AMERICAN TOWER CORP /MA/
Form 10-K
February 27, 2017
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K
(Mark One):
ý Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.
For the fiscal year ended December 31, 2016
¨ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.
For the transition period from to
Commission File Number: 001-14195
American Tower Corporation
(Exact name of registrant as specified in its charter)

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

Title of each Class	Name of exchange on which registered
Common Stock, $0.01 par value	New York Stock Exchange
5.25% Mandatory Convertible Preferred Stock, Series A, $0.01 par value	New York Stock Exchange
Depositary Shares, each representing a 1/10th ownership interest in a share of 5.50% Mandatory Convertible Preferred Stock, Series B, $0.01 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None
Indicate by check mark if the registrant is a well known seasoned issuer, as defined in Rule 405 of the Securities Act: Yes ý No ¨
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act: Yes ¨ No ý
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 ý 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 ý No ¨
Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of the Form 10-K or any amendment to this Form 10-K. ý

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 definition of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check One):
Large accelerated filer ý Accelerated filer o Non-accelerated filer o Smaller reporting company o
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act): Yes ¨ No ý
The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant as of June 30, 2016 was $47.9 billion, based on the closing price of the registrant’s common stock as reported on the New York Stock Exchange as of the last business day of the registrant’s most recently completed second quarter.
As of February 17, 2017, there were 427,195,037 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE
Portions of the definitive proxy statement (the “Definitive Proxy Statement”) to be filed with the Securities and Exchange Commission relative to the registrant’s 2017 Annual Meeting of Stockholders are incorporated by reference into Part III of this Report.

Table of Contents

AMERICAN TOWER CORPORATION
TABLE OF CONTENTS
FORM 10-K ANNUAL REPORT
FISCAL YEAR ENDED DECEMBER 31, 2016

i

Table of Contents

AMERICAN TOWER CORPORATION
TABLE OF CONTENTS—(Continued)
FORM 10-K ANNUAL REPORT
FISCAL YEAR ENDED DECEMBER 31, 2016

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K (this "Annual Report") contains statements about future events and expectations, or forward-looking statements, all of which are inherently uncertain. We have based those forward-looking statements on our current expectations and projections about future results. When we use words such as "anticipates," "intends," "plans," "believes," "estimates," "expects" or similar expressions, we do so to identify forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements we make regarding future prospects of growth in the communications site leasing industry, the level of future expenditures by companies in this industry and other trends in this industry, the effects of consolidation among companies in our industry and among our tenants and other competitive pressures, changes in zoning, tax and other laws and regulations, economic, political and other events, particularly those relating to our international operations, our future capital expenditure levels, our plans to fund our future liquidity needs, our substantial leverage and debt service obligations, our future financing transactions, our ability to maintain or increase our market share, our future operating results, our ability to remain qualified for taxation as a real estate investment trust (REIT), the amount and timing of any future distributions including those we are required to make as a REIT, our ability to protect our rights to the land under our towers and natural disasters and similar events. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. These assumptions could prove inaccurate. These forward-looking statements may be found under the captions "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," as well as in this Annual Report generally.

Table of Contents

You should keep in mind that any forward-looking statement we make in this Annual Report or elsewhere speaks only as of the date on which we make it. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us. In any event, these and other important factors, including those set forth in Item 1A of this Annual Report under the caption "Risk Factors," may cause actual results to differ materially from those indicated by our forward-looking statements. We have no duty, and do not intend, to update or revise the forward-looking statements we make in this Annual Report, except as may be required by law. In light of these risks and uncertainties, you should keep in mind that the future events or circumstances described in any forward-looking statement we make in this Annual Report or elsewhere might not occur. References in this Annual Report to "we," "our" and the "Company" refer to American Tower Corporation and its predecessor, as applicable, individually and collectively with its subsidiaries as the context requires.

Table of Contents

PART I

ITEM 1. BUSINESS

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. We refer to this business as our property operations, which accounted for 99% of our total revenues for the year ended December 31, 2016. We also offer tower-related services in the United States, including site acquisition, zoning and permitting and structural analysis, which primarily support our site leasing business, including the addition of new tenants and equipment on our sites. We refer to this business as our services operations.

Our portfolio primarily consists of towers that we own and towers that we operate pursuant to long-term lease arrangements, as well as distributed antenna system ("DAS") networks, which provide seamless coverage solutions in certain in-building and outdoor wireless environments. 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 other telecommunications infrastructure and property interests that we lease to communications service providers and third-party tower operators. Our communications real estate portfolio of 144,884 communications sites, as of December 31, 2016, included 40,414 communications sites in the U.S., 57,945 communications sites in Asia, 12,861 communications sites in Europe, Middle East and Africa ("EMEA") and 33,664 communications sites in Latin America.

American Tower Corporation was originally created as a subsidiary of American Radio Systems Corporation in 1995 and was spun off into a free-standing public company in 1998. We are a holding company and conduct our operations through our directly and indirectly owned subsidiaries and joint ventures. Our principal domestic operating subsidiaries are American Towers LLC and SpectraSite Communications, LLC. We conduct our international operations primarily through our subsidiary, American Tower International, Inc., which in turn conducts operations through its various international holding and operating subsidiaries and joint ventures.

Since inception, we have grown our communications real estate portfolio through acquisitions, long-term lease arrangements and site development. In 2016, we significantly expanded our Asia segment portfolio by acquiring a 51% controlling ownership interest in Viom Networks Limited ("Viom"), a telecommunications infrastructure company that owns and operates approximately 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"). In 2016, we launched operations in Argentina, a new market for us. In December 2016, our newly formed joint venture in Europe entered into a definitive agreement to acquire a tower company in France, which is also a new market for us. This acquisition closed in February 2017.

We operate as a real estate investment trust for U.S. federal income tax purposes ("REIT"). Accordingly, we generally are not subject to U.S. federal income taxes on income generated by our REIT operations, including the income derived from leasing space on our towers, as we receive a dividends paid deduction for distributions to stockholders that generally offsets our income and gains. However, we remain obligated to pay U.S. federal income taxes on earnings from our domestic taxable REIT subsidiaries ("TRSs"). In addition, our 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 us to continue to engage in certain businesses while complying with REIT qualification requirements. We may, from time to time, change the election of previously designated TRSs to be included as part of the REIT. As of December 31, 2016, our REIT qualified businesses included our U.S. tower leasing business, most of our operations in Costa Rica, Germany and Mexico and a majority of our services segment and indoor DAS networks business.

We report our results in five segments – U.S. property (formerly referred to as “domestic rental and management”), Asia property, EMEA property, Latin America property (Asia property, EMEA property and Latin America property were formerly referred to as “international rental and management”) and services (formerly referred to as “network development services”).

For more information about our business segments, as well as financial information about the geographic areas in which we operate, see Item 7 of this Annual Report under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and note 20 to our consolidated financial statements included in this Annual Report.

Table of Contents

Products and Services

Property Operations

Our property operations accounted for 99%, 98% and 98% of our total revenues for each of the years ended December 31, 2016, 2015 and 2014, respectively. Our revenue is primarily generated from tenant leases. Our tenants lease space on our communications real estate, where they install and maintain their equipment. Rental payments vary considerably depending upon numerous factors, including, but not limited to, tower location, amount, type and position of tenant equipment on the tower, ground space required by the tenant and remaining tower capacity. Our costs typically include ground rent (which is primarily fixed, with annual cost escalations) and power and fuel costs, some or all of which may be passed through to our tenants, as well as property taxes and repairs and maintenance expenses. Our property operations have generated consistent incremental growth in revenue and typically have low cash flow volatility due to the following characteristics:

- Long-term tenant leases with contractual rent escalations. In general, a tenant lease has an initial non-cancellable term of ten years with multiple renewal terms, with provisions that periodically increase the rent due under the lease, typically annually, based on a fixed escalation percentage (averaging approximately 3% in the United States) or an inflationary index in our international markets, or a combination of both. Based upon foreign currency exchange rates and the tenant leases in place as of December 31, 2016, we expect to generate over $31 billion of non-cancellable tenant lease revenue over future periods, absent the impact of straight-line lease accounting.
- Consistent demand for our sites. As a result of rapidly growing usage of wireless services and the corresponding wireless industry capital spending trends in the markets we serve, we anticipate consistent demand for our communications sites. We believe that our global asset base positions us well to benefit from the increasing proliferation of advanced wireless devices and the increasing usage of high bandwidth applications on those devices. We have the ability to add new tenants and new equipment for existing tenants on our sites, which typically results in incremental revenue and modest incremental costs. Our site portfolio and our established tenant base provide us with a solid platform for new business opportunities, which has historically resulted in consistent and predictable organic revenue growth.
- High lease renewal rates. Our tenants tend to renew leases because suitable alternative sites may not exist or be available and repositioning a site in their network may be expensive and may adversely affect the quality of their network. Historically, churn has been approximately 1% to 2% of total property revenue per year. 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 year by dividing our revenue lost on this basis by our prior year property segment revenue.
- High operating margins. Incremental operating costs associated with adding new tenants to an existing communications site are relatively minimal. Therefore, as tenants are added, the substantial majority of incremental revenue flows through to gross margin and operating profit. In addition, in many of our international markets certain expenses, such as ground rent or power and fuel costs, are reimbursed or shared by our tenant base.
- Low maintenance capital expenditures. On average, we require relatively low amounts of annual capital expenditures to maintain our communications sites.

Our property business includes the operation of communications sites, managed networks, the leasing of property interests, fiber and the provision of backup power through shared generators. Our presence in a number of markets at different relative stages of wireless development provides us with significant diversification and long-term growth potential. Our property segments accounted for the following percentage of total revenue for the years ended December 31,:

	2016	2015	2014
U.S.	59 %	66 %	64 %
Asia	14 %	5 %	6 %
EMEA	9 %	8 %	8 %
Latin America	17 %	19 %	20 %

Communications Sites. Approximately 95% of revenue in our property segments was attributable to our communications sites for each of the years ended December 31, 2016, 2015 and 2014.

Table of Contents

We lease space on our communications sites to tenants providing a diverse range of communications services, including cellular voice and data, broadcasting, mobile video and a number of other applications. In addition, in many of our international markets, we receive additional pass-through revenue from our tenants to cover certain costs, including power and fuel costs and ground rent. Our top tenants by revenue for each region are as follows for the year ended December 31, 2016:

- U.S.: AT&T, Verizon Wireless, Sprint and T-Mobile US accounted for an aggregate of 88% of U.S. property segment revenue.
- Asia: TATA, Idea Cellular, Vodafone and Bharti Airtel Limited ("Airtel") accounted for an aggregate of 66% of Asia property segment revenue.
- EMEA: Airtel and MTN Group Limited accounted for an aggregate of 70% of EMEA property segment revenue.
- Latin America: Telefónica, AT&T, Telecom Italia and Nextel International accounted for an aggregate of 71% of Latin America property segment revenue.

Accordingly, we are subject to certain risks, as set forth in Item 1A of this Annual Report under the caption "Risk Factors—A substantial portion of our revenue is derived from a small number of tenants, and we are sensitive to changes in the creditworthiness and financial strength of our tenants." In addition, we are subject to risks related to our international operations, as set forth under the caption "Risk Factors—Our foreign operations are subject to economic, political and other risks that could materially and adversely affect our revenues or financial position, including risks associated with fluctuations in foreign currency exchange rates."

Managed Networks, Property Interests, Fiber and Shared Generators. In addition to our communications sites, we also own and operate several types of managed network solutions, provide communications site management services to third parties, manage and lease property interests under carrier or other third-party communications sites, lease fiber and provide back-up power sources to tenants at our sites.

