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

FORM 10-Q

(Mark One):

x **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. For the quarterly period ended September 30, 2016.**

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

Commission File Number: 001-14195

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

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ☐

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

Large accelerated filer	x	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐

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

As of October 20, 2016, there were 425,687,843 shares of common stock outstanding.

AMERICAN TOWER CORPORATION

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FOR THE QUARTER ENDED SEPTEMBER 30, 2016

PART I. FINANCIAL INFORMATION

ITEM 1. UNAUDITED CONSOLIDATED AND CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	September 30, 2016	December 31, 2015
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 530,358	$ 320,686
Restricted cash	150,655	142,193
Accounts receivable, net	273,907	227,354
Prepaid and other current assets	415,836	306,235
Total current assets	1,370,756	996,468
PROPERTY AND EQUIPMENT, net	10,452,038	9,866,424
GOODWILL	4,997,224	4,091,805
OTHER INTANGIBLE ASSETS, net	11,557,964	9,837,876
DEFERRED TAX ASSET	197,914	212,041
DEFERRED RENT ASSET	1,265,700	1,166,755
NOTES RECEIVABLE AND OTHER NON-CURRENT ASSETS	813,931	732,903
TOTAL	$ 30,655,527	$ 26,904,272
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	$ 105,551	$ 96,714
Accrued expenses	571,989	516,413
Distributions payable	236,608	210,027
Accrued interest	108,077	115,672
Current portion of long-term obligations	242,992	50,202
Unearned revenue	254,336	211,001
Total current liabilities	1,519,553	1,200,029
LONG-TERM OBLIGATIONS	18,436,144	17,068,807
ASSET RETIREMENT OBLIGATIONS	965,087	856,936
DEFERRED TAX LIABILITY	792,139	106,333
OTHER NON-CURRENT LIABILITIES	1,068,121	959,349
Total liabilities	22,781,044	20,191,454
COMMITMENTS AND CONTINGENCIES		
REDEEMABLE NONCONTROLLING INTERESTS	1,100,202	—
EQUITY:		
Preferred stock: $.01 par value; 20,000,000 shares authorized;		
5.25%, Series A, 6,000,000 shares issued and outstanding; aggregate liquidation value of $600,000	60	60
5.50%, Series B, 1,375,000 shares issued and outstanding, respectively; aggregate liquidation value of $1,375,000	14	14
Common stock: $.01 par value; 1,000,000,000 shares authorized; 428,431,558 and 426,695,279 shares issued; and 425,621,532 and 423,885,253 shares outstanding, respectively	4,284	4,267
Additional paid-in capital	9,817,815	9,690,609
Distributions in excess of earnings	(1,030,663)	(998,535)
Accumulated other comprehensive loss	(1,876,374)	(1,836,996)
Treasury stock (2,810,026 shares at cost)	(207,740)	(207,740)
Total American Tower Corporation equity	6,707,396	6,651,679
Noncontrolling interests	66,885	61,139
Total equity	6,774,281	6,712,818
TOTAL	$ 30,655,527	$ 26,904,272

See accompanying notes to unaudited consolidated and condensed consolidated financial statements.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	**2015**	**2016**	**2015**
REVENUES:				
Property	$ 1,497,936	$ 1,212,849	$ 4,191,779	$ 3,429,264
Services	16,909	25,061	54,340	62,211
Total operating revenues	1,514,845	1,237,910	4,246,119	3,491,475
OPERATING EXPENSES:				
Costs of operations (exclusive of items shown separately below):				
Property (including stock-based compensation expense of $426, $396, $1,325 and $1,218, respectively)	485,525	356,082	1,280,386	929,624
Services (including stock-based compensation expense of $172, $99, $578 and $336, respectively)	5,712	9,307	22,007	22,863
Depreciation, amortization and accretion	397,999	341,096	1,137,398	932,972
Selling, general, administrative and development expense (including stock-based compensation expense of $19,628, $17,850, $68,309 and $70,697, respectively)	131,537	114,832	405,086	354,460
Other operating expenses	14,998	15,668	37,509	40,891
Total operating expenses	1,035,771	836,985	2,882,386	2,280,810
OPERATING INCOME	479,074	400,925	1,363,733	1,210,665
OTHER INCOME (EXPENSE):				
Interest income, TV Azteca, net of interest expense of $279, $40, $846 and $780, respectively	2,742	2,993	8,206	8,251
Interest income	6,376	4,503	16,378	11,871
Interest expense	(190,160)	(149,787)	(531,076)	(446,228)
Gain (loss) on retirement of long-term obligations	—	—	830	(78,793)
Other expense (including unrealized foreign currency losses of $8,321, $77,864, $3,544 and $107,871, respectively)	(12,260)	(66,659)	(25,894)	(123,291)
Total other expense	(193,302)	(208,950)	(531,556)	(628,190)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	285,772	191,975	832,177	582,475
Income tax provision	(22,037)	(94,235)	(94,671)	(132,063)
NET INCOME	263,735	97,740	737,506	450,412
Net loss (income) attributable to noncontrolling interests	774	5,259	(10,288)	1,960
NET INCOME ATTRIBUTABLE TO AMERICAN TOWER CORPORATION STOCKHOLDERS	264,509	102,999	727,218	452,372
Dividends on preferred stock	(26,781)	(26,781)	(80,344)	(63,382)
NET INCOME ATTRIBUTABLE TO AMERICAN TOWER CORPORATION COMMON STOCKHOLDERS	$ 237,728	$ 76,218	$ 646,874	$ 388,990
NET INCOME PER COMMON SHARE AMOUNTS:				
Basic net income attributable to American Tower Corporation common stockholders	$ 0.56	$ 0.18	$ 1.52	$ 0.93
Diluted net income attributable to American Tower Corporation common stockholders	$ 0.55	$ 0.18	$ 1.51	$ 0.92
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
BASIC	425,517	423,375	424,831	417,280
DILUTED	429,925	427,227	429,019	421,352
DISTRIBUTIONS DECLARED PER COMMON SHARE	$ 0.55	$ 0.46	$ 1.59	$ 1.32

See accompanying notes to unaudited consolidated and condensed consolidated financial statements.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	**2015**	**2016**	**2015**
Net income	$ 263,735	$ 97,740	$ 737,506	$ 450,412
Other comprehensive (loss) income:				
Changes in fair value of cash flow hedges, net of tax benefit of $0, $9, $0 and $18, respectively	(432)	710	(367)	365
Reclassification of unrealized (gains) losses on cash flow hedges to net income, net of tax benefit of $0, $20, $0 and $66, respectively	(108)	158	(173)	2,771
Foreign currency translation adjustments, net of tax (benefit) expense of ($1,495), ($12,863), $5,388 and ($25,275), respectively	(91,608)	(600,798)	(43,282)	(1,077,788)
Other comprehensive loss	(92,148)	(599,930)	(43,822)	(1,074,652)
Comprehensive income (loss)	171,587	(502,190)	693,684	(624,240)
Comprehensive (income) loss attributable to noncontrolling interests	(12,454)	807	(5,844)	37,930
Comprehensive income (loss) attributable to American Tower Corporation stockholders	$ 159,133	$ (501,383)	$ 687,840	$ (586,310)

See accompanying notes to unaudited consolidated and condensed consolidated financial statements.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 737,506	$ 450,412
Adjustments to reconcile net income to cash provided by operating activities		
Depreciation, amortization and accretion	1,137,398	932,972
Stock-based compensation expense	70,212	72,251
(Gain) loss on early retirement of long-term obligations	(830)	78,793
Other non-cash items reflected in statements of operations	120,170	143,412
Decrease in restricted cash	4,126	19,971
Increase in net deferred rent balances	(51,762)	(69,019)
Increase in assets	(8,863)	(106,535)
(Decrease) increase in liabilities	(29,526)	21,358
Cash provided by operating activities	1,978,431	1,543,615
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchase of property and equipment and construction activities	(475,174)	(518,018)
Payments for acquisitions, net of cash acquired	(1,309,915)	(1,616,205)
Payment for Verizon transaction	(4,748)	(5,058,895)
Proceeds from sale of short-term investments and other non-current assets	4,459	1,002,214
Payments for short-term investments	—	(1,011,320)
Deposits, restricted cash, investments and other	(824)	(2,053)
Cash used for investing activities	(1,786,202)	(7,204,277)
CASH FLOW FROM FINANCING ACTIVITIES		
(Repayments of) proceeds from of short-term borrowings, net	(7,337)	8,282
Borrowings under credit facilities	1,529,477	5,727,831
Proceeds from issuance of senior notes, net	3,236,383	1,492,298
Proceeds from term loan	—	500,000
Proceeds from other borrowings	70,806	—
Proceeds from issuance of securities in securitization transaction	—	875,000
Repayments of notes payable, credit facilities, senior notes, term loan and capital leases	(4,116,645)	(6,092,710)
(Distributions to) contributions from noncontrolling interest holders, net	(700)	4,449
Proceeds from stock options and ESPP	76,601	29,324
Distributions paid on common stock	(651,966)	(516,012)
Distributions paid on preferred stock	(80,344)	(57,866)
Proceeds from the issuance of common stock, net	—	2,440,327
Proceeds from the issuance of preferred stock, net	—	1,337,946
Payment for early retirement of long-term obligations	(125)	(86,107)
Deferred financing costs and other financing activities	(29,423)	(30,314)
Cash provided by financing activities	26,727	5,632,448
Net effect of changes in foreign currency exchange rates on cash and cash equivalents	(9,284)	2,126
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	209,672	(26,088)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	320,686	313,492
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 530,358	$ 287,404
CASH PAID FOR INCOME TAXES (NET OF REFUNDS OF $16,219 AND $5,206, RESPECTIVELY)	$ 71,868	$ 130,231
CASH PAID FOR INTEREST	$ 516,382	$ 472,079
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Decrease in accounts payable and accrued expenses for purchases of property and equipment and construction activities	$ (36,609)	$ (6,703)
Purchases of property and equipment under capital leases	$ 37,049	$ 19,870
Settlement of accounts receivable related to acquisitions	$ —	$ 735

See accompanying notes to unaudited consolidated and condensed consolidated financial statements.

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(in thousands, except share data)

	Preferred Stock - Series A		Preferred Stock - Series B		Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Distributions in Excess of Earnings	Noncontrolling Interest	Total Equity
	Issued Shares	Amount	Issued Shares	Amount	Issued Shares	Amount	Shares	Amount					
BALANCE, JANUARY 1, 2015	6,000,000	$ 60	—	$ —	399,508,751	$ 3,995	(2,810,026)	$ (207,740)	$ 5,788,786	$ (794,221)	$ (837,320)	$ 99,792	$ 4,053,352
Stock-based compensation related activity	—	—	—	—	904,645	9	—	—	79,878	—	—	—	79,887
Issuance of common stock—stock purchase plan	—	—	—	—	43,940	—	—	—	3,465	—	—	—	3,465
Issuance of common stock	—	—	—	—	25,850,000	259	—	—	2,440,068	—	—	—	2,440,327
Issuance of preferred stock	—	—	1,375,000	14	—	—	—	—	1,337,932	—	—	—	1,337,946
Changes in fair value of cash flow hedges, net of tax	—	—	—	—	—	—	—	—	—	377	—	(12)	365
Reclassification of unrealized losses on cash flow hedges to net income, net of tax	—	—	—	—	—	—	—	—	—	2,728	—	43	2,771
Foreign currency translation adjustment, net of tax	—	—	—	—	—	—	—	—	—	(1,041,787)	—	(36,001)	(1,077,788)
Contributions from noncontrolling interest holders	—	—	—	—	—	—	—	—	—	—	—	5,105	5,105
Distributions to noncontrolling interest holders	—	—	—	—	—	—	—	—	—	—	—	(656)	(656)
Common stock dividends/distributions declared	—	—	—	—	—	—	—	—	—	—	(560,993)	—	(560,993)
Preferred stock dividends declared	—	—	—	—	—	—	—	—	—	—	(49,991)	—	(49,991)
Net income (loss)	—	—	—	—	—	—	—	—	—	—	452,372	(1,960)	450,412
BALANCE, SEPTEMBER 30, 2015	6,000,000	$ 60	1,375,000	$ 14	426,307,336	$ 4,263	(2,810,026)	$ (207,740)	$ 9,650,129	$ (1,832,903)	$ (995,932)	$ 66,311	$ 6,684,202
BALANCE, JANUARY 1, 2016	6,000,000	$ 60	1,375,000	$ 14	426,695,279	$ 4,267	(2,810,026)	$ (207,740)	$ 9,690,609	$ (1,836,996)	$ (998,535)	$ 61,139	$ 6,712,818
Stock-based compensation related activity	—	—	—	—	1,691,546	17	—	—	123,359	—	—	—	123,376
Issuance of common stock—stock purchase plan	—	—	—	—	44,733	—	—	—	3,847	—	—	—	3,847
Changes in fair value of cash flow hedges, net of tax	—	—	—	—	—	—	—	—	—	(367)	—	—	(367)
Reclassification of unrealized gains on cash flow hedges to net income	—	—	—	—	—	—	—	—	—	(173)	—	—	(173)
Foreign currency translation adjustment, net of tax	—	—	—	—	—	—	—	—	—	(38,838)	—	(2,306)	(41,144)
Contributions from noncontrolling interest holders	—	—	—	—	—	—	—	—	—	—	—	47	47
Distributions to noncontrolling interest holders	—	—	—	—	—	—	—	—	—	—	—	(747)	(747)
Common stock dividends/distributions declared	—	—	—	—	—	—	—	—	—	—	(679,002)	—	(679,002)
Preferred stock dividends declared	—	—	—	—	—	—					(80,344)	—	(80,344)
Net income	—	—	—	—	—	—	—	—	—	—	727,218	8,752	735,970
BALANCE, SEPTEMBER 30, 2016	6,000,000	$ 60	1,375,000	$ 14	428,431,558	$ 4,284	(2,810,026)	$ (207,740)	$ 9,817,815	$ (1,876,374)	$ (1,030,663)	$ 66,885	$ 6,774,281

See accompanying notes to unaudited consolidated and condensed consolidated financial statements.

1. DESCRIPTION OF BUSINESS, BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

American Tower Corporation (together with its subsidiaries, "ATC" or the "Company") is one of the largest global real estate investment trusts and a leading independent owner, operator and developer of multitenant communications real estate. The Company's primary business is the leasing of space on communications sites to wireless service providers, radio and television broadcast companies, wireless data providers, government agencies and municipalities and tenants in a number of other industries, which the Company refers to as its property operations. Additionally, the Company offers tower-related services, referred to as its services operations, in the United States, including site acquisition, zoning and permitting and structural analysis, which primarily support its site leasing business, including the addition of new tenants and equipment on its sites.

The Company's portfolio primarily consists of towers it owns and towers it operates pursuant to long-term lease arrangements, as well as distributed antenna system ("DAS") networks, which provide seamless coverage solutions for in-building and certain outdoor wireless environments. In addition to the communications sites in its portfolio, the Company manages rooftop and tower sites for property owners under various contractual arrangements. The Company also holds property interests that it leases to communications service providers and third-party tower operators.

ATC is a holding company that conducts its operations through its directly and indirectly owned subsidiaries and its joint ventures. ATC's principal domestic operating subsidiaries are American Towers LLC and SpectraSite Communications, LLC. ATC conducts its international operations primarily through its subsidiary, American Tower International, Inc., which in turn conducts operations through its various international holding and operating subsidiaries and joint ventures.

On April 21, 2016, the Company significantly expanded its Asia segment portfolio by acquiring a 51% controlling ownership interest in Viom Networks Limited ("Viom"), a telecommunications infrastructure company that owns and operates over 42,000 wireless communications towers and 200 indoor DAS networks in India (the "Viom Acquisition"). Subsequent to the closing, Viom was renamed ATC Telecom Infrastructure Private Limited ("ATC TIPL").

The Company operates as a real estate investment trust for U.S. federal income tax purposes ("REIT"). Accordingly, the Company generally is not subject to U.S. federal income taxes on income generated by its REIT operations, including the income derived from leasing space on its towers, as the Company receives a dividends paid deduction for distributions to stockholders that generally offsets its income and gains. However, the Company remains obligated to pay U.S. federal income taxes on earnings from its domestic taxable REIT subsidiaries ("TRSs"). In addition, the Company's international assets and operations, regardless of their designation for U.S. tax purposes, continue to be subject to taxation in the foreign jurisdictions where those assets are held or those operations are conducted.

The use of TRSs enables the Company to continue to engage in certain businesses while complying with REIT qualification requirements. The Company may, from time to time, change the election of previously designated TRSs to be included as part of the REIT. As of September 30, 2016, the Company's REIT-qualified businesses included its U.S. tower leasing business, most of its operations in Costa Rica, Germany and Mexico and a majority of its services segment and indoor DAS networks business.

The accompanying consolidated and condensed consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. The financial information included herein is unaudited. However, the Company believes that all adjustments considered necessary for a fair presentation of its financial position and results of operations for such periods have been included herein. The consolidated and condensed consolidated financial statements and related notes should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2015 (the "2015 Form 10-K"). The results of operations for the three and nine months ended September 30, 2016 are not necessarily indicative of the results that may be expected for the entire year.

Principles of Consolidation and Basis of Presentation—The accompanying consolidated and condensed consolidated financial statements include the accounts of the Company and those entities in which it has a controlling interest. Investments in entities that the Company does not control are accounted for using the equity or cost method, depending upon the Company's ability to exercise significant influence over operating and financial policies. All intercompany accounts and transactions have been eliminated. As of September 30, 2016, the Company has a controlling interest in two joint ventures in Ghana and Uganda with MTN Group Limited ("MTN Group"). The joint ventures are controlled by a holding company of which a wholly owned subsidiary of the Company holds a 51% interest and a wholly owned subsidiary of MTN Group holds a 49% interest. In addition, the Company holds an approximate 75% controlling interest in a subsidiary of the Company in South Africa and the South African investors hold an approximate 25% noncontrolling interest. The Company also holds a 51% controlling interest in ATC TIPL.

Significant Accounting Policies—The Company's significant accounting policies are described in note 1 to the Company's consolidated financial statements included in the 2015 Form 10-K. There have been no material changes to the Company's significant accounting policies during the nine months ended September 30, 2016.

Accounting Standards Updates—In May 2014, the Financial Accounting Standards Board (the "FASB") issued new revenue recognition guidance, which requires an entity to recognize revenue in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the transfer of promised goods or services to customers. The standard will replace most existing revenue recognition guidance and will become effective for the Company on January 1, 2018. Early adoption is permitted for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2016. The standard permits the use of either the retrospective or cumulative effect transition method. Leases are not included in the scope of this standard. The Company is evaluating the impact this standard will have on its financial statements.

In January 2016, the FASB issued new guidance on the recognition and measurement of financial assets and financial liabilities. The guidance amends certain aspects of recognition, measurement, presentation and disclosure of financial instruments. This standard is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2017. The Company does not expect the adoption of this guidance to have a material effect on its financial statements.

In February 2016, the FASB issued new guidance on the accounting for leases. The guidance amends the existing accounting standards for lease accounting, including the requirement that lessees recognize assets and liabilities for leases with terms greater than twelve months in the statement of financial position. Under the new guidance, lessor accounting is largely unchanged. This guidance is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2018. The standard is required to be applied using a modified retrospective approach for all leases existing at, or entered into after, the beginning of the earliest comparative period presented. The Company is evaluating the impact this standard will have on its financial statements.

In March 2016, the FASB issued new guidance on the accounting for share-based payment transactions. The guidance amends the accounting for taxes related to stock-based compensation, including how excess tax benefits and a company's payments for tax withholdings should be classified. This guidance is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2016. The Company early adopted this standard in the second quarter of 2016 and elected to account for forfeitures as they occur, effective January 1, 2016. The adoption of this guidance was not material to the Company's consolidated financial statements. Additionally, the Company elected to apply the prospective transition method to the amendments related to the presentation of excess tax benefits in the statements of cash flows.

In August 2016, the FASB issued new guidance on certain classifications within the statement of cash flows. The guidance addresses, among other things, how cash receipts and cash payments are presented and classified in the statement of cash flows, including payments for costs related to debt prepayments or extinguishment, as well as payments of contingent consideration after an acquisition. The guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted, including adoption within an interim period. The Company is evaluating the impact this standard will have on its financial statements.

2. PREPAID AND OTHER CURRENT ASSETS

Prepaid and other current assets consisted of the following (in thousands):

	As of	
	September 30, 2016	December 31, 2015
Prepaid operating ground leases	$ 129,515	$ 128,542
Prepaid income tax	109,949	45,056
Unbilled receivables	59,928	34,173
Prepaid assets	54,584	32,892
Value added tax and other consumption tax receivables	24,519	30,239
Other miscellaneous current assets	37,341	35,333
Total	$ 415,836	$ 306,235

3. GOODWILL AND OTHER INTANGIBLE ASSETS

The changes in the carrying value of goodwill for the Company's business segments were as follows (in thousands):

	Property					
	U.S.	Asia (1)	EMEA	Latin America	Services	Total
Balance as of January 1, 2016	$ 3,379,163	$ 170,719	$ 132,570	$ 407,365	$ 1,988	$ 4,091,805
Additions (2)	—	826,735	42,297	5,008	—	874,040
Effect of foreign currency translation	—	(2,890)	(19,703)	53,972	—	31,379
Balance as of September 30, 2016	$ 3,379,163	$ 994,564	$ 155,164	$ 466,345	$ 1,988	$ 4,997,224

(1) Includes approximately $826.7 million of goodwill assumed in the Viom Acquisition (see note 13).
(2) Balances have been revised to reflect purchase accounting measurement period adjustments.

