaged in any Proscribed Activity (except as an investor in securities (i) issued by ATC or any of its subsidiaries or (ii) listed on a national securities exchange or actively traded over the counter so long as such investments are in amounts not significant as compared to his total investments and do not exceed one percent (1%) of the outstanding securities of the issuer of the same class or issue); and

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

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

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

Proscribed Activity shall be reduced by such activities, or the Covered Territory shall be reduced by such area, or any combination thereof, as are deemed unreasonable, so that this covenant may be enforced in such area, with respect to such activities and during such period of time as is adjudged to be reasonable.

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

Section 6. Miscellaneous Provisions.

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

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

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

(d) Waivers; Amendments. Any provision of this Agreement to the contrary notwithstanding, changes in or additions to this Agreement may be made, or compliance with any term, covenant, agreement, condition or provision set forth herein may be omitted or waived (either generally or in a

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

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

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

(ii) if to Optionee, at 3200 Cobb Galleria Parkway, Suite 205, Atlanta, GA 30339, Telecopier No. (770) 952-4999.

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

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

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

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

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

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

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

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

American Tower Corporation

By: /s/

Name:
Title:

/s/ J. Michael Gearon, Jr.

Optionee
J. Michael Gearon, Jr.

Exhibit 10.5

American Tower Corporation
116 Huntington Ave.
Boston, MA 02116

April 2, 2004

Michael Gearon
[Each Stockholder party to the Stockholder Agreement]

Re: Stockholder/Optionee Agreement

Reference is hereby made to the Stockholder/Optionee Agreement, dated October 11, 2001 (the "Stockholder Agreement"), among ATC Mexico Holding Corp. ("Holding"), American Tower International, Inc. ("ATC International"), American Tower Corporation ("ATC"), J. Michael Gearon, Jr. ("Gearon"), and each of the persons who has executed a counterpart to the Stockholder Agreement (individually a "Stockholder" and collectively the "Stockholders" which terms shall include Gearon in his capacity as such). Unless otherwise indicated, capitalized terms used herein have the meanings assigned to them in the Stockholder Agreement. The parties agree as follows:

1. Holding Value. Notwithstanding anything to the contrary in the Stockholder Agreement, the value of the Holding Securities shall be Fifty Eight Million Six Hundred Thousand Dollars ($58,600,000.00), as calculated in accordance with Exhibit A attached to this letter agreement.

2. Payment of Gearon Put/Call Price. The closing with respect to the put of the Holding Securities owned by Gearon shall occur on April 2, 2004 or such other date as ATC and Gearon reasonably agree (the "Gearon Closing Date"). On the Gearon Closing Date, ATC shall elect, in its sole discretion, whether to pay Gearon, subject to Section 6 of this letter agreement, in cash or in shares of ATC Common Stock or some combination thereof. Any shares of ATC Common Stock issued to Gearon as payment hereunder shall be fully paid and nonassessable and shall be valued at the negotiated price of $11.30 per share.

3. Payment of Other Stockholder Put/Call Price. The closing with respect to the put of the Holding Securities owned by the other Stockholders shall occur within ten (10) business days of the applicable Put Date or such other date as ATC and the applicable other Stockholder reasonably agree (each an "Other Stockholder Closing Date"). On each Other Stockholder Closing Date, ATC shall elect, in its sole discretion, whether to pay the applicable other Stockholder, subject to Section 6 of this letter agreement, in cash or in shares of ATC Common Stock or some combination thereof. Any shares of ATC Common Stock issued to any other Stockholder as payment hereunder shall be fully paid and nonassessable and shall be valued at the negotiated price of $11.30 per share, regardless of the date that the respective Stockholder

exercises his put. If ATC elects to pay cash to any other Stockholder pursuant to this Section 3, the amount and other terms of such cash payment shall be mutually agreeable to ATC and such other Stockholder.

4. Exercise of Put. The parties acknowledge that Gearon exercised his put right on January 13, 2004. The parties also acknowledge that all of the Stockholders other than Gearon exercised their right to acquire shares of Holding Common Stock on January 13, 2004. Notwithstanding anything to the contrary in Section 6(a) of the Stockholder Agreement or otherwise, all Stockholders other than Gearon shall have the right to require ATC to purchase any amount of Holding Common Stock, in part or in full, held by such Stockholder at any time after July 14, 2004.