- Managed Networks. We own and operate DAS networks in the United States and certain international markets. We obtain rights from property owners to install and operate in-building DAS networks, and we grant rights to wireless service providers to attach their equipment to our installations. We also offer outdoor DAS networks as a complementary shared infrastructure solution for our tenants in the United States and in certain international markets. Typically, we design, build and operate our outdoor DAS networks in areas in which zoning restrictions or other barriers may prevent or delay deployment of more traditional wireless communications sites. We also hold lease rights and easement interests on rooftops capable of hosting communications equipment in locations where towers are generally not a viable solution based on area characteristics. In addition, we provide management services to property owners in the United States who elect to retain full rights to their property while simultaneously marketing the rooftop for wireless communications equipment installation. As the demand for advanced wireless devices in urban markets evolves, we continue to evaluate a variety of infrastructure solutions, including small cells, that may support our tenants' networks in these areas.
- Property Interests. We own a portfolio of property interests in the United States under carrier or other third-party communications sites, which provides recurring cash flow under complementary leasing arrangements.
- Fiber. We own and operate fiber in Argentina, which we currently lease to operators to support their urban telecommunications infrastructure and expect to lease to operators in the future for additional fourth generation (4G) and fifth generation (5G) deployments.
- Shared Generators. We have contracts with certain of our tenants in the United States pursuant to which we provide access to shared backup power generators.

Services Operations

We offer tower-related services, including site acquisition, zoning and permitting and structural analysis services. Our services operations primarily support our site leasing business, including through the addition of new tenants and equipment on our sites. This segment accounted for 1%, 2% and 2% of our total revenue for each of the years ended December 31, 2016, 2015 and 2014, respectively.

Site Acquisition, Zoning and Permitting. We engage in site acquisition services on our own behalf in connection with our tower development projects, as well as on behalf of our tenants. We typically work with our tenants’ engineers to determine the geographic areas where new communications sites will best address the tenants’ needs and meet their coverage objectives. Once a new site is identified, we acquire the rights to the land or structure on which the site will be constructed, and we manage the permitting process to ensure all necessary approvals are obtained to construct and operate the communications site.

Table of Contents

Structural Analysis. We offer structural analysis services to wireless carriers in connection with the installation of their communications equipment on our towers. Our team of engineers can evaluate whether a tower structure can support the additional burden of the new equipment or if an upgrade is needed, which enables our tenants to better assess potential sites before making an installation decision. Our structural analysis capabilities enable us to provide higher quality service to our existing tenants by, among other things, reducing the time required to achieve on-air readiness, while also providing opportunities to offer structural analysis services to third parties.

Strategy

Operational Strategy

Our operational strategy is to capitalize on the global growth in the use of wireless services and the evolution of advanced wireless handsets, tablets and other mobile devices, and the corresponding expansion of communications infrastructure required to deploy current and future generations of wireless communications technologies. To achieve this, our primary focus is to (i) increase the occupancy of our existing communications real estate portfolio, (ii) invest in and selectively grow our communications real estate portfolio, (iii) further improve upon our operational performance and (iv) maintain a strong balance sheet. We believe these efforts will further support and enhance our ability to capitalize on the growth in demand for wireless infrastructure. In addition, we expect to explore new and broader opportunities to enhance or extend our shared communications infrastructure businesses, including those that may make our assets incrementally more attractive to new tenants, or to existing tenants for additional uses, and those that increase our operational efficiency.

- Increase the occupancy of our existing communications real estate portfolio. We believe that our highest returns will be achieved by leasing additional space on our existing communications sites. Increasing demand for wireless services in our served markets has resulted in significant capital spending by major wireless carriers. As a result, we anticipate consistent demand for our communications sites because they are attractively located for wireless service providers and typically have capacity available for additional tenants. In the United States, incremental carrier network activity is being driven primarily by the build-out and densification of 4G networks, while in our international markets, carriers are deploying a combination of second generation (2G), third generation (3G) and 4G networks, depending on the specific market. As of December 31, 2016, we had a global average of approximately 1.9 tenants per tower. We believe that the majority of our towers have capacity for additional tenants and that substantially all of our towers that are currently at or near full structural capacity can be upgraded or augmented to meet future tenant demand with relatively modest capital investment. Therefore, we will continue to target our sales and marketing activities to increase the utilization and return on investment of our existing communications sites.
- Invest in and selectively grow our communications real estate portfolio. We seek opportunities to invest in and grow our operations through our capital expenditure program, new site construction and acquisitions. We believe we can achieve attractive risk-adjusted returns by pursuing such investments. In addition, we seek to secure property interests under our communications sites to improve operating margins as we reduce our cash operating expense related to ground leases. A significant portion of our inorganic growth has been focused on properties with lower initial tenancy because we believe that over time, we can significantly increase tenancy levels, and therefore, drive strong returns on those assets.
- Further improve upon our operational performance and efficiency. We continue to seek opportunities to improve our operational performance throughout the organization. This includes investing in our systems and people as we strive to improve efficiency and provide superior service to our tenants. To achieve this, we intend to continue to focus on customer service, such as reducing cycle times for key functions, including lease processing and tower structural analysis.
- Maintain a strong balance sheet. We remain committed to disciplined financial policies, which we believe result in our ability to maintain a strong balance sheet and will support our overall strategy and focus on asset growth and operational excellence. As a result of these policies, we currently have investment grade credit ratings. We continue to focus on maintaining a robust liquidity position and, as of December 31, 2016, had $3.6 billion of available liquidity.

We believe that our investment grade credit ratings provide us consistent access to the capital markets and our liquidity provides us the ability to selectively invest in our portfolio.

Capital Allocation Strategy

The objective of our capital allocation strategy is to simultaneously increase adjusted funds from operations and our return on invested capital over the long term. To maintain our qualification for taxation as a REIT, we are required to distribute to our stockholders annually an amount equal to at least 90% of our REIT taxable income (determined before the deduction for

Table of Contents

distributed earnings and excluding any net capital gain). After complying with our REIT distribution requirements and paying dividends on our preferred stock, we plan to continue to allocate our available capital among investment alternatives that meet or exceed our return on investment criteria.

- Capital expenditure program. We will continue to invest in and expand our existing communications real estate portfolio through our annual capital expenditure program. This includes capital expenditures associated with maintenance, increasing the capacity of our existing sites, and projects such as new site construction, land interest acquisitions and shared generator installations.
- Acquisitions. We intend to pursue acquisitions of communications sites in our existing or new markets where we can meet or exceed our risk-adjusted return on investment criteria. Our risk-adjusted hurdle rates consider additional risks such as the country and counterparties involved, investment and economic climate, legal and regulatory conditions and industry risk.
- Return excess capital to stockholders. If we have excess capital available after funding (i) our required distributions, (ii) capital expenditures and (iii) anticipated future investments, including acquisition opportunities, we will seek to return such excess capital to stockholders, including through our stock repurchase program.

International Growth Strategy

We believe that, in certain international markets, we can create substantial value by either establishing a new, or expanding our existing, communications real estate leasing business. Therefore, we expect we will continue to seek international growth opportunities where we believe our risk-adjusted return objectives can be achieved. We strive to maintain a diversified approach to our international growth strategy by operating in a geographically diverse array of markets in a variety of stages of wireless network development. Our international growth strategy includes a disciplined, individualized market evaluation, in which we conduct the following analyses, among others:

- Country analysis. Prior to entering a new market, we conduct an extensive review of the country’s historical and projected macroeconomic fundamentals, including inflation outlook and foreign currency exchange rate trends, capital markets, tax regime and investment alternatives, and the general business, political and legal environments, including property rights and regulatory regime.
- Wireless industry analysis. To confirm the presence of sufficient demand to support an independent tower leasing model, we analyze the competitiveness of the country’s wireless market, such as the pricing environment, past and potential industry consolidation and the stage of its wireless network development. Characteristics that result in an attractive investment opportunity include (i) multiple competitive wireless service providers who are actively seeking to invest in deploying voice and data networks and (ii) ongoing or expected deployment of incremental spectrum from recent or anticipated auctions.
- Opportunity and counterparty analysis. Once an investment opportunity is identified within a geographic area with an attractive wireless industry, we conduct a multifaceted opportunity and counterparty analysis. This includes evaluating (i) the type of transaction, (ii) its ability to meet our risk-adjusted return criteria given the country and the counterparties involved, including the anticipated anchor tenant and (iii) how the transaction fits within our long-term strategic objectives, including future potential investment and expansion within the region.

Recent Transactions

Acquisitions and Joint Venture

We increased our communications site portfolio by 45,309 sites in 2016, including 1,869 build-to-suits. We believe these assets will be an important component of our long-term growth. In 2016, we completed the Viom Acquisition, which included approximately 42,000 wireless communications towers and 200 indoor DAS networks in India. We also launched operations in Argentina through the acquisition of Comunicaciones y Consumos, S.A. (“CyCSA”), which owned or operated urban telecommunications assets, fiber and the rights to utilize certain existing utility infrastructure for future telecommunications equipment installation. In addition, we acquired an aggregate of 891 communications sites in the United States, Brazil, Chile, Germany, Mexico, Nigeria and South Africa in 2016.

In December 2016, we entered into a joint venture ("ATC Europe") to which we contributed our German business in exchange for an investment from our partner, PGGM. ATC Europe will focus on pursuing telecommunications real estate investment opportunities in select countries in Europe. In December 2016, ATC Europe entered into a definitive agreement to purchase FPS Towers ("FPS"), which owns and operates approximately 2,400 wireless tower sites in France. This transaction closed on February 15, 2017.

Table of Contents

We continue to evaluate opportunities to acquire communications real estate portfolios that we believe we can effectively integrate into our existing business and generate returns that meet or exceed our criteria. For more information about our acquisitions, see note 6 to our consolidated financial statements included in this Annual Report.

Financing Transactions

During 2016, to complement our operational strategy to selectively invest in and grow our communications real estate portfolio while maintaining our long-term financial policies, we completed a number of key financing initiatives, which, among others, included the following:

- Completing registered public offerings of an aggregate of $3.25 billion of senior unsecured notes, the proceeds of which were used primarily to repay indebtedness under our existing revolving credit facilities and term loan. Borrowings under our revolving credit facilities were primarily used to fund acquisitions and for general corporate purposes.

- Amending our existing revolving credit facilities and term loan to, among other things, extend each of the maturity dates by one year.

For more information about our financing transactions, see Item 7 of this Annual Report under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" and note 8 to our consolidated financial statements included in this Annual Report.

Regulatory Matters

Towers and Antennas. Our U.S. and international tower leasing business is subject to national, state and local regulatory requirements with respect to the registration, siting, construction, lighting, marking and maintenance of our towers. In the United States, which accounted for 59% of our total property segment revenue for the year ended December 31, 2016, the construction of new towers or modifications to existing towers may require pre-approval by the Federal Communications Commission ("FCC") and the Federal Aviation Administration ("FAA"), depending on factors such as tower height and proximity to public airfields. Towers requiring pre-approval must be registered with the FCC and maintained in accordance with FAA standards. Similar requirements regarding pre-approval of the construction and modification of towers are imposed by regulators in other countries. Non-compliance with applicable tower-related requirements may lead to monetary penalties or site deconstruction orders.

