



# Introduction to the Tower Industry and American Tower

As of June 30, 2014



**AMERICAN TOWER®**

# Forward Looking Statements

“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995: This presentation contains forward-looking statements concerning our goals, beliefs, strategies, future operating results and underlying assumptions. Actual results may differ materially from those indicated by these forward-looking statements as a result of various important factors, including those described in the appendix attached hereto, Item 1A of our Form 10-Q for the quarter ended June 30, 2014 under the caption “Risk Factors” and other filings we make with the SEC. We undertake no obligation to update the information contained in this presentation to reflect subsequently occurring events or circumstances. Definitions and reconciliations to GAAP measures are provided at the end of the presentation.



## Section 1

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# The Tower Asset



# Wireless Tower Basics

## What is a tower?

- › A vertical structure built on a parcel of land, designed to accommodate multiple tenants
- › Our tenants utilize many different technologies, including telephony, mobile data, broadcast television and radio
- › Tenants lease vertical space on the tower and portions of the land underneath for their equipment

## What is found at the tower site?

- › Tower company typically owns or leases under a long-term contract:
  - › Tower structure
  - › Ground interest (fee simple or lease)
- › Tenant typically owns and operates:
  - › Equipment, including antenna arrays, antenna, coaxial cables and base stations
  - › Equipment shelters



# Types of Towers



## Monopole

- > 100 - 200 feet
- > Typical use: telephony



## Lattice

- > 200 - 400 feet
- > Also called self-support
- > Typical use: telephony



## Guyed

- > 200 - 2,000 feet
- > Typical use: television and radio broadcasting, paging and telephony



## Stealth

- > Range in size
- > Generally used to maintain aesthetic quality of area
- > Particularly useful in areas with strict zoning regulations



# Typical Tower Components

## 1. Whip Antenna

- › A stiff, monopole antenna, usually mounted vertically.

## 2. Antenna Array

- › A platform (typically three sided) where tenants place equipment to provide signal transmission and reception to a specific area. The number of antennas necessary per array is determined based on a number of factors, including:
  - › the number of active subscribers;
  - › the volume and type of network usage by subscribers (e.g., average minutes of use, voice versus data);
  - › the technology being used (e.g.: CDMA, GSM, LTE);
  - › the type of spectrum currently utilized by the tenant.

## 3. Port Holes

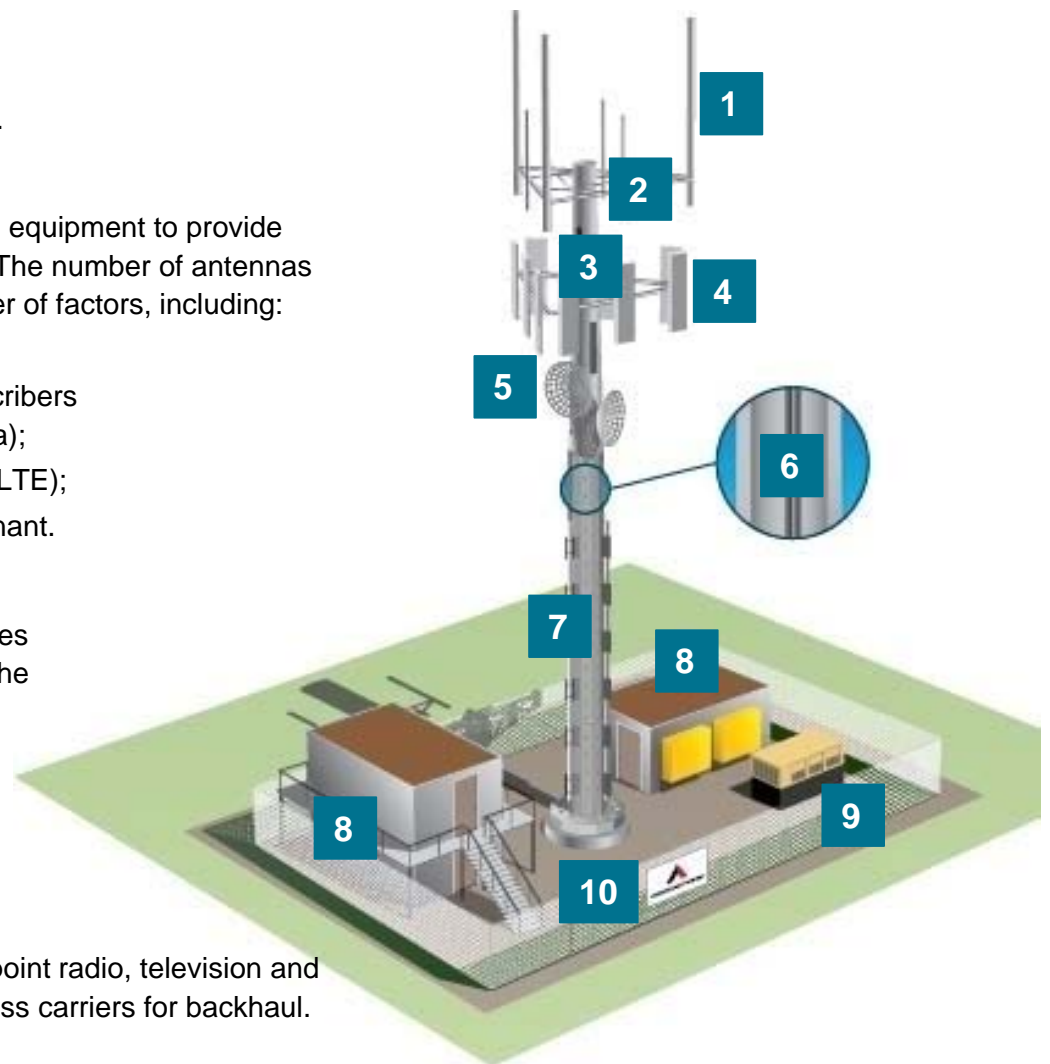
- › Holes cut into the base and top of tower to allow cables and wiring to pass through the tower structure, from the base station to the antennas.

## 4. Panel / Antenna

- › Tenant equipment which transmits a signal from the tower to a mobile device or vice versa.

## 5. Microwave Dish

- › A specific type of antenna, which is used in point-to-point radio, television and data communications. Also commonly used by wireless carriers for backhaul.



# Typical Tower Components (continued)

## 6. Coaxial Cabling (Fiber)

- › Transmission lines that carry the signal received from the antenna to the base station or vice versa.

## 7. Reinforcement Bars

- › Threaded anchors which are used to reinforce towers to add additional capacity to accommodate further tenants.