The Company's other intangible assets subject to amortization consisted of the following:

		As of September 30, 2016			As of December 31, 2015		
	Estimated Useful Lives	Gross Carrying Value	Accumulated Amortization	Net Book Value	Gross Carrying Value	Accumulated Amortization	Net Book Value
	(years)	(in thousands)					
Acquired network location intangibles (1)	Up to 20	$ 4,626,477	$ (1,229,177)	$ 3,397,300	$ 3,980,281	$ (1,052,393)	$ 2,927,888
Acquired customer-related intangibles	15-20	10,242,624	(2,115,242)	8,127,382	8,640,554	(1,763,853)	6,876,701
Acquired licenses and other intangibles	3-20	28,332	(4,283)	24,049	28,293	(5,486)	22,807
Economic Rights, TV Azteca	70	19,376	(10,143)	9,233	21,688	(11,208)	10,480
Total other intangible assets		$ 14,916,809	$ (3,358,845)	$ 11,557,964	$ 12,670,816	$ (2,832,940)	$ 9,837,876

(1) Acquired network location intangibles are amortized over the shorter of the term of the corresponding ground lease taking into consideration lease renewal options and residual value or up to 20 years, as the Company considers these intangibles to be directly related to the tower assets.

The acquired network location intangibles represent the value to the Company of the incremental revenue growth that could potentially be obtained from leasing the excess capacity on acquired communications sites. The acquired customer-related intangibles typically represent the value to the Company of customer contracts and relationships in place at the time of an acquisition or similar transaction, including assumptions regarding estimated renewals.

The Company amortizes its acquired network location intangibles and customer-related intangibles on a straight-line basis over their estimated useful lives. As of September 30, 2016, the remaining weighted average amortization period of the Company's intangible assets, excluding the TV Azteca Economic Rights detailed in note 5 to the Company's consolidated financial statements included in the 2015 Form 10-K, was 16 years. Amortization of intangible assets for the three and nine months ended September 30, 2016 was $183.9 million and $521.0 million, respectively, and amortization of intangible assets for the three and nine months ended September 30, 2015 was $154.4 million and $412.5 million, respectively. Based on current exchange rates, the Company expects to record amortization expense as follows over the remaining current year and the five subsequent years (in millions):

Fiscal Year	
Remainder of 2016	$ 179.6
2017	716.2
2018	714.0
2019	711.1
2020	692.3
2021	682.8

4. ACCRUED EXPENSES

Accrued expenses consisted of the following (in thousands):

	As of	
	September 30, 2016	December 31, 2015
Accrued property and real estate taxes	$ 114,839	$ 75,827
Payroll and related withholdings	63,848	62,334
Accrued rent	52,926	54,732
Accrued construction costs	19,517	19,857
Accrued income tax payable	2,480	11,704
Other accrued expenses	318,379	291,959
Total	$ 571,989	$ 516,413

5. LONG-TERM OBLIGATIONS

Outstanding amounts under the Company's long-term obligations, reflecting discounts, premiums and debt issuance costs, consisted of the following (in thousands):

	As of		
	September 30, 2016	December 31, 2015	Maturity Date
Series 2013-1A securities (1)	$ 498,351	$ 497,478	March 15, 2018
Series 2013-2A securities (2)	1,289,872	1,288,689	March 15, 2023
Series 2015-1 notes (3)	346,897	346,262	June 15, 2020
Series 2015-2 notes (4)	519,271	518,776	June 16, 2025
2012 GTP notes (5)	180,846	281,902	March 15, 2019
Unison notes (6)	200,616	201,930	Various
Viom indebtedness (7)	593,491	—	Various
Viom preference shares (8)	25,021	—	Various
Shareholder loans (9)	151,723	145,540	Various
BR Towers debentures (10)	103,194	85,219	October 15, 2023
Colombian credit facility (11)	60,131	59,640	April 24, 2021
South African facility (12)	50,911	53,175	December 17, 2020
Brazil credit facility (13)	38,900	21,868	January 15, 2022
Indian working capital facility (14)	662	8,752	October 31, 2016
Total American Tower subsidiary debt	4,059,886	3,509,231	
2013 Credit Facility	137,692	1,225,000	June 28, 2019
Term Loan	994,553	1,993,601	January 29, 2021
2014 Credit Facility	1,840,000	1,980,000	January 29, 2021
4.500% senior notes	998,357	997,693	January 15, 2018
3.40% senior notes	999,661	999,769	February 15, 2019
7.25% senior notes	296,665	296,242	May 15, 2019
2.800% senior notes	744,557	743,557	June 1, 2020
5.050% senior notes	697,165	697,216	September 1, 2020
3.300% senior notes	744,465	—	February 15, 2021
3.450% senior notes	643,529	642,786	September 15, 2021
5.900% senior notes	497,203	497,188	November 1, 2021
2.250% senior notes	594,903	—	January 15, 2022
4.70% senior notes	695,821	695,374	March 15, 2022
3.50% senior notes	988,820	987,966	January 31, 2023
5.00% senior notes	1,002,816	1,003,453	February 15, 2024
4.000% senior notes	739,717	739,057	June 1, 2025
4.400% senior notes	495,102	—	February 15, 2026
3.375% senior notes	983,007	—	October 15, 2026
3.125% senior notes	396,702	—	January 15, 2027
Total American Tower Corporation debt	14,490,735	13,498,902	
Other debt, including capital lease obligations	128,515	110,876	
Total	18,679,136	17,119,009	
Less current portion of long-term obligations	(242,992)	(50,202)	
Long-term obligations	$ 18,436,144	$ 17,068,807	

(1) Maturity date represents anticipated repayment date; final legal maturity is March 15, 2043.
(2) Maturity date represents anticipated repayment date; final legal maturity is March 15, 2048.
(3) Maturity date represents anticipated repayment date; final legal maturity is June 15, 2045.
(4) Maturity date represents anticipated repayment date; final legal maturity is June 15, 2050.

(5) Secured debt assumed by the Company in connection with its acquisition of MIP Tower Holdings LLC. Maturity date represents anticipated repayment date; final legal maturity is March 15, 2042. During the nine months ended September 30, 2016, the Company repaid the $94.1 million outstanding under the Secured Tower Cellular Site Revenue Notes, Series 2012-1 Class A and released 472 sites in connection with this repayment.
(6) Secured debt assumed by the Company in connection with its acquisition of certain legal entities from Unison Holdings LLC and Unison Site Management II, L.L.C (together, "Unison"). In October 2016, the Company repaid the $67.0 million outstanding under the Secured Cellular Site Revenue Notes, Series 2010-1, Class C. The anticipated repayment date for the remaining series is April 15, 2020; final legal maturity date is April 15, 2040.
(7) Debt primarily assumed by the Company in connection with the Viom Acquisition. Maturity dates begin March 31, 2017. Denominated in Indian Rupees ("INR"). In October 2016, ATC TIPL refinanced 3.6 billion INR ($53.5 million as of September 30, 2016) of Viom assumed indebtedness with borrowings under a new short-term committed loan facility with a borrowing capacity of 5.8 billion INR ($87.1 million as of September 30, 2016) and repaid an additional 1.4 billion INR ($21.0 million as of September 30, 2016) of Viom assumed indebtedness with cash on hand.
(8) Mandatorily redeemable preference shares (the "Preference Shares") classified as debt, assumed by the Company in connection with the Viom Acquisition. The shares are to be redeemed in equal parts on March 26, 2017 and March 26, 2018.
(9) Reflects balances owed to the Company's joint venture partners in Ghana and Uganda. The Ghana loan is denominated in Ghanaian Cedi and the Uganda loan is denominated in U.S. Dollars.
(10) Publicly issued debentures assumed by the Company in connection with its acquisition of BR Towers S.A. Denominated in Brazilian Reais ("BRL").
(11) Denominated in Colombian Pesos and amortizes through April 24, 2021.
(12) Denominated in South African Rand and amortizes through December 17, 2020.
(13) Denominated in BRL.
(14) Denominated in INR. This agreement provides that the maturity date may be extended for additional 30-day periods.

Current portion of long-term obligations—The Company's current portion of long-term obligations includes (i) 7.2 billion INR ($108.4 million) of indebtedness primarily assumed by the Company in connection with the Viom Acquisition, (ii) 0.8 billion INR ($12.5 million) related to Preference Shares and (iii) $67.4 million outstanding under the Secured Cellular Site Revenue Notes, Series 2010-1, Class C (included in the Unison notes) assumed in connection with the acquisition of Unison.

Viom indebtedness—Amounts outstanding and key terms of the Viom indebtedness consisted of the following as of September 30, 2016 (in millions, except percentages):

	Amount Outstanding (INR)	Amount Outstanding (USD)	Interest Rate (Range)	Maturity Date (Range)
Term loans	33,533	$ 503.4	10.50% - 11.20%	March 31, 2017 - November 30, 2024
Debenture	6,000	$ 90.1	9.90%	April 28, 2020
Working capital facilities	—	—	9.85% - 11.80%	October 23, 2016 - March 18, 2017

The Viom indebtedness includes several term loans, ranging from one to ten years, which are generally secured by the borrower's short-term and long-term assets. Each of the term loans bear interest at the applicable bank's Marginal Cost of Funds based Lending Rate or base rate, plus a spread. Interest rates on the term loans are fixed until certain annual reset dates. Generally, the term loans can be repaid without penalty on the annual reset dates; earlier repayments require notice to the lenders and are subject to prepayment penalties, typically of 1% to 2%. Scheduled repayment terms include either ratable or staggered amortization with repayments typically commencing between six and 36 months after the initial disbursement of funds.

The debenture is secured by the borrower's long-term assets, including property and equipment and intangible assets. The debenture bears interest at a base rate plus a spread of 0.6%. The base rate is set in advance for each quarterly coupon period. Should the actual base rate be between 9.75% and 10.25%, the revised base rate is assumed to be 10.00% for purposes of the reset. Additionally, the spread is subject to reset 36 and 48 months from the issuance date of April 27, 2015. The holders of the debenture must reach a consensus on the revised spread and the borrower must redeem all of the debentures held by holders from whom consensus is not achieved. Additionally, the debenture is required to be redeemed by the borrower if it does not maintain a minimum credit rating.

The Viom indebtedness includes several working capital facilities, most of which are subject to annual renewal, which are generally secured by the borrower's short-term and long-term assets. The working capital facilities bear interest at rates that are comprised of base rates plus spreads. Generally, the working capital facilities are payable on demand prior to maturity.

Viom preference shares—As of September 30, 2016, ATC TIPL had 166,666,666 Preference Shares outstanding, which are required to be redeemed in cash. Accordingly, the Company recognized debt of 1.67 billion INR ($25.0 million) related to the Preference Shares outstanding on the consolidated balance sheet.

Unless redeemed earlier, the Preference Shares will be redeemed in two equal installments on March 26, 2017 and March 26, 2018 in an amount equal to ten INR per share along with a redemption premium, as defined in the investment agreement, which equates to a compounded return of 13.5% per annum. ATC TIPL, at its option, may redeem the Preference Shares prior to the aforementioned dates, subject to an additional 2% redemption premium.

Senior Notes Offerings

3.300% Senior Notes and 4.400% Senior Notes Offering—On January 12, 2016, the Company completed a registered public offering of $750.0 million aggregate principal amount of 3.300% senior unsecured notes due 2021 (the “3.300% Notes”) and $500.0 million aggregate principal amount of 4.400% senior unsecured notes due 2026 (the “4.400% Notes”). The net proceeds from this offering were approximately $1,237.2 million, after deducting commissions and estimated expenses. The Company used the proceeds to repay existing indebtedness under its multicurrency senior unsecured revolving credit facility entered into in June 2013, as amended (the “2013 Credit Facility”), and for general corporate purposes.

The 3.300% Notes will mature on February 15, 2021 and bear interest at a rate of 3.300% per annum. The 4.400% Notes will mature on February 15, 2026 and bear interest at a rate of 4.400% per annum. Accrued and unpaid interest on the notes will be payable in U.S. Dollars semi-annually in arrears on February 15 and August 15 of each year, beginning on August 15, 2016. Interest on the notes is computed on the basis of a 360-day year comprised of twelve 30-day months and commenced accruing on January 12, 2016.

3.375% Senior Notes Offering—On May 13, 2016, the Company completed a registered public offering of $1.0 billion aggregate principal amount of 3.375% senior unsecured notes due 2026 (the “3.375% Notes”). The net proceeds from this offering were approximately $981.5 million, after deducting commissions and estimated expenses. The Company used the proceeds to repay existing indebtedness under the 2013 Credit Facility.

The 3.375% Notes will mature on October 15, 2026 and bear interest at a rate of 3.375% per annum. Accrued and unpaid interest on the notes will be payable in U.S. Dollars semi-annually in arrears on April 15 and October 15 of each year, beginning on October 15, 2016. Interest on the notes is computed on the basis of a 360-day year comprised of twelve 30-day months and commenced accruing on May 13, 2016.

2.250% Senior Notes and 3.125% Senior Notes Offering—On September 30, 2016, the Company completed a registered public offering of $600.0 million aggregate principal amount of 2.250% senior unsecured notes due 2022 (the “2.250% Notes”) and $400.0 million aggregate principal amount of 3.125% senior unsecured notes due 2027 (the “3.125% Notes”). The net proceeds from this offering were approximately $990.6 million, after deducting commissions and estimated expenses. The Company used the proceeds to repay existing indebtedness under the Company’s unsecured term loan entered into in October 2013, as amended (the “Term Loan”).

The 2.250% Notes will mature on January 15, 2022 and bear interest at a rate of 2.250% per annum. The 3.125% Notes will mature on January 15, 2027 and bear interest at a rate of 3.125% per annum. Accrued and unpaid interest on the notes will be payable in U.S. Dollars semi-annually in arrears on January 15 and July 15 of each year, beginning on January 15, 2017. Interest on the notes is computed on the basis of a 360-day year comprised of twelve 30-day months and commenced accruing on September 30, 2016. The Company entered into interest rate swaps, which were designated as fair value hedges at inception, to hedge against changes in fair value of the debt under the 2.250% Notes resulting from changes in interest rates. As of September 30, 2016, the interest rate on the 2.250% Notes, after giving effect to the interest rate swap agreements, was 1.75%.

The Company may redeem each series of notes at any time, in whole or in part, at a redemption price equal to 100% of the principal amount of the notes plus a make-whole premium, together with accrued interest to the redemption date. If the Company redeems the 3.300% Notes on or after January 15, 2021, the 4.400% Notes on or after November 15, 2025, the 3.375% Notes on or after July 15, 2026 or the 3.125% Notes on or after October 15, 2026, it will not be required to pay a make-whole premium. In addition, if the Company undergoes a change of control and corresponding ratings decline, each as defined in the applicable supplemental indenture, it may be required to repurchase all of the applicable notes at a purchase price equal to 101% of the principal amount of such notes, plus accrued and unpaid interest (including additional interest, if any), up to but not including the repurchase date. The notes rank equally with all of the Company's other senior unsecured debt and are structurally subordinated to all existing and future indebtedness and other obligations of its subsidiaries.

The supplemental indentures contain certain covenants that restrict the Company's ability to merge, consolidate or sell assets and its (together with its subsidiaries') ability to incur liens. These covenants are subject to a number of exceptions, including that the Company, and its subsidiaries, may incur certain liens on assets, mortgages or other liens securing indebtedness if the aggregate amount of such liens does not exceed 3.5x Adjusted EBITDA, as defined in the applicable supplemental indenture.

Bank Facilities

2013 Credit Facility—During the nine months ended September 30, 2016, the Company borrowed an aggregate of $1.4 billion and repaid an aggregate of $2.5 billion of revolving indebtedness under the 2013 Credit Facility. The Company primarily used the borrowings to fund the Viom Acquisition.

2014 Credit Facility—During the nine months ended September 30, 2016, the Company borrowed an aggregate of $80.0 million and repaid an aggregate of $220.0 million of revolving indebtedness under its senior unsecured revolving credit facility entered into in January 2012 and amended and restated in September 2014, as further amended (the "2014 Credit Facility"). On October 17, 2016, the Company borrowed an additional $140.0 million under the 2014 Credit Facility.

Term Loan—During the nine months ended September 30, 2016, the Company repaid $1.0 billion of indebtedness under the Term Loan.

As of September 30, 2016, the key terms under the 2013 Credit Facility, the 2014 Credit Facility and the Term Loan were as follows:

	Outstanding Principal Balance (in millions)	Undrawn letters of credit (in millions)	Maturity Date	Current margin over LIBOR (1)	Current commitment fee (2)
2013 Credit Facility	$ 137.7	$ 3.2	June 28, 2019 (3)	1.250%	0.150%
2014 Credit Facility	$ 1,840.0	$ 7.4	January 29, 2021 (3)	1.250%	0.150%
Term Loan	$ 1,000.0	$ —	January 29, 2021	1.250%	N/A

(1) LIBOR means the London Interbank Offered Rate.
(2) Fee on undrawn portion of each credit facility.
(3) Subject to two optional renewal periods.

6. FAIR VALUE MEASUREMENTS

The Company determines the fair value of its financial instruments based on the fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Below are the three levels of inputs that may be used to measure fair value:

Level 1	Quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
Level 2	Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
Level 3	Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Items Measured at Fair Value on a Recurring Basis—The fair values of the Company's financial assets and liabilities that are required to be measured on a recurring basis at fair value were as follows (in thousands):

	September 30, 2016		December 31, 2015	
	Fair Value Measurements Using		Fair Value Measurements Using	
	Level 2	Level 3	Level 2	Level 3
Assets:				
Interest rate swap agreements	$ 212	—	$ 692	—
Embedded derivative in lease agreement	—	$ 13,513	—	$ 14,176
Liabilities:				
Acquisition-related contingent consideration	—	$ 21,575	—	$ 12,436

On September 30, 2016, the Company entered into interest rate swap agreements with an aggregate notional value of $600.0 million related to the 2.250% Notes. The interest rate swap agreements require the Company to pay interest at a variable interest rate of one-month LIBOR plus applicable spreads and to receive fixed interest at a rate of 2.250% through January 15, 2022.

During the nine months ended September 30, 2016, the Company has made no changes to the methods described in note 11 to the Company's consolidated financial statements in the 2015 Form 10-K that it used to measure the fair value of its interest rate swap agreements, the embedded derivative in one of its lease agreements and acquisition-related contingent consideration. The changes in fair value during the nine months ended September 30, 2016 and 2015 were not material to the consolidated financial statements. As of September 30, 2016, the Company estimated the value of all potential acquisition-related contingent consideration required payments to be between zero and $47.7 million, which includes $22.2 million related to an acquisition in South Africa that occurred during the three months ended September 30, 2016.

Redeemable Noncontrolling Interests

In connection with the Viom Acquisition, the Company entered into a shareholders' agreement that provides for put options held by certain noncontrolling shareholders. The fair value of the Company's noncontrolling interests reflected on the consolidated balance sheet are determined using a discounted cash flow approach, which takes into consideration Level 3 unobservable inputs and applies a discount factor.

The fair value of the redeemable noncontrolling interests was $1.1 billion at the date of acquisition and was recorded in Redeemable noncontrolling interests in the consolidated balance sheet.

See notes 9 and 13 for more information.

Items Measured at Fair Value on a Nonrecurring Basis

Assets Held and Used—The Company's long-lived assets are recorded at amortized cost and, if impaired, are adjusted to fair value using Level 3 inputs. During the three and nine months ended September 30, 2016 and 2015, the Company did not record any material asset impairment charges.

There were no other items measured at fair value on a nonrecurring basis during the nine months ended September 30, 2016 and 2015.

Fair Value of Financial Instruments—The Company's financial instruments for which the carrying value reasonably approximates fair value at September 30, 2016 and December 31, 2015 include cash and cash equivalents, restricted cash, accounts receivable and accounts payable. The Company's estimates of fair value of its long-term obligations, including the current portion, are based primarily upon reported market values. For long-term debt not actively traded, fair value is estimated using either indicative price quotes or a discounted cash flow analysis using rates for debt with similar terms and maturities. As of September 30, 2016 and December 31, 2015, the carrying value of long-term obligations, including the current portion, was $18.7 billion and $17.1 billion, respectively. As of September 30, 2016, the fair value of long-term obligations, including the current portion, was $19.5 billion, of which $12.3 billion was measured using Level 1 inputs and $7.2 billion was measured using Level 2 inputs. As of December 31, 2015, the fair value of long-term obligations, including the current portion, was $17.4 billion, of which $8.7 billion was measured using Level 1 inputs and $8.7 billion was measured using Level 2 inputs.