Certain of our international operations are subject to regulatory requirements with respect to licensing, registration and permitting. In India, each of our operating subsidiaries holds an Infrastructure Provider Category-I ("IP-I") Registration Certificate issued by the Indian Ministry of Communications and Information Technology, which permits us to provide tower space to companies licensed as telecommunications service providers under the Indian Telegraph Act of 1885. As a condition to the IP-I, the Indian government has the right to take over telecommunications infrastructure in the case of emergency or war. In Ghana, our subsidiary holds a Communications Infrastructure License, issued by the National Communications Authority ("NCA"), which permits us to establish and maintain passive telecommunications infrastructure services and DAS networks for communications service providers licensed by the NCA. In Uganda, our subsidiary holds a Public Infrastructure Service License, issued by the Uganda Communications Commission ("UCC"), which permits us to establish and maintain passive telecommunications infrastructure and DAS networks for communication service providers licensed by the UCC. In Nigeria, our subsidiary holds a license for Infrastructure Sharing and Collocation Services, issued by the Nigerian Communications Authority ("NCC"), which permits us to establish and maintain passive telecommunications infrastructure for communication service providers licensed by the NCC. In Chile, our subsidiary is classified as a Telecom Intermediate Service Provider. We have received a number of site specific concessions and are working with the Chilean Subsecretaria de Telecommunicaciones to receive concessions on our remaining sites in Chile. CyCSA holds a telecom license for a number of services it provides and is regulated by the Ente Nacional de Comunicaciones (ENACOM) in Argentina. In many of the markets in which we operate we are required to provide tower space to service providers on a non-discriminatory basis, subject to negotiation of mutually agreeable terms.

Our international business operations may be subject to increased licensing fees or ownership restrictions. For example, in South Africa, the Broad-Based Black Economic Empowerment Act, 2003 (the “BBBEE Act”) has established a legislative framework for the promotion of economic empowerment of South African citizens disadvantaged by Apartheid. Accordingly, the BBBEE Act and related codes measure BBBEE Act compliance and good corporate practice by the inclusion of certain ownership, management control, employment equity and other metrics for companies that do business there. In addition, certain municipalities have sought to impose permit fees based upon structural or operational requirements of towers. Our foreign operations may be affected if a country's regulatory authority restricts or revokes spectrum licenses of certain wireless service providers or implements limitations on foreign ownership.

In all countries where we operate, we are subject to zoning restrictions and restrictive covenants imposed by local authorities or community organizations. While these regulations vary, they typically require tower owners or tenants to obtain approval from local authorities or community standards organizations prior to tower construction or the addition of a new antenna to an existing tower. Local zoning authorities and community residents often oppose construction in their communities, which can delay or prevent new tower construction, new antenna installation or site upgrade projects, thereby limiting our ability to respond to tenant demand. This opposition and existing or new zoning regulations can increase costs associated with new tower construction, tower modifications and additions of new antennas to a site or site upgrades, as well as adversely affect the associated timing or cost of such projects. Further, additional regulations may be adopted that cause delays or result in additional costs to us. These factors could materially and adversely affect our operations. In the United States, the Telecommunications Act of 1996 prohibits any action by state and local authorities that would discriminate between different providers of wireless services or ban altogether the construction, modification or placement of communications sites. It also prohibits state or local restrictions based on the environmental effects of radio frequency emissions to the extent the facilities comply with FCC regulations. Further, in February 2012, the United States government adopted regulations requiring that local and state governments approve modifications or colocations that qualify as eligible facilities under the regulations.

Portions of our business are subject to additional regulations, for example, in a number of states throughout the United States, certain of our subsidiaries hold Competitive Local Exchange Carrier (CLEC) or other status, in connection with the operation of our outdoor DAS networks business. In addition, we, or our tenants, may be subject to new regulatory policies in certain jurisdictions from time to time that may materially and adversely affect our business or the demand for our communications sites. For example, there are pending tower marking regulations in the United States, compliance with which may result in a substantial increase in our costs.

Environmental Matters. Our U.S. and international operations are subject to various national, state and local environmental laws and regulations, including those relating to the management, use, storage, disposal, emission and remediation of, and exposure to, hazardous and non-hazardous substances, materials and wastes and the siting of our towers. We may be required to obtain permits, pay additional property taxes, comply with regulatory requirements and make certain informational filings related to hazardous substances or devices used to provide power such as batteries, generators and fuel at our sites. Violations of these types of regulations could subject us to fines or criminal sanctions.

Additionally, in the United States and other international markets where we do business, before constructing a new tower or adding an antenna to an existing site, we must review and evaluate the impact of the action to determine whether it may significantly affect the environment and whether we must disclose any significant impacts in an environmental assessment. If a tower or new antenna might have a material adverse impact on the environment, FCC or other governmental approval of the tower or antenna could be significantly delayed.

Health and Safety. In the United States and in other countries where we operate, we are subject to various national, state and local laws regarding employee health and safety, including protection from radio frequency exposure.

Competition

We compete, both for new business and for the acquisition of assets, with other public tower companies, such as Crown Castle International Corp., SBA Communications Corporation, Telesites S.A.B. de C.V. and Cellnex Telecom, S.A., wireless carrier tower consortia such as Indus Towers Limited and private tower companies, private equity sponsored firms, carrier-affiliated tower companies, independent wireless carriers, tower owners, broadcasters and owners of non-communications sites, including rooftops, utility towers, water towers and other alternative structures.

We believe that site location and capacity, network density, price, quality and speed of service have been, and will continue to be, significant competitive factors affecting owners, operators and managers of communications sites.

Our services business competes with a variety of companies offering individual, or combinations of, competing services. The field of competitors includes site acquisition consultants, zoning consultants, real estate firms, right-of-way consultants, structural engineering firms, tower owners/managers, telecommunications equipment vendors who can provide turnkey site development services through multiple subcontractors and our tenants' personnel. We believe that our tenants base their decisions for services on various criteria, including a company's experience, local reputation, price and time for completion of a project.

Table of Contents

Customer Demand

Our strategy is predicated on the belief that wireless service providers will continue to invest in the coverage, quality and capacity of their networks in both our U.S. and international markets, while also investing in next generation data networks, which will drive demand for our communications sites. To meet these network objectives, we believe wireless carriers will continue to outsource their communications site infrastructure needs as a means to accelerate network development and more efficiently use their capital, rather than construct and operate their own communications sites and maintain their own communications site operation and development capabilities. In addition, because our services operations are complementary to our property business, we believe demand for our services will continue, consistent with industry trends.

- U.S. wireless network investments. According to industry data, aggregate annual wireless capital spending in the United States has averaged $30 billion, resulting in consistent demand for our sites. Demand for our U.S. communications sites is driven by:
- Increasing wireless data usage, which continues to incentivize wireless service providers to focus on network quality and make incremental investments in the coverage and capacity of their networks;
- Subscriber adoption of advanced wireless data applications, particularly mobile video, increasingly advanced devices and the corresponding deployments and densification of advanced networks by wireless service providers to satisfy this incremental demand for high-bandwidth wireless data;
- Deployment of newly acquired spectrum; and
- Deployment of wireless and backhaul networks by new market entrants.

As consumer demand for and use of advanced wireless services in the United States grow, wireless service providers may be compelled to deploy new technology and equipment, further increase the cell density of their existing networks and expand their network coverage.

- International (Asia, EMEA and Latin America) wireless network investments. The wireless networks in most of our international markets are typically less advanced than those in our U.S. market with respect to the density of voice networks and the current technologies generally deployed for wireless services. Accordingly, demand for our international communications sites is primarily driven by:
- Incumbent wireless service providers investing in existing voice networks to improve or expand their coverage and increase capacity;
- In certain of our international markets, increasing subscriber adoption of wireless data applications, such as email, Internet and video;
- Spectrum auctions, which result in new market entrants, as well as initial and incremental data network deployments; and
- The increasing availability of lower cost smartphones.

Demand for our communications sites could be negatively impacted by a number of factors, including an increase in network sharing or consolidation among our tenants, as set forth in Item 1A of this Annual Report under the caption “Risk Factors—If our tenants share site infrastructure to a significant degree or consolidate or merge, our growth, revenue and ability to generate positive cash flows could be materially and adversely affected.” In addition, the emergence and growth of new technologies could reduce demand for our sites, as set forth under the caption “Risk Factors—New technologies or changes in a tenant’s business model could make our tower leasing business less desirable and result in decreasing revenues.” Further, our tenants may be subject to new regulatory policies from time to time that materially and adversely affect the demand for our communications sites.

Employees

As of December 31, 2016, we employed 4,507 full-time individuals and consider our employee relations to be satisfactory.

Available Information

Our Internet website address is www.americantower.com. Information contained on our website is not incorporated by reference into this Annual Report, and you should not consider information contained on our website as part of this Annual

8

Table of Contents

Report. You may access, free of charge, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, plus amendments to such reports as filed or furnished pursuant to Sections 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), through the "Investor Relations" portion of our website as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission ("SEC").

We have adopted a written Code of Ethics and Business Conduct Policy (the "Code of Conduct") that applies to all of our employees and directors, including, but not limited to, our principal executive officer, principal financial officer and principal accounting officer or controller or persons performing similar functions. The Code of Conduct is available on the "Corporate Responsibility" portion of our website and our Corporate Governance Guidelines and the charters of the audit, compensation and nominating and corporate governance committees of our Board of Directors are available on the "Investor Relations" portion of our website. In the event we amend the Code of Conduct, or provide any waivers of the Code of Conduct to our directors or executive officers, we will disclose these events on our website as required by the regulations of the New York Stock Exchange (the "NYSE") and applicable law.

In addition, paper copies of these documents may be obtained free of charge by writing us at the following address: 116 Huntington Avenue, Boston, Massachusetts 02116, Attention: Investor Relations; or by calling us at (617) 375-7500.

ITEM 1A. RISK FACTORS

Decrease in demand for our communications infrastructure would materially and adversely affect our operating results, and we cannot control that demand.

A significant reduction in leasing demand for our communications infrastructure could materially and adversely affect our business, results of operations or financial condition. Factors that may affect such demand include:

- increased use of network sharing or mergers or consolidations among wireless service providers;
- zoning, environmental, health, tax or other government regulations or changes in the application and enforcement thereof;
- governmental licensing of spectrum or restricting or revoking our tenants' spectrum licenses;
- a decrease in consumer demand for wireless services, including due to general economic conditions or disruption in the financial and credit markets;
- the ability and willingness of wireless service providers to maintain or increase capital expenditures on network infrastructure;
- the financial condition of wireless service providers;
- delays or changes in the deployment of next generation wireless technologies; and
- technological changes.

Increasing competition for tenants in the tower industry may materially and adversely affect our revenue.

Our industry is highly competitive and our tenants have numerous alternatives in leasing antenna space. Competitive pricing from competitors could materially and adversely affect our lease rates. We may not be able to renew existing tenant leases or enter into new tenant leases, or if we are able to renew or enter into new leases, they may be at rates lower than our current rates, resulting in a material adverse impact on our results of operations and growth rate. In addition, should inflation rates exceed our fixed escalator percentages in markets where our leases include fixed escalators, our income could be adversely affected.

If our tenants share site infrastructure to a significant degree or consolidate or merge, our growth, revenue and ability to generate positive cash flows could be materially and adversely affected.

Extensive sharing of site infrastructure, roaming or resale arrangements among wireless service providers as an alternative to leasing our communications sites, without compensation to us, may cause new lease activity to slow if carriers utilize shared equipment rather than deploy new equipment, or may result in the decommissioning of equipment on certain existing sites because portions of the tenants' networks may become redundant. In addition, significant consolidation among our tenants may materially and adversely affect our growth and revenues. Certain combined companies have rationalized duplicative parts of their networks or modernized their networks, and these and other tenants could determine not to renew, or attempt to cancel, avoid or limit leases with us or related payments. In the event a tenant terminates its business or separately sells its spectrum, we may experience increased churn as a result. Our ongoing contractual revenues and our future results may be negatively impacted if a significant number of these leases are not renewed.