## 8. Shelters

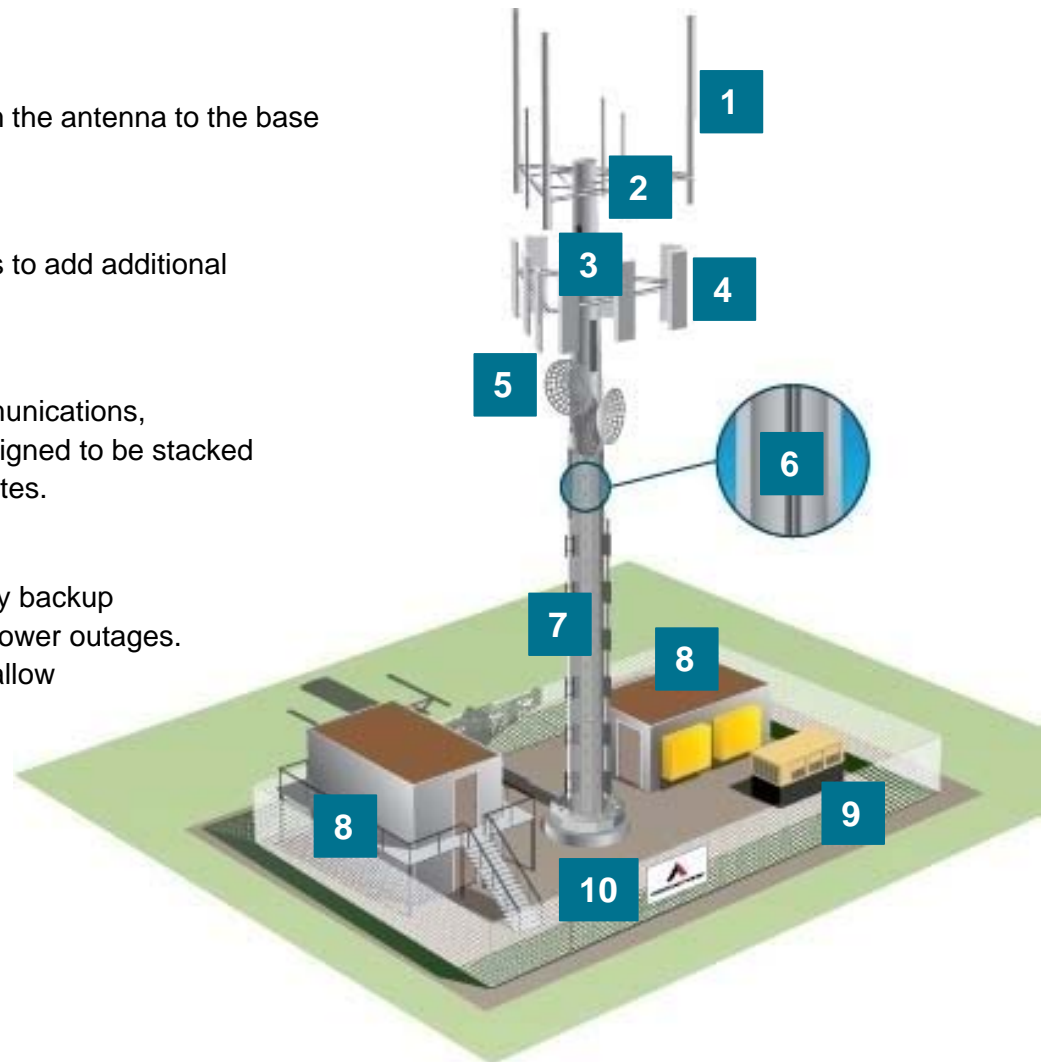
- › Buildings at sites used by our tenants to house communications, radio and network equipment. Some shelters are designed to be stacked on top of one another to conserve space at smaller sites.

## 9. Generator

- › Gas or diesel powered generators provide emergency backup power to keep tenant equipment operational during power outages. AMT has also introduced Backup Power Solution to allow multiple tenants to use a single generator.

## 10. Ground Space

- › The area within a site where tenants lease space from the tower company to place their shelters and generators.



# Sample Component Ownership Overview

## Owned by American Tower

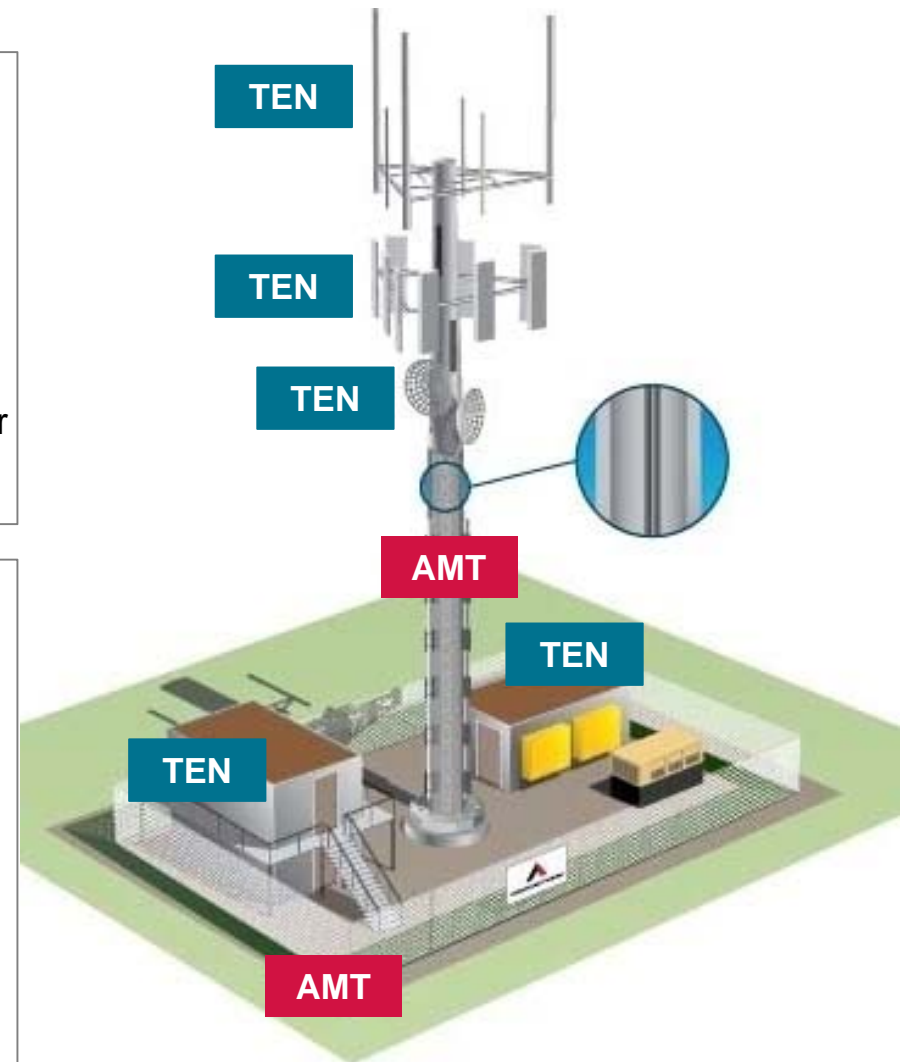
AMT

- > Tower structure – our tower sites are typically constructed with the capacity to support ~4 - 5 tenants
- > Land parcel owned or operated pursuant to a long-term lease by American Tower
- > Generators are sometimes owned by American Tower to help facilitate back-up power for the site's tenants

## Owned by Tenants

TEN

- > Antenna equipment, including microwave equipment
- > Tenant shelters containing base station equipment and HVAC, which tenants own, operate and maintain
- > Coaxial cable