7. INCOME TAXES

The Company provides for income taxes at the end of each interim period based on the estimated effective tax rate ("ETR") 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 ETR is determined. As a REIT, the Company continues to be subject to income taxes on the income of its TRSs and income taxes in foreign jurisdictions where it conducts operations. Under the provisions of the Internal Revenue Code of 1986, as amended, the Company may deduct amounts distributed to stockholders against the income generated by its REIT operations. In addition, the Company is able to offset certain income by utilizing its net operating losses, subject to specified limitations.

The Company provides valuation allowances if, based on the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets.

As described in note 1, effective January 1, 2016, the Company adopted new guidance on the accounting for share-based payment transactions. As part of this new guidance, excess windfall tax benefits and tax deficiencies related to the Company's stock option exercises and restricted stock unit vestings are recognized as an income tax benefit or expense in the consolidated statements of operations in the period in which the deduction occurs. Excess windfall tax benefits and tax deficiencies are, therefore, not anticipated when determining the annual ETR and are instead recognized in the interim period in which those items occur.

As of September 30, 2016 and December 31, 2015, the total unrecognized tax benefits that would impact the ETR, if recognized, were approximately $74.7 million and $28.1 million, respectively. The amount of unrecognized tax benefits during the three and nine months ended September 30, 2016 includes additions to the Company's existing tax positions of $8.4 million and $47.7 million (including $23.8 million assumed through acquisition), respectively, and reductions due to the expiration of the statute of limitations in certain jurisdictions of $1.8 million during each of the three and nine months ended September 30, 2016. The Company expects the unrecognized tax benefits to change over the next 12 months if certain tax matters ultimately settle with the applicable taxing jurisdiction during this time frame, as described in note 12 to the Company's consolidated financial statements included in the 2015 Form 10-K. The impact of the amount of these changes to previously recorded uncertain tax positions could range from zero to $12.4 million.

The Company recorded penalties and income tax-related interest expense during the three and nine months ended September 30, 2016 of $1.8 million and $7.0 million, respectively, and during the three and nine months ended September 30, 2015 of $0.7 million and $2.3 million, respectively. In addition, due to the expiration of the statute of limitations in certain jurisdictions, the Company reduced its liability for penalties and income tax-related interest expense related to uncertain tax positions during the three and nine months ended September 30, 2016 by $1.6 million and during the three and nine months ended September 30, 2015 by $3.1 million. As of September 30, 2016 and December 31, 2015, the total amount of accrued income tax related interest and penalties included in the consolidated balance sheets was $24.5 million and $20.2 million, respectively.

8. STOCK-BASED COMPENSATION

Summary of Stock-Based Compensation Plans—The Company maintains equity incentive plans that provide for the grant of stock-based awards to its directors, officers and employees. The 2007 Equity Incentive Plan (the "2007 Plan") provides for the grant of non-qualified and incentive stock options, as well as restricted stock units, restricted stock and other stock-based awards. Exercise prices in the case of non-qualified and incentive stock options are not less than the fair value of the underlying common stock on the date of grant. Equity awards typically vest ratably, generally over four years for time-based restricted stock units ("RSUs") and stock options and three years for performance-based restricted stock units ("PSUs"). Stock options generally expire ten years from the date of grant. As of September 30, 2016, the Company had the ability to grant stock-based awards with respect to an aggregate of 9.5 million shares of common stock under the 2007 Plan. In addition, the Company maintains an employee stock purchase plan ("ESPP") pursuant to which eligible employees may purchase shares of the Company's common stock on the last day of each bi-annual offering period at a 15% discount of the lower of the closing market value on the first or last day of such offering period. The offering periods run from June 1 through November 30 and from December 1 through May 31 of each year.

During the three and nine months ended September 30, 2016 and 2015, the Company recorded and capitalized the following stock-based compensation expenses (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Stock-based compensation expense	$ 20,226	$ 18,345	$ 70,212	$ 72,251
Stock-based compensation expense capitalized as property and equipment	$ 353	$ 495	$ 1,115	$ 1,554

Stock Options—The fair value of each option granted during the nine months ended September 30, 2016 was estimated on the date of grant using the Black-Scholes option pricing model based on the assumptions noted in the table below. The expected life of stock options (estimated period of time outstanding) was estimated using the vesting term and historical exercise behavior of the Company's employees. The risk-free interest rate was based on the U.S. Treasury yield with a term that approximated the estimated life in effect at the accounting measurement date. The expected volatility of the underlying stock price was based on historical volatility for a period equal to the expected life of the stock options. The expected annual dividend yield was the Company's best estimate of expected future dividend yield.

Key assumptions used to apply this pricing model during the nine months ended September 30, 2016 were as follows:

Range of risk-free interest rate	1.00% - 1.73%
Weighted average risk-free interest rate	1.45%
Range of expected life of stock options	4.5 - 5.2 years
Range of expected volatility of the underlying stock price	20.64% - 21.45%
Weighted average expected volatility of underlying stock price	21.45%
Range of expected annual dividend yield	1.85% - 2.40%

The weighted average grant date fair value per share during the nine months ended September 30, 2016 was $14.57. As of September 30, 2016, total unrecognized compensation expense related to unvested stock options was $30.1 million, which is expected to be recognized over a weighted average period of approximately two years.

The Company's option activity for the nine months ended September 30, 2016 was as follows:

	Number of Options
Outstanding as of January 1, 2016	7,680,819
Granted	1,140,366
Exercised	(1,263,309)
Forfeited	(16,320)
Expired	(800)
Outstanding as of September 30, 2016	7,540,756

Restricted Stock Units—As of September 30, 2016, total unrecognized compensation expense related to unvested RSUs granted under the 2007 Plan was $100.6 million and is expected to be recognized over a weighted average period of approximately two years.

Performance-Based Restricted Stock Units—During the nine months ended September 30, 2016, the Company's Compensation Committee granted an aggregate of 169,340 PSUs to its executive officers (the "2016 PSUs") and established the performance metrics for this award. During the nine months ended September 30, 2015, the Company's Compensation Committee granted an aggregate of 70,135 PSUs to its executive officers (the "2015 PSUs") and established the performance metric for this award. Threshold, target and maximum parameters were established for the metrics for a three-year performance period with respect to the 2016 PSUs and for each year in the three-year performance period with respect to the 2015 PSUs and will be used to calculate the number of shares that will be issuable when the award vests, which may range from zero to 200% of the target amount. At the end of the three-year performance period, the number of shares that vest will depend on the degree of achievement against the pre-established performance goals. PSUs will be paid out in common stock at the end of the performance period, subject generally to the executive's continued employment. PSUs will accrue dividend equivalents prior to vesting, which will be paid out only in respect of shares actually vested.

The performance metric related to the 2015 PSUs is tied to year-over-year growth, and actual results for the metric cannot be determined until the end of each respective fiscal year. As a result, as of September 30, 2016, the Company was unable to determine the annual target for the third year of the performance period for this award. Accordingly, an aggregate of 23,377 PSUs was not included in the table below.

Restricted Stock Units and Performance-Based Restricted Stock Units—The Company's RSU and PSU activity for the nine months ended September 30, 2016 was as follows:

	RSUs	PSUs
Outstanding as of January 1, 2016 (1)	1,656,993	33,377
Granted (2)	774,739	192,719
Vested	(641,810)	—
Forfeited	(84,461)	—
Outstanding as of September 30, 2016	1,705,461	226,096

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(1) PSUs represent the shares issuable for the 2015 PSUs at the end of the three-year performance cycle based on exceeding the performance metric for the first year's performance period.
(2) PSUs represent the target number of shares issuable at the end of the three-year performance cycle attributable to the second year's performance period for the 2015 PSUs and the target number of shares issuable at the end of the three-year performance cycle for the 2016 PSUs.

During the three and nine months ended September 30, 2016, the Company recorded $2.3 million and $5.5 million, respectively, in stock-based compensation expense for equity awards in which the performance goals had been established and were probable of being achieved. The remaining unrecognized compensation expense related to these awards at September 30, 2016 was $14.2 million based on the Company's current assessment of the probability of achieving the performance goals. The weighted-average period over which the cost will be recognized is approximately two years.

9. REDEEMABLE NONCONTROLLING INTERESTS

Redeemable Noncontrolling Interests—In connection with the Viom Acquisition, the Company, through one of its subsidiaries, entered into a shareholders agreement (the "Shareholders Agreement") with Viom and the following remaining Viom shareholders: Tata Sons Limited, Tata Teleservices Limited, IDFC Private Equity Fund III, Macquarie SBI Investments Pte Limited and SBI Macquarie Infrastructure Trust (collectively, the "Remaining Shareholders"). The Shareholders Agreement provides for, among other things, put options held by certain of the Remaining Shareholders, which allow the Remaining Shareholders to sell outstanding shares of ATC TIPL, and call options held by the Company, which allow the Company to buy the noncontrolling shares of ATC TIPL. The put options, which are not under the Company's control, cannot be separated from the noncontrolling interests. As a result, the combination of the noncontrolling interests and the redemption feature require classification as redeemable noncontrolling interests in the consolidated balance sheet, separate from equity.

Given the provisions governing the put rights, the redeemable noncontrolling interests are recorded outside of permanent equity at their redemption value. The noncontrolling interests become redeemable after the passage of time, and therefore, the Company records the carrying amount of the noncontrolling interests at the greater of (i) the initial carrying amount, increased or decreased for the noncontrolling interests' share of net income or loss and foreign currency translation adjustments, and (ii) the redemption value. If required, the Company will adjust the redeemable noncontrolling interests to redemption value on each balance sheet date with changes in redemption value recognized as an adjustment to Distributions in excess of earnings.

The put options may be exercised, requiring the Company to purchase the Remaining Shareholders' equity interests, on specified dates beginning April 1, 2018 through March 31, 2021. The price of the put options will be based on the fair market value of the exercising Remaining Shareholder's interest in the Company's India operations at the time the option is exercised. Put options held by certain of the Remaining Shareholders are subject to a floor price of 216 INR per share.

The following is a reconciliation of the changes in the Redeemable noncontrolling interests (in thousands):

Balance as of January 1, 2016	$	—
Fair value at acquisition		1,100,804
Net income attributable to noncontrolling interests		1,536
Foreign currency translation adjustment attributable to noncontrolling interests		(2,138)
Balance as of September 30, 2016	$	1,100,202

10. EQUITY

Series A Preferred Stock—The Company has 6,000,000 shares of its 5.25% Mandatory Convertible Preferred Stock, Series A, par value $0.01 per share (the "Series A Preferred Stock") outstanding, which were issued in May 2014.

Unless converted or redeemed earlier, each share of the Series A Preferred Stock will automatically convert on May 15, 2017, into between 0.9272 and 1.1591 shares of the Company's common stock, depending on the applicable market value of the Company's common stock and subject to anti-dilution adjustments. Subject to certain restrictions, at any time prior to May 15, 2017, holders of the Series A Preferred Stock may elect to convert all or a portion of their shares into common stock at the minimum conversion rate then in effect.

Dividends on shares of the Series A Preferred Stock are payable on a cumulative basis when, as and if declared by the Company's Board of Directors at an annual rate of 5.25% on the liquidation preference of $100.00 per share, on February 15, May 15, August 15 and November 15 of each year, commencing on August 15, 2014 to, and including, May 15, 2017.

Series B Preferred Stock—The Company has 13,750,000 depositary shares, each representing a 1/10th interest in a share of its 5.50% Mandatory Convertible Preferred Stock, Series B, par value $0.01 per share (the "Series B Preferred Stock" and, together with the Series A Preferred Stock, the "Mandatory Convertible Preferred Stock") outstanding, which were issued in March 2015.

Unless converted or redeemed earlier, each share of the Series B Preferred Stock will automatically convert on February 15, 2018, into between 8.5911 and 10.3093 shares of the Company's common stock, depending on the applicable market value of the Company's common stock and subject to anti-dilution adjustments. Subject to certain restrictions, at any time prior to February 15, 2018, holders of the Series B Preferred Stock may elect to convert all or a portion of their shares into common stock at the minimum conversion rate then in effect.

Dividends on shares of the Series B Preferred Stock are payable on a cumulative basis when, as and if declared by the Company's Board of Directors at an annual rate of 5.50% on the liquidation preference of $1,000.00 per share (and, correspondingly, $100.00 per share with respect to the depositary shares) on February 15, May 15, August 15 and November 15 of each year, commencing on May 15, 2015 to, and including, February 15, 2018.

The Company may pay dividends in cash or, subject to certain limitations, in shares of common stock or any combination of cash and shares of common stock. The terms of the Mandatory Convertible Preferred Stock provide that, unless full cumulative dividends have been paid or set aside for payment on all outstanding Mandatory Convertible Preferred Stock for all prior dividend periods, no dividends may be declared or paid on common stock.

Sales of Equity Securities—The Company receives proceeds from the sale of its equity securities pursuant to its ESPP and upon exercise of stock options granted under its equity incentive plan. During the nine months ended September 30, 2016, the Company received an aggregate of $76.6 million in proceeds upon exercises of stock options and from the ESPP.

Distributions—During the nine months ended September 30, 2016, the Company declared or paid the following cash distributions:

Declaration Date	Payment Date	Record Date	Distribution per share	Aggregate Payment Amount (in millions)
Common Stock				
December 3, 2015	January 13, 2016	December 16, 2015	$ 0.49	$ 207.7
March 9, 2016	April 28, 2016	April 12, 2016	$ 0.51	$ 216.5
June 2, 2016	July 15, 2016	June 17, 2016	$ 0.53	$ 225.4
September 16, 2016	October 17, 2016	September 30, 2016	$ 0.55	$ 234.1
Series A Preferred Stock				
January 14, 2016	February 16, 2016	February 1, 2016	$ 1.3125	$ 7.9
April 16, 2016	May 16, 2016	May 1, 2016	$ 1.3125	$ 7.9
July 22, 2016	August 15, 2016	August 1, 2016	$ 1.3125	$ 7.9
Series B Preferred Stock				
January 14, 2016	February 16, 2016	February 1, 2016	$ 13.75	$ 18.9
April 16, 2016	May 16, 2016	May 1, 2016	$ 13.75	$ 18.9
July 22, 2016	August 15, 2016	August 1, 2016	$ 13.75	$ 18.9

The Company accrues distributions on unvested restricted stock units, which are payable upon vesting. As of September 30, 2016, the amount accrued for distributions payable related to unvested restricted stock units was $5.8 million. During the nine months ended September 30, 2016, the Company paid $2.4 million of distributions upon the vesting of restricted stock units. To maintain its qualification for taxation as a REIT, the Company expects to continue paying distributions, the amount, timing and frequency of which will be determined, and subject to adjustment, by the Company’s Board of Directors.

11. EARNINGS PER COMMON SHARE

The following table sets forth basic and diluted net income per common share computational data (in thousands, except per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Net income attributable to American Tower Corporation stockholders	$ 264,509	$ 102,999	$ 727,218	$ 452,372
Dividends on preferred stock	(26,781)	(26,781)	(80,344)	(63,382)
Net income attributable to American Tower Corporation common stockholders	237,728	76,218	646,874	388,990
Basic weighted average common shares outstanding	425,517	423,375	424,831	417,280
Dilutive securities	4,408	3,852	4,188	4,072
Diluted weighted average common shares outstanding	429,925	427,227	429,019	421,352
Basic net income attributable to American Tower Corporation common stockholders per common share	$ 0.56	$ 0.18	$ 1.52	$ 0.93
Diluted net income attributable to American Tower Corporation common stockholders per common share	$ 0.55	$ 0.18	$ 1.51	$ 0.92

Shares Excluded From Dilutive Effect—The following shares were not included in the computation of diluted earnings per share because the effect would be anti-dilutive (in thousands, on a weighted average basis):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Restricted stock awards	—	—	2	—
Stock options	8	1,996	1,619	1,472
Preferred stock	17,473	17,368	17,473	14,724

12. COMMITMENTS AND CONTINGENCIES

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

Verizon Transaction—In March 2015, the Company entered into an agreement with various operating entities of Verizon Communications Inc. (“Verizon”) that provides for the lease, sublease or management of 11,286 wireless communications sites commencing March 27, 2015. The average term of the lease or sublease for all sites at the inception of the agreement was approximately 28 years, assuming renewals or extensions of the underlying ground leases for the sites. The Company has the option to purchase the leased sites in tranches, subject to the applicable lease, sublease or management rights upon its scheduled expiration. Each tower is assigned to an annual tranche, ranging from 2034 to 2047, which represents the outside expiration date for the sublease rights to the towers in that tranche. The purchase price for each tranche is a fixed amount stated in the lease for such tranche plus the fair market value of certain alterations made to the related towers. The aggregate purchase option price for the towers leased and subleased is approximately $5.0 billion. Verizon will occupy the sites as a tenant for an initial term of ten years with eight optional successive five-year terms; each such term shall be governed by standard master lease agreement terms established as a part of the transaction.

AT&T Transaction—The Company has an agreement with SBC Communications Inc., a predecessor entity to AT&T Inc. (“AT&T”), that currently provides for the lease or sublease of approximately 2,370 towers commencing between

December 2000 and August 2004. Substantially all of the towers are part of the Company's 2013 securitization transaction. The average term of the lease or sublease for all sites at the inception of the agreement was approximately 27 years, assuming renewals or extensions of the underlying ground leases for the sites. The Company has the option to purchase the sites subject to the applicable lease or sublease upon its expiration. Each tower is assigned to an annual tranche, ranging from 2013 to 2032, which represents the outside expiration date for the sublease rights to that tower. The purchase price for each site is a fixed amount stated in the lease for that site plus the fair market value of certain alterations made to the related tower by AT&T. As of September 30, 2016, the Company has purchased an aggregate of 60 of the subleased towers upon expiration of the applicable agreement. The aggregate purchase option price for the remaining towers leased and subleased is $748.3 million and will accrete at a rate of 10% per annum through the applicable expiration of the lease or sublease of a site. For all such sites purchased by the Company prior to June 30, 2020, AT&T will continue to lease the reserved space at the then-current monthly fee, which shall escalate in accordance with the standard master lease agreement for the remainder of AT&T's tenancy. Thereafter, AT&T shall have the right to renew such lease for up to four successive five-year terms. For all such sites purchased by the Company subsequent to June 30, 2020, AT&T has the right to continue to lease the reserved space for successive one-year terms at a rent equal to the lesser of the agreed upon market rate or the then-current monthly fee, which is subject to an annual increase based on changes in the U.S. Consumer Price Index.

ALLTEL Transaction—In December 2000, the Company entered into an agreement with ALLTEL, a predecessor entity to Verizon Wireless, to acquire towers through a 15-year sublease agreement. Pursuant to the agreement, as amended, with Verizon Wireless, the Company acquired rights to approximately 1,800 towers in tranches between April 2001 and March 2002. The Company has the option to purchase each tower at the expiration of the applicable sublease. The Company exercised the purchase options for approximately 1,525 towers in a single closing to occur on or before November 30, 2016. The Company has provided notice to the tower owner of its intent to exercise the purchase options related to the remaining towers. As of September 30, 2016, the purchase price per tower was $42,844 payable in cash or, at Verizon Wireless's or its assignee's option, as applicable, with 769 shares of the Company's common stock per tower. The aggregate cash purchase option price for the subleased towers was $75.7 million as of September 30, 2016.

Other Contingencies—The Company is subject to income tax and other taxes in the geographic areas where it operates, and periodically receives notifications of audits, assessments or other actions by taxing authorities. The Company evaluates the circumstances of each notification based on the information available and records a liability for any potential outcome that is probable or more likely than not unfavorable if the liability is also reasonably estimable.

Tenant Leases—The Company's lease agreements with its tenants vary depending upon the region and the industry of the tenant, and typically have initial terms of ten years with multiple renewal terms at the option of the tenant.

Future minimum rental receipts expected from tenants under non-cancellable operating lease agreements in effect at September 30, 2016 were as follows (in millions):

Remainder of 2016	$	1,271
2017		4,710
2018		4,543
2019		4,269
2020		3,916
Thereafter		13,825
Total	$	32,534

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

Future minimum rental payments under non-cancellable operating leases include payments for certain renewal periods at the Company's option because failure to renew could result in a loss of the applicable communications sites and related revenues from tenant leases, thereby making it reasonably assured that the Company will renew the leases. Such payments at September 30, 2016 are as follows (in millions):

Remainder of 2016	$	244
2017		912
2018		886
2019		854
2020		815
Thereafter		7,370
Total	$	11,081

13. ACQUISITIONS

Impact of current year acquisitions—The Company typically acquires communications sites from wireless carriers or other tower operators and subsequently integrates those sites into its existing portfolio of communications sites. The financial results of the Company’s acquisitions have been included in the Company’s consolidated statements of operations for the three and nine months ended September 30, 2016 from the date of the respective acquisition. The date of acquisition, and by extension the point at which the Company begins to recognize the results of an acquisition, may depend on, among other things, the receipt of contractual consents, the commencement and extent of leasing arrangements and the timing of the transfer of title or rights to the assets, which may be accomplished in phases. Sites acquired from communications service providers may never have been operated as a business and may instead have been utilized solely by the seller as a component of its network infrastructure. An acquisition may or may not involve the transfer of business operations or employees.

The estimated aggregate impact of the 2016 acquisitions on the Company’s revenues and gross margin for the three months ended September 30, 2016 was approximately $208.1 million and $87.9 million, respectively, and the estimated aggregate impact for the nine months ended September 30, 2016 was approximately $366.1 million and $153.1 million, respectively. The revenues and gross margin amounts also reflect incremental revenues from the addition of new tenants to such sites subsequent to the transaction date.