Table of Contents

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

Our business and that of our tenants are subject to federal, state, local and foreign regulations. In certain jurisdictions, these regulations could be applied or enforced retroactively, which could require that we modify or dismantle existing towers at significant costs. Zoning authorities and community organizations are often opposed to the construction of communications sites in their communities, which can delay, prevent or increase the cost of new tower construction, modifications, additions of new antennas to a site or site upgrades, thereby limiting our ability to respond to tenant demands. Existing regulatory policies may materially and adversely affect the timing or cost of construction projects associated with our communications sites and new regulations may be adopted that increase delays or result in additional costs to us, or that prevent such projects in certain locations, and noncompliance could result in the imposition of fines or an award of damages to private litigants. In certain jurisdictions, there may be changes to zoning regulations or construction laws based on site location, which may result in increased costs to modify certain of our existing towers or decreased revenue due to the removal of certain towers to ensure compliance with such changes. In addition, in certain jurisdictions, we are required to pay annual license fees, which may be subject to substantial increases by the government, or new fees may be enacted and apply retroactively. Furthermore, the tax laws, regulations and interpretations governing our business in jurisdictions where we operate may change at any time, perhaps with retroactive effect. This includes potential changes in tax laws or the interpretation of tax laws arising out of the “base erosion profit shifting” or “BEPS” project initiated by the Organization for Economic Co-operation and Development (OECD). In addition, some of these changes could have a more significant impact on us as a REIT relative to other REITs due to the nature of our business and our use of TRSs. These factors could materially and adversely affect our business, results of operations or financial condition.

Our foreign operations are subject to economic, political and other risks that could materially and adversely affect our revenues or financial position, including risks associated with fluctuations in foreign currency exchange rates.

Our international business operations and our expansion into new markets in the future exposes us to potential adverse financial and operational problems not typically experienced in the United States. We anticipate that revenues from our international operations will continue to grow. Accordingly, our business is subject to risks associated with doing business internationally, including:

- changes to existing laws or new laws or methodologies impacting our existing and anticipated international operations, fees directed specifically at the ownership and operation of communications sites or our international acquisitions, any of which laws or fees may be applied retroactively, or failure to obtain an expected tax status for which we have applied;
- expropriation or governmental regulation restricting foreign ownership or requiring reversion or divestiture;
- laws or regulations that tax or otherwise restrict repatriation of earnings or other funds or otherwise limit distributions of capital;
- changes in a specific country’s or region’s political or economic conditions, including inflation or currency devaluation;
- changes to zoning regulations or construction laws, which could be applied retroactively to our existing communications sites;
- actions restricting or revoking our tenants’ spectrum licenses or suspending or terminating business under prior licenses;
- failure to comply with anti-bribery laws such as the Foreign Corrupt Practices Act or similar local anti-bribery laws, or the Office of Foreign Assets Control requirements;
- material site issues related to security, fuel availability and reliability of electrical grids;
- significant increases in, or implementation of, new, license surcharges on our revenue;
- price setting or other similar laws or regulations for the sharing of passive infrastructure; and
- uncertain or inconsistent laws, regulations, rulings or results from legal or judicial systems, which may be applied retroactively, and delays in the judicial process.

We also face risks associated with changes in foreign currency exchange rates, including those arising from our operations, investments and financing transactions related to our international business. Volatility in foreign currency exchange rates can also affect our ability to plan, forecast and budget for our international operations and expansion efforts. Our revenues earned from our international operations are primarily denominated in their respective local currencies. We have not historically engaged in significant currency hedging activities relating to our non-U.S. Dollar operations, and a weakening of these foreign currencies against the U.S. Dollar would negatively impact our reported revenues, operating profits and income.

Table of Contents

In addition, as we continue to invest in joint venture opportunities internationally, our partners may have business or economic goals that are inconsistent with ours, be in positions to take action contrary to our interests, policies or objectives, have competing interests in our, or other, markets that could create conflict of interest issues, withhold consents contrary to our requests or become unable or unwilling to fulfill their commitments, any of which could expose us to additional liabilities or costs, including requiring us to assume and fulfill the obligations of that joint venture.

Our expansion initiatives involve a number of risks and uncertainties, including those related to integrating acquired or leased assets, that could adversely affect our operating results, disrupt our operations or expose us to additional risk.
As we continue to acquire communications sites in our existing markets and expand into new markets, we are subject to a number of risks and uncertainties, including not meeting our return on investment criteria and financial objectives, increased costs, assumed liabilities and the diversion of managerial attention due to acquisitions. Achieving the benefits of acquisitions depends in part on timely and efficiently integrating operations, communications tower portfolios and personnel. Integration may be difficult and unpredictable for many reasons, including, among other things, portfolios without requisite permits, differing systems, cultural differences, and conflicting policies, procedures and operations. Significant acquisition-related integration costs, including certain nonrecurring charges, could materially and adversely affect our results of operations in the period in which such charges are recorded or our cash flow in the period in which any related costs are actually paid. For example, the integration of Viom into our operations is a significant undertaking, and we anticipate that we will continue to incur certain nonrecurring charges associated with that integration, including costs associated with onboarding employees and visiting and upgrading tower sites. In addition, integration may significantly burden management and internal resources, including through the potential loss or unavailability of key personnel. If we fail to successfully integrate the assets we acquire or fail to utilize such assets to their full capacity, we may not realize the benefits we expect from our acquired portfolios, and our business, financial condition and results of operations will be adversely affected. Our international expansion initiatives are subject to additional risks such as those described in the preceding risk factor.

As a result of acquisitions, we have a substantial amount of intangible assets and goodwill. In accordance with accounting principles generally accepted in the United States (“GAAP”), we are required to assess our goodwill and other intangible assets annually or more frequently in the event of circumstances indicating potential impairment to determine if they are impaired. If the testing performed indicates that an asset may not be recoverable, we are required to record a non-cash impairment charge for the difference between the carrying value of the goodwill or other intangible assets and the implied fair value of the goodwill or the estimated fair value of other intangible assets in the period the determination is made.
Our expansion initiatives may not be successful or we may be required to record impairment charges for our goodwill or for other intangible assets, which could have a material adverse effect on our business, results of operations or financial condition.
Competition for assets could adversely affect our ability to achieve our return on investment criteria.
We may experience increased competition for the acquisition of assets or contracts to build new communications sites for tenants, which could make the acquisition of high quality assets significantly more costly or prohibitive or cause us to lose contracts to build new sites. Some of our competitors are larger and may have greater financial resources than we do, while other competitors may apply less stringent investment criteria than we do. In addition, we may not anticipate increased competition entering a particular market or competing for the same assets. Higher prices for assets or the failure to add new assets to our portfolio could make it more difficult to achieve our anticipated returns on investment or future growth, which could materially and adversely affect our business, results of operations or financial condition.
New technologies or changes in a tenant’s business model could make our tower leasing business less desirable and result in decreasing revenues.
The development and implementation of new technologies designed to enhance the efficiency of wireless networks or changes in a tenant’s business model could reduce the need for tower-based wireless services, decrease demand for

tower space or reduce previously obtainable lease rates. In addition, tenants may allocate less of their budgets to leasing space on our towers, as the industry is trending towards deploying increased capital to the development and implementation of new technologies. Examples of these technologies include spectrally efficient technologies, which could relieve a portion of our tenants' network capacity needs and, as a result, could reduce the demand for tower-based antenna space. Additionally, certain small cell complementary network technologies could shift a portion of our tenants' network investments away from the traditional tower-based networks, which may reduce the need for carriers to add more equipment at certain communications sites. Moreover, the emergence of alternative technologies could reduce the need for tower-based broadcast services transmission and reception. Further, a tenant may decide to no longer outsource tower infrastructure or otherwise change its business model, which would result in a decrease in our revenue. Our failure to innovate in response to the development and

Table of Contents

implementation of these or similar technologies to any significant degree or changes in a tenant's business model could have a material adverse effect on our business, results of operations or financial condition.

Our leverage and debt service obligations may materially and adversely affect our ability to raise additional financing to fund capital expenditures, future growth and expansion initiatives and to satisfy our distribution requirements.

Our leverage and debt service obligations could have significant negative consequences to our business, results of operations or financial condition, including:

- requiring the dedication of a substantial portion of our cash flow from operations to service our debt, thereby reducing the amount of our cash flow available for other purposes, including capital expenditures, REIT distributions and preferred stock dividends;
- impairing our ability to meet one or more of the financial ratio covenants contained in our debt agreements or to generate cash sufficient to pay interest or principal due under those agreements, which could result in an acceleration of some or all of our outstanding debt and the loss of the towers securing such debt if a default remains uncured;
- limiting our ability to obtain additional debt or equity financing, thereby placing us at a possible competitive disadvantage to less leveraged competitors and competitors that may have better access to capital resources, including with respect to acquiring assets; and
- limiting our flexibility in planning for, or reacting to, changes in our business and the markets in which we compete.

We may need to raise additional capital through debt financing activities, asset sales or equity issuances, even if the then-prevailing market conditions are not favorable, to fund capital expenditures, future growth and expansion initiatives and to satisfy our distribution requirements and debt service obligations. An increase in our total leverage could lead to a downgrade of our credit rating below investment grade, which could negatively impact our ability to access credit markets or preclude us from obtaining funds on investment grade terms and conditions. Further, certain of our current debt instruments limit the amount of indebtedness we and our subsidiaries may incur. Additional financing, therefore, may be unavailable, more expensive or restricted by the terms of our outstanding indebtedness.

A substantial portion of our revenue is derived from a small number of tenants, and we are sensitive to changes in the creditworthiness and financial strength of our tenants.

A substantial portion of our total operating revenues is derived from a small number of tenants. If any of these tenants is unwilling or unable to perform its obligations under our agreements with it, our revenues, results of operations, financial condition and liquidity could be materially and adversely affected. In the ordinary course of our business, we do occasionally experience disputes with our tenants, generally regarding the interpretation of terms in our leases. Historically, we have resolved these disputes in a manner that did not have a material adverse effect on us or our tenant relationships. However, it is possible that such disputes could lead to a termination of our leases with tenants, a material modification of the terms of those leases or a failure to obtain new business from existing tenants, any of which could have a material adverse effect on our business, results of operations or financial condition. If we are forced to resolve any of these disputes through litigation, our relationship with the applicable tenant could be terminated or damaged, which could lead to decreased revenue or increased costs, resulting in a corresponding adverse effect on our business, results of operations or financial condition.

Due to the long-term nature of our tenant leases, we depend on the continued financial strength of our tenants. Many wireless service providers operate with substantial leverage. Sometimes our tenants, or their parent companies, face financial difficulty or file for bankruptcy.

In our international operations, many of our tenants are subsidiaries of global telecommunications companies. These subsidiaries may not have the explicit or implied financial support of their parent entities.

In addition, many of our tenants and potential tenants rely on capital raising activities to fund their operations and capital expenditures, which may be more difficult or expensive in the event of downturns in the economy or disruptions in the financial and credit markets. If our tenants or potential tenants are unable to raise adequate capital to fund their business plans, they may reduce their spending, which could materially and adversely affect demand for our communications sites and our services business. If, as a result of a prolonged economic downturn or otherwise, one or more of our significant tenants experiences financial difficulties or files for bankruptcy, it could result in uncollectible accounts receivable and an impairment of our deferred rent asset, tower asset, network location intangible asset or tenant-related intangible asset. The loss of significant tenants, or the loss of all or a portion of our anticipated lease revenues from certain tenants, could have a material adverse effect on our business, results of operations or financial condition.

Table of Contents

If we fail to remain qualified for taxation as a REIT, we will be subject to tax at corporate income tax rates, which may substantially reduce funds otherwise available, and even if we qualify for taxation as a REIT, we may face tax liabilities that impact earnings and available cash flow.
Commencing with the taxable year beginning January 1, 2012, we have operated as a REIT for federal income tax purposes.