## Section 2

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# The Business Model

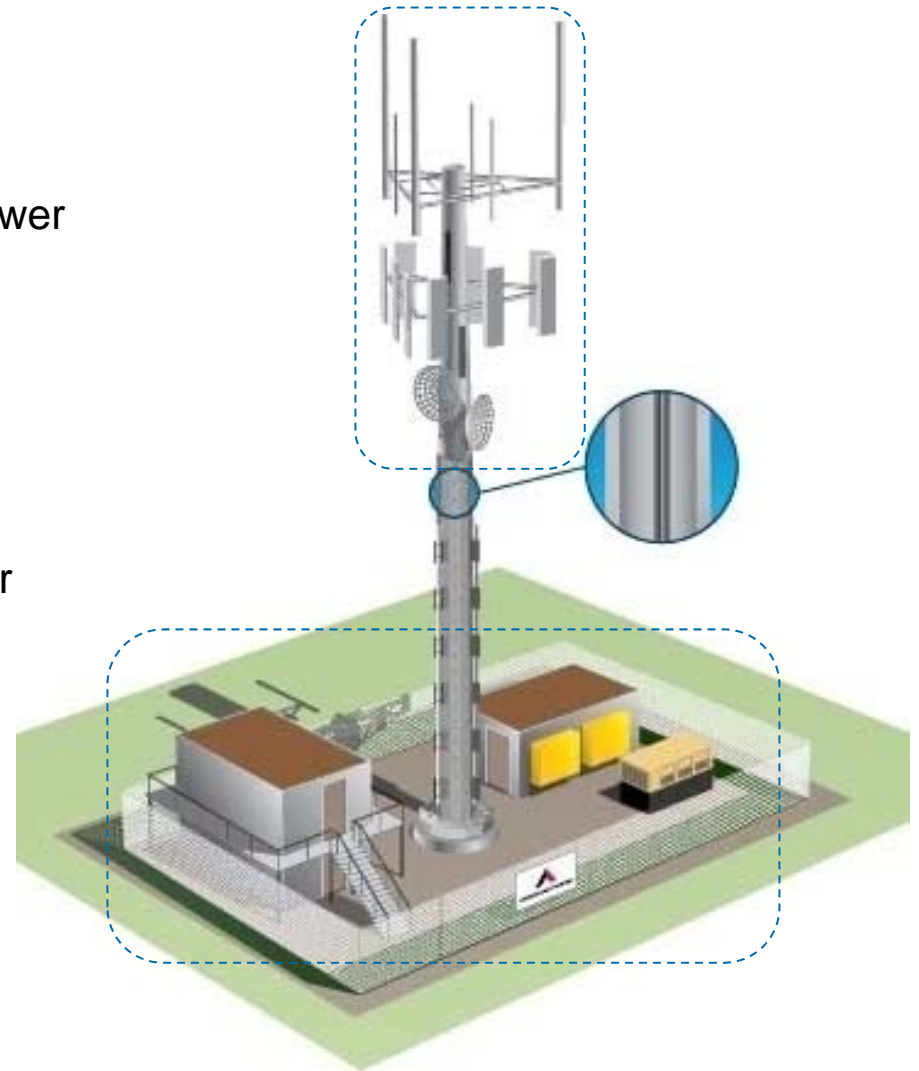


# Recurring Long-Term Revenue Stream

## Revenues

### Sources

- › Multiple tenants lease vertical space on the tower and portions of the ground for their communications equipment
- › Rental charges are typically based on:
  - › Property location
  - › Leased vertical square footage on the tower
  - › Weight placed on tower from transmission equipment and backhaul solutions
  - › Square footage leased on the ground



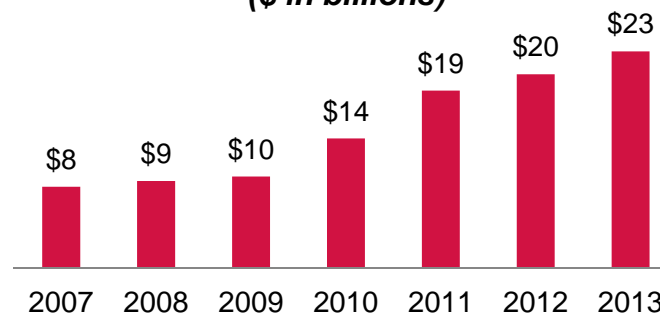
# Recurring Long-Term Revenue Stream (Cont.)

## Revenues

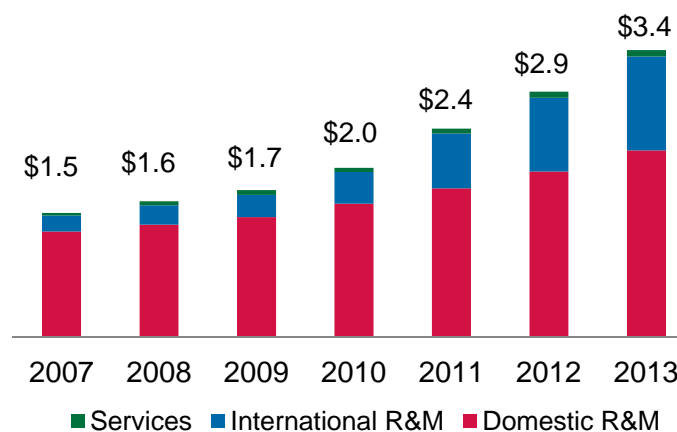
### Long-Term Customer Leases

- > Contracts are typically non-cancellable
- > Typical contract terms include an initial term of 10 years with multiple 5-year renewal periods
- > Annual lease escalators in the U.S. of approximately 3%
- > Escalations in international markets are typically based on local inflation rates
- > Historically low annual churn of approximately 1 - 2%

AMT Non-Cancellable Revenue Backlog  
(\$ in billions)



AMT Segment Revenue<sup>(1)</sup>  
(\$ in billions)



(1) "R&M" refers to Rental and Management.



# U.S. Operating Cost Structure

*Largely Fixed Operating Cost Structure*

## Direct Cost of Operations (1)

### Sources

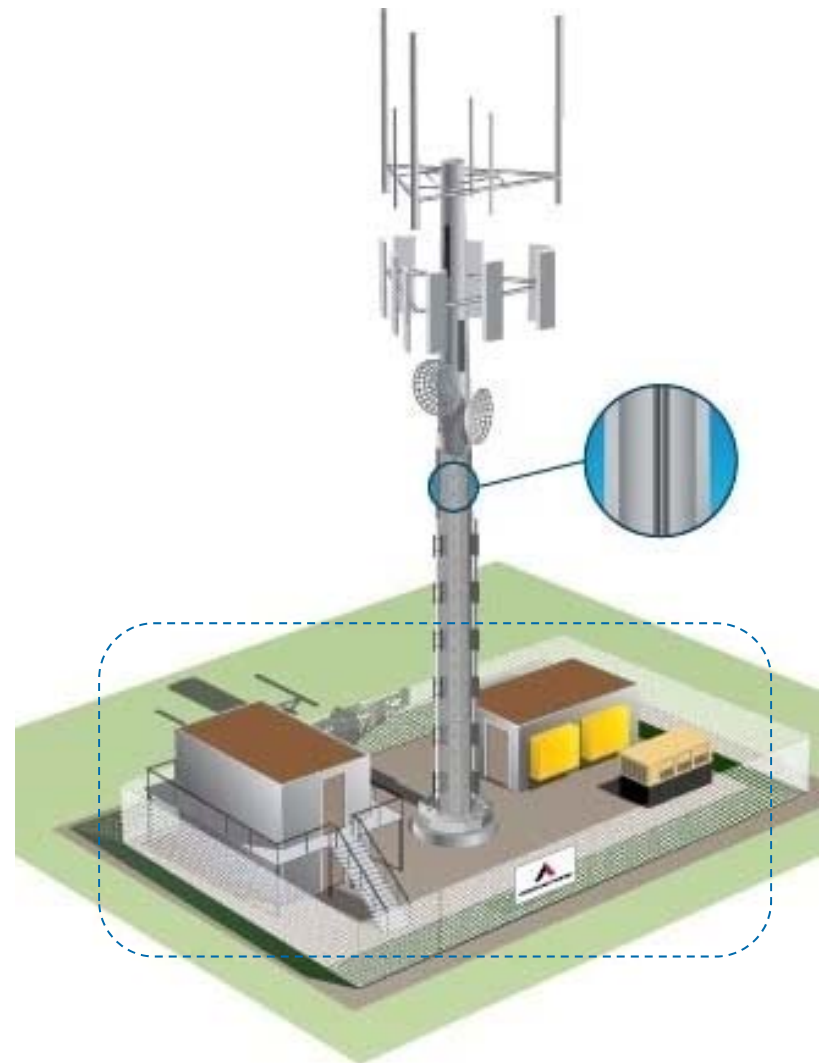
- > Ground rent > Real estate taxes
- > Monitoring > Utilities and fuel
- > Insurance > Site maintenance