5. Registration of Shares. Should Gearon exercise his rights to register his shares of ATC Common Stock pursuant to the ATC Registration Rights Agreement, each of the other Stockholders shall have the right to require ATC to register a sufficient number of shares of ATC Common Stock that have been or will be granted to such Stockholder in exchange for Holding Securities. Those shares will be reserved for the Stockholders for payment for their Holding Securities.

6. Holdback of Certain Amounts. With respect to the exercise of any put right prior to January 13, 2005, ATC shall withhold the final twenty percent (20%) of the net consideration (i.e., after deducting the amount paid by such Stockholder for his Holding Securities in the form of cash or promissory note) payable to any Stockholder in exchange for his Holding Securities (the "Holdback Amount"). Any Holdback Amount may be offset and reduced on a dollar-for-dollar basis, following written notice from ATC to the Stockholders to such effect, by the dollar amount of any reduction in Holding Value (determined in accordance with the procedures set forth in the Stockholder Agreement) directly attributable to an Iusacell Material Adverse Event. An "Iusacell Material Adverse Event" shall mean any order, decree, bankruptcy proceeding, concurso mercantile proceeding or judgment of any Governmental Authority that is in effect, or any proceeding that is commenced for purposes of obtaining such an order, or any other material adverse change in the business, operating results or financial condition of Iusacell Celular, S.A. de C.V. ("Iusacell"), in each case that restrains, materially delays, restructures or prohibits (or reasonably could be expected to result in restraining, materially delaying, restructuring or prohibiting) the payment of rent by Iusacell to ATC's Mexican subsidiaries (collectively, "ATC Mexico"); provided, however, that as long as ATC Mexico continues to receive rent payments from or on behalf of Iusacell, and that such rent payments are reasonably expected to continue being made, no Iusacell Material Adverse Event shall be deemed to have occurred. The Holdback Amount shall be delivered to each Stockholder that fully exercises his put right prior to January 13, 2005, as promptly as practicable following January 13, 2005. To the extent that the parties agree that any Holdback Amount shall be retained by ATC following January 13, 2005 because of a diminution in Holding Value resulting from an Iusacell Material Adverse Event, each Stockholder shall relinquish his right to that portion of the final twenty percent (20%) of the net consideration payable to such Stockholder in exchange for his Holding Securities by which the Holding Value was reduced. To the extent that ATC is made whole for a Iusacell Material Adverse Event at any point in the future, any Holdback Amount shall be paid to the Stockholder from which it was previously withheld.

7. Gearon Holdback Amount. With respect to the Holdback Amount attributable to the Holding Securities owned by Gearon, ATC shall pay cash to Gearon to satisfy the amount, if any, payable to Gearon pursuant to Section 6 of this letter agreement, together with interest on such amount computed from April 2, 2004 until paid at an annual rate of 7%.

This letter agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

The parties hereto agree to execute and deliver any further documents or assurances that are necessary, desirable or proper to consummate the transactions contemplated by this letter agreement and carry out the intent and purposes hereof.

[Signatures Pages Follow]

Please acknowledge your agreement to the foregoing by signing this letter in the space provided below.

AMERICAN TOWER CORPORATION

By: /s/ Bradley E. Singer

Name: Bradley E. Singer
Title: Chief Financial Officer and Treasurer

AMERICAN TOWER INTERNATIONAL INC.

By: /s/ Bradley E. Singer

Name: Bradley E. Singer
Title: Treasurer

ATC MEXICO HOLDING CORP.

By: /s/ Bradley E. Singer

Name: Bradley E. Singer
Title:

Agreed and Accepted by the Stockholders:

J. MICHAEL GEARON, JR. /s/ J. Michael Gearon, Jr.

WILLIAM H. HESS /s/ William H. Hess

GUY HAMILTON EARGLE /s/ Guy Hamilton Eargle

KEVIN CORRIGAN /s/ Kevin Corrigan

LAWRENCE GLEASON /s/ Lawrence Gleason

MURILLO PENCHEL /s/ Murillo Penchel

JEFF SMITH /s/ Jeff Smith

DEEMER DANA /s/ Deemer Dana

DAN BROOKS /s/ Dan Brooks

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 quarterly report on Form 10-Q 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;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2004

By: **/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 quarterly report on Form 10-Q 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;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2004

By: **/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 Quarterly Report on Form 10-Q of American Tower Corporation (the "Company") for the three months ended June 30, 2004, 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: August 9, 2004

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

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

Date: August 9, 2004

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.