For those acquisitions accounted for as business combinations, the Company recognizes acquisition and merger related expenses in the period in which they are incurred and services are received. Acquisition and merger related expenses may include finder’s fees, advisory, legal, accounting, valuation and other professional or consulting fees, fair value adjustments to contingent consideration and general administrative costs directly related to the transaction. Integration costs include incremental and non-recurring costs necessary to convert data, retain employees and otherwise enable the Company to operate new businesses efficiently. The Company records acquisition and merger related expenses, as well as integration costs, in Other operating expenses in the consolidated statements of operations.

During the three and nine months ended September 30, 2016 and 2015, the Company recorded acquisition and merger related expenses and integration costs as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Acquisition and merger related expenses	$ 1,124	$ 8,587	$ 7,844	$ 16,574
Integration costs	$ 1,846	$ 5,938	$ 8,351	$ 12,218

The acquisitions described below are accounted for as business combinations and are consistent with the Company's strategy to expand in selected geographic areas.

2016 Acquisitions

Viom Acquisition—On April 21, 2016, the Company, through its wholly owned subsidiary, ATC Asia Pacific Pte. Ltd. ("ATC Asia"), acquired a 51% controlling ownership interest in Viom, a telecommunications infrastructure company that owns and operates over 42,000 wireless communications towers and 200 indoor DAS networks in India, from certain Viom shareholders, including the managing shareholder, SREI Infrastructure Finance Limited, several other minority shareholders and Tata Teleservices Limited, pursuant to its previously announced share purchase agreement. Consideration for the acquisition included 76.4 billion INR in cash ($1.1 billion at the date of acquisition), as well as the assumption of approximately 52.3 billion INR ($0.8 billion at the date of acquisition) of existing debt, which included 1.7 billion INR ($25.1 million at the date of acquisition) of mandatorily redeemable preference shares issued by Viom.

On April 21, 2016, the closing date of the Viom Acquisition, ATC Asia's Shareholders Agreement with the Remaining Shareholders became effective. The Shareholders Agreement provides that, among other things, the Remaining Shareholders will have certain governance, anti-dilution and contractual rights. The Remaining Shareholders will have put options, and ATC Asia will have a call option, subject to the time periods and conditions outlined in the Shareholders Agreement.

Other Acquisitions—During the nine months ended September 30, 2016, the Company acquired a total of 784 communications sites in the United States, Brazil, Germany, Nigeria and South Africa for an aggregate purchase price of $185.6 million (including contingent consideration of $8.7 million). Of the total purchase price, $2.1 million is reflected in Accounts payable in the condensed consolidated balance sheet as of September 30, 2016. The purchase prices of certain transactions are subject to post-closing adjustments.

The following table summarizes the preliminary allocation of the purchase price for the fiscal year 2016 acquisitions based upon their estimated fair value at the date of acquisition (in thousands). Balances are reflected in the accompanying consolidated balance sheet as of September 30, 2016.

	Asia	
	Viom	Other
Current assets	$ 281,888	$ 12,619
Non-current assets	37,737	145
Property and equipment	707,560	46,026
Intangible assets (1):		
Customer-related intangible assets	1,435,164	86,779
Network location intangible assets	691,484	21,258
Current liabilities	(181,101)	(7,701)
Deferred tax liability	(657,810)	(14,290)
Other non-current liabilities	(105,458)	(6,477)
Net assets acquired	2,209,464	138,359
Goodwill (2)	826,735	47,200
Fair value of net assets acquired	3,036,199	185,559
Debt assumed	(786,889)	—
Redeemable noncontrolling interests	(1,100,804)	—
Purchase Price	$ 1,148,506	$ 185,559

(1) Customer-related intangible assets and network location intangible assets are amortized on a straight-line basis over periods of up to 20 years.
(2) Primarily results from purchase accounting adjustments, which are not deductible for tax purposes in any foreign jurisdiction.

2015 Acquisitions

The estimates of the fair value of the assets or rights acquired and liabilities assumed at the date of the applicable acquisition are subject to adjustment during the measurement period (up to one year from the applicable acquisition date). During the nine months ended September 30, 2016, the Company adopted new guidance on the accounting for measurement-period adjustments related to business combinations. This guidance requires that an acquirer make adjustments to the provisional amounts recognized at acquisition date with a corresponding adjustment to goodwill in the current period. Additionally, the effects on earnings of all measurement-period adjustments are included in current period earnings.

During the nine months ended September 30, 2016, post-closing adjustments impacted the following 2015 acquisitions:

TIM Acquisition—On April 29, 2015, the Company acquired 4,176 communications sites from TIM Celular S.A. ("TIM") for an initial aggregate purchase price of $644.3 million, which was subsequently reduced by $0.8 million during the nine months ended September 30, 2016. On September 30, 2015, the Company acquired an additional 1,125 communications sites from TIM for an initial aggregate purchase price of $130.9 million. On December 16, 2015, the Company acquired an additional 182 communications sites from TIM for an initial aggregate purchase price of $21.7 million. The purchase price for the December 2015 TIM acquisition remains subject to post-closing adjustments. Pursuant to the terms of the agreement, the Company has the ability to purchase the remaining communications sites as they become available through October 2016, a portion of which was acquired during the nine months ended September 30, 2016.

Other—The initial aggregate purchase price of other 2015 acquisitions was subsequently reduced by $0.2 million during the nine months ended September 30, 2016.

The following table summarizes the preliminary and updated allocations of the purchase prices paid and the amounts of assets acquired and liabilities assumed for the fiscal year 2015 acquisitions based upon their estimated fair value at the date of acquisition (in thousands).

	Preliminary Allocation		Updated Allocation	
	Latin America		Latin America	
	TIM	Other	TIM (1)	Other
Current assets	$ —	$ 1,113	$ —	$ 1,113
Non-current assets	—	995	—	995
Property and equipment	275,630	42,716	274,530	42,716
Intangible assets (2):				
Customer-related intangible assets	361,822	63,001	361,765	62,832
Network location intangible assets	115,562	37,691	115,795	37,691
Current liabilities	(3,192)	(624)	(3,192)	(624)
Deferred tax liability	—	—	—	—
Other non-current liabilities	(74,966)	(4,028)	(74,966)	(4,028)
Net assets acquired	674,856	140,864	673,932	140,695
Goodwill	122,011	24,011	122,116	24,011
Fair value of net assets acquired	796,867	164,875	796,048	164,706
Debt assumed	—	—	—	—
Purchase Price	$ 796,867	$ 164,875	$ 796,048	$ 164,706

(1) The allocation of the purchase price related to the 5,301 communications sites acquired from TIM on April 29, 2015 and September 30, 2015 was finalized during the nine months ended September 30, 2016.
(2) Customer-related intangible assets and network location intangible assets are amortized on a straight-line basis over periods of up to 20 years.

Pro Forma Consolidated Results

The following table presents the unaudited pro forma financial results as if the 2016 acquisitions had occurred on January 1, 2015 and acquisitions completed in 2015 had occurred on January 1, 2014. The pro forma results do not include any anticipated cost synergies, costs or other integration impacts. Accordingly, such pro forma amounts are not necessarily indicative of the results that actually would have occurred had the transactions been completed on the date indicated, nor are they indicative of the future operating results of the Company.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Pro forma revenues	$ 1,517,197	$ 1,449,460	$ 4,498,458	$ 4,372,304
Pro forma net income attributable to American Tower Corporation common stockholders	$ 238,364	$ 72,885	$ 643,780	$ 346,097
Pro forma net income per common share amounts:				
Basic net income attributable to American Tower Corporation common stockholders	$ 0.56	$ 0.17	$ 1.52	$ 0.82
Diluted net income attributable to American Tower Corporation common stockholders	$ 0.55	$ 0.17	$ 1.50	$ 0.81

Other Signed Acquisitions

Airtel Tanzania—On March 17, 2016, the Company entered into a definitive agreement with Airtel, through its subsidiary company Airtel Tanzania Limited ("Airtel Tanzania"), pursuant to which the Company may acquire approximately 1,350 of Airtel Tanzania's communications sites in Tanzania, for total consideration of approximately $179.0 million, subject to customary adjustments. Under the definitive agreement, the Company may pay additional consideration to acquire up to approximately 100 additional communications sites currently in development. The closing of this transaction is subject to customary closing conditions. In light of recent legislation in Tanzania, the Company is negotiating potential adjustments to the definitive agreement in the event a waiver of such legislation is not obtained.

14. BUSINESS SEGMENTS

In 2015, as a result of recent investment activity, including signed acquisitions, the Company reviewed and changed its reportable segments to divide its international segment into three regional segments: (i) Asia property, (ii) Europe, Middle East and Africa ("EMEA") property and (iii) Latin America property, resulting in five total segments. The change in reportable segments had no impact on the Company's consolidated and condensed consolidated financial statements for any periods. However, certain expenses previously reflected in segment selling, general, administrative and development expense have been reclassified and are now reflected as Other selling, general, administrative and development expense. Historical financial information included in this Quarterly Report on Form 10-Q has been adjusted to reflect the change in reportable segments.

The Company's primary business is leasing space on multitenant communications sites to wireless service providers, radio and television broadcast companies, wireless data providers, government agencies and municipalities and tenants in a number of other industries. This business is referred to as the Company's property operations, which as of September 30, 2016, consisted of the following:

- U.S.: property operations in the United States;
- Asia: property operations in India;
- EMEA: property operations in Germany, Ghana, Nigeria, South Africa and Uganda; and
- Latin America: property operations in Brazil, Chile, Colombia, Costa Rica, Mexico and Peru.

The Company has applied the aggregation criteria to operations within the EMEA and Latin America property operating segments on a basis that is consistent with management's review of information and performance evaluations of these regions.

The Company’s services segment offers tower-related services in the United States, including site acquisition, zoning and permitting services and structural analysis services, which primarily support its site leasing business, including the addition of new tenants and equipment on its sites. The services segment is a strategic business unit that offers different services from, and requires different resources, skill sets and marketing strategies than, the property operating segments.

The accounting policies applied in compiling segment information below are similar to those described in note 1 to the Company’s consolidated financial statements included in the 2015 Form 10-K. Among other factors, in evaluating financial performance in each business segment, management uses segment gross margin and segment operating profit. The Company defines segment gross margin as segment revenue less segment operating expenses excluding stock-based compensation expense recorded in costs of operations; Depreciation, amortization and accretion; Selling, general, administrative and development expense; and Other operating expenses. The Company defines segment operating profit as segment gross margin less Selling, general, administrative and development expense attributable to the segment, excluding stock-based compensation expense and corporate expenses. For reporting purposes, the Latin America property segment gross margin and segment operating profit also include Interest income, TV Azteca, net. These measures of segment gross margin and segment operating profit are also before Interest income, Interest expense, Gain (loss) on retirement of long-term obligations, Other income (expense), Net income (loss) attributable to noncontrolling interests and Income tax benefit (provision). The categories of expenses indicated above, such as depreciation, have been excluded from segment operating performance as they are not considered in the review of information or the evaluation of results by management. There are no significant revenues resulting from transactions between the Company’s operating segments. All intercompany transactions are eliminated to reconcile segment results and assets to the consolidated statements of operations and consolidated balance sheets.

Summarized financial information concerning the Company’s reportable segments for the three and nine months ended September 30, 2016 and 2015 is shown in the following tables. The “Other” column (i) represents amounts excluded from specific segments, such as business development operations, stock-based compensation expense and corporate expenses included in Selling, general, administrative and development expense; Other operating expenses; Interest income; Interest expense; Gain (loss) on retirement of long-term obligations; and Other income (expense), and (ii) reconciles segment operating profit to Income from continuing operations before income taxes, as the amounts are not utilized in assessing each segment’s performance.

Three Months Ended September 30, 2016	Property				Total Property	Services	Other	Total
	U.S.	Asia	EMEA	Latin America				
	(in thousands)							
Segment revenues	$ 837,002	$ 269,907	$ 130,664	$ 260,363	$ 1,497,936	$ 16,909		$ 1,514,845
Segment operating expenses (1)	188,777	154,139	53,787	88,396	485,099	5,540		490,639
Interest income, TV Azteca, net	—	—	—	2,742	2,742	—		2,742
Segment gross margin	648,225	115,768	76,877	174,709	1,015,579	11,369		1,026,948
Segment selling, general, administrative and development expense (1)	35,526	15,030	12,958	15,454	78,968	2,726		81,694
Segment operating profit	$ 612,699	$ 100,738	$ 63,919	$ 159,255	$ 936,611	$ 8,643		$ 945,254
Stock-based compensation expense							$ 20,226	20,226
Other selling, general, administrative and development expense							30,215	30,215
Depreciation, amortization and accretion							397,999	397,999
Other expense (2)							211,042	211,042
Income from continuing operations before income taxes								$ 285,772
Total assets	$ 18,837,629	$ 4,612,766	$ 2,120,592	$ 4,885,066	$ 30,456,053	$ 60,810	$ 138,664	$ 30,655,527

(1) Segment operating expenses and segment selling, general, administrative and development expenses exclude stock-based compensation expense of $0.6 million and $19.6 million, respectively.
(2) Primarily includes interest expense.

Three Months Ended September 30, 2015	Property				Total Property	Services	Other	Total
	U.S.	Asia	EMEA	Latin America				
	(in thousands)							
Segment revenues	$ 807,978	$ 61,563	$ 124,545	$ 218,763	$ 1,212,849	$ 25,061		$ 1,237,910
Segment operating expenses (1)	187,368	32,629	57,492	78,197	355,686	9,208		364,894
Interest income, TV Azteca, net	—	—	—	2,993	2,993	—		2,993
Segment gross margin	620,610	28,934	67,053	143,559	860,156	15,853		876,009
Segment selling, general, administrative and development expense (1)	31,374	5,824	13,009	14,296	64,503	3,730		68,233
Segment operating profit	$ 589,236	$ 23,110	$ 54,044	$ 129,263	$ 795,653	$ 12,123		$ 807,776
Stock-based compensation expense							$ 18,345	18,345
Other selling, general, administrative and development expense (2)							28,749	28,749
Depreciation, amortization and accretion							341,096	341,096
Other expense (3)							227,611	227,611
Income from continuing operations before income taxes								$ 191,975
Total assets (4)	$ 19,353,820	$ 746,355	$ 2,301,888	$ 4,301,308	$ 26,703,371	$ 70,006	$ 153,411	$ 26,926,788

(1) Segment operating expenses and segment selling, general, administrative and development expenses exclude stock-based compensation expense of $0.5 million and $17.9 million, respectively.
(2) Includes $1.6 million of expense previously recorded as segment selling, general, administrative and development expense.
(3) Primarily includes interest expense.
(4) $12.0 million of assets previously recorded within the Asia, EMEA, and Latin America Property segments have been reclassified to the Other segment.

Nine Months Ended September 30, 2016	Property				Total Property	Services	Other	Total
	U.S.	Asia	EMEA	Latin America				
	(in thousands)							
Segment revenues	$ 2,518,426	$ 557,734	$ 395,066	$ 720,553	$ 4,191,779	$ 54,340		$ 4,246,119
Segment operating expenses (1)	548,875	315,074	167,908	247,204	1,279,061	21,429		1,300,490
Interest income, TV Azteca, net	—	—	—	8,206	8,206	—		8,206
Segment gross margin	1,969,551	242,660	227,158	481,555	2,920,924	32,911		2,953,835
Segment selling, general, administrative and development expense (1)	107,533	36,376	45,795	45,069	234,773	8,988		243,761
Segment operating profit	$ 1,862,018	$ 206,284	$ 181,363	$ 436,486	$ 2,686,151	$ 23,923		$ 2,710,074
Stock-based compensation expense							$ 70,212	70,212
Other selling, general, administrative and development expense							93,016	93,016
Depreciation, amortization and accretion							1,137,398	1,137,398
Other expense (2)							577,271	577,271
Income from continuing operations before income taxes								$ 832,177

(1) Segment operating expenses and segment selling, general, administrative and development expenses exclude stock-based compensation expense of $1.9 million and $68.3 million, respectively.
(2) Primarily includes interest expense.

Nine Months Ended September 30, 2015	Property				Total Property	Services	Other	Total
	U.S.	Asia	EMEA	Latin America				
	(in thousands)							
Segment revenues	$ 2,328,699	$ 178,699	$ 270,754	$ 651,112	$ 3,429,264	$ 62,211		$ 3,491,475
Segment operating expenses (1)	502,572	93,917	110,205	221,712	928,406	22,527		950,933
Interest income, TV Azteca, net	—	—	—	8,251	8,251	—		8,251
Segment gross margin	1,826,127	84,782	160,549	437,651	2,509,109	39,684		2,548,793
Segment selling, general, administrative and development expense (1)	89,439	17,133	33,820	44,548	184,940	10,605		195,545
Segment operating profit	$ 1,736,688	$ 67,649	$ 126,729	$ 393,103	$ 2,324,169	$ 29,079		$ 2,353,248
Stock-based compensation expense							$ 72,251	72,251
Other selling, general, administrative and development expense (2)							88,218	88,218
Depreciation, amortization and accretion							932,972	932,972
Other expense (3)							677,332	677,332
Income from continuing operations before income taxes								$ 582,475

(1) Segment operating expenses and segment selling, general, administrative and development expenses exclude stock-based compensation expense of $1.6 million and $70.7 million, respectively.
(2) Includes $3.8 million of expense previously recorded as segment selling, general, administrative and development expense.
(3) Primarily includes interest expense and loss on retirement of long-term obligations.

15. SUBSEQUENT EVENTS

On October 21, 2016, the Company entered into a definitive agreement to form a joint venture (“ATC Europe”) with PGGM. The joint venture will focus on pursuing telecommunications real estate investment opportunities in select countries on the continent. At closing, the Company will contribute its German assets into ATC Europe and PGGM will acquire a 49% interest in ATC Europe for a purchase price of 248.2 million Euro ($270.2 million as of October 21, 2016), subject to various adjustments at closing. The Company will retain operational control and day-to-day oversight of ATC Europe.

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,” “forecast,” “estimate,” “intend,” “should,” “would,” “could,” “may” or other words that convey uncertainty of future events or outcomes, 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 under the caption “Risk Factors” in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2015 (the “2015 Form 10-K”). 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 follow are based upon our consolidated and condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”). The preparation of our financial statements requires us to make estimates and assumptions 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 from these estimates and such differences could be material to our financial statements. This discussion should be read in conjunction with our consolidated and condensed consolidated financial statements herein and the accompanying notes thereto, information set forth under the caption “Critical Accounting Policies and Estimates” in the 2015 Form 10-K, and in particular, the information set forth therein under Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Overview

We are one of the largest global real estate investment trusts and a leading independent owner, operator and developer of multitenant communications real estate. Our primary business is the leasing of space on communications sites to wireless service providers, radio and television broadcast companies, wireless data providers, government agencies and municipalities and tenants in a number of other industries. In addition to the communications sites in our portfolio, we manage rooftop and tower sites for property owners under various contractual arrangements. We also hold property interests that we lease to communications service providers and third-party tower operators. We refer to this business as our property operations, which accounted for 99% of our total revenues for the nine months ended September 30, 2016 and includes our U.S. property segment, Asia property segment, Europe, Middle East and Africa (“EMEA”) property segment and Latin America property segment.

Through our services segment, we offer tower-related services, including site acquisition, zoning and permitting and structural analysis services, which primarily support our site leasing business, including the addition of new tenants and equipment on our sites.

On April 21, 2016, we acquired a 51% controlling ownership interest in Viom Networks Limited (“Viom”), a telecommunications infrastructure company that owns and operates over 42,000 wireless communications towers and 200 indoor distributed antenna system (“DAS”) networks in India (the “Viom Acquisition”). Subsequent to the closing, Viom was renamed ATC Telecom Infrastructure Private Limited (“ATC TIPL”). The results of operations for ATC TIPL have been included since the date of acquisition.

The following table details the number of communications sites, excluding managed sites, that we owned or operated as of September 30, 2016:

	Number of Owned Towers	Number of Operated Towers (1)	Number of Owned DAS Sites
U.S.	21,857	18,221	341
Asia:			
India	57,739	—	248
EMEA:			
Germany	2,197	—	—
Ghana	2,137	—	18
Nigeria	4,729	—	—
South Africa	2,309	—	—
Uganda	1,393		
EMEA total	12,765	—	18
Latin America:			
Brazil	16,134	2,268	65
Chile	1,213	—	7
Colombia	3,066	706	1
Costa Rica	484	—	1
Mexico	8,607	199	64
Peru	635	—	—
Latin America total	30,139	3,173	138

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(1) Approximately 96% of the operated towers are held pursuant to long-term capital leases, including those subject to purchase options.

We operate in five reportable segments: U.S. property, Asia property, EMEA property, Latin America property and services. In evaluating operating performance in each business segment, management uses, among other factors, segment gross margin and segment operating profit (see note 14 to our consolidated and condensed consolidated financial statements included herein).

In the section that follows, we provide information regarding management's expectations of long-term drivers of demand for our communications sites, as well as our current results of operations, financial position and sources and uses of liquidity. In addition, we highlight key trends, which management believes provide valuable insight into our operating and financial resource allocation decisions.