### Land Interest Attributes

- > Own ~29% of land under our U.S. sites
- > Approximately 68% of sites are on owned land or have a ground lease with at least 20 years until renewal
- > Long-term leases: average remaining ground lease term is approximately 25 years until final maturity in the U.S.
- > Annual lease escalators in the U.S. of approximately 3%
- > Selectively purchasing land interests where return hurdles are met

### Fixed Cost Structure of Towers

- > Additional tenants result in minimal incremental operating costs



(1) Characteristics as of June 30, 2014



# International Operating Cost Structure

*Similar to U.S. Cost Structure but with ability to pass-through expenses to tenant*

## Direct Cost of Operations (1)

### Sources

- > Ground rent
- > Real estate taxes
- > Monitoring
- > Utilities and fuel
- > Insurance
- > Site maintenance

### Land Interest Attributes

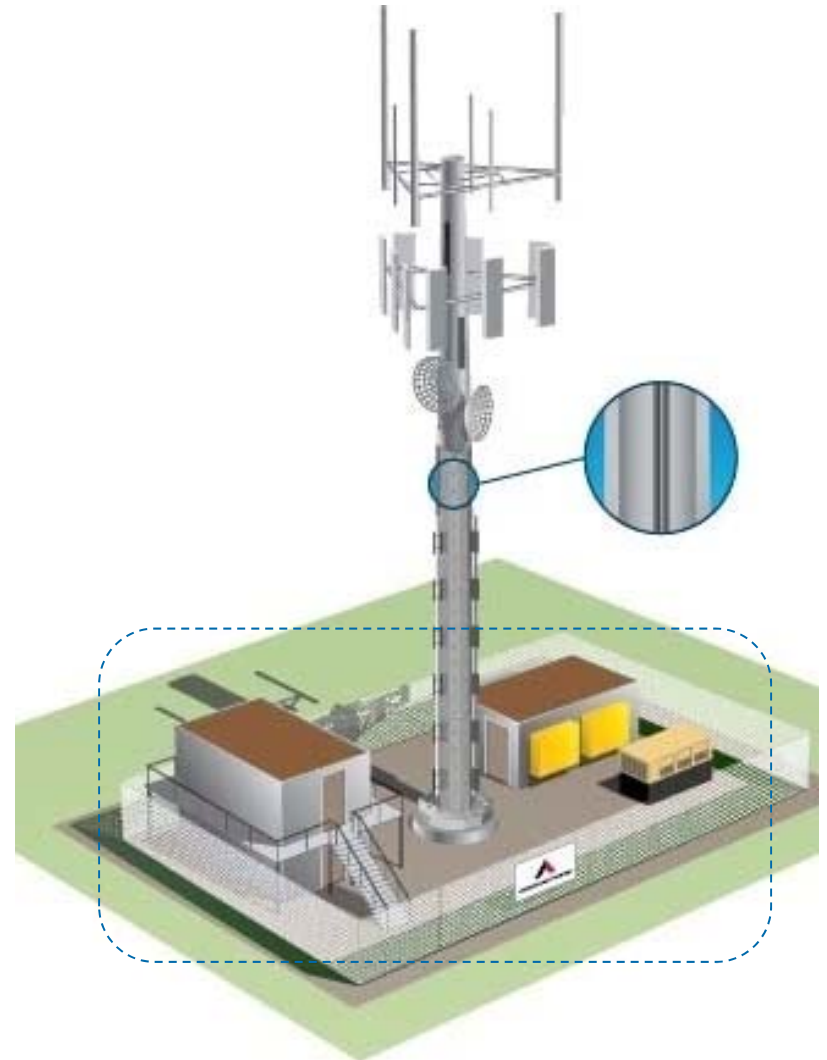
- > Long-term leases: average remaining ground lease term is approximately ~12 years internationally
- > International escalators are typically based on local inflation indexes

### Pass Through

- > Our international markets typically pass through a portion of their operating expenses to the tenant (e.g., ground rent, fuel)

### Fixed Cost Structure of Towers

- > Additional tenants result in minimal incremental operating costs



(1) Characteristics as of June 30, 2014



# Low Ongoing Capital Requirements

## Capital Expenditure Types:

### Revenue-Maintaining Capex:

#### • Capital Improvements

- Includes spending on lighting systems, fence repairs and ground upkeep. Approximately \$500 per tower annually in Latin American markets, ~\$600 in India, ~\$700 in EMEA markets and \$1,500-\$1,750 in the U.S.

#### • Corporate

- Capital spending primarily on IT infrastructure.

### Revenue-Generating Capex:

#### • Redevelopment

- Capital spending to increase capacity of towers (e.g. height extension, foundation strengthening, etc.).
- Cost is typically shared with the tenant and investment payback period on net capex is typically one to two years.

#### • Ground Lease Purchases

- Capital spending to purchase land under our sites.