Qualification for taxation as a REIT requires the application of certain highly technical and complex provisions of the Internal Revenue Code of 1986, as amended (the “Code”), which provisions may change from time to time, to our operations as well as various factual determinations concerning matters and circumstances not entirely within our control. Further, tax reform proposals, if enacted, may adversely affect our ability to remain qualified for taxation as a REIT or the benefits or desirability of remaining so qualified. There are few judicial or administrative interpretations of the relevant provisions of the Code.

If, in any taxable year, we fail to qualify for taxation as a REIT and are not entitled to relief under the Code:

- we will not be allowed a deduction for distributions to stockholders in computing our taxable income;
- we will be subject to federal and state income tax, including any applicable alternative minimum tax, on our taxable income at regular corporate tax rates; and
- we will be disqualified from REIT tax treatment for the four taxable years immediately following the year during which we were so disqualified.

We are subject to certain federal, state, local and foreign taxes on our income and assets, including alternative minimum taxes, taxes on any undistributed income and state, local or foreign income, franchise, property and transfer taxes. While state and local income tax regimes often parallel the U.S. federal income tax regime for REITs, many of these jurisdictions do not completely follow U.S. federal rules and some may not follow them at all. For example, some state and local jurisdictions currently or in the future may limit or eliminate a REIT’s deduction for dividends paid, which could increase our income tax expense. We are also subject to the continual examination of our income tax returns by the U.S. Internal Revenue Service and state, local and foreign tax authorities. The results of an audit and examination of previously filed tax returns and continuing assessments of our tax exposures may have an adverse effect on our provision for income taxes and cash tax liability.
Our domestic TRS assets and operations are subject, as applicable, to federal and state corporation income taxes. Our foreign operations, whether in the REIT or TRSs, are subject to foreign taxes in jurisdictions in which those assets and operations are located.

Any corporate tax liability could be substantial and would reduce the amount of cash available for other purposes. If we fail to qualify for taxation as a REIT, we may need to borrow additional funds or liquidate some investments to pay any additional tax liability. Accordingly, funds available for investment, operations and distribution would be reduced.

Furthermore, as a result of our acquisition of MIP Tower Holdings LLC (“MIPT”), we owned an interest in a subsidiary REIT. Effective July 25, 2015, we filed a tax election, pursuant to which MIPT no longer operates as a separate REIT. The statute of limitations is still open for certain years and MIPT’s qualification as a REIT could still be challenged. As such, for all open years, we must demonstrate that the subsidiary REIT complied with the same REIT requirements that we must satisfy in order to qualify as a REIT, together with all other rules applicable to REITs. If the subsidiary REIT is determined to have failed to qualify as a REIT for any of the open years, and certain relief provisions do not apply, then (i) the subsidiary REIT would have been subject to federal income tax for such year, which tax we would inherit along with applicable penalties and interest; (ii) the subsidiary REIT would be disqualified from treatment as a REIT for the remaining taxable years following the year during which qualification was lost; (iii) for those years in which the subsidiary REIT failed to qualify as a REIT, our ownership of shares in such subsidiary REIT would have

failed to be a qualifying asset for purposes of the asset tests applicable to REITs and any dividend income or gains derived by us from such subsidiary REIT may cease to be treated as income that qualifies for purposes of the 75% gross income test; and (iv) we may have failed certain of the asset tests applicable to REITs, in which event we would fail to qualify as a REIT for those periods unless we are able to avail ourselves of specified relief provisions.
Complying with REIT requirements may limit our flexibility or cause us to forego otherwise attractive opportunities.
Our use of TRSs enables us to engage in non-REIT qualifying business activities. Under the Code, no more than 25% of the value of the assets of a REIT may be represented by securities of one or more TRSs and other non-qualifying assets. Effective January 1, 2018, this limitation is reduced to 20%. This limitation may hinder our ability to make certain attractive investments, including the purchase of non-qualifying assets, the expansion of non-real estate activities and investments in the

Table of Contents

businesses to be conducted by our TRSs, and to that extent limit our opportunities and our flexibility to change our business strategy.

Specifically, this limitation may affect our ability to make additional investments in our managed networks business or services segment as currently structured and operated, in other non-REIT qualifying operations or assets, or in international operations conducted through TRSs that we do not elect to bring into the REIT structure. Further, acquisition opportunities in the United States and international markets may be adversely affected if we need or require the target company to comply with certain REIT requirements prior to closing.

Further, as a REIT, we must distribute to our stockholders an amount equal to at least 90% of the REIT taxable income (determined before the deduction for distributed earnings and excluding any net capital gain). To meet our annual distribution requirements, we may be required to distribute amounts that may otherwise be used for our operations, including amounts that may otherwise be invested in future acquisitions, capital expenditures or repayment of debt. As no more than 25% of our gross income may consist of dividend income from our TRSs and other non-qualifying types of income, our ability to receive distributions from our TRSs may be limited, which may impact our ability to fund distributions to our stockholders or to use income of our TRSs to fund other investments.

In addition, the majority of our income and cash flows from our TRSs are generated from our international operations. In many cases, there are local withholding taxes and currency controls that may impact our ability or willingness to repatriate funds to the United States to help satisfy REIT distribution requirements.

Restrictive covenants in the agreements related to our securitization transactions, our credit facilities and our debt securities and the terms of our preferred stock could materially and adversely affect our business by limiting flexibility, and we may be prohibited from paying dividends on our common stock, which may jeopardize our qualification for taxation as a REIT.

The agreements related to our securitization transactions include operating covenants and other restrictions customary for loans subject to rated securitizations. Among other things, the borrowers under the agreements are prohibited from incurring other indebtedness for borrowed money or further encumbering their assets. A failure to comply with the covenants in the agreements could prevent the borrowers from taking certain actions with respect to the secured assets and could prevent the borrowers from distributing any excess cash from the operation of such assets to us. If the borrowers were to default on any of the loans, the servicer on such loan could seek to foreclose upon or otherwise convert the ownership of the secured assets, in which case we could lose such assets and the cash flow associated with such assets.

The agreements for our credit facilities also contain restrictive covenants and leverage and other financial maintenance tests that could limit our ability to take various actions, including incurring additional debt, guaranteeing indebtedness or making distributions to stockholders, including our required REIT distributions, and engaging in various types of transactions, including mergers, acquisitions and sales of assets. Additionally, our debt agreements restrict our and our subsidiaries' ability to incur liens securing our or their indebtedness. These covenants could have an adverse effect on our business by limiting our ability to take advantage of financing, new tower development, mergers and acquisitions or other opportunities. Further, reporting and information covenants in our credit agreements and indentures require that we provide financial and operating information 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. For more information regarding the covenants and requirements discussed above, please see Item 7 of this Annual Report under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations-Liquidity and Capital Resources-Factors Affecting Sources of Liquidity" and note 8 to our consolidated financial statements included in this Annual Report.

The terms of our preferred stock provide that, unless full cumulative dividends have been paid or set aside for payment on all outstanding preferred stock for all prior dividend periods, no dividends may be declared or paid on our common stock. A failure to pay dividends on both our preferred and our common stock might jeopardize our qualification for taxation as a REIT for federal income tax purposes. Even if these limits do not jeopardize our qualification for taxation as a REIT, they may prevent us from distributing 100% of our REIT taxable income, making us subject to federal corporate income tax, and potentially a nondeductible excise tax, on the retained amounts.

If we are unable to protect our rights to the land under our towers, it could adversely affect our business and operating results.

Our real property interests relating to our towers consist primarily of leasehold and sub-leasehold interests, fee interests, easements, licenses and rights-of-way. A loss of these interests at a particular tower site may interfere with our ability to operate that tower site and generate revenues. For various reasons, we may not always have the ability to access, analyze and verify all information regarding titles and other issues prior to completing an acquisition of communications sites, which can affect our rights to access and operate a site. From time to time we also experience disputes with landowners regarding the terms of ground agreements for land under towers, which can affect our ability to access and operate tower sites. Further, for various reasons, landowners may not want to renew their ground agreements with us, they may lose their rights to the land, or they may transfer their land interests to third parties, including ground lease aggregators, which could affect our ability to renew ground agreements on commercially viable terms. A significant number of the communications sites in our portfolio are located on land we lease pursuant to long-term operating leases. Further, for various reasons, title to property interests in some of the foreign jurisdictions in which we operate may not be as certain as title to our property interests in the United States. Our inability to protect our rights to the land under our towers may have a material adverse effect on our business, results of operations or financial condition.

If we are unable or choose not to exercise our rights to purchase towers that are subject to lease and sublease agreements at the end of the applicable period, our cash flows derived from such towers will be eliminated.

Our communications real estate portfolio includes towers that we operate pursuant to lease and sublease agreements that include a purchase option at the end of each lease period. We may not have the required available capital to exercise our right to purchase leased or subleased towers at the end of the applicable period, or we may choose, for business or other reasons, not to exercise our right to purchase such towers. In the event that we do not exercise these purchase rights, or are otherwise unable to acquire an interest that would allow us to continue to operate these towers after the applicable period, we will lose the cash flows derived from such towers. In the event that we decide to exercise these purchase rights, the benefits of acquiring a significant number of towers may not exceed the associated acquisition, compliance and integration costs, which could have a material adverse effect on our business, results of operations or financial condition.

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

Public perception of possible health risks associated with cellular and other wireless communications technology could slow the growth of wireless companies, which could in turn slow our growth. In particular, negative public perception of, and regulations regarding, these perceived health risks could undermine the market acceptance of wireless communications services and increase opposition to the development and expansion of tower sites. If a scientific study or court decision resulted in a finding that radio frequency emissions pose health risks to consumers, it could negatively impact our tenants and the market for wireless services, which could materially and adversely affect our business, results of operations or financial condition. We do not maintain any significant insurance with respect to these matters.

We could have liability under environmental and occupational safety and health laws.

Our operations are subject to the requirements of various federal, state, local and foreign environmental and occupational safety and health laws and regulations, including those relating to the management, use, storage, disposal, emission and remediation of, and exposure to, hazardous and non-hazardous substances, materials and wastes. As the owner, lessee or operator of real property and facilities, including generators, we may be liable for substantial costs of investigation, removal or remediation of soil and groundwater contaminated by hazardous materials, and for damages and costs relating to off-site migration of hazardous materials, without regard to whether we, as the owner, lessee or operator, knew of, or were responsible for, the contamination. We may also be liable for certain costs of remediating contamination at third-party sites to which we sent waste for disposal, even if the original disposal may have complied with all legal requirements at the time. Many of these laws and regulations contain information reporting and record keeping requirements. We may not be at all times in compliance with all environmental requirements. We may be subject to potentially significant fines or penalties if we fail to comply with any of these requirements. The requirements of these laws and regulations are complex, change frequently and could become more stringent in the future. In certain jurisdictions these laws and regulations could be applied retroactively. It is possible that these requirements will change or that liabilities will arise in the future in a manner that could have a material adverse effect on our business, results of operations or financial condition. While we maintain environmental insurance, we may not have adequate insurance to cover all remediation costs, fines or penalties.

Our towers, data centers or computer systems may be affected by natural disasters and other unforeseen events for which our insurance may not provide adequate coverage.

Our towers are subject to risks associated with natural disasters, such as ice and wind storms, tornadoes, floods, hurricanes and earthquakes, as well as other unforeseen events, such as acts of terrorism. Any damage or destruction to, or inability to access, our towers or data centers may impact our ability to provide services to our tenants and lead to tenant loss, which could have a material adverse effect on our business, results of operations or financial condition.