Revenue Growth. The primary factors affecting the revenue growth in our property segments are:

- Growth in tenant billings, including:
  - New revenue attributable to leases in place at the commencement of operations on sites acquired or constructed since the beginning of the prior-year period;
  - Contractual rent escalations on existing tenant leases, net of churn (as defined below); and
  - New revenue attributable to leasing additional space on our sites ("colocations") and lease amendments.
- Revenue growth from other items, including additional tenant payments to cover costs, such as ground rent or power and fuel costs ("pass-through") included in certain tenant leases, straight-line revenue and decommissioning.

Due to our diversified communications site portfolio, our tenant lease rates vary considerably depending upon numerous factors, including, but not limited to, the amount and type of tenant equipment on the tower, remaining tower capacity and tower location. We measure the remaining tower capacity by assessing several factors, including tower height, tower type, environmental conditions, existing equipment on the tower and zoning and permitting regulations in effect in the jurisdiction where the tower is located. In many instances, tower capacity can be increased with relatively modest tower augmentation expenditures.

The majority of our tenant leases with wireless carriers have an initial non-cancellable term of at least ten years, with multiple renewal terms. Accordingly, nearly all of the revenue generated by our property operations during the three and nine months ended September 30, 2016 was recurring revenue that we should continue to receive in future periods. Based upon foreign currency exchange rates and the tenant leases in place as of September 30, 2016, we expect to generate over $32 billion of non-cancellable tenant lease revenue over future periods, absent the impact of straight-line lease accounting. Most of our tenant leases have provisions that periodically increase the rent due under the lease, typically based on an annual fixed escalation (averaging approximately 3% in the United States) or an inflationary index in our international markets, or a combination of both. In addition, certain of our tenant leases provide for additional revenue to cover costs, such as ground rent or power and fuel costs.

The revenues generated by our property operations may be affected by cancellations of existing tenant leases. As discussed above, most of our tenant leases with wireless carriers and broadcasters are multiyear contracts, which typically are non-cancellable; however, in some instances, a lease may be cancelled upon the payment of a termination fee.

Revenue lost from either cancellations or the non-renewal of leases or rent negotiations historically has not had a material adverse effect on the revenues generated by our property operations. We define churn as revenue lost when a tenant cancels or does not renew its lease or, in limited circumstances, when the lease rates on existing leases are reduced. We derive our churn rate for a given period by dividing our revenue lost on this basis by our prior-year period property segment revenue. During the nine months ended September 30, 2016, churn represented approximately 1.3% of our property operations revenue.

Demand Drivers. We continue to believe that our site leasing revenue is likely to increase due to the growing use of wireless services and our ability to meet the corresponding incremental demand for our wireless real estate. By adding new tenants and new equipment for existing tenants on our sites, we are able to increase these sites' utilization and profitability. We believe the majority of our site leasing activity will continue to come from wireless service providers. Our site portfolio and our established tenant base provides us with new business opportunities, which have historically resulted in consistent and predictable organic revenue growth as wireless carriers seek to increase the coverage and capacity of their existing networks, while also deploying next generation wireless technologies. In addition, we intend to continue to supplement our organic growth by selectively developing or acquiring new sites in our existing and new markets where we can achieve our risk-adjusted return on investment objectives.

Consistent with our strategy to increase the utilization and return on investment of our sites, our objective is to add new tenants and new equipment for existing tenants through colocation and lease amendments. Our ability to lease additional space on our sites is primarily a function of the rate at which wireless carriers deploy capital to improve and expand their wireless networks. This rate, in turn, is influenced by the growth of wireless services, the penetration of advanced wireless devices, the financial performance of our tenants and their access to capital and general economic conditions.

Based on industry research and projections, we expect that a number of key industry trends will result in incremental revenue opportunities for us:

- In less advanced wireless markets where initial voice and data networks are still being deployed, we expect these deployments to drive demand for our tower space as carriers seek to expand their footprints and increase the scope and density of their networks. We have established operations in many of these markets at the early stages of wireless development, which we believe will enable us to meaningfully participate in these deployments.
- Subscribers' use of wireless data continues to grow rapidly given increasing smartphone and other advanced device penetration, the proliferation of bandwidth-intensive applications on these devices and the continuing evolution of the mobile ecosystem. We believe carriers will be compelled to deploy additional equipment on

existing networks while also rolling out more advanced wireless networks to address coverage and capacity needs resulting from this increasing wireless data usage.

- The deployment of advanced wireless technology across existing wireless networks will provide higher speed data services and further enable fixed broadband substitution. As a result, we expect that our tenants will continue deploying additional equipment across their existing networks.
- Wireless service providers compete based on the quality of their existing wireless networks, which is driven by capacity and coverage. To maintain or improve their network performance as overall network usage increases, our tenants continue deploying additional equipment across their existing sites while also adding new cell sites. We anticipate increasing network densification over the next several years, as existing network infrastructure is anticipated to be insufficient to account for rapidly increasing levels of wireless data usage.
- Wireless service providers continue to acquire additional spectrum, and as a result are expected to add additional sites and equipment to their networks as they seek to optimize their network configuration and utilize additional spectrum.

As part of our international expansion initiatives, we have targeted markets in various stages of network development to diversify our international exposure and position us to benefit from a number of different wireless technology deployments over the long term. In addition, we have focused on building relationships with large multinational carriers such as Bharti Airtel Limited (“Airtel”), Telefónica S.A. and Vodafone Group PLC. We believe that consistent carrier investments in their networks across our international markets position us to generate meaningful organic revenue growth going forward.

In emerging markets, such as Ghana, India, Nigeria and Uganda, wireless networks tend to be significantly less advanced than those in the United States, and initial voice networks continue to be deployed in underdeveloped areas. A majority of consumers in these markets still utilize basic wireless services, predominantly on feature phones, while advanced device penetration remains low.

In more developed urban locations within these markets, early-stage data network deployments are underway. Carriers are focused on completing voice network build-outs while also investing in initial data networks as wireless data usage and smartphone penetration within their customer bases begin to accelerate.

In markets with rapidly evolving network technology, such as South Africa and most of the countries in Latin America where we do business, initial voice networks, for the most part, have already been built out, and carriers are focused on third generation (3G) and fourth generation (4G) network build outs. Consumers in these regions are increasingly adopting smartphones and other advanced devices, and, as a result, the usage of bandwidth-intensive mobile applications is growing materially. Recent spectrum auctions in these rapidly evolving markets have allowed incumbent carriers to accelerate their data network deployments and have also enabled new entrants to begin initial investments in data networks. Smartphone penetration and wireless data usage in these markets are growing rapidly, which typically requires that carriers continue to invest in their networks in order to maintain and augment their quality of service.

Finally, in markets with more mature network technology, such as Germany, carriers are focused on deploying 4G data networks to account for rapidly increasing wireless data usage among their customer base. With higher smartphone and advanced device penetration and significantly higher per capita data usage, carrier investment in networks is focused on 4G coverage and capacity.

We believe that the network technology migration we have seen in the United States, which has led to significantly denser networks and meaningful new business commencements for us over a number of years, will ultimately be replicated in our less advanced international markets. As a result, we expect to be able to leverage our extensive international portfolio of approximately 104,220 communications sites and the relationships we have built with our carrier customers to drive sustainable, long-term growth.

We have master lease agreements with certain of our tenants that provide for consistent, long-term revenue and reduce the likelihood of churn. Our holistic master lease agreements build and augment strong strategic partnerships with our tenants and have significantly reduced colocation cycle times, thereby providing our tenants with the ability to rapidly and efficiently deploy equipment on our sites.

Property Operations Expenses. Direct operating expenses incurred by our property segments include direct site level expenses and consist primarily of ground rent and power and fuel costs, some or all of which may be passed through to our tenants, as well as property taxes, repairs and maintenance. These segment direct operating expenses exclude all segment and corporate selling, general, administrative and development expenses, which are aggregated into one line item entitled Selling, general, administrative and development expense in our consolidated statements of operations. In general, our property segments' selling, general, administrative and development expenses do not significantly increase as a result of adding incremental tenants to our sites and typically increase only modestly year-over-year. As a result, leasing additional space to new tenants on our sites provides significant incremental cash flow. We may, however, incur additional segment selling, general, administrative and development expenses as we increase our presence in our existing markets or expand into new markets. Our profit margin growth is therefore positively impacted by the addition of new tenants to our sites but can be temporarily diluted by our development activities.

Services Segment Revenue Growth. As we continue to focus on growing our property operations, we anticipate that our services revenue will continue to represent a small percentage of our total revenues.

Non-GAAP Financial Measures

Included in our analysis of our results of operations are discussions regarding earnings before interest, taxes, depreciation, amortization and accretion, as adjusted ("Adjusted EBITDA"), Funds From Operations, as defined by the National Association of Real Estate Investment Trusts ("NAREIT FFO") attributable to American Tower Corporation common stockholders, Consolidated Adjusted Funds From Operations ("Consolidated AFFO") and AFFO attributable to American Tower Corporation common stockholders.

We define Adjusted EBITDA as Net income before Income (loss) on equity method investments; Income tax benefit (provision); Other income (expense); Gain (loss) on retirement of long-term obligations; Interest expense; Interest income; Other operating income (expense); Depreciation, amortization and accretion; and stock-based compensation expense.

NAREIT FFO attributable to American Tower Corporation common stockholders is defined as net income before gains or losses from the sale or disposal of real estate, real estate related impairment charges, real estate related depreciation, amortization and accretion and dividends on preferred stock, and including adjustments for (i) unconsolidated affiliates and (ii) noncontrolling interests. In this section, we refer to NAREIT FFO attributable to American Tower Corporation common stockholders as "NAREIT FFO (common stockholders)".

We define Consolidated AFFO as NAREIT FFO (common stockholders) before (i) straight-line revenue and expense; (ii) stock-based compensation expense; (iii) the deferred portion of income tax; (iv) non-real estate related depreciation, amortization and accretion; (v) amortization of deferred financing costs, capitalized interest, debt discounts and premiums and long-term deferred interest charges; (vi) other income (expense); (vii) gain (loss) on retirement of long-term obligations; (viii) other operating income (expense); and adjustments for (ix) unconsolidated affiliates and (x) noncontrolling interests, less cash payments related to capital improvements and cash payments related to corporate capital expenditures.

We define AFFO attributable to American Tower Corporation common stockholders as Consolidated AFFO, excluding the impact of noncontrolling interests on both NAREIT FFO (common stockholders) as well as the other adjustments included in the calculation of Consolidated AFFO. In this section, we refer to AFFO attributable to American Tower Corporation common stockholders as "AFFO (common stockholders)".

Adjusted EBITDA, NAREIT FFO (common stockholders), Consolidated AFFO and AFFO (common stockholders) are not intended to replace net income or any other performance measures determined in accordance with GAAP. None of NAREIT FFO (common stockholders), Consolidated AFFO nor AFFO (common stockholders) represent cash flows from operating activities in accordance with GAAP and, therefore, these measures should not be considered indicative of cash flows from operating activities, as a measure of liquidity or a measure of funds available to fund our cash needs, including our ability to make cash distributions. Rather, Adjusted EBITDA, NAREIT FFO (common stockholders), Consolidated AFFO and AFFO (common stockholders) are presented as we believe each is a useful indicator of our current operating performance. We believe that these metrics are useful to an investor in evaluating our operating performance because (1) each is a key measure used by our management team for decision making purposes and for evaluating our operating segments' performance; (2) Adjusted EBITDA is a component underlying our credit ratings; (3) Adjusted EBITDA is widely used in the telecommunications real estate sector to measure operating performance as depreciation, amortization and accretion may vary significantly among companies depending upon accounting methods and useful lives, particularly where acquisitions and non-operating factors are involved; (4) Consolidated AFFO is widely used in the telecommunications real estate sector to adjust NAREIT FFO (common stockholders) for items that may otherwise cause material fluctuations in NAREIT FFO (common stockholders) growth from period to period that would not be representative of the underlying performance of property assets in those periods; (5) each provides investors with a meaningful measure for evaluating our period-to-period operating performance by eliminating items that are not operational in nature; and (6) each provides investors with a measure for comparing our results of operations to those of other companies, particularly those in our industry.

Our measurement of Adjusted EBITDA, NAREIT FFO (common stockholders), Consolidated AFFO and AFFO (common stockholders) may not, however, be fully comparable to similarly titled measures used by other companies. Reconciliations of Adjusted EBITDA, NAREIT FFO (common stockholders), Consolidated AFFO and AFFO (common stockholders) to net income, the most directly comparable GAAP measure, have been included below.

Results of Operations
Three and Nine Months Ended September 30, 2016 and 2015
(in thousands, except percentages)

Revenue

	Three Months Ended September 30,		Percent Increase (Decrease)	Nine Months Ended September 30,		Percent Increase (Decrease)
	2016	2015		2016	2015	
Property						
U.S.	$ 837,002	$ 807,978	4 %	$ 2,518,426	$ 2,328,699	8 %
Asia	269,907	61,563	338	557,734	178,699	212
EMEA	130,664	124,545	5	395,066	270,754	46
Latin America	260,363	218,763	19	720,553	651,112	11
Total property	1,497,936	1,212,849	24	4,191,779	3,429,264	22
Services	16,909	25,061	(33)	54,340	62,211	(13)
Total revenues	$ 1,514,845	$ 1,237,910	22 %	$ 4,246,119	$ 3,491,475	22 %

Three Months Ended September 30, 2016

U.S. property segment revenue growth of $29.0 million, or 4%, was attributable to tenant billings growth of $43.4 million, which was driven by:

- $32.5 million due to colocations and amendments;
- $7.9 million from contractual escalations, net of churn;
- $1.0 million generated from newly acquired or constructed sites; and
- $2.0 million from other tenant billings.

Segment revenue growth was offset by a decrease in revenue of $14.4 million, primarily due to the $11.9 million impact of straight-line accounting.

Asia property segment revenue growth of $208.3 million, or 338%, was attributable to:

- Tenant billings growth of $129.0 million, which was driven by:
  - $123.1 million generated from newly acquired sites, primarily due to the Viom Acquisition;
  - $5.2 million due to colocations and amendments;
  - $1.9 million generated from newly constructed sites;
  - Partially offset by,
    - A decrease of $0.9 million resulting from churn in excess of contractual escalations; and
    - A decrease of $0.3 million from other tenant billings.
- Pass-through revenue growth of $86.5 million, primarily due to the Viom Acquisition; and
- $2.2 million of other revenue growth, primarily due to the impact of straight-line accounting.

Segment revenue growth was partially offset by a decrease of $9.4 million attributable to the negative impact of foreign currency translation related to fluctuations in Indian Rupee (“INR”).

EMEA property segment revenue growth of $6.1 million, or 5%, was attributable to:

- Tenant billings growth of $13.2 million, which was driven by:
  - $5.5 million due to colocations and amendments;
  - $4.6 million from contractual escalations, net of churn;
  - $2.2 million generated from newly acquired or constructed sites; and
  - $0.9 million from other tenant billings;

- Pass-through revenue growth of $12.2 million;
- Partially offset by a decrease in revenue of $3.6 million, partially attributable to an $0.8 million impact of straight-line accounting.

Segment revenue growth was partially offset by a decrease of $15.7 million attributable to the negative impact of foreign currency translation, which included, among others, $13.6 million related to fluctuations in the Nigerian Naira ("NGN") and $2.0 million related to fluctuations in South African Rand ("ZAR").

Latin America property segment revenue growth of $41.6 million, or 19%, was attributable to:

- Tenant billings growth of $30.7 million, which was driven by:
  - $10.9 million from contractual escalations, net of churn;
  - $9.6 million generated from newly acquired or constructed sites;
  - $9.6 million due to colocations and amendments; and
  - $0.6 million from other tenant billings;
- Pass-through revenue growth of $10.2 million; and
- $2.4 million of other revenue growth, due to a $4.1 million increase attributable to the impact of straight-line accounting.

Segment revenue growth was partially offset by a decrease of $1.7 million attributable to the negative impact of foreign currency translation, which included, among others, $11.3 million related to fluctuations in Mexican Peso ("MXN"), partially offset by the positive impact of $9.7 million related to fluctuations in Brazilian Real ("BRL").

The decrease in services segment revenue of $8.2 million, or 33%, was primarily attributable to a decrease in zoning, permitting and site acquisition projects.

Nine Months Ended September 30, 2016

U.S. property segment revenue growth of $189.7 million, or 8%, was attributable to:

- Tenant billings growth of $212.1 million, which was driven by:
  - $94.5 million due to colocations and amendments;
  - $90.4 million generated from newly acquired or constructed sites, including sites associated with our transaction with Verizon Communications Inc. ("Verizon");
  - $26.6 million from contractual escalations, net of churn; and
  - $0.6 million from other tenant billings.

Segment revenue growth was partially offset by a decrease of $22.4 million, primarily due to the impact of straight-line accounting.

Asia property segment revenue growth of $379.0 million, or 212%, was attributable to:

- Tenant billings growth of $239.7 million, which was driven by:
  - $220.8 million generated from newly acquired sites, primarily due to the Viom Acquisition;
  - $14.3 million due to colocations and amendments;
  - $6.9 million generated from newly constructed sites;
  - Partially offset by,
    - A decrease of $1.7 million resulting from churn in excess of contractual escalations; and
    - A decrease of $0.6 million from other tenant billings;
- Pass-through revenue growth of $159.6 million, primarily due to the Viom Acquisition; and
- $6.8 million of other revenue growth, primarily due to the impact of straight-line accounting.

Segment revenue growth was partially offset by a decrease of $27.1 million attributable to the negative impact of foreign currency translation related to fluctuations in INR.

EMEA property segment revenue growth of $124.3 million, or 46%, was attributable to:

- Tenant billings growth of $109.5 million, which was driven by:
  - $78.5 million generated from newly acquired or constructed sites, including sites acquired from Airtel in Nigeria;
  - $16.9 million due to colocations and amendments;
  - $12.9 million from contractual escalations, net of churn; and
  - $1.2 million from other tenant billings;
- Pass-through revenue growth of $50.5 million;
- Partially offset by a decrease of $2.2 million, primarily due to the $1.7 million impact of straight-line accounting.

Segment revenue growth was partially offset by a decrease of $33.5 million attributable to the negative impact of foreign currency translation, which included, among others, $13.6 million related to fluctuations in NGN, $12.6 million related to fluctuations in ZAR, $3.7 million related to fluctuations in Ugandan Shilling and $3.6 million related to fluctuations in Ghanaian Cedi (“GHS”).

Latin America property segment revenue growth of $69.4 million, or 11%, was attributable to:

- Tenant billings growth of $104.8 million, which was driven by:
  - $42.7 million generated from newly acquired or constructed sites;
  - $32.3 million from contractual escalations, net of churn;
  - $28.1 million due to colocations and amendments; and
  - $1.7 million from other tenant billings;
- Pass-through revenue growth of $57.1 million; and
- An increase of $12.5 million in other revenue, primarily due to a $20.1 million impact of straight-line accounting offset in part by a $7.0 million reduction in revenue resulting from a judicial reorganization of a tenant in Brazil.

Segment revenue growth was partially offset by a decrease of $105.0 million attributable to the negative impact of foreign currency translation, which included, among others, $49.3 million related to fluctuations in BRL, $43.4 million related to fluctuations in MXN and $9.8 million related to fluctuations in Colombian Peso (“COP”).

The decrease in services segment revenue of $7.9 million, or 13%, was primarily attributable to a decrease in zoning, permitting and site acquisition projects.

Gross Margin

	Three Months Ended September 30, 2016	Three Months Ended September 30, 2015	Percent Increase (Decrease)	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015	Percent Increase (Decrease)
Property						
U.S.	$ 648,225	$ 620,610	4 %	$ 1,969,551	$ 1,826,127	8 %
Asia	115,768	28,934	300	242,660	84,782	186
EMEA	76,877	67,053	15	227,158	160,549	41
Latin America	174,709	143,559	22	481,555	437,651	10
Total property	1,015,579	860,156	18	2,920,924	2,509,109	16
Services	11,369	15,853	(28)%	32,911	39,684	(17)%

Three Months Ended September 30, 2016

- The increase in U.S. property segment gross margin was primarily attributable to the increase in revenue described above, partially offset by an increase in direct expenses of $1.4 million.

- The increase in Asia property segment gross margin was primarily attributable to the increase in revenue described above and a benefit of $5.3 million attributable to the impact of foreign currency translation on direct expenses, partially offset by an increase in direct expenses of $126.8 million. Direct expense growth was primarily due to sites associated with the Viom Acquisition.

- The increase in EMEA property segment gross margin was primarily attributable to the increase in revenue described above and a benefit of $14.1 million attributable to the impact of foreign currency translation on direct expenses, offset by an increase in direct expenses of $10.4 million.

- The increase in Latin America property segment gross margin was primarily attributable to the increase in revenue described above, partially offset by an increase in direct expenses of $10.0 million. Direct expenses increased by an additional $0.2 million due to the impact of foreign currency translation. Direct expense growth was primarily due to newly acquired or constructed sites.

- The decrease in services segment gross margin was primarily due to the decrease in revenue described above.