#### • Discretionary Capital Projects

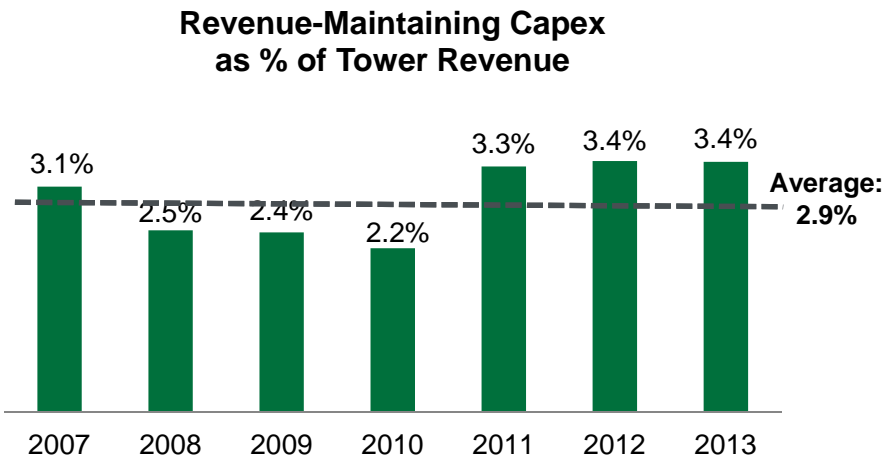
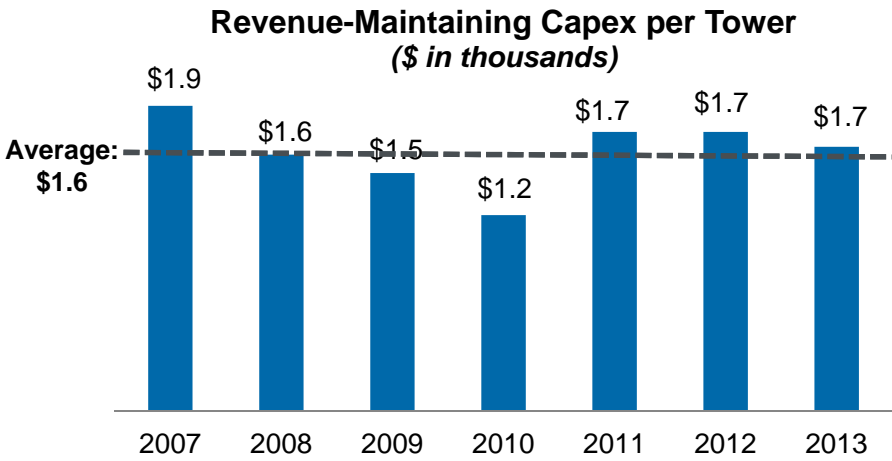
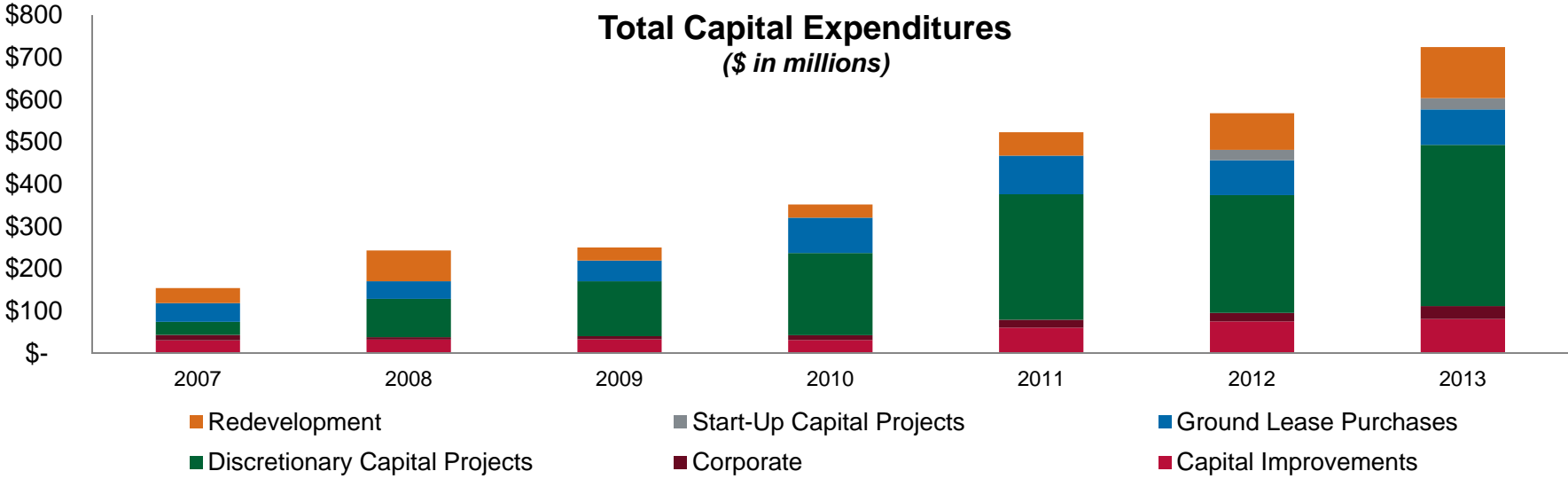
- Capital spending primarily for the construction of new communications sites and generators

#### • Start-Up Capital Projects

- Expenditures that are specific to acquisitions and new market launches and that are contemplated in the business cases for these investments.



# Historical Capital Spending



# Accommodating Additional Tenants

When a tower has reached its initial design capacity, there remain many ways for us to accommodate future tenant demand.

## Redevelopment Capex Examples

### 1. Height Extension

- › Allows for more equipment and more tenants

### 2. Multiple Antenna Mounting Scenarios

- › Options include whips, panels, microwaves and various combinations determined by internal RF engineering

### 3. Port Hole Additions

- › Additional entry and exit port designs accommodate additional coaxial cables

### 4. Tower Reinforcements

- › Adds structural strength to accommodate additional tenants

### 5. Strengthened Foundation

- › Increases load capacity of the tower

### 6. Backup Power Generator

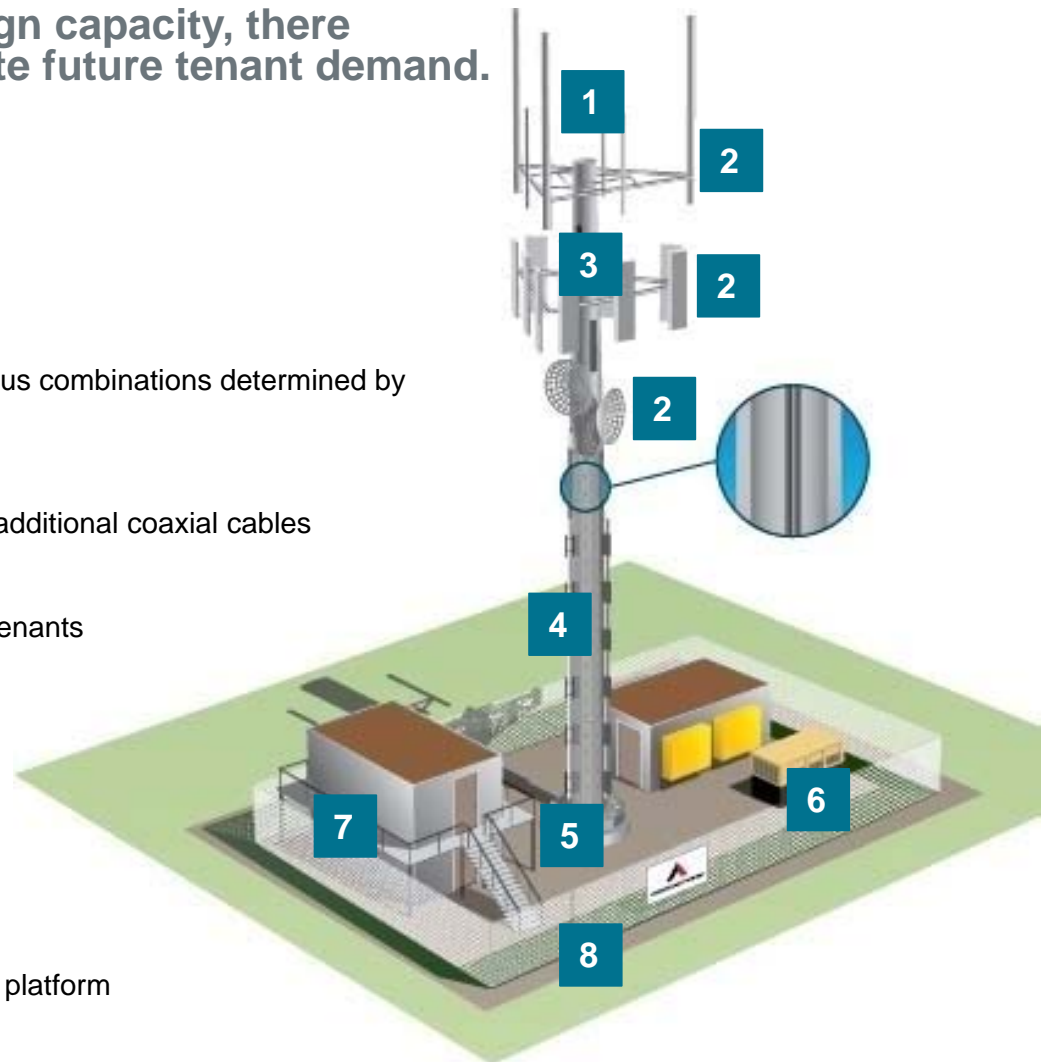
- › Provided by American Tower, maximizes compound space