Table of Contents

As part of our normal business activities, we rely on information technology and other computer resources to carry out important operational, reporting and compliance activities and to maintain our business records. Our computer systems, or those of our cloud or Internet-based providers, could fail on their own accord and are subject to interruption or damage from power outages, computer and telecommunications failures, computer viruses, security breaches (including through cyber attack and data theft), usage errors, catastrophic events such as natural disasters and other events beyond our control. Although we and our vendors have disaster recovery programs and security measures in place, if our computer systems and our backup systems are compromised, degraded, damaged, or breached, or otherwise cease to function properly, we could suffer interruptions in our operations or unintentionally allow misappropriation of proprietary or confidential information (including information about our tenants or landlords), which could damage our reputation and require us to incur significant costs to remediate or otherwise resolve these issues.

While we maintain insurance coverage for natural disasters, business interruption and cybersecurity, we may not have adequate insurance to cover the associated costs of repair or reconstruction of sites for a major future event, lost revenue, including from new tenants that could have been added to our towers but for the event, or other costs to remediate the impact of a significant event. Further, we may be liable for damage caused by towers that collapse for any number of reasons including structural deficiencies, which could harm our reputation and require us to incur costs for which we may not have adequate insurance coverage.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

Table of Contents

ITEM 2. PROPERTIES

Details of each of our principal offices as of December 31, 2016 are provided below:

Country	Function	Size (approximate square feet)	Property Interest
U.S. Offices			
Boston, MA	Corporate Headquarters	39,800	Leased
Boca Raton, FL	Managed Sites Headquarters	22,400	Leased
Miami, FL	Latin America Operations Center	6,300	Leased
Atlanta, GA	Network Operations and Program Management Office Field Personnel	21,400	Leased
Marlborough, MA	Information Technology Headquarters	24,000	Leased
Woburn, MA	U.S. Tower Division Headquarters, Accounting, Lease Administration, Site Leasing Management and Broadcast Division Headquarters	163,200	Owned
Cary, NC	U.S. Tower Division, Network Operations Center and Engineering Services Headquarters	44,300	Owned(1)
Asia Offices			
Delhi, India	India Headquarters	7,200	Leased
Gurgaon, India	India Operations Center	78,800	Leased
Singapore	Asia Finance and Administration	90	Leased
EMEA Offices			
Ratingen, Germany	Germany Headquarters	12,500	Leased(2)
Accra, Ghana	Ghana Headquarters	18,500	Leased
Amsterdam, Netherlands	American Tower International Headquarters	2,400	Leased
Lagos, Nigeria	Nigeria Headquarters	8,900	Leased
Johannesburg, South Africa	South Africa Headquarters	18,800	Leased(3)
Kampala, Uganda	Uganda Headquarters	8,800	Leased
Latin America Offices			
Buenos Aires, Argentina	Argentina Headquarters	4,200	Leased
Sao Paulo, Brazil	Brazil Headquarters	38,400	Leased
Santiago, Chile	Chile Headquarters	6,900	Leased
Bogota, Colombia	Colombia Headquarters	13,800	Leased
San Jose, Costa Rica	Costa Rica Headquarters	2,400	Leased
Mexico City, Mexico	Mexico Headquarters	32,700	Leased
Lima, Peru	Peru Headquarters	3,700	Leased

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(1) The Cary facility is approximately 48,300 square feet. Currently, our offices occupy approximately 44,300 square feet. We lease the remaining space to an unaffiliated tenant.

(2) We lease two office spaces that together occupy an aggregate of approximately 12,500 square feet.

(3) We lease two office spaces that together occupy an aggregate of approximately 18,800 square feet.

In addition to the principal offices set forth above, we maintain offices in the geographic areas we serve through which we operate our tower leasing and services businesses. We believe that our owned and leased facilities are suitable and adequate to meet our anticipated needs.

As of December 31, 2016, we owned and operated a portfolio of 144,884 communications sites. See the table in Item 7 of this Annual Report, under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Executive Overview” for more detailed information on the geographic locations of our communications sites. In addition, we own property interests that we lease to communications service providers and third-party tower operators in the United States, which are included in our U.S. property segment.

Table of Contents

Our interests in our communications sites are comprised of a variety of ownership interests, including leases created by long-term ground lease agreements, easements, licenses or rights-of-way granted by government entities.
A typical tower site consists of a compound enclosing the tower site, a tower structure and one or more equipment shelters that house a variety of transmitting, receiving and switching equipment. In addition, our international sites typically include backup or auxiliary power generators and batteries. The principal types of our towers are guyed, self-supporting lattice and monopole, and rooftops in our international markets.

- A guyed tower includes a series of cables attaching separate levels of the tower to anchor foundations in the ground and can reach heights of up to 2,000 feet. A guyed tower site for a typical broadcast tower can consist of a tract of land of up to 20 acres.
- A self-supporting lattice tower typically tapers from the bottom up and usually has three or four legs. A lattice tower can reach heights of up to 1,000 feet. Depending on the height of the tower, a lattice tower site for a typical wireless communications tower can consist of a tract of land of 10,000 square feet for a rural site or fewer than 2,500 square feet for a metropolitan site.
- A monopole tower is a tubular structure that is used primarily to address space constraints or aesthetic concerns. Monopoles typically have heights ranging from 50 to 200 feet. A monopole tower site used in metropolitan areas for a typical wireless communications tower can consist of a tract of land of fewer than 2,500 square feet.
- Rooftop towers are primarily used in metropolitan areas in our Asia, EMEA and Latin America markets, where locations for traditional tower structures are unavailable. Rooftop towers typically have heights ranging from 10 to 100 feet.

U.S. Property Segment Encumbered Sites. As of December 31, 2016, the loan underlying the securitization transaction completed in March 2013 (the "2013 Securitization") is secured by mortgages, deeds of trust and deeds to secure the loan on substantially all of the 5,181 towers owned by the borrowers (the "2013 Secured Towers") and the secured revenue notes issued in a private transaction completed in May 2015 (the "2015 Securitization") are secured by mortgages, deeds of trust and deeds to secure debt on substantially all of the 3,596 communications sites owned by subsidiaries of the issuer (the "2015 Secured Sites"). 264 towers and 433 property interests and other related assets secure three separate classes of Secured Cellular Site Revenue Notes, Series 2012-2 Class A, Series 2012-2 Class B and Series 2012-2 Class C (the "2012 GTP Notes"), issued by GTP Cellular Sites, LLC in securitization transactions that we assumed in connection with our acquisition of MIPT. In addition, 1,417 property interests are subject to mortgages and deeds of trust to secure two separate classes of Secured Cellular Site Revenue Notes, Series 2010-2, Class C and Series 2010-2, Class F (the "Unison Notes") issued by Unison Ground Lease Funding, LLC and assumed in connection with the acquisition of certain legal entities from Unison Holdings LLC and Unison Site Management II, L.L.C. (the "Unison Acquisition"). On February 15, 2017, we repaid all amounts outstanding under the 2012 GTP Notes and the Unison Notes and released the security interests on the encumbered assets.

Asia Property Segment Encumbered Sites. Certain of the outstanding indebtedness assumed in the Viom Acquisition is secured by ATC TIPL's short-term and long-term assets, including an aggregate of 41,786 towers.

EMEA Property Segment Encumbered Sites. Our outstanding indebtedness in South Africa is secured by an aggregate of 1,899 towers.

Latin America Property Segment Encumbered Sites. In Brazil, the debentures issued by BR Towers S.A. ("BR Towers") are secured by an aggregate of 1,912 towers and the Brazil credit facility is secured by an aggregate of 145 towers. Our outstanding indebtedness in Colombia is secured by an aggregate of 3,563 towers.

Ground Leases. Of the 144,119 towers in our portfolio as of December 31, 2016, 91% were located on land we lease. Typically, we seek to enter ground leases with terms of twenty to twenty-five years, which have initial terms of approximately five to ten years with one or more automatic or exercisable renewal periods. As a result, 51% of the ground agreements for our sites have a final expiration date of 2026 and beyond.

Tenants. Our tenants are primarily wireless service providers, broadcasters and other companies in a variety of industries. As of December 31, 2016, our top four tenants by total revenue were AT&T (21%), Verizon Wireless (15%), Sprint (11%) and T-Mobile (9%). In general, our tenant leases have an initial non-cancellable term of ten years, with multiple renewal terms. As a result, 50% of our current tenant leases have a renewal date of 2022 or beyond.

Table of Contents

ITEM 3. 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.

Table of Contents

ITEM 4. MINE SAFETY DISCLOSURES
N/A.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The following table presents reported quarterly high and low per share sale prices of our common stock on the NYSE for the years 2016 and 2015.

2016	High	Low
Quarter ended March 31	$102.93	$83.07
Quarter ended June 30	113.63	101.87
Quarter ended September 30	118.26	107.57
Quarter ended December 31	118.09	99.72
2015	High	Low
Quarter ended March 31	$101.88	$93.21
Quarter ended June 30	98.64	91.99
Quarter ended September 30	101.54	86.83
Quarter ended December 31	104.12	87.23

On February 17, 2017, the closing price of our common stock was $108.11 per share as reported on the NYSE. As of February 17, 2017, we had 427,195,037 outstanding shares of common stock and 153 registered holders.

Dividends

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 net operating losses ("NOLs").

We have two series of preferred stock outstanding, 5.25% Mandatory Convertible Preferred Stock, Series A (the "Series A Preferred Stock"), issued in May 2014, with a dividend rate of 5.25%, and the 5.50% Mandatory Convertible Preferred Stock, Series B (the "Series B Preferred Stock"), issued in March 2015, with a dividend rate of 5.50%. Dividends are payable quarterly in arrears, subject to declaration by our Board of Directors.

The amount, timing and frequency of future distributions will be at the sole discretion of our Board of Directors and will depend upon 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 TRSs and other factors that our Board of Directors may deem relevant.

We have distributed an aggregate of approximately $3.2 billion to our common stockholders, including the dividend paid in January 2017, primarily subject to taxation as ordinary income.

Table of Contents

During the year ended December 31, 2016, we declared the following cash distributions:

Declaration Date	Payment Date	Record Date	Distribution per share	Aggregate Payment Amount (in millions) (1)
Common Stock				
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
December 14, 2016	January 13, 2017	December 28, 2016	0.58	247.7
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
October 15, 2016	November 15, 2016	November 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
October 15, 2016	November 15, 2016	November 1, 2016	13.75	18.9

(1) For common stock, aggregate payment does not include amounts accrued for distributions payable related to unvested restricted stock units.

During the year ended December 31, 2015, we declared the following cash distributions:

Declaration Date	Payment Date	Record Date	Distribution per share	Aggregate Payment Amount (in millions) (1)
Common Stock				
March 5, 2015	April 28, 2015	April 10, 2015	$ 0.42	$ 177.7
May 21, 2015	July 16, 2015	June 17, 2015	0.44	186.2
September 10, 2015	October 7, 2015	September 23, 2015	0.46	194.8
December 3, 2015	January 13, 2016	December 16, 2015	0.49	207.7
Series A Preferred Stock				
April 14, 2015	May 15, 2015	May 1, 2015	$ 1.3125	$ 7.9
July 15, 2015	August 17, 2015	August 1, 2015	1.3125	7.9
October 20, 2015	November 16, 2015	November 1, 2015	1.3125	7.9
Series B Preferred Stock				
April 14, 2015	May 15, 2015	May 1, 2015	$ 11.1528	$ 15.3
July 15, 2015	August 17, 2015	August 1, 2015	13.75	18.9
October 20, 2015	November 16, 2015	November 1, 2015	13.75	18.9

(1) For common stock, aggregate payment does not include amounts accrued for distributions payable related to unvested restricted stock units.

Performance Graph

This performance graph is furnished and shall not be deemed ‘‘filed’’ with the SEC or subject to Section 18 of the Exchange Act, nor shall it be deemed incorporated by reference in any of our filings under the Securities Act of 1933, as amended.