Nine Months Ended September 30, 2016

- The increase in U.S. property segment gross margin was primarily attributable to the increase in revenue described above, partially offset by an increase in direct expenses of $46.3 million. Direct expense growth was primarily due to sites associated with our transaction with Verizon.

- The increase in Asia property segment gross margin was primarily attributable to the increase in revenue described above and a benefit of $15.1 million attributable to the impact of foreign currency translation on direct expenses, partially offset by an increase in direct expenses of $236.2 million. Direct expense growth was primarily due to sites associated with the Viom Acquisition.

- The increase in EMEA property segment gross margin was primarily attributable to the increase in revenue described above and a benefit of $20.7 million attributable to the impact of foreign currency translation on direct expenses, partially offset by an increase in direct expenses of $78.4 million. Direct expense growth was primarily due to sites acquired from Airtel.

- The increase in Latin America property segment gross margin was primarily attributable to the increase in revenue described above and a benefit of $35.9 million attributable to the impact of foreign currency translation on direct expenses, partially offset by an increase in direct expenses of $61.4 million. Direct expense growth was primarily due to newly acquired or constructed sites.

- The decrease in services segment gross margin was attributable to the decrease in revenue described above.

Selling, General, Administrative and Development Expense ("SG&A")

	Three Months Ended September 30,		Percent Increase (Decrease)	Nine Months Ended September 30,		Percent Increase (Decrease)
	2016	2015		2016	2015	
Property						
U.S.	$ 35,526	$ 31,374	13 %	$ 107,533	$ 89,439	20 %
Asia	15,030	5,824	158	36,376	17,133	112
EMEA	12,958	13,009	—	45,795	33,820	35
Latin America	15,454	14,296	8	45,069	44,548	1
Total property	78,968	64,503	22	234,773	184,940	27
Services	2,726	3,730	(27)	8,988	10,605	(15)
Other (1)	49,843	46,599	7	161,325	158,915	2
Total selling, general, administrative and development expense	$ 131,537	$ 114,832	15 %	$ 405,086	$ 354,460	14 %

(1) Certain expenses previously reflected in segment SG&A for the three and nine months ended September 30, 2015 have been reclassified and are now reflected as Other SG&A.

Three Months Ended September 30, 2016

- The increases in each of our U.S., Asia and Latin America property segments' SG&A were primarily driven by increased personnel costs to support our business, including additional costs associated with the Viom Acquisition in our Asia property segment.
- The increase in other SG&A was primarily attributable to an increase in corporate SG&A and an increase in stock-based compensation expense of $1.8 million.
- The decrease in our services segment SG&A was primarily attributable to a decrease in personnel costs from a lower volume of business in our tower services group.

Nine Months Ended September 30, 2016

- The increases in each of our property segments' SG&A were primarily driven by increased personnel costs to support our business, including additional costs associated with the transaction with Verizon in our U.S. property segment, the Viom Acquisition in our Asia property segment and the Airtel acquisition in our EMEA property segment. The EMEA and Asia property segments' SG&A increases also included increases in bad debt expense of $3.4 million and $1.6 million, respectively. The EMEA and Latin America property segments' SG&A increases were partially offset by decreases attributable to the impacts of foreign currency fluctuations.
- The increase in other SG&A was primarily attributable to an increase in corporate SG&A, partially offset by a decrease in stock-based compensation expense of $2.4 million.
- The decrease in our services segment SG&A was primarily attributable to a decrease in personnel costs from a lower volume of business in our tower services group.

Operating Profit

	Three Months Ended September 30, 2016	Three Months Ended September 30, 2015	Percent Increase (Decrease)	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015	Percent Increase (Decrease)
Property						
U.S.	$ 612,699	$ 589,236	4 %	$ 1,862,018	$ 1,736,688	7 %
Asia	100,738	23,110	336	206,284	67,649	205
EMEA	63,919	54,044	18	181,363	126,729	43
Latin America	159,255	129,263	23	436,486	393,103	11
Total property	936,611	795,653	18	2,686,151	2,324,169	16
Services	8,643	12,123	(29)%	23,923	29,079	(18)%

The growth in operating profit for the three and nine months ended September 30, 2016 for each of our property segments was primarily attributable to an increase in our segment gross margin. The increases in our U.S., Asia and Latin America property segments for the three and nine months ended September 30, 2016 were partially offset by increases in our segment SG&A. The growth in operating profit for the nine months ended September 30, 2016 in our EMEA property segment was partially offset by an increase in our segment SG&A, while for the three months ended September 30, 2016, a slight decrease in our segment SG&A contributed to operating profit growth.

The decrease in operating profit for the three and nine months ended September 30, 2016 for our services segment was primarily attributable to a decrease in our segment gross margin, partially offset by a decrease in our segment SG&A.

Depreciation, Amortization and Accretion

	Three Months Ended September 30, 2016	Three Months Ended September 30, 2015	Percent Increase (Decrease)	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015	Percent Increase (Decrease)
Depreciation, amortization and accretion	$ 397,999	$ 341,096	17%	$ 1,137,398	$ 932,972	22%

The increase in depreciation, amortization and accretion expense was primarily attributable to costs associated with the acquisition, lease or construction of new sites since the beginning of the prior-year period, which resulted in an increase in property and equipment and intangible assets subject to amortization.

Other Operating Expenses

	Three Months Ended September 30, 2016	Three Months Ended September 30, 2015	Percent Increase (Decrease)	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015	Percent Increase (Decrease)
Other operating expenses	$ 14,998	$ 15,668	(4)%	$ 37,509	$ 40,891	(8)%

The decrease in other operating expenses for the three months ended September 30, 2016 was primarily attributable to a decrease of $11.6 million in integration, acquisition and merger related expenses, partially offset by an increase of $10.9 million in losses on sales or disposals of assets and impairments.

The decrease in other operating expenses for the nine months ended September 30, 2016 was primarily attributable to a decrease of $12.6 million in integration, acquisition and merger related expenses, partially offset by an increase of $9.2 million in losses on sales or disposals of assets and impairments.

Other Expense

	Three Months Ended September 30, 2016	2015	Percent Increase (Decrease)	Nine Months Ended September 30, 2016	2015	Percent Increase (Decrease)
Other expense	$ 193,302	$ 208,950	(7)%	$ 531,556	$ 628,190	(15)%

The decrease in other expense during the three months ended September 30, 2016 was primarily due to foreign currency losses of $12.4 million in the current period, compared to foreign currency losses of $69.1 million in the prior-year period, partially offset by incremental interest expense of $40.4 million, due to an increase in our annualized weighted-average cost of borrowing of 52 basis points and a $1.8 billion increase in our average debt outstanding.

The decrease in other expense during the nine months ended September 30, 2016 was primarily due to foreign currency losses of $29.9 million in the current period, compared to foreign currency losses of $121.9 million in the prior-year period, and a gain on retirement of long-term obligations of $0.8 million attributable to the repayment of the Secured Tower Cellular Site Revenue Notes, Series 2012-1 Class A, compared to the nine months ended September 30, 2015, where we recorded a loss of $78.8 million, primarily due to the redemption of the 7.000% senior notes due 2017. This decrease was partially offset by incremental interest expense of $84.8 million, due to a $2.3 billion increase in our average debt outstanding.

Income Tax Provision

	Three Months Ended September 30, 2016	2015	Percent Increase (Decrease)	Nine Months Ended September 30, 2016	2015	Percent Increase (Decrease)
Income tax provision	$ 22,037	$ 94,235	(77)%	$ 94,671	$ 132,063	(28)%
Effective tax rate	7.7%	49.1%		11.4%	22.7%	

As a real estate investment trust for U.S. federal income tax purposes (“REIT”), we may deduct earnings distributed to stockholders against the income generated by our REIT operations. In addition, we are able to offset certain income by utilizing our net operating losses (“NOLs”), subject to specified limitations. Consequently, the effective tax rate on income from continuing operations for the three and nine months ended September 30, 2016 and 2015 differs from the federal statutory rate.

The decrease in the income tax provision for the three and nine months ended September 30, 2016 was primarily attributable to a one-time charge in 2015 related to the MIP Tower Holdings LLC (“MIPT”) tax election described below, offset by an increase in foreign taxable earnings, largely due to the Viom Acquisition, as well as uncertain tax positions.

Effective July 25, 2015, the Company filed a tax election, pursuant to which MIPT no longer operates as a separate REIT for federal and state income tax purposes. In connection with this and related elections, the Company incurred a one-time cash tax charge of $93.0 million, net of a one-time deferred income tax benefit during the three and nine months ended September 30, 2015.

Net Income/Adjusted EBITDA and Net Income/NAREIT FFO/ Consolidated AFFO

	Three Months Ended September 30,		Percent Increase (Decrease)	Nine Months Ended September 30,		Percent Increase (Decrease)
	2016	2015		2016	2015	
Net income	$ 263,735	$ 97,740	170 %	$ 737,506	$ 450,412	64 %
Income tax provision	22,037	94,235	(77)	94,671	132,063	(28)
Other expense	12,260	66,659	(82)	25,894	123,291	(79)
(Gain) loss on retirement of long-term obligations	—	—	—	(830)	78,793	(101)
Interest expense	190,160	149,787	27	531,076	446,228	19
Interest income	(6,376)	(4,503)	42	(16,378)	(11,871)	38
Other operating expenses	14,998	15,668	(4)	37,509	40,891	(8)
Depreciation, amortization and accretion	397,999	341,096	17	1,137,398	932,972	22
Stock-based compensation expense	20,226	18,345	10	70,212	72,251	(3)
Adjusted EBITDA	$ 915,039	$ 779,027	17 %	$ 2,617,058	$ 2,265,030	16 %

	Three Months Ended September 30,		Percent Increase (Decrease)	Nine Months Ended September 30,		Percent Increase (Decrease)
	2016	2015		2016	2015	
Net income	$ 263,735	$ 97,740	170 %	$ 737,506	$ 450,412	64 %
Real estate related depreciation, amortization and accretion	355,721	297,263	20	1,013,567	817,274	24
Losses from sale or disposal of real estate and real estate related impairment charges	12,150	1,200	913	21,882	11,656	88
Dividends on preferred stock	(26,781)	(26,781)	—	(80,344)	(63,382)	27
Adjustments for unconsolidated affiliates and noncontrolling interests	(27,224)	804	(3,486)	(61,182)	(12,278)	398
NAREIT FFO attributable to American Tower Corporation common stockholders	$ 577,601	$ 370,226	56 %	$ 1,631,429	$ 1,203,682	36 %
Straight-line revenue	(34,645)	(38,798)	(11)	(101,889)	(108,177)	(6)
Straight-line expense	17,814	16,433	8	50,127	39,158	28
Stock-based compensation expense	20,226	18,345	10	70,212	72,251	(3)
Deferred portion of income tax	582	(6,085)	(110)	22,803	1,832	1,145
Non-real estate related depreciation, amortization and accretion	42,278	43,833	(4)	123,831	115,698	7
Amortization of deferred financing costs, capitalized interest, debt discounts and premiums and long-term deferred interest charges	5,578	7,292	(24)	17,424	16,192	8
Other expense (1)	12,260	66,659	(82)	25,894	123,291	(79)
(Gain) loss on retirement of long-term obligations	—	—	—	(830)	78,793	(101)
Other operating expenses (2)	2,848	14,468	(80)	15,627	29,235	(47)
Capital improvement capital expenditures	(27,975)	(22,202)	26	(70,452)	(58,835)	20
Corporate capital expenditures	(2,508)	(4,343)	(42)	(9,732)	(9,880)	(1)
Adjustments for unconsolidated affiliates and noncontrolling interests	27,224	(804)	(3,486)	61,182	12,278	398
MIPT one-time cash tax charge (3)	—	93,044	(100)	—	93,044	(100)
Consolidated AFFO	$ 641,283	$ 558,068	15 %	$ 1,835,626	$ 1,608,562	14 %
Adjustments for unconsolidated affiliates and noncontrolling interests	(29,315)	(5,834)	402 %	(66,439)	(31,495)	111 %
AFFO attributable to American Tower Corporation common stockholders	$ 611,968	$ 552,234	11 %	$ 1,769,187	$ 1,577,067	12 %

(1) Primarily includes realized and unrealized (gains) losses on foreign currency exchange rate fluctuations.
(2) Primarily includes integration and acquisition-related costs.
(3) As the one-time tax charge incurred in connection with the MIPT tax election is nonrecurring, we do not believe it is an indication of our operating performance and believe it is more meaningful to reflect our AFFO metrics excluding this impact. Accordingly, we present our AFFO metrics for the three and nine months ended September 30, 2015 excluding this charge.

Three Months Ended September 30, 2016

The increase in net income was primarily due to an increase in our operating profit and decreases in income tax provision and foreign currency losses included in other expense, partially offset by increases in depreciation, amortization and accretion expense and interest expense.

The increase in Adjusted EBITDA was primarily attributable to the increase in our gross margin and was partially offset by an increase in SG&A of $14.9 million, excluding the impact of stock-based compensation expense.

The growth in consolidated AFFO and AFFO attributable to American Tower Corporation common stockholders was primarily attributable to the increase in our operating profit, partially offset by increases in interest and income tax, including adjustments.

Nine Months Ended September 30, 2016

The increase in net income was primarily due to an increase in our operating profit, a decrease in foreign currency losses included in other expense, a reduction of $79.6 million in loss on retirement of long-term obligations, partially offset by increases in depreciation, amortization and accretion expense and interest expense.

The increase in Adjusted EBITDA was primarily attributable to the increase in our gross margin and was partially offset by an increase in SG&A of $53.0 million, excluding the impact of stock-based compensation expense.

The growth in consolidated AFFO and AFFO attributable to American Tower Corporation common stockholders was primarily attributable to the increase in our operating profit, partially offset by increases in interest and income tax, including adjustments, and an increase in dividends on preferred stock.

Liquidity and Capital Resources

The information in this section updates as of September 30, 2016 the "Liquidity and Capital Resources" section of the 2015 Form 10-K and should be read in conjunction with that report.

Overview

As a holding company, our cash flows are derived primarily from the operations of, and distributions from, our operating subsidiaries or funds raised through borrowings under our credit facilities and debt or equity offerings.

The following table summarizes the significant components of our liquidity (in thousands):

	As of September 30, 2016
Available under the 2013 Credit Facility	$ 2,612,308
Available under the 2014 Credit Facility	160,000
Letters of credit	(10,624)
Total available under credit facilities, net	2,761,684
Cash and cash equivalents	530,358
Total liquidity	$ 3,292,042

Subsequent to September 30, 2016, we borrowed an additional $140.0 million under our multicurrency senior unsecured revolving credit facility entered into in January 2012 and amended and restated in September 2014, as further amended (the "2014 Credit Facility").

Summary cash flow information is set forth below (in thousands):

	Nine Months Ended September 30,	
	2016	2015
Net cash provided by (used for):		
Operating activities	$ 1,978,431	$ 1,543,615
Investing activities	(1,786,202)	(7,204,277)
Financing activities	26,727	5,632,448
Net effect of changes in foreign currency exchange rates on cash and cash equivalents	(9,284)	2,126
Net increase (decrease) in cash and cash equivalents	$ 209,672	$ (26,088)

We use our cash flows to fund our operations and investments in our business, including tower maintenance and improvements, communications site construction and managed network installations and tower and land acquisitions. Additionally, we use our cash flows to make distributions, including distributions of our REIT taxable income to maintain our qualification for taxation as a REIT under the Internal Revenue Code of 1986, as amended. We may also repay or repurchase our existing indebtedness from time to time. We typically fund our international expansion efforts primarily through a combination of cash on hand, intercompany debt and equity contributions.

As of September 30, 2016, we had total outstanding indebtedness of $18.8 billion with a current portion of $242.6 million. During the nine months ended September 30, 2016, we generated sufficient cash flow from operations to fund our capital expenditures and debt service obligations, as well as our required distributions. We believe cash generated by operating activities during the year ending December 31, 2016, together with our borrowing capacity under our credit facilities, will be sufficient to fund our required distributions, capital expenditures, debt service obligations (interest and principal repayments) and signed acquisitions. As of September 30, 2016, we had $399.4 million of cash and cash equivalents held by our foreign subsidiaries, of which $149.0 million was held by our joint ventures and minority interest holders. While certain subsidiaries may pay us interest or principal on intercompany debt, it has not been our practice to repatriate earnings from our foreign subsidiaries primarily due to our ongoing expansion efforts and related capital needs. However, in the event that we do repatriate any funds, we may be required to accrue and pay taxes.

Cash Flows from Operating Activities

The increase in cash provided by operating activities for the nine months ended September 30, 2016 was attributable to an increase in the operating profit of our property segments, decreases in cash paid for taxes and cash used for working capital, partially offset by higher cash paid for interest.

Cash Flows from Investing Activities

Our significant investing activities during the nine months ended September 30, 2016 are highlighted below:

- We spent approximately $1.1 billion for the Viom Acquisition.

- We spent $489.1 million for capital expenditures, as follows (in millions):

Discretionary capital projects (1)	$	137.2
Ground lease purchases		112.5
Capital improvements and corporate expenditures (2)		80.2
Redevelopment		90.2
Start-up capital projects		69.0
Total capital expenditures	$	489.1

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(1) Includes the construction of 1,255 communications sites globally.
(2) Includes $13.8 million of capital lease payments included in Repayments of notes payable, credit facilities, senior notes, term loan and capital leases in the cash flow from financing activities in our condensed consolidated statements of cash flows.

We plan to continue to allocate our available capital, after satisfying our distribution requirements, among investment alternatives that meet our return on investment criteria, while taking into account the repayment of debt, as necessary, consistent with our long-term financial policies. Accordingly, we expect to continue to deploy our capital through our annual capital expenditure program, including land purchases and new site construction, and through acquisitions. We expect that our 2016 total capital expenditures, including expected capital expenditures related to ATC TIPL, will be between $685 million and $785 million, as follows (in millions):

Discretionary capital projects (1)	$	170	to	$	200
Ground lease purchases		140	to		160
Capital improvements and corporate expenditures		125	to		135
Redevelopment		155	to		175
Start-up capital projects		95	to		115
Total capital expenditures	$	685	to	$	785

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(1) Includes the construction of approximately 1,750 to 2,250 communications sites globally.

Cash Flows from Financing Activities

Our significant financing activities were as follows (in millions):

	Nine Months Ended September 30,	
	2016	2015
Proceeds from issuance of senior notes, net	3,236.4	1,492.3
(Repayments of) proceeds from credit facilities, net	(1,227.1)	1,960.0
(Repayments of) proceeds from term loan	(1,000.0)	500.0
Distributions paid on common and preferred stock	(732.3)	(573.9)
Proceeds from the issuance of common stock, net	—	2,440.3
Proceeds from the issuance of preferred stock, net	—	1,337.9
Proceeds from issuance of securitized notes	—	875.0
Repayments of securitized notes	(94.1)	(960.0)
Repayment of senior notes	—	(1,100.0)

Senior Notes Offerings

3.300% Senior Notes and 4.400% Senior Notes Offering. On January 12, 2016, we completed a registered public offering of $750.0 million aggregate principal amount of 3.300% senior unsecured notes due 2021 (the “3.300% Notes”) and $500.0 million aggregate principal amount of 4.400% senior unsecured notes due 2026 (the “4.400% Notes”). The net proceeds from this offering were approximately $1,237.2 million, after deducting commissions and estimated expenses. We used the proceeds to repay existing indebtedness under our multicurrency senior unsecured revolving credit facility entered into in June 2013, as amended (the “2013 Credit Facility”), and for general corporate purposes.

The 3.300% Notes will mature on February 15, 2021 and bear interest at a rate of 3.300% per annum. The 4.400% Notes will mature on February 15, 2026 and bear interest at a rate of 4.400% per annum. Accrued and unpaid interest on the notes will be payable in U.S. Dollars semi-annually in arrears on February 15 and August 15 of each year, beginning on August 15, 2016. Interest on the notes is computed on the basis of a 360-day year comprised of twelve 30-day months and commenced accruing on January 12, 2016.

3.375% Senior Notes Offering. On May 13, 2016, we completed a registered public offering of $1.0 billion aggregate principal amount of 3.375% senior unsecured notes due 2026 (the “3.375% Notes”). The net proceeds from this offering were approximately $981.5 million, after deducting commissions and estimated expenses. We used the proceeds to repay existing indebtedness under the 2013 Credit Facility.

The 3.375% Notes will mature on October 15, 2026 and bear interest at a rate of 3.375% per annum. Accrued and unpaid interest on the notes will be payable in U.S. Dollars semi-annually in arrears on April 15 and October 15 of each year, beginning on October 15, 2016. Interest on the notes is computed on the basis of a 360-day year comprised of twelve 30-day months and commenced accruing on May 13, 2016.

2.250% Senior Notes and 3.125% Senior Notes Offering. On September 30, 2016, we completed a registered public offering of $600.0 million aggregate principal amount of 2.250% senior unsecured notes due 2022 (the “2.250% Notes”) and $400.0 million aggregate principal amount of 3.125% senior unsecured notes due 2027 (the “3.125% Notes”). The net proceeds from this offering were approximately $990.6 million, after deducting commissions and estimated expenses. We used the proceeds to repay existing indebtedness under our unsecured term loan entered into in October 2013, as amended (the “Term Loan”).