### 7. Stacked Shelters

- › Shelter stacked atop an existing shelter using a steel platform

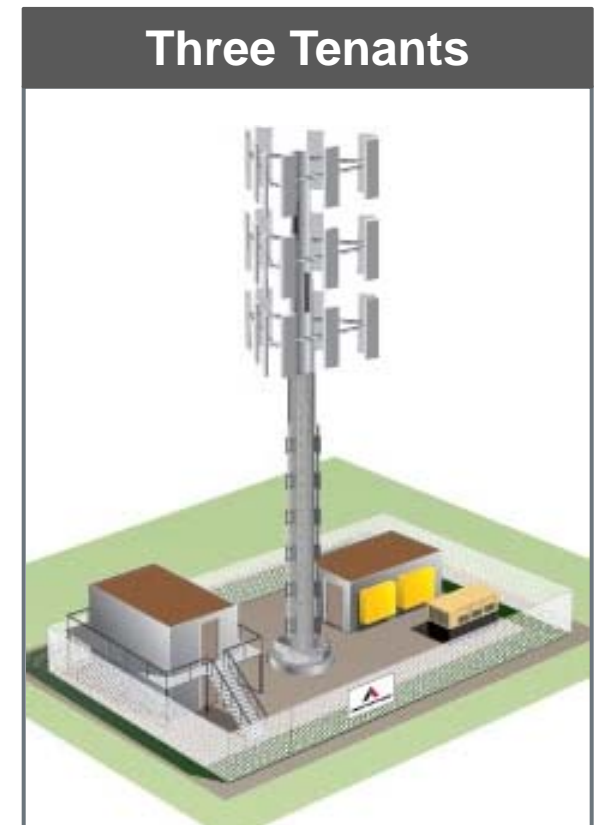
### 8. Extended Ground Space

- › Where space allows, expanded to accommodate more equipment





# Sample Macro Tower Leasing Scenario



Adding tenants, equipment and upgrades results in significantly higher returns, as revenue is added with minimal incremental cost.



# U.S. New Macro Tower Build Economics Drive Strong ROI<sup>(1)</sup>

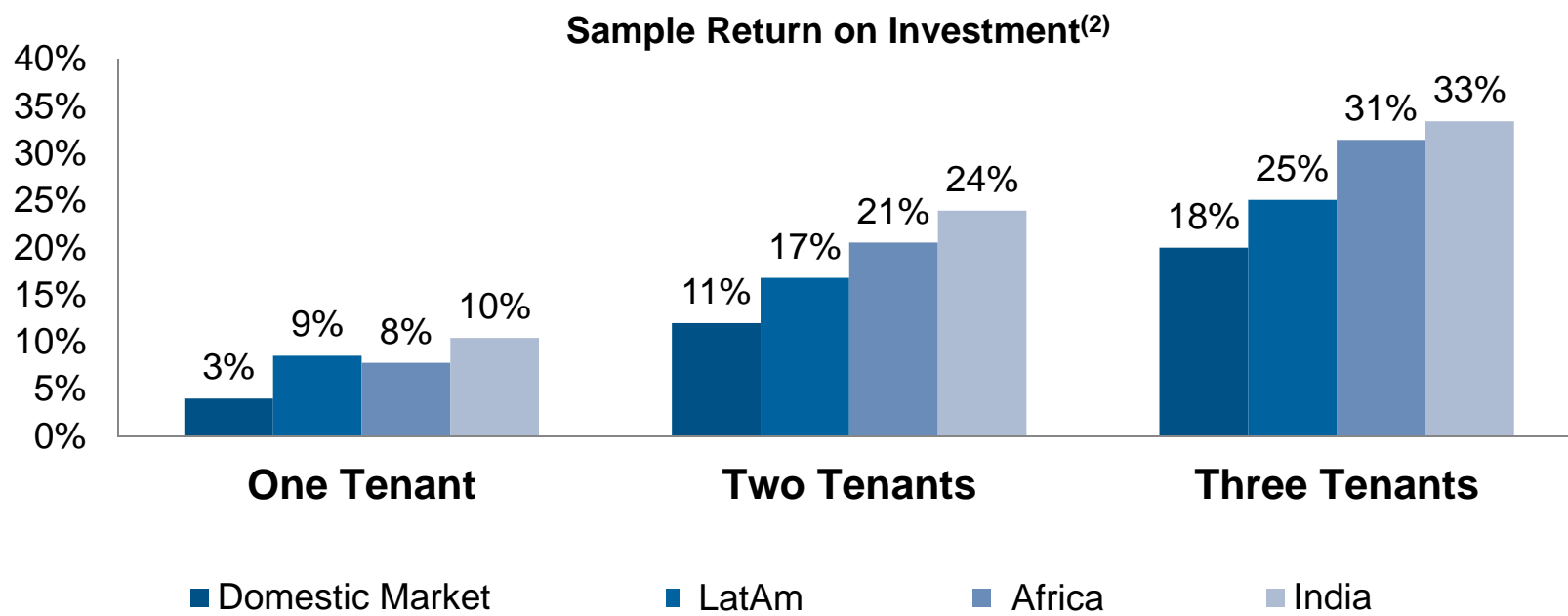
	One Tenant	Two Tenants	Three Tenants
Construction/Upgrade Costs (\$ in USD)	\$250,000	—	—
Tenant Revenue	\$20,000	\$40,000	\$60,000
Operating Expenses (including ground rent, utility, monitor)	\$12,000	\$13,000	\$14,000
Gross Margin	\$8,000	\$27,000	\$46,000
Gross Margin (%)	40%	68%	77%
Gross Margin Conversion Rate (%)	—	95%	95%
<b>Return on Investment <sup>(2)</sup></b>	<b>3%</b>	<b>11%</b>	<b>18%</b>

(1) For illustrative purposes only. Does not reflect any American Tower financial data.

(2) Calculated as Gross Margin divided by Construction/Upgrade Costs.



# International New Tower Build Returns on Investment Typically Exceed U.S. Returns<sup>(1)</sup>



	US	LatAm	Africa	India
Typical Tower Construction Cost	\$225-\$275K	\$125-\$150k	\$150-\$175k	\$30-\$50k

(1) For illustrative purposes only. Does not reflect any American Tower financial data.