The following graph compares the cumulative total stockholder return on our common stock with the cumulative total return of the S&P 500 Index, the Dow Jones U.S. Telecommunications Equipment Index and the FTSE NAREIT All Equity REITs Index. The performance graph assumes that on December 31, 2011, $100 was invested in each of our common stock, the S&P 500 Index, the Dow Jones U.S. Telecommunications Equipment Index and the FTSE NAREIT All Equity REITs Index.

Table of Contents

The cumulative return shown in the graph assumes reinvestment of all dividends. The performance of our common stock reflected below is not necessarily indicative of future performance.

	Cumulative Total Returns					
	12/11	12/12	12/13	12/14	12/15	12/16
American Tower Corporation	$100.00	$130.43	$136.68	$171.89	$171.88	$191.16
S&P 500 Index	100.00	116.00	153.58	174.60	177.01	198.18
Dow Jones U.S. Telecommunications Equipment Index	100.00	109.75	133.28	153.54	136.95	163.17
FTSE NAREIT All Equity REITs Index	100.00	119.70	123.12	157.63	162.08	176.07

Table of Contents

ITEM 6. SELECTED FINANCIAL DATA

The selected financial data should be read in conjunction with our "Management's Discussion and Analysis of Financial Condition and Results of Operations," and our audited consolidated financial statements and the related notes to those consolidated financial statements included in this Annual Report.

Year-over-year comparisons are significantly affected by our acquisitions, dispositions and construction of towers.

Our acquisition of MIPT, our transaction with Verizon Communications Inc. ("Verizon" and the transaction, the "Verizon Transaction") and the Viom Acquisition, which closed in October 2013, March 2015 and April 2016, respectively, significantly impact the comparability of reported results between periods. Our principal acquisitions are described in note 6 to our consolidated financial statements included in this Annual Report.

Table of Contents

	Year Ended December 31,				
	2016	2015	2014	2013	2012
	(In thousands, except per share data)				
Statements of Operations Data:					
Revenues:					
Property	$5,713,126	$4,680,388	$4,006,854	$3,287,090	$2,803,490
Services	72,542	91,128	93,194	74,317	72,470
Total operating revenues	5,785,668	4,771,516	4,100,048	3,361,407	2,875,960
Operating expenses:					
Cost of operations (exclusive of items shown separately below)					
Property	1,762,694	1,275,436	1,056,177	828,742	686,681
Services	27,695	33,432	38,088	31,131	35,798
Depreciation, amortization and accretion	1,525,635	1,285,328	1,003,802	800,145	644,276
Selling, general, administrative and development expense	543,395	497,835	446,542	415,545	327,301
Other operating expenses	73,220	66,696	68,517	71,539	62,185
Total operating expenses	3,932,639	3,158,727	2,613,126	2,147,102	1,756,241
Operating income	1,853,029	1,612,789	1,486,922	1,214,305	1,119,719
Interest income, TV Azteca, net	10,960	11,209	10,547	22,235	14,258
Interest income	25,618	16,479	14,002	9,706	7,680
Interest expense	(717,125)	(595,949)	(580,234)	(458,296)	(401,665)
Gain (loss) on retirement of long-term obligations	1,168	(79,606)	(3,473)	(38,701)	(398)
Other expense (1)	(47,790)	(134,960)	(62,060)	(207,500)	(38,300)
Income from continuing operations before income taxes and income on equity method investments	1,125,860	829,962	865,704	541,749	701,294
Income tax provision	(155,501)	(157,955)	(62,505)	(59,541)	(107,304)
Income on equity method investments	—	—	—	—	35
Net income	970,359	672,007	803,199	482,208	594,025
Net (income) loss attributable to noncontrolling interests	(13,934)	13,067	21,711	69,125	43,258
Net income attributable to American Tower Corporation stockholders	956,425	685,074	824,910	551,333	637,283
Dividends on preferred stock	(107,125)	(90,163)	(23,888)	—	—
Net income attributable to American Tower Corporation common stockholders	$849,300	$594,911	$801,022	$551,333	$637,283
Net income per common share amounts:					
Basic net income attributable to American Tower Corporation common stockholders	$2.00	$1.42	$2.02	$1.40	$1.61
Diluted net income attributable to American Tower Corporation common stockholders	$1.98	$1.41	$2.00	$1.38	$1.60
Weighted average common shares outstanding:					
Basic	425,143	418,907	395,958	395,040	394,772
Diluted	429,283	423,015	400,086	399,146	399,287
Distribution declared per common share	$2.17	$1.81	$1.40	$1.10	$0.90
Distribution declared per preferred share, Series A	$5.25	$3.94	$3.98	$—	$—
Distribution declared per preferred share, Series B	$55.00	$38.65	$—	$—	$—
Other Operating Data:					
Ratio of earnings to fixed charges (2)	2.11x	1.99x	2.11x	1.89x	2.32x

Ratio of earnings to combined fixed charges and preferred stock dividends (2)	1.91x	1.80x	2.05x	1.89x	2.32x

25

Table of Contents

	As of December 31,				
	2016	2015	2014 (3)	2013 (3)	2012 (3)
	(In thousands)				
Balance Sheet Data: (4)					
Cash and cash equivalents (including restricted cash) (5)	$936,442	$462,879	$473,698	$446,492	$437,934
Property and equipment, net	10,517,258	9,866,424	7,590,112	7,177,728	5,765,856
Total assets	30,879,150	26,904,272	21,263,565	20,213,937	14,045,810
Long-term obligations, including current portion	18,533,465	17,119,009	14,540,341	14,408,550	8,709,757
Redeemable noncontrolling interest	1,091,220	—	—	—	—
Total American Tower Corporation equity	6,763,895	6,651,679	3,953,560	3,534,165	3,573,101

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(1) For the years ended December 31, 2016, 2015, 2014, 2013 and 2012, amount includes unrealized foreign currency losses of $23.4 million, $71.5 million, $49.3 million, $211.7 million and $34.3 million, respectively.

(2) For the purpose 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.

(3) Balances have been revised to reflect debt issuance cost adjustments.

(4) Balances have been revised to reflect purchase accounting measurement period adjustments for the years ended December 31, 2014, 2013 and 2012.

(5) As of December 31, 2016, 2015, 2014, 2013 and 2012, amount includes $149.3 million, $142.2 million, $160.2 million, $152.9 million and $69.3 million, respectively, of restricted funds pledged as collateral to secure obligations and cash, the use of which is otherwise limited by contractual provisions.

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

The discussion and analysis of our financial condition and results of operations that follow are based upon our consolidated financial statements, which have been prepared in accordance with 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 the financial statements. This discussion should be read in conjunction with our consolidated financial statements included in this Annual Report and the accompanying notes, and the information set forth under the caption "Critical Accounting Policies and Estimates" below.

We report our results in five segments: U.S. property, Asia property, EMEA property, Latin America property and Services. In evaluating financial performance in each business segment, management uses, among other factors, segment gross margin and segment operating profit (see note 20 to our consolidated financial statements included in this Annual Report).

Executive Overview

We are one of the largest global REITs 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 other telecommunications infrastructure and 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 year ended December 31, 2016 and includes our U.S. property segment, Asia property segment, EMEA property segment and Latin America property segment.

We also 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.

Table of Contents

The following table details the number of communications sites, excluding managed sites, we owned or operated as of December 31, 2016:

	Number of Owned Towers	Number of Operated Towers (1)	Number of Owned DAS Sites
Domestic:			
United States	23,385	16,685	344
Asia:			
India	57,687	—	258
EMEA:			
Germany	2,201	—	—
Ghana	2,145	—	18
Nigeria	4,742	—	—
South Africa	2,362	—	—
Uganda	1,393	—	—
EMEA total	12,843	—	18
Latin America (2):			
Brazil	16,279	2,268	67
Chile	1,253	—	8
Colombia	3,067	706	1
Costa Rica	486	—	1
Mexico	8,616	199	68
Peru	645	—	—
Latin America total	30,346	3,173	145

(1) Approximately 97% of the operated towers are held pursuant to long-term capital leases, including those subject to purchase options.

(2) In Argentina, we own or operate urban telecommunications assets, fiber and the rights to utilize certain existing utility infrastructure for future telecommunications equipment installation.

In general, 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 year ended December 31, 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 December 31, 2016, we expect to generate over $31 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 annually based on a 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 of leases at the end of their terms or rent negotiations historically has not had a material adverse effect on the revenues generated by our property operations. During the year ended December 31, 2016, loss of revenue from tenant lease cancellations or renegotiations represented less than 2% of our property operations revenues.

Property Operations Revenue Growth. Due to our diversified communications site portfolio, our tenant lease rates vary considerably depending upon numerous factors, including, but not limited to, amount, type and position 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 primary factors affecting the revenue growth in our property segments are:

Table of Contents

- Growth in tenant billings, including:
- New revenue attributable to leases in place on day one on sites acquired or constructed since the beginning of the prior-year period;
- New revenue attributable to leasing additional space on our sites ("colocations") and lease amendments; and
- Contractual rent escalations on existing tenant leases, net of churn.
- 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.

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 provide 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. In our international markets, certain pass-through revenue amounts may fluctuate with changing power and fuel costs.

Property Operations Organic Revenue Growth. 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 over the long term.
- 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 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.

Table of Contents

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 3G and 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 and France, 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 104,470 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 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 New Site Revenue Growth. During the year ended December 31, 2016, we grew our portfolio of communications real estate through the acquisition and construction of approximately 45,310 sites. In a majority of our Asia, EMEA and Latin America markets, the revenue generated from newly acquired or constructed sites resulted in increases in both tenant and pass-through revenues (such as ground rent or power and fuel costs) and expenses. We continue to evaluate opportunities to acquire communications real estate portfolios, both domestically and internationally, to determine whether they meet our risk-adjusted hurdle rates and whether we believe we can effectively integrate them into our existing portfolio.

New Sites (Acquired or Constructed)	2016	2015	2014
U.S.	65	11,595	900
Asia	43,865	2,330	1,560
EMEA	665	4,910	190
Latin America	715	6,535	5,800

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.

Table of Contents

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

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 interest. 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 for the year ended December 31, 2016 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 Adjusted EBITDA, NAREIT FFO (common stockholders), Consolidated AFFO or 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.

Table of Contents

Results of Operations
Years Ended December 31, 2016, 2015 and 2014
(in thousands, except percentages)

Revenue

	Year Ended December 31,			Percent Change 2016 vs 2015	Percent Change 2015 vs 2014
	2016	2015	2014		
Property					
U.S.	$3,370,033	$3,157,501	$2,639,790	7 %	20 %
Asia	827,627	242,223	219,566	242	10
EMEA	529,531	395,092	315,053	34	25
Latin America	985,935	885,572	832,445	11	6
Total property	5,713,126	4,680,388	4,006,854	22	17
Services	72,542	91,128	93,194	(20)	(2)
Total revenues	$5,785,668	$4,771,516	$4,100,048	21 %	16 %

Year ended December 31, 2016 - Revenue

U.S. property segment revenue growth of $212.5 million, or 7%, was attributable to:

- Tenant billings growth of $257.1 million, which was driven by:
  - $128.8 million due to colocations and amendments;
  - $91.3 million generated from newly acquired or constructed sites, including sites associated with the Verizon Transaction;
  - $34.1 million from contractual escalations, net of churn; and
  - $2.9 million from other tenant billings.

Segment revenue growth was partially offset by a decrease of $44.6 million, primarily due to the impact of straight-line accounting.