The 2.250% Notes will mature on January 15, 2022 and bear interest at a rate of 2.250% per annum. The 3.125% Notes will mature on January 15, 2027 and bear interest at a rate of 3.125% per annum. Accrued and unpaid interest on the notes will be payable in U.S. Dollars semi-annually in arrears on January 15 and July 15 of each year, beginning on January 15, 2017. Interest on the notes is computed on the basis of a 360-day year comprised of twelve 30-

day months and commenced accruing on September 30, 2016. We entered into interest rate swaps, which were designated as fair value hedges at inception, to hedge against changes in fair value of the debt under the 2.250% Notes resulting from changes in interest rates. As of September 30, 2016, the interest rate on the 2.250% Notes, after giving effect to the interest rate swap agreements, was 1.75%.

We may redeem each series of notes at any time, in whole or in part, at a redemption price equal to 100% of the principal amount of the notes plus a make-whole premium, together with accrued interest to the redemption date. If we redeem the 3.300% Notes on or after January 15, 2021, the 4.400% Notes on or after November 15, 2025, the 3.375% Notes on or after July 15, 2026 or the 3.125% Notes on or after October 15, 2026, we will not be required to pay a make-whole premium. In addition, if we undergo a change of control and corresponding ratings decline, each as defined in the applicable supplemental indenture, we may be required to repurchase all of the applicable notes at a purchase price equal to 101% of the principal amount of such notes, plus accrued and unpaid interest (including additional interest, if any), up to but not including the repurchase date. The notes rank equally with all of our other senior unsecured debt and are structurally subordinated to all existing and future indebtedness and other obligations of our subsidiaries.

The supplemental indentures contain certain covenants that restrict our ability to merge, consolidate or sell assets and our (together with our subsidiaries') ability to incur liens. These covenants are subject to a number of exceptions, including that we, and our subsidiaries, may incur certain liens on assets, mortgages or other liens securing indebtedness if the aggregate amount of such liens does not exceed 3.5x Adjusted EBITDA, as defined in the applicable supplemental indenture.

Bank Facilities

2013 Credit Facility. During the nine months ended September 30, 2016, we borrowed an aggregate of $1.4 billion, which included borrowings of 38.0 million Euro ($42.7 million as of September 30, 2016) by one of our Germany subsidiaries, and repaid an aggregate of $2.5 billion of revolving indebtedness under the 2013 Credit Facility. We primarily used the borrowings to fund the Viom Acquisition. We currently have $3.2 million of undrawn letters of credit and maintain the ability to draw down and repay amounts under the 2013 Credit Facility in the ordinary course.

2014 Credit Facility. During the nine months ended September 30, 2016, we borrowed an aggregate of $80.0 million and repaid an aggregate of $220.0 million of revolving indebtedness under the 2014 Credit Facility. We currently have $7.4 million of undrawn letters of credit and maintain the ability to draw down and repay amounts under the 2014 Credit Facility in the ordinary course.

Term Loan—During the nine months ended September 30, 2016, we repaid $1.0 billion of indebtedness under the Term Loan.

The Term Loan, the 2013 Credit Facility and the 2014 Credit Facility do not require amortization of principal and may be paid prior to maturity in whole or in part at our option without penalty or premium. We have the option of choosing either a defined base rate or the London Interbank Offered Rate ("LIBOR") as the applicable base rate for borrowings under the Term Loan, the 2013 Credit Facility and the 2014 Credit Facility. The interest rates range between 1.000% to 2.000% above LIBOR for LIBOR based borrowings or up to 1.000% above the defined base rate for base rate borrowings, in each case based upon our debt ratings. The margin over LIBOR for each of the Term Loan, the 2013 Credit Facility and the 2014 Credit Facility is 1.250%.

The 2013 Credit Facility and the 2014 Credit Facility are subject to two optional renewal periods. We must pay a quarterly commitment fee on the undrawn portion of the 2013 Credit Facility and the 2014 Credit Facility, which ranges from 0.100% to 0.400% per annum, based upon our debt ratings, and is currently 0.150%.

The loan agreements for each of the Term Loan, the 2013 Credit Facility and the 2014 Credit Facility contain certain reporting, information, financial and operating covenants and other restrictions (including limitations on additional debt, guaranties, sales of assets and liens) with which we must comply. Failure to comply with the financial and operating covenants of the loan agreements could not only prevent us from being able to borrow additional funds under the revolving credit facilities, but may constitute a default, which could result in, among other things, the amounts outstanding, including all accrued interest and unpaid fees, becoming immediately due and payable.

Viom indebtedness. Amounts outstanding and key terms of the Viom indebtedness, primarily assumed by us in connection with the Viom Acquisition, consisted of the following as of September 30, 2016 (in millions, except percentages):

	Amount Outstanding (INR)	Amount Outstanding (USD)	Interest Rate (Range)	Maturity Date (Range)
Term loans	33,533	$ 503.4	10.50% - 11.20%	March 31, 2017 - November 30, 2024
Debenture	6,000	$ 90.1	9.90%	April 28, 2020
Working capital facilities	—	—	9.85% - 11.80%	October 23, 2016 - March 18, 2017

The Viom indebtedness includes several term loans, ranging from one to ten years, which are generally secured by the borrower's short-term and long-term assets. Each of the term loans bear interest at the applicable bank's Marginal Cost of Funds based Lending Rate or base rate, plus a spread. Interest rates on the term loans are fixed until certain annual reset dates. Generally, the term loans can be repaid without penalty on the annual reset dates; earlier repayments require notice to the lenders and are subject to prepayment penalties, typically of 1% to 2%. Scheduled repayment terms include either ratable or staggered amortization with repayments typically commencing between six and 36 months after the initial disbursement of funds.

The debenture is secured by the borrower's long-term assets, including property and equipment and intangible assets. The debenture bears interest at a base rate plus a spread of 0.6%. The base rate is set in advance for each quarterly coupon period. Should the actual base rate be between 9.75% and 10.25%, the revised base rate is assumed to be 10.00% for purposes of the reset. Additionally, the spread is subject to reset 36 and 48 months from the issuance date of April 27, 2015. The holders of the debenture must reach a consensus on the revised spread and the borrower must redeem all of the debentures held by holders from whom consensus is not achieved. Additionally, the debenture is required to be redeemed by the borrower if it does not maintain a minimum credit rating.

The Viom indebtedness includes several working capital facilities, most of which are subject to annual renewal, which are generally secured by the borrower's short-term and long-term assets. The working capital facilities bear interest at rates that are comprised of base rates plus spreads. Generally, the working capital facilities are payable on demand prior to maturity.

Viom preference shares. As of September 30, 2016, ATC TIPL had 166,666,666 mandatorily redeemable preference shares (the "Preference Shares") outstanding, which are required to be redeemed in cash. Accordingly, we recognized debt of 1.67 billion INR ($25.0 million) related to the Preference Shares.

Unless redeemed earlier, the Preference Shares will be redeemed in two equal installments on March 26, 2017 and March 26, 2018 in an amount equal to ten INR per share along with a redemption premium, as defined in the investment agreement, which equates to a compounded return of 13.5% per annum. ATC TIPL, at its option, may redeem the Preference Shares prior to the aforementioned dates, subject to an additional 2% redemption premium.

Stock Repurchase Program. In March 2011, our Board of Directors approved a $1.5 billion stock repurchase program, pursuant to which we are authorized to repurchase up to an additional $1.1 billion of our common stock. Since September 2013, we have temporarily suspended repurchases under the program.

Sales of Equity Securities. We receive proceeds from sales of our equity securities pursuant to our employee stock purchase plan ("ESPP") and upon exercise of stock options granted under our equity incentive plans. For the nine months ended September 30, 2016, we received an aggregate of $76.6 million in proceeds upon exercises of stock options and from the ESPP.

Distributions. As a REIT, we must annually distribute to our stockholders an amount equal to at least 90% of our REIT taxable income (determined before the deduction for distributed earnings and excluding any net capital gain). Generally, we have distributed, and expect to continue to distribute, all or substantially all of our REIT taxable income after taking into consideration our utilization of NOLs. We have distributed an aggregate of approximately $2.9 billion to our common stockholders, including the dividend paid in October 2016, primarily subject to taxation as ordinary income.

The amount, timing and frequency of future distributions will be at the sole discretion of our Board of Directors and will depend on various factors, a number of which may be beyond our control, including our financial condition and operating cash flows, the amount required to maintain our qualification for taxation as a REIT and reduce any income and excise taxes that we otherwise would be required to pay, limitations on distributions in our existing and future debt and preferred equity instruments, our ability to utilize NOLs to offset our distribution requirements, limitations on our ability to fund distributions using cash generated through our taxable REIT subsidiaries and other factors that our Board of Directors may deem relevant.

We have two series of preferred stock outstanding, 5.25% Mandatory Convertible Preferred Stock, Series A, par value $0.01 per share (the "Series A"), with a dividend rate of 5.25%, and 5.50% Mandatory Convertible Preferred Stock, Series B, par value $0.01 per share (the "Series B"), with a dividend rate of 5.50%. Dividends are payable quarterly in arrears, subject to declaration by our Board of Directors. During the nine months ended September 30, 2016, we paid dividends of $3.9375 per share, or $23.6 million, to Series A preferred stockholders of record and $41.25 per share, or $56.7 million, to Series B preferred stockholders of record.

In addition, in October 2016, we declared dividends of $1.3125 per share, or $7.9 million, payable on November 15, 2016 to Series A preferred stockholders of record at the close of business on November 1, 2016 and $13.75 per share, or $18.9 million, payable on November 15, 2016 to Series B preferred stockholders of record at the close of business on November 1, 2016.

During the nine months ended September 30, 2016, we paid $1.53 per share, or $649.6 million, to common stockholders of record. In addition, we declared a distribution of $0.55 per share, or $234.1 million, payable on October 17, 2016 to our common stockholders of record at the close of business on September 30, 2016.

We accrue distributions on unvested restricted stock units, which are payable upon vesting. As of September 30, 2016, the amount accrued for distributions payable related to unvested restricted stock units was $5.8 million. During the nine months ended September 30, 2016, we paid $2.4 million of distributions upon the vesting of restricted stock units.

Contractual Obligations. The following table summarizes our contractual obligations as of September 30, 2016 (in thousands):

Indebtedness	Balance Outstanding	Maturity Date
American Tower subsidiary debt:		
Series 2013-1A securities (1)	$ 500,000	March 15, 2018
Series 2013-2A securities (2)	1,300,000	March 15, 2023
Series 2015-1 notes (3)	350,000	June 15, 2020
Series 2015-2 notes (4)	525,000	June 16, 2025
2012 GTP notes (5)	174,489	March 15, 2019
Unison notes (6)	196,000	Various
Viom indebtedness (7)	593,491	Various
Viom Preference Shares (8)	25,021	Various
Shareholder loans (9)	151,723	Various
BR Towers debentures (10)	103,194	October 15, 2023
Colombian credit facility (11)	60,765	April 24, 2021
South African facility (12)	51,412	December 17, 2020
Brazil credit facility (13)	39,298	January 15, 2022
Indian working capital facility (14)	662	October 31, 2016
Total American Tower subsidiary debt	4,071,055	
American Tower Corporation debt:		
2013 Credit Facility	137,692	June 28, 2019
Term Loan	1,000,000	January 29, 2021
2014 Credit Facility	1,840,000	January 29, 2021
4.500% senior notes	1,000,000	January 15, 2018
3.40% senior notes	1,000,000	February 15, 2019
7.25% senior notes	300,000	May 15, 2019
2.800% senior notes	750,000	June 1, 2020
5.050% senior notes	700,000	September 1, 2020
3.300% senior notes	750,000	February 15, 2021
3.450% senior notes	650,000	September 15, 2021
5.900% senior notes	500,000	November 1, 2021
2.250% senior notes	600,000	January 15, 2022
4.70% senior notes	700,000	March 15, 2022
3.50% senior notes	1,000,000	January 31, 2023
5.00% senior notes	1,000,000	February 15, 2024
4.000% senior notes	750,000	June 1, 2025
4.400% senior notes	500,000	February 15, 2026
3.375% senior notes	1,000,000	October 15, 2026
3.125% senior notes	400,000	January 15, 2027
Total American Tower Corporation debt	14,577,692	
Other debt, including capital lease obligations	130,281	
Total obligations	18,779,028	
Discounts, premiums and debt issuance costs	(99,892)	
Total carrying value of obligations	$ 18,679,136	

(1) Maturity date represents anticipated repayment date; final legal maturity is March 15, 2043.
(2) Maturity date represents anticipated repayment date; final legal maturity is March 15, 2048.
(3) Maturity date represents anticipated repayment date; final legal maturity is June 15, 2045.
(4) Maturity date represents anticipated repayment date; final legal maturity is June 15, 2050.

(5) Secured debt assumed by us in connection with our acquisition of MIPT. Maturity date represents anticipated repayment date; final legal maturity is March 15, 2042. During the nine months ended September 30, 2016, we repaid the $94.1 million outstanding under the Secured Tower Cellular Site Revenue Notes, Series 2012-1 Class A and released 472 sites in connection with this repayment.
(6) Secured debt assumed by us in connection with our acquisition of certain legal entities from Unison Holdings LLC and Unison Site Management II, L.L.C. In October 2016, we repaid the $67.0 million outstanding under the Secured Cellular Site Revenue Notes, Series 2010-1, Class C. The anticipated repayment date for the remaining series is April 15, 2020; final legal maturity date is April 15, 2040.
(7) Debt primarily assumed by us in connection with the Viom Acquisition. Maturity dates begin March 31, 2017. Denominated in INR. In October 2016, ATC TIPL refinanced 3.6 billion INR ($53.5 million as of September 30, 2016) of Viom assumed indebtedness with borrowings under a new short-term committed loan facility with a borrowing capacity of 5.8 billion INR ($87.1 million as of September 30, 2016) and repaid an additional 1.4 billion INR ($21.0 million as of September 30, 2016) of Viom assumed indebtedness with cash on hand.
(8) Mandatorily redeemable preference shares classified as debt, assumed by us in connection with the Viom Acquisition. The shares are to be redeemed in equal parts on March 26, 2017 and March 26, 2018.
(9) Reflects balances owed to our joint venture partners in Ghana and Uganda. The Ghana loan is denominated in GHS and the Uganda loan is denominated in U.S. Dollars.
(10) Publicly issued debentures assumed by us in connection with our acquisition of BR Towers S.A. Denominated in BRL.
(11) Denominated in COP and amortizes through April 24, 2021.
(12) Denominated in ZAR and amortizes through December 17, 2020.
(13) Denominated in BRL.
(14) Denominated in INR. This agreement provides that the maturity date may be extended for additional 30-day periods.

Additional information regarding our contractual debt obligations is set forth under the caption “Quantitative and Qualitative Disclosures about Market Risk” in Part I, Item 3 of this Quarterly Report on Form 10-Q.

Factors Affecting Sources of Liquidity

As discussed in the “Liquidity and Capital Resources” section of the 2015 Form 10-K, our liquidity depends on our ability to generate cash flow from operating activities, borrow funds under our credit facilities and maintain compliance with the contractual agreements governing our indebtedness. We believe that the debt agreements discussed below represent those of our material debt agreements with covenants with respect to which our compliance would be material to an investor’s understanding of our financial results and the impact of those results on our liquidity.

Restrictions Under Loan Agreements Relating to Our Credit Facilities. The loan agreements for the 2014 Credit Facility, the 2013 Credit Facility and the Term Loan contain certain financial and operating covenants and other restrictions applicable to us and our subsidiaries that are not designated as unrestricted subsidiaries on a consolidated basis. These restrictions include limitations on additional debt, distributions and dividends, guaranties, sales of assets and liens. The loan agreements also contain covenants that establish financial tests with which we and our restricted subsidiaries must comply related to total leverage and senior secured leverage, as set forth in the table below. In the event that our debt ratings fall below investment grade, we must maintain an interest coverage ratio of Adjusted EBITDA to Interest Expense (each as defined in the applicable loan agreement) of at least 2.50:1.00. As of September 30, 2016, we were in compliance with each of these covenants.

		Compliance Tests For 12 Months Ended September 30, 2016 ($ in billions)	
	Ratio (1)	**Additional Debt Capacity Under Covenants (2)**	**Capacity for Adjusted EBITDA Decrease Under Covenants (3)**
Consolidated Total Leverage Ratio	Total Debt to Adjusted EBITDA ≤ 6.00:1.00	~ $3.0	~ $0.5
Consolidated Senior Secured Leverage Ratio	Senior Secured Debt to Adjusted EBITDA ≤ 3.00:1.00	~ $6.8 (4)	~ $2.3 (4)

(1) Each component of the ratio as defined in the applicable loan agreement.
(2) Assumes no change to Adjusted EBITDA.
(3) Assumes no change to our debt levels.
(4) Effectively, however, the capacity under this ratio would be limited to the capacity under the Consolidated Total Leverage Ratio.

The loan agreements for our credit facilities also contain reporting and information covenants that require us to provide financial and operating information to the lenders within certain time periods. If we are unable to provide the required information on a timely basis, we would be in breach of these covenants.

Failure to comply with the financial maintenance tests and certain other covenants of the loan agreements for our credit facilities could not only prevent us from being able to borrow additional funds under these credit facilities, but may constitute a default under these credit facilities, which could result in, among other things, the amounts outstanding, including all accrued interest and unpaid fees, becoming immediately due and payable. If this were to occur, we may 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 maintenance tests defined in the loan agreements for these credit facilities and our ability to fund our debt service obligations. Based upon our current expectations, we believe our operating results during the next 12 months will be sufficient to comply with these covenants.

Restrictions Under Agreements Relating to the 2015 Securitization and the 2013 Securitization. The indenture and related supplemental indentures (collectively, the "2015 Indenture") governing the American Tower Secured Revenue Notes, Series 2015-1, Class A (the "Series 2015-1 Notes") and the American Tower Secured Revenue Notes, Series 2015-2, Class A (the "Series 2015-2 Notes," and, together with the Series 2015-1 Notes, the "2015 Notes") issued by GTP Acquisition Partners I, LLC ("GTP Acquisition Partners") in a private securitization transaction in May 2015 (the "2015 Securitization") and the loan agreement related to the securitization transaction completed in March 2013 (the "2013 Securitization") include certain financial ratios and operating covenants and other restrictions customary for transactions subject to rated securitizations. Among other things, American Tower Asset Sub, LLC and American Tower Asset Sub II, LLC (together, the "AMT Asset Subs") and GTP Acquisition Partners are prohibited from incurring other indebtedness for borrowed money or further encumbering their assets, subject to customary carve-outs for ordinary course trade payables and permitted encumbrances (as defined in the applicable agreement).

Under the agreements, amounts due will be paid from the cash flows generated by the assets securing the 2015 Notes or the assets securing the nonrecourse loan that secures the Secured Tower Revenue Securities, Series 2013-1A and Series 2013-2A issued in the 2013 Securitization (the "Loan"), as applicable, which must be deposited into certain reserve accounts, and thereafter distributed, solely pursuant to the terms of the applicable agreement. On a monthly basis, after payment of all required amounts under the applicable agreement, subject to the conditions described in the table below, the excess cash flows generated from the operation of such assets are released to GTP Acquisition Partners or the AMT Asset Subs, as applicable, which can then be distributed to, and used by, us. As of September 30, 2016, $102.1 million held in such reserve accounts was classified as restricted cash.

Certain information with respect to the 2015 Securitization and the 2013 Securitization is set forth below ($ in millions). The debt service coverage ratio ("DSCR") is generally calculated as the ratio of the net cash flow (as defined in the applicable agreement) to the amount of interest, servicing fees and trustee fees required to be paid over the succeeding 12 months on the principal amount of the 2015 Notes or the Loan, as applicable, that will be outstanding on the payment date following such date of determination.

	Issuer or Borrower	Notes/Securities Issued	Conditions Limiting Distributions of Excess Cash: Cash Trap DSCR	Conditions Limiting Distributions of Excess Cash: Amortization Period	Excess Cash Distributed During the Nine Months Ended September 30, 2016	DSCR as of September 30, 2016	Capacity for Decrease in Net Cash Flow Before Triggering Cash Trap DSCR (1)	Capacity for Decrease in Net Cash Flow Before Triggering Minimum DSCR (1)
2015 Securitization	GTP Acquisition Partners	American Tower Secured Revenue Notes, Series 2015-1 and Series 2015-2	1.30x, Tested Quarterly (2)	(3)(4)	$138.4	7.48x	$165.1	$169.1
2013 Securitization	AMT Asset Subs	Secured Tower Revenue Securities, Series 2013-1A and Series 2013-2A	1.30x, Tested Quarterly (2)	(3)(5)	$424.9	10.95x	$463.8	$471.0

(1) Based on the net cash flow of the applicable issuer or borrower as of September 30, 2016 and the expenses payable over the next 12 months on the 2015 Notes or the Loan, as applicable.
(2) Once triggered, a Cash Trap DSCR condition continues to exist until the DSCR exceeds the Cash Trap DSCR for two consecutive calendar quarters.
(3) An amortization period commences if the DSCR is equal to or below 1.15x (the “Minimum DSCR”) at the end of any calendar quarter and continues to exist until the DSCR exceeds the Minimum DSCR for two consecutive calendar quarters.
(4) No amortization period is triggered if the outstanding principal amount of a series has not been repaid in full on the applicable anticipated repayment date. However, in such event, additional interest will accrue on the unpaid principal balance of the applicable series, and such series will begin to amortize on a monthly basis from excess cash flow.
(5) An amortization period exists if the outstanding principal amount has not been paid in full on the applicable anticipated repayment date and continues to exist until such principal has been repaid in full.