(2) Calculated as Gross Margin divided by Construction/Upgrade Costs.



# Business Model Summary

Numerous factors contribute to the success of the tower business model.

- › Secure real estate assets
- › Strong recurring cash flow characteristics
  - › Long-term, non-cancellable lease revenues
  - › Embedded contractual escalators
  - › High incremental cash flow margins
  - › Low maintenance CAPEX
- › Financially strong tenant base
- › Economies of scale
  - › Replicate established systems and processes in new markets
  - › Ability to add additional assets to existing markets without a need for significant increase in overhead
- › Barriers to entry
  - › Location-based business, typically with significant zoning restrictions
  - › Capital and time intensive to build meaningful scale
- › Consistent U.S. demand
  - › \$25+ billion in annual CAPEX spending by U.S. service providers over the last few years<sup>(1)</sup>
  - › Rapidly increasing wireless data usage and adoption of advanced wireless devices
- › Strong international demand
  - › Continued deployment of voice and initial data networks
  - › Spectrum auctions and new market entrants
  - › Demand from new technology overlays (e.g.: 3G and LTE)

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(1) Source: Wall Street Research.



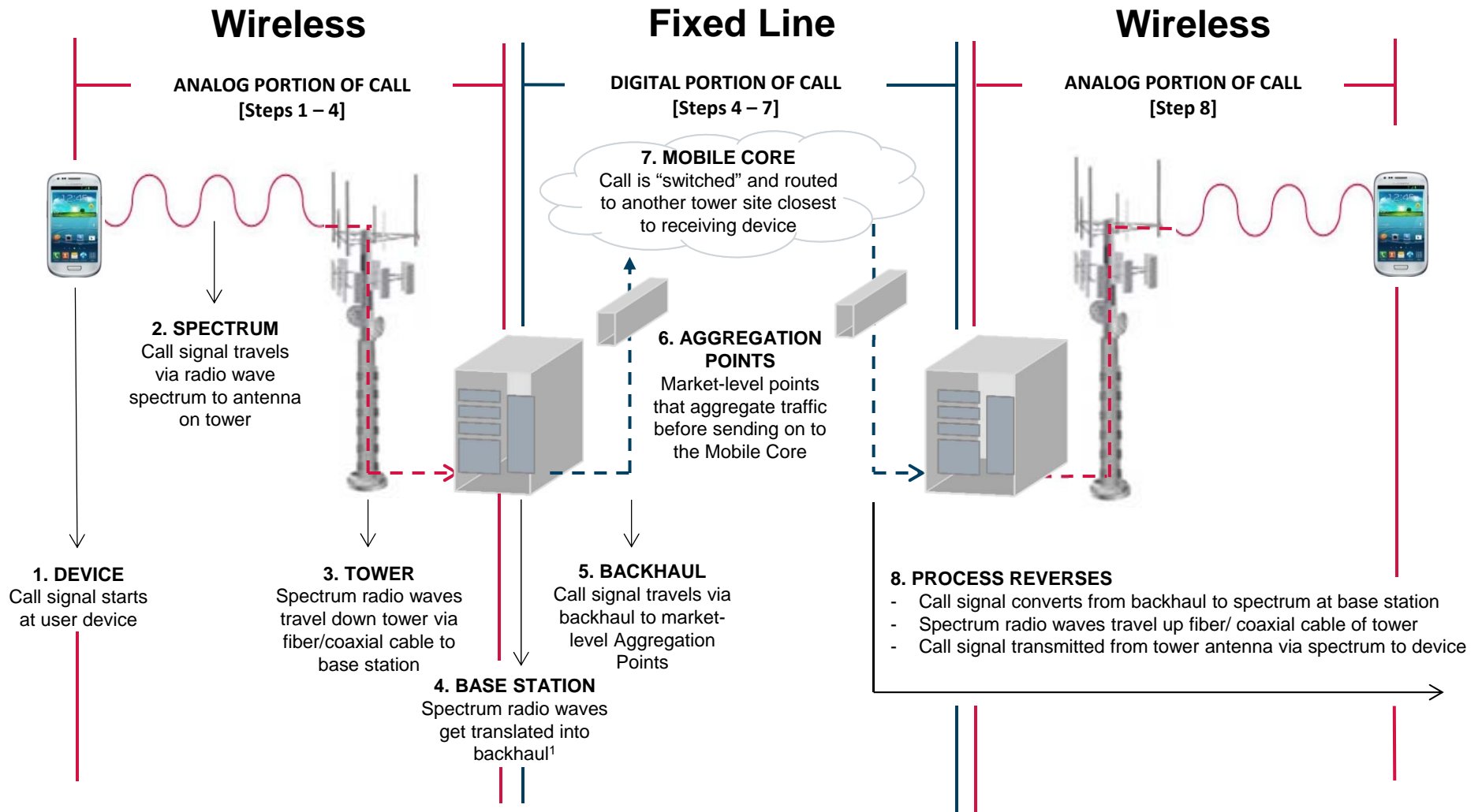
## Section 3

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# Technology Overview



# The Mobile Call Sequence

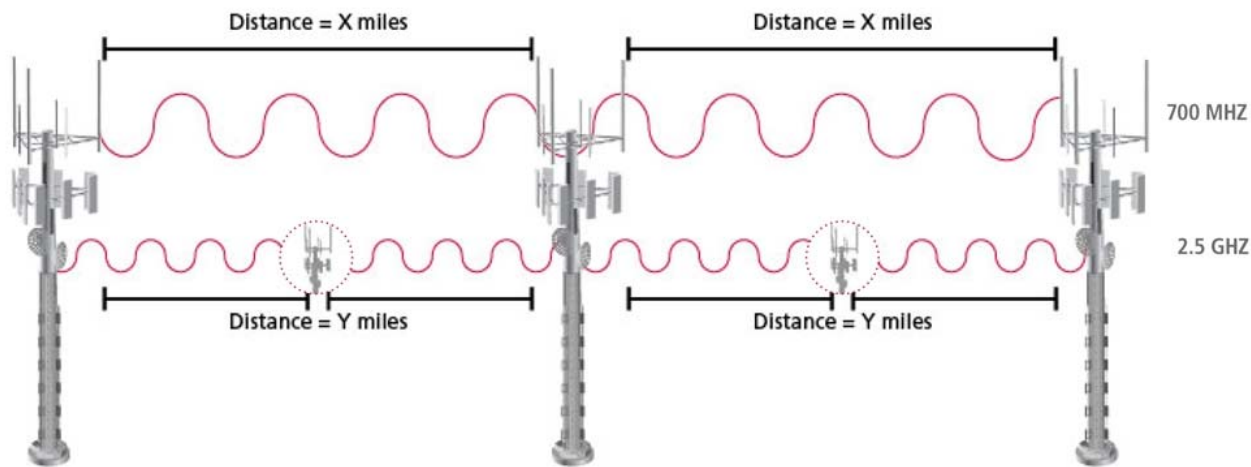


(1) In some cases the radio has been moved up onto the tower.



# What is Spectrum?

**Spectrum:** radio frequency airwaves, needed to transmit analog signals, including wireless communications signals



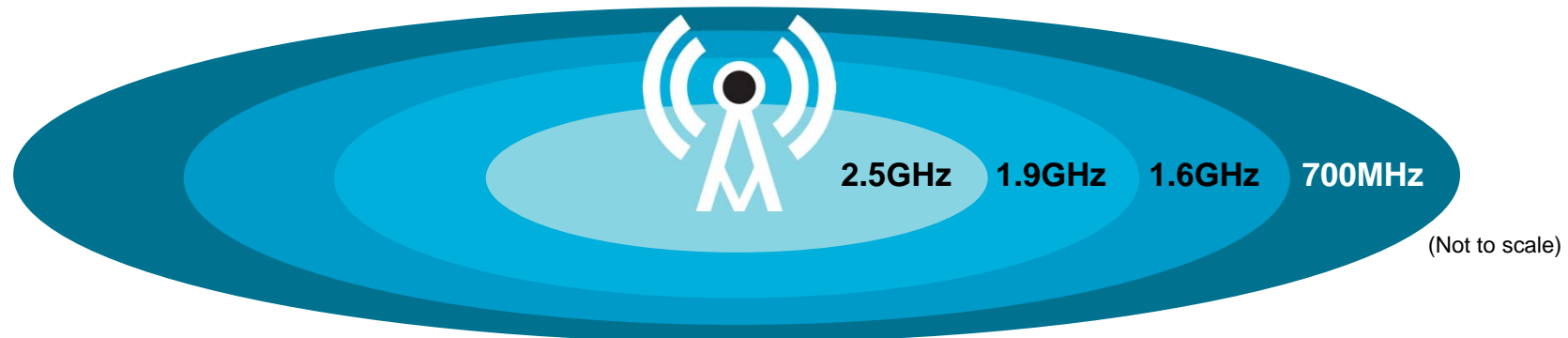
- › Spectrum airwaves are licensed to carriers who utilize the spectrum to transmit wireless signals
- › The government typically regulates this spectrum and auctions it to wireless carriers for use
- › Spectrum is measured in units of “hertz” or Hz
- › The three main considerations in evaluating a carrier’s spectrum position include:
  1. In which spectrum bands does the carrier hold licenses?
  2. How much spectrum (bandwidth) does the carrier have?
  3. What type of technology is the carrier deploying on that band of spectrum (i.e. CDMA, HSPA, LTE)?



# Spectrum Characteristics

- › Propagation – radio transmits a signal by driving a current on an antenna; signal propagates away from antenna as a wave at the speed of light
- › Lower-frequency spectrum provides a larger coverage area and better in-building penetration (“beach front” spectrum)
- › Higher-frequency spectrum covers shorter distances (need significantly more cell sites to get the same level of coverage)
- › As spectrum usage increases the distance spectrum can propagate decreases

## Radio Spectrum Signal





# What is a Cell Site?

A cell site is an area within a carrier's wireless network which is serviced by an antenna array. Carriers commonly refer to these areas as "rings".

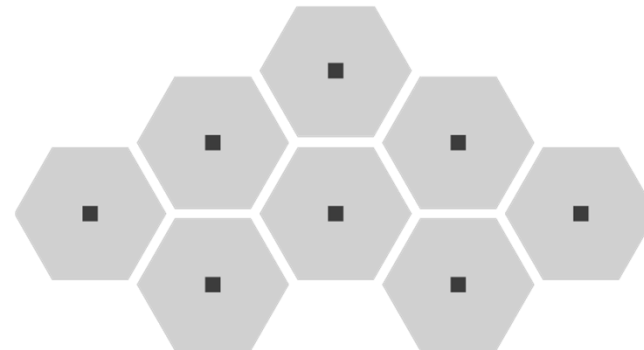
- > Can be located on a tower or alternative structures, such as rooftops, water towers and church steeples
- > One macro tower can support multiple carriers' cell sites through collocation

## Cell Site



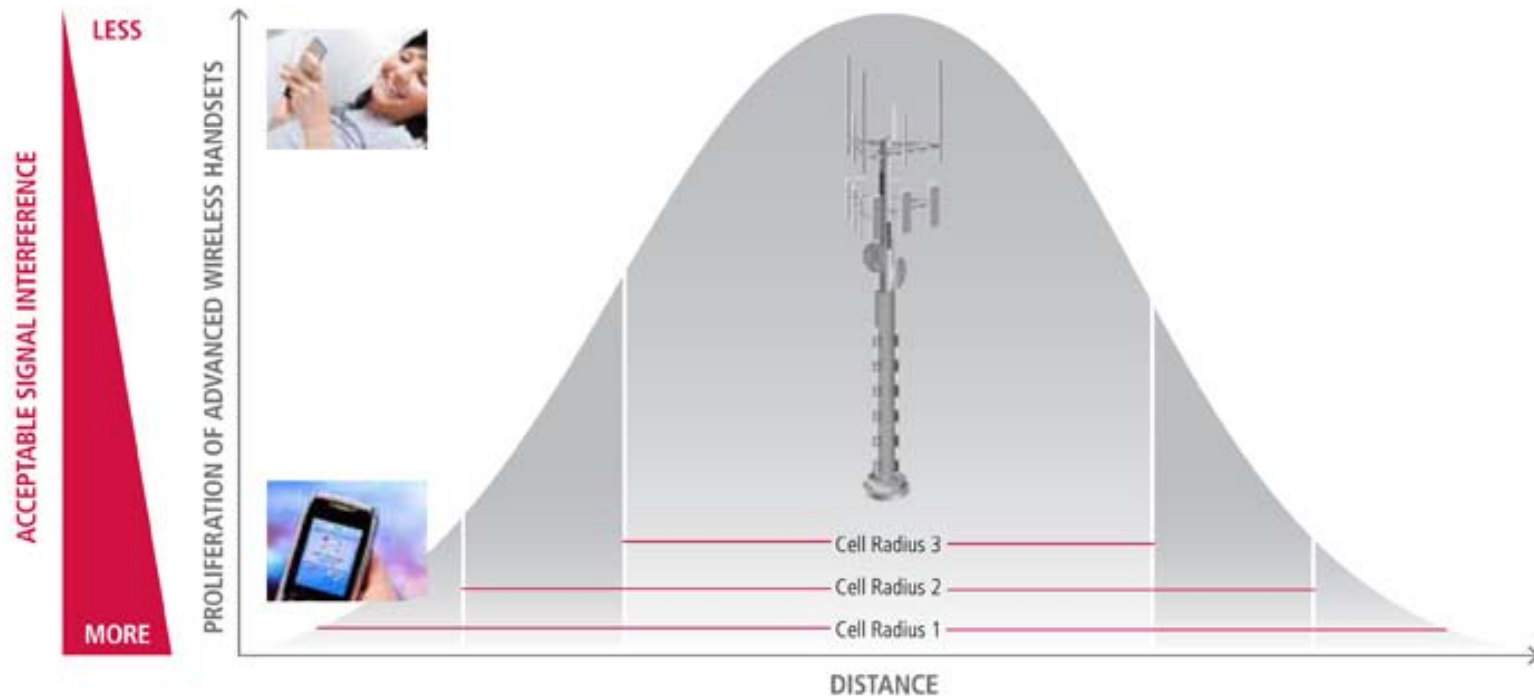
## Cell Site Network

A carrier's coverage area is dependent upon the capacity of its equipment and the frequency of the signal being transmitted.



# Narrowing Cell Radius