Asia property segment revenue growth of $585.4 million, or 242%, was attributable to:

- Tenant billings growth of $368.9 million, which was driven by:
  - $341.2 million generated from newly acquired sites, primarily due to the Viom Acquisition;
  - $22.2 million due to colocations and amendments;
  - $8.6 million generated from newly constructed sites;
- Partially offset by,
  - A decrease of $2.2 million from churn in excess of contractual escalations;
  - A decrease of $0.9 million from other tenant billings;
- Pass-through revenue growth of $243.6 million, primarily due to the Viom Acquisition; and
- $6.3 million of other revenue growth, primarily due to the impact of straight-line accounting.

Segment revenue growth was partially offset by a decrease of $33.4 million attributable to the negative impact of foreign currency translation related to fluctuations in Indian Rupee (“INR”).

EMEA property segment revenue growth of $134.4 million, or 34%, was attributable to:

- Tenant billings growth of $124.1 million, which was driven by:
  - $82.8 million generated from newly acquired or constructed sites, including sites acquired from Airtel in Nigeria;
  - $22.1 million due to colocations and amendments;
  - $17.4 million from contractual escalations, net of churn;
  - $1.8 million from other tenant billings; and

- Pass-through revenue growth of $65.6 million;
- Partially offset by a decrease of $4.6 million, attributable in part to the impact of straight-line accounting.

Table of Contents

Segment revenue growth was partially offset by a decrease of $50.7 million attributable to the negative impact of foreign currency translation, which included, among others, $29.0 million related to fluctuations in Nigerian Naira ("NGN"), $12.1 million related to fluctuations in South African Rand ("ZAR") and $5.5 million related to fluctuations in Ghanaian Cedi ("GHS").

Latin America property segment revenue growth of $100.4 million, or 11%, was attributable to:
- Tenant billings growth of $131.3 million, which was driven by:
- $49.5 million generated from newly acquired or constructed sites;
- $42.5 million from contractual escalations, net of churn;
- $37.2 million due to colocations and amendments;
- $2.1 million from other tenant billings;
- Pass-through revenue growth of $60.6 million; and
- An increase of $5.7 million in other revenue, primarily due to a $12.8 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 $97.2 million attributable to the negative impact of foreign currency translation, which included, among others, $57.5 million related to fluctuations in Mexican Pesos ("MXN"), $28.2 million related to fluctuations in Brazilian Reais ("BRL") and $9.4 million related to fluctuations in Colombian Peso ("COP").

The decrease in services segment revenue of $18.6 million, or 20%, was primarily attributable to a decrease in zoning, permitting and site acquisition projects.

Year ended December 31, 2015 - Revenue

U.S. property segment revenue growth of $517.7 million, or 20%, was attributable to:
- Tenant billings growth of $458.6 million, which was driven by:
- $296.5 million generated from newly acquired sites, primarily due to the Verizon Transaction;
- $141.3 million due to colocations and amendments;
- $19.0 million from contractual escalations, net of churn;
- $7.2 million generated from newly constructed sites;
- Partially offset by a decrease of $5.4 million in other tenant billings; and
- $59.1 million of other revenue growth, attributable in part to the impact of straight-line accounting.

Asia property segment revenue growth of $22.7 million, or 10%, was attributable to:
- Tenant billings growth of $25.7 million, which was driven by:
- $11.2 million generated from newly acquired or constructed sites;
- $17.4 million due to colocations and amendments;
- Partially offset by,

A decrease of $2.8 million from churn in excess of contractual escalations;

A decrease of $0.1 million from other tenant billings;
- Pass-through revenue growth of $9.2 million; and
- $0.2 million of other revenue growth, primarily due to the impact of straight-line accounting.

Segment revenue growth was partially offset by a decrease of $12.4 million attributable to the negative impact of foreign currency translation related to fluctuations in INR.

EMEA property segment revenue growth of $80.0 million, or 25%, was attributable to:
- Tenant billings growth of $113.6 million, which was driven by:
- $80.5 million generated from newly acquired or constructed sites;
- $16.7 million due to colocations and amendments;
- $16.4 million from contractual escalations, net of churn; and

- Pass-through revenue growth of $33.1 million;
- Partially offset by a decrease of $4.4 million, primarily due to the $3.4 million impact of straight-line accounting.

Table of Contents

Segment revenue growth was partially offset by a decrease of $62.3 million attributable to the negative impact of foreign currency translation, which included $24.5 million related to fluctuations in GHS, $13.8 million related to fluctuations in ZAR, $13.1 million related to fluctuations in Ugandan Shilling (“UGX”) and $10.9 million related to fluctuations in Euro.

Latin America property segment revenue growth of $53.1 million, or 6%, was attributable to:

- Tenant billings growth of $204.4 million, which was driven by:
- $134.4 million generated from newly acquired or constructed sites, primarily due to the TIM Celular S.A. (“TIM”) acquisition;
- $41.6 million due to colocations and amendments;
- $24.5 million from contractual escalations, net of churn;
- $3.9 million from other tenant billings;
- Pass-through revenue growth of $103.3 million; and
- An increase of $13.2 million in other revenue, primarily due to a $14.5 million impact of straight-line accounting.

Segment revenue growth was partially offset by a decrease of $267.8 million attributable to the negative impact of foreign currency translation, which included, among others, $168.3 million related to fluctuations in BRL, $63.9 million related to fluctuations in MXN and $28.5 million related to fluctuations in COP.

The decrease in services segment revenue of $2.1 million, or 2%, was primarily attributable to a decrease in structural engineering services.

Gross Margin

	Year Ended December 31,			Percent Change 2016 vs 2015	Percent Change 2015 vs 2014
	2016	2015	2014		
Property					
U.S.	$2,636,630	$2,479,002	$2,124,048	6 %	17 %
Asia	361,689	115,349	97,769	214	18
EMEA	305,815	231,272	188,339	32	23
Latin America	659,008	592,152	552,465	11	7
Total property	3,963,142	3,417,775	2,962,621	16	15
Services	45,535	58,135	55,546	(22)%	5 %

Year ended December 31, 2016 - Gross Margin

- 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 $54.9 million. Direct expense growth was primarily due to sites associated with the Verizon Transaction.

- The increase in Asia property segment gross margin was primarily attributable to the increase in revenue described above and a benefit of $18.6 million attributable to the impact of foreign currency translation on direct expenses, partially offset by an increase in direct expenses of $357.7 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 $32.8 million attributable to the impact of foreign currency translation on direct expenses, partially offset by an increase in direct expenses of $92.7 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 $32.3 million attributable to the impact of foreign currency translation on direct expenses, partially offset by an increase in direct expenses of $65.6 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.

Table of Contents

Year ended December 31, 2015 - Gross Margin

- 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 $162.8 million. Direct expense growth was primarily due to sites associated with the Verizon Transaction.
- The increase in Asia property segment gross margin was primarily attributable to the increase in revenue described above and a benefit of $6.5 million attributable to the impact of foreign currency translation on direct expenses. Gross margin growth was partially offset by an increase in direct expenses of $11.6 million. Direct expense growth was primarily due to newly acquired or constructed sites.
- The increase in EMEA property segment gross margin was primarily attributable to the increase in revenue described above and a benefit of $23.9 million attributable to the impact of foreign currency translation on direct expenses, partially offset by an increase in direct expenses of $61.0 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 $95.5 million attributable to the impact of foreign currency translation on direct expenses, partially offset by an increase in direct expenses of $109.6 million. Direct expense growth was primarily due to sites acquired from TIM.
- The increase in services segment gross margin was primarily attributable to efficiencies in our tower services.

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

	Year Ended December 31,			Percent Change	Percent Change
	2016	2015	2014	2016 vs 2015	2015 vs 2014
Property					
U.S.	$147,559	$138,617	$124,944	6 %	11 %
Asia	48,238	22,771	19,632	112	16
EMEA	60,903	48,672	39,553	25	23
Latin America	60,690	62,111	66,890	(2)	(7)
Total property	317,390	272,171	251,019	17	8
Services	12,510	15,724	12,469	(20)	26
Other (1)	213,495	209,940	183,054	2	15
Total selling, general, administrative and development expense	$543,395	$497,835	$446,542	9 %	11 %

(1) Certain expenses previously reflected in segment SG&A for the year ended December 31, 2014 have been reclassified and are now reflected as Other SG&A.

Year Ended December 31, 2016 - SG&A

- The increases in each of our U.S., Asia and EMEA property segments’ SG&A were primarily driven by increased personnel costs to support our business, including additional costs associated the Viom Acquisition in our Asia property segment. The EMEA property segment SG&A increase also included an increase in bad debt expense of $2.2 million and was partially offset by the impact of foreign currency fluctuations. The increase in the Asia property segment SG&A was partially offset by the reversal of bad debt expense of $1.4 million.

- The decrease in our Latin America property segment SG&A was primarily due to the impacts of foreign currency fluctuations and a decrease in bad debt expense, partially offset by increased personnel costs to support the growth of our business.

- 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.

- The increase in other SG&A of $4.6 million was attributable to an increase in corporate and international headquarters SG&A, partially offset by a decrease in stock-based compensation expense of $1.0 million.

Year Ended December 31, 2015 - SG&A

- The increases in our U.S., Asia and EMEA property segments' SG&A were primarily driven by increasing personnel costs to support our business, including additional costs associated with transactions such as the Verizon Transaction in the U.S. and the Airtel acquisition in EMEA. The EMEA property SG&A increase included an increase in bad debt expense and was partially offset by a decrease attributable to the impacts of foreign currency fluctuations.

- The decrease in our Latin America property segment SG&A was primarily due to the impact of foreign currency fluctuations, partially offset by increased personnel costs to support the growth of our business and an increase in bad debt expense.

- The increase in services segment SG&A was primarily due to increased personnel costs.

- The increase in other SG&A was due to an increase in corporate SG&A of $16.7 million and an increase in stock-based compensation expense of $10.2 million. Corporate SG&A reflects an increase in legal costs, as corporate SG&A during the year ended December 31, 2014 was favorably impacted by the recovery of legal expenses. In addition, during the year ended December 31, 2015, corporate SG&A increased due to an increase in personnel costs to support our business.

Operating Profit

	Year Ended December 31,			Percent Change 2016 vs 2015	Percent Change 2015 vs 2014
	2016	2015	2014		
Property					
U.S.	$2,489,071	$2,340,385	$1,999,104	6 %	17 %
Asia	313,451	92,578	78,137	239	18
EMEA	244,912	182,600	148,786	34	23
Latin America	598,318	530,041	485,575	13	9
Total property	3,645,752	3,145,604	2,711,602	16	16
Services	33,025	42,411	43,077	(22)%	(2)%

Year Ended December 31, 2016 - Operating Profit

The growth in operating profit 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 EMEA property segments were partially offset by increases in our segment SG&A. The growth in operating profit in our Latin America property segment was also attributable to a slight decrease in our segment SG&A.

The decrease in operating profit 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.

Year Ended December 31, 2015 - Operating Profit

The growth in operating profit for each of our U.S., Asia and EMEA property segments was primarily attributable to an increase in our segment gross margin, partially offset by an increase in our segment SG&A.

The growth in operating profit in our Latin America property segment was primarily attributable to an increase in our segment gross margin and a decrease in our segment SG&A.

The decrease in services segment operating profit was primarily attributable to an increase in our services segment SG&A and was partially offset by an increase in our segment gross margin.

Table of Contents

Depreciation, Amortization and Accretion

	Year Ended December 31,			Percent Change	Percent Change
	2016	2015	2014	2016 vs 2015	2015 vs 2014
Depreciation, amortization and accretion	$1,525,635	$1,285,328	$1,003,802	19 %	28 %

The increases in depreciation, amortization and accretion expense were 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

	Year Ended December 31,			Percent Change	Percent Change
	2016	2015	2014	2016 vs 2015	2015 vs 2014
Other operating expenses	$73,220	$66,696			