A failure to meet the noted DSCR tests could prevent GTP Acquisition Partners or the AMT Asset Subs from distributing excess cash flow to us, which could affect our ability to fund our capital expenditures, including tower construction and acquisitions, meet REIT distribution requirements and make preferred stock dividend payments. During an “amortization period”, all excess cash flow and any amounts then in the reserve accounts because the DSCR was equal to or below the Cash Trap DSCR would be applied to pay principal of the 2015 Notes or the Loan, as applicable, on each monthly payment date, and so would not be available for distribution to us. Further, additional interest will begin to accrue with respect to any series of the 2015 Notes or subclass of Loan from and after the anticipated repayment date at a per annum rate determined in accordance with the applicable agreement. With respect to the 2015 Notes, upon the occurrence and during an event of default, the applicable trustee may, in its discretion or at the direction of holders of more than 50% of the aggregate outstanding principal of any series of the 2015 Notes, declare such series of 2015 Notes immediately due and payable, in which case any excess cash flow would need to be used to pay holders of such notes. Furthermore, if GTP Acquisition Partners or the AMT Asset Subs were to default on a series of the 2015 Notes or the Loan, the applicable trustee may seek to foreclose upon or otherwise convert the ownership of all or any portion of the 3,603 communications sites that secure the 2015 Notes or the 5,185 wireless and broadcast towers that secure the Loan, respectively, in which case we could lose such sites and the revenue associated with those assets.

As discussed above, we use our available liquidity and seek new sources of liquidity to repay or repurchase our outstanding indebtedness. In addition, in order to fund capital expenditures, future growth and expansion initiatives and satisfy our distribution requirements, we may need to raise additional capital through financing activities. If we determine that it is desirable or necessary to raise additional capital, we may be unable to do so, or such additional financing may be prohibitively expensive or restricted by the terms of our outstanding indebtedness. If we are unable to raise capital when our needs arise, we may not be able to fund capital expenditures, future growth and expansion initiatives, satisfy our REIT distribution requirements, pay preferred stock dividends or refinance our existing indebtedness.

In addition, our liquidity depends on our ability to generate cash flow from operating activities. As set forth under the caption “Risk Factors” in Item 1A of the 2015 Form 10-K, we derive a substantial portion of our revenues from a small number of tenants and, consequently, a failure by a significant tenant to satisfy its contractual obligations to us could adversely affect our cash flow and liquidity.

For more information regarding the terms of our outstanding indebtedness, please see note 8 to our consolidated financial statements included in the 2015 Form 10-K.

Critical Accounting Policies and Estimates

Management's discussion and analysis of financial condition and results of operations are based upon our consolidated and condensed consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions 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 impairment of long-lived assets, asset retirement obligations, revenue recognition, rent expense, stock-based compensation, income taxes and accounting for business combinations and acquisitions of assets, which we discussed in the 2015 Form 10-K. Management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We have reviewed our policies and estimates to determine our critical accounting policies for the nine months ended September 30, 2016. We have made no material changes to the critical accounting policies described in the 2015 Form 10-K.

Accounting Standards Update

For a discussion of recent accounting standards updates, see note 1 to our consolidated and condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

As of September 30, 2016, we have one interest rate swap agreement related to debt in Colombia. This swap has been designated as a cash flow hedge, has a notional amount of $30.4 million and an interest rate of 5.74% and expires in April 2021. We also have three interest rate swap agreements related to the 2.250% Notes. These swaps have been designated as fair value hedges, have an aggregate notional amount of $600.0 million and an interest rate of one-month LIBOR plus applicable spreads and expire in January 2022.

Changes in interest rates can cause interest charges to fluctuate on our variable rate debt. Variable rate debt as of September 30, 2016 consisted of $1,840.0 million under the 2014 Credit Facility, $137.7 million under the 2013 Credit Facility, $1,000.0 million under the Term Loan, $600.0 million under the interest rate swap agreements related to the 2.250% Notes, $51.4 million under the South African facility, $30.4 million under the interest rate swap agreement related to the Colombian credit facility, $103.2 million under the BR Towers debentures and $39.3 million under the Brazil credit facility. A 10% increase in current interest rates would result in an additional $6.3 million of interest expense for the nine months ended September 30, 2016.

Foreign Currency Risk

We are exposed to market risk from changes in foreign currency exchange rates primarily in connection with our foreign subsidiaries and joint ventures internationally. Any transaction denominated in a currency other than the U.S. Dollar is reported in U.S. Dollars at the applicable exchange rate. All assets and liabilities are translated into U.S. Dollars at exchange rates in effect at the end of the applicable fiscal reporting period and all revenues and expenses are translated at average rates for the period. The cumulative translation effect is included in equity as a component of Accumulated other comprehensive loss. We may enter into additional foreign currency financial instruments in anticipation of future transactions to minimize the impact of foreign currency fluctuations. For the nine months ended September 30, 2016, 39% of our revenues and 44% of our total operating expenses were denominated in foreign currencies.

As of September 30, 2016, we have incurred intercompany debt that is not considered to be permanently reinvested and similar unaffiliated balances that were denominated in a currency other than the functional currency of the subsidiary in which it is recorded. As this debt had not been designated as being a long-term investment in nature, any changes in the foreign currency exchange rates will result in unrealized gains or losses, which will be included in our determination of net income. An adverse change of 10% in the underlying exchange rates of our unsettled intercompany debt and similar unaffiliated balances would result in $42.0 million of unrealized losses that would be included in Other expense in our consolidated statements of operations for the nine months ended September 30, 2016.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We have established disclosure controls and procedures designed 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.

Our management, with the participation of our principal executive officer and principal financial officer, 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 (the “Exchange Act”)) 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 were effective as of September 30, 2016 and designed to ensure that the information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the requisite time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the three months ended September 30, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We periodically become involved in various claims and lawsuits that are incidental to our 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 our consolidated financial position, results of operations or liquidity.

ITEM 1A. RISK FACTORS

There were no material changes to the risk factors discussed in Item 1A of the 2015 Form 10-K.

ITEM 6. EXHIBITS

See Page EX-1 of this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

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: October 27, 2016

By: /S/ THOMAS A. BARTLETT

Thomas A. Bartlett
Executive Vice President and Chief Financial Officer
(Duly Authorized Officer and Principal Financial Officer)

EXHIBIT INDEX

Exhibit No.	Description of Document
4.1	Supplemental Indenture No. 6, dated as of September 30, 2016, to Indenture dated as of May 23, 2013, by and between the Company and U.S. Bank National Association, as trustee, for the 2.250% Senior Notes due 2022 and the 3.125% Senior Notes due 2027 (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K on September 30, 2016, and incorporated herein by reference)
10.1	Letter Agreement, dated as of May 4, 2016, as amended, by and between the Company and William H. Hess
12	Statement Regarding Computation of Ratio of Earnings to Fixed Charges and Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends
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 filed pursuant to 18. U.S.C. Section 1350
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition

Exhibit 10.1

AMERICAN TOWER
CORPORATION

May 4, 2016

William Hess
625 Tremont Street
Boston, MA 02118

Dear Hal:

As we discussed recently, this letter is to confirm that you will be continuing to undertake your current employment duties as, and fulfill the scope of responsibilities for, the position of Executive Vice President, International Operations and President, Latin America and EMEA of American Tower Corporation ("***American Tower***" or "***us***" and, with correlative meaning, "***our***" and "***we***"), where you have held your current position since February 2007 and have been employed since March 2001, by and through a relocation to the offices of ATC Brazil Cooperatief U.A., (the "***Company***"), an indirectly held, wholly owned subsidiary of American Tower, currently located at Prins Bernhardplein, 200, 1097 JB Amsterdam, The Netherlands and becoming seconded to, or employed by, that organization and/or its Netherlands based subsidiaries and affiliates, as necessary and appropriate to facilitate this change in assignment (this "***Assignment***"). During this Assignment you will continue reporting to the Chairman, President and CEO. For expatriate purposes your home location ("***Home Location***") is considered to be Boston (MA), United States, and your host location is Amsterdam, Netherlands.

Your Annual Salary will remain at the rate of USD $650,000 (Six Hundred Fifty Thousand US Dollars), an amount equal to approximately €503,100 (Five Hundred Three Thousand one Hundred Euros), or approximately €41,925 (Forty-One Thousand Nine Hundred Twenty-Five Euros) per month. You also will remain eligible to receive a discretionary bonus similar to other similarly situated Executive Vice Presidents, which is based upon performance against agreed upon goals and objectives.

The duration of this Assignment is anticipated to be for a period of twenty-four months (24 months), beginning on June 1, 2016, and ending on May 31, 2018, subject to the provisions of this letter. Prior to the end of this Assignment, your position will be reviewed by you and your Manager and a decision will be made as to whether you shall continue this Assignment in Amsterdam for an extended period of time. Your normal place of work will be the offices of the Company either at its current location Prins Bernhardplein, 200, 1097 JB Amsterdam or such other offices as the Company may open in the Netherlands. The Company's normal hours of work are between 9:00 a.m. and 5:00 p.m. Mondays to Fridays, but you agree to work such additional hours as may be necessary for the proper performance of your duties without extra remuneration.

Your compensation and all reimbursements and allowances contemplated under this letter shall be paid in US Dollars, unless, and only to the extent, it is otherwise mutually agreed.

You will be eligible for the following allowances and benefits for as long as you remain on assignment under the terms of this letter:

- **Allowances**: You shall be eligible for USD $11,550.00 (Eleven Thousand Five Hundred Fifty US Dollars), an amount equal to approximately €10,000 (Ten Thousand Euros) per month which is inclusive of Housing, Educational (for any school age dependent children accompanying you to

Amsterdam), Cost of Living, and Car Allowances. You will also be eligible for a one-time settling in allowance of USD $10,000.00, an amount equal to approximately €8,652 (Eight Thousand Six Hundred Fifty Two Euros).

- **Relocation**: Reimbursement of pre-move relocation expenses, including reasonable round trip airfare transportation and expenses for you and your spouse to find housing, reimbursement of household goods shipment, reimbursement of cost of storage of personal effects for duration of assignment if needed, loss on sale of up to two cars, and temporary living in Host Country if needed.

- **Home Leave**: Reimbursement of reasonable round trip airfare transportation to your Home Location and reasonable expenses and transit costs en route for you and your dependents two times during each twelve month period with expenses and transit costs that are consistent with the Business Travel and Entertainment Policy. The class of travel will be determined by the International Assignment Policy, which currently states that travel in excess of six hours may be upgraded to business class airfare. Home leave counts towards holiday/flex time and this can be taken at your discretion at any time during the assignment subject to the normal approval process. Travel to locations other than your Home Location will not be reimbursed.

- **Visa/Immigration**: Terms and conditions expressed in this letter of assignment are contingent upon receipt of an approved working permit and visa by the corresponding Netherlands immigration authorities. American Tower and the Company, will assist you in securing any necessary visa, registration and immigration paperwork for you and your dependents, and will cover any charges reasonably incurred in this process.

- **Repatriation**: Upon completion of this Assignment you and your dependents will be placed back to Boston (MA), United States.

- **Other Social Charges**: In the event that there are any other compulsory insurances, taxes or contributions to social services on your part in Netherlands, American Tower or the Company or its affiliate will cover them through direct payment or reimbursement to you, and such payment will be considered as part of the annual tax equalization process.

- **Benefits**: As an expatriate on oversees assignment, you will be offered the opportunity to participate in the international medical and dental coverage that American Tower has in place, with coverage provided through Cigna Global Health Benefits. American Tower or the Company will cover the cost of this international medical and dental policy, for you and your dependents, during the duration of this Assignment to the extent it is higher in terms of employee cost than comparable coverage in the United States. You remain eligible to participate in all other U.S. benefit programs, including but not limited to life and disability insurance programs and the 401(k) Plan. Participation in all benefit programs must be in accordance with the terms of each plan and/or program. American Tower reserves the right to amend, update, modify and/or terminate any or all of these programs.

- **Emergency Leave**: You will be reimbursed for the cost of reasonable round trip airfare consistent with American Tower's Business Travel and Entertainment Policy should you need to return to United States for a personal or medical emergency, such as a death in the family or serious medical illness during this Assignment. Emergency leave should be communicated with your Manager as soon as possible and approval by your Supervisor should be obtained in advance, where possible.

- **Taxes, Tax Equalization and Tax Preparation**: It is the philosophy of American Tower that you pay no more or no less tax than you would in your home country, if you were not on assignment. Therefore, you will have actual or “hypothetical” taxes withheld from your pay, as if you had remained in your home country. Any additional items that might be included as taxable compensation on your behalf due to your assignment, and ultimately result in a higher tax liability, will be the responsibility of American Tower or the Company to pay the taxes.

Tax equalization is provided to (i) help ensure that you incur no additional tax liability or benefit with respect to base salary, commissions, bonuses and equity paid by American Tower under this agreement, as well as from other personal non-company income and deductions, as a result of having an assignment outside of your home country and (ii) provide tax preparation assistance to ensure compliance with home and host country expatriate tax laws. Each year, a final tax equalization calculation will be prepared to settle your assignment tax obligations.

The timely gathering and submission of information for filing of tax returns and the payment of income taxes remains your responsibility. To facilitate in the preparation of your home and host country tax returns, American Tower will pay customary and reasonable costs of its designated outside tax consultants for pre-assignment tax counseling, as well as for the preparation of your home and host country tax returns for each year in which you have assignment-related tax impacts. Our designated tax consultants will contact you to discuss any relevant tax implications of this assignment before your arrival in the host country.

It is your responsibility to comply with home and host country tax laws and other applicable tax requirements while on international assignment. Any tax penalties or interest resulting from improper reporting or delays attributable to your action will be your responsibility.

Notwithstanding the foregoing, the tax equalization arrangement described above is subject to review and change should your tax status in your home country change during or prior to this Assignment.

With regard to any provision in this letter that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A of the Internal Revenue Code of 1986,: the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit;, the amount of expenses eligible for reimbursement, or in-kind benefits provided during any taxable year, shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided in any other taxable year; and such payments shall be made on or before the last day of the Participant’s taxable year following the taxable year in which the expense occurred.

By signing this agreement, you are authorizing American Tower's designated outside tax consultants to release any pertinent information to American Tower relating to the period of your assignment.

Termination: You will be eligible to receive severance benefits afforded to Company Executive Vice Presidents under the American Tower Corporation Severance Program and the policies thereunder. In the event that this Assignment is terminated by American Tower or the Company without Cause (as defined in the American Tower Corporation Severance Program), then American Tower or the Company will reimburse all reasonable expenses associated with your relocation back to your Home Location. Further, though severance would not be applicable, should there be a mutual decision for an early termination of this Assignment such reasonable relocation expenses would be reimbursed.

The terms contained in this letter will serve as the terms and conditions of your assignment. Once your relocation process has been completed, to the extent there is any material variation from achieving the intended equalization under actual conditions encountered, these terms and conditions of this letter of assignment could be amended, under mutual agreement between you and American Tower.

This letter agreement, unless earlier terminated or amended, and its terms and conditions, including, its allowances and benefits, will remain in effect until the above stated ending date, but may be extended by the mutual written agreement of the parties.

Sincerely,

/s/ James D. Taiclet, Jr.

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

My signature acknowledges receipt and acceptance of this letter of assignment and my agreement with the terms and conditions set forth in the letter and also acknowledge the adequacy of the consideration provided to me in connection therewith.

/s/ William H. Hess	5/4/2016
William H. Hess	Date

AMENDMENT TO CONTRACT OF EMPLOYMENT

The undersigned:

1. American Tower Corporation, a Delaware corporation, having its principal place of business at 116 Huntington Ave., 11th Floor, Boston, MA 02116, duly represented by Edmund DiSanto, hereinafter referred to as the "Employer"
2. William Harrold Hess, born on March 19, 1963, domiciled at Weteringschans 95hs, 1017 RZ Amsterdam, The Netherlands , hereinafter referred to as the "Employee"

Whereas:

- Employer and Employee have agreed to an employment agreement for a period of 2 years starting on June 1, 2016;
- Employee *and Employer* wishes to make use of the so-called 30%-ruling, as laid down in the relevant provisions of the 1964 Dutch Wage Tax Act and the 1965 Dutch Wage Tax Implementation Decree;
- Employer and Employee will therefore file an application for the 30%-ruling;

Have agreed as follows:

a) If and to the extent that, based on article 10ea of the Dutch Wage Tax Implementation Decree 1965 ("DWTID 1965"), the Employee is eligible for a defined tax-free reimbursement for extra-territorial expenses (under the so called work-related cost scheme) or a tax free reimbursement in case the regime of tax-free reimbursement and benefits in kind is still applicable, it will be agreed that the remuneration for present employment agreed with the Employee will be reduced for labour law purposes in such a way that 100/70 of the thus agreed remuneration for present employment is equal to the originally agreed remuneration for present employment.

b) If and to the extent that part (a) is applied, the Employee shall receive from the Employer a reimbursement for extra-territorial expenses equal to 30/70 of the thus agreed remuneration for present employment.

c) The Employee and the Employer are aware of the fact that implementing the tax free reimbursement for extra-territorial expenses cannot result in a lower taxable salary as referred to in article 10eb of DWTID 1965 and the fact that the tax free reimbursement for extra-territorial expenses may be less than 30/70 of the thus agreed remuneration.

d) The Employee is aware of the fact that adjustment of the agreed remuneration pursuant to (a) may in view of the applicable regulations have consequences for all remuneration-related benefits and payments *(such as pension payments and social security benefits).*

Boston, MA	October __, 2016
/s/ Edmund DiSanto	/s/ William Harrold Hess
Edmund DiSanto	William Harrold Hess

Exhibit 12

AMERICAN TOWER CORPORATION
STATEMENT REGARDING COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

The following table reflects the computation of the ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends for the periods presented (in thousands):

	2011	2012	2013	2014	2015	Nine months ended September 30, 2016
Computation of Earnings:						
Income from continuing operations before income taxes and income on equity method investments	$ 506,895	$ 701,294	$ 541,749	$ 865,704	$ 829,962	$ 832,177
Add:						
Interest expense (1)	313,328	403,150	459,779	581,716	596,769	531,922
Operating leases	109,817	125,706	148,573	196,491	241,430	217,760
Amortization of interest capitalized	2,218	2,315	2,406	2,547	2,638	2,021
Earnings as adjusted	932,258	1,232,465	1,152,507	1,646,458	1,670,799	1,583,880
Computation of fixed charges and combined fixed charges and preferred stock dividends:						
Interest expense (1)	313,328	403,150	459,779	581,716	596,769	531,922
Interest capitalized	2,096	1,926	1,817	2,822	1,831	1,133
Operating leases	109,817	125,706	148,573	196,491	241,430	217,760
Fixed charges	425,241	530,782	610,169	781,029	840,030	750,815
Dividends on preferred stock	—	—	—	23,888	90,163	80,344
Combined fixed charges and preferred stock dividends	425,241	530,782	610,169	804,917	930,193	831,159
Excess in earnings required to cover fixed charges	$ 507,017	$ 701,683	$ 542,338	$ 865,429	$ 830,769	$ 833,065
Ratio of earnings to fixed charges (2)	2.19	2.32	1.89	2.11	1.99	2.11
Excess in earnings required to cover combined fixed charges and preferred stock dividends	$ 507,017	$ 701,683	$ 542,338	$ 841,541	$ 740,606	$ 752,721
Ratio of earnings to combined fixed charges and preferred stock dividends	2.19	2.32	1.89	2.05	1.80	1.91

(1) Interest expense includes amortization of deferred financing costs. Interest expense also includes an amount related to our capital lease with TV Azteca.

(2) For the purposes of this calculation, “earnings” consists of income from continuing operations before income taxes and income on equity method investments, as well as fixed charges (excluding interest capitalized and amortization of interest capitalized). “Fixed charges” consists of interest expensed and capitalized, amortization of debt discounts, premiums and related issuance costs and the component of rental expense associated with operating leases believed by management to be representative of the interest factor thereon.

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) 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

   (d) 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: October 27, 2016	By:	/S/ JAMES D. TAICLET, JR.
		James D. Taiclet, Jr.
		Chairman, President and Chief Executive Officer

Exhibit 31.2

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

I, Thomas A. Bartlett, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) 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
   (d) 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: October 27, 2016	By:	/S/ THOMAS A. BARTLETT
		Thomas A. Bartlett
		Executive Vice President and Chief Financial Officer

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 nine months ended September 30, 2016, 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: October 27, 2016	By:	/S/ JAMES D. TAICLET, JR.
		James D. Taiclet, Jr.
		Chairman, President and Chief Executive Officer
Date: October 27, 2016	By:	/S/ THOMAS A. BARTLETT
		Thomas A. Bartlett
		Executive Vice President and Chief Financial Officer

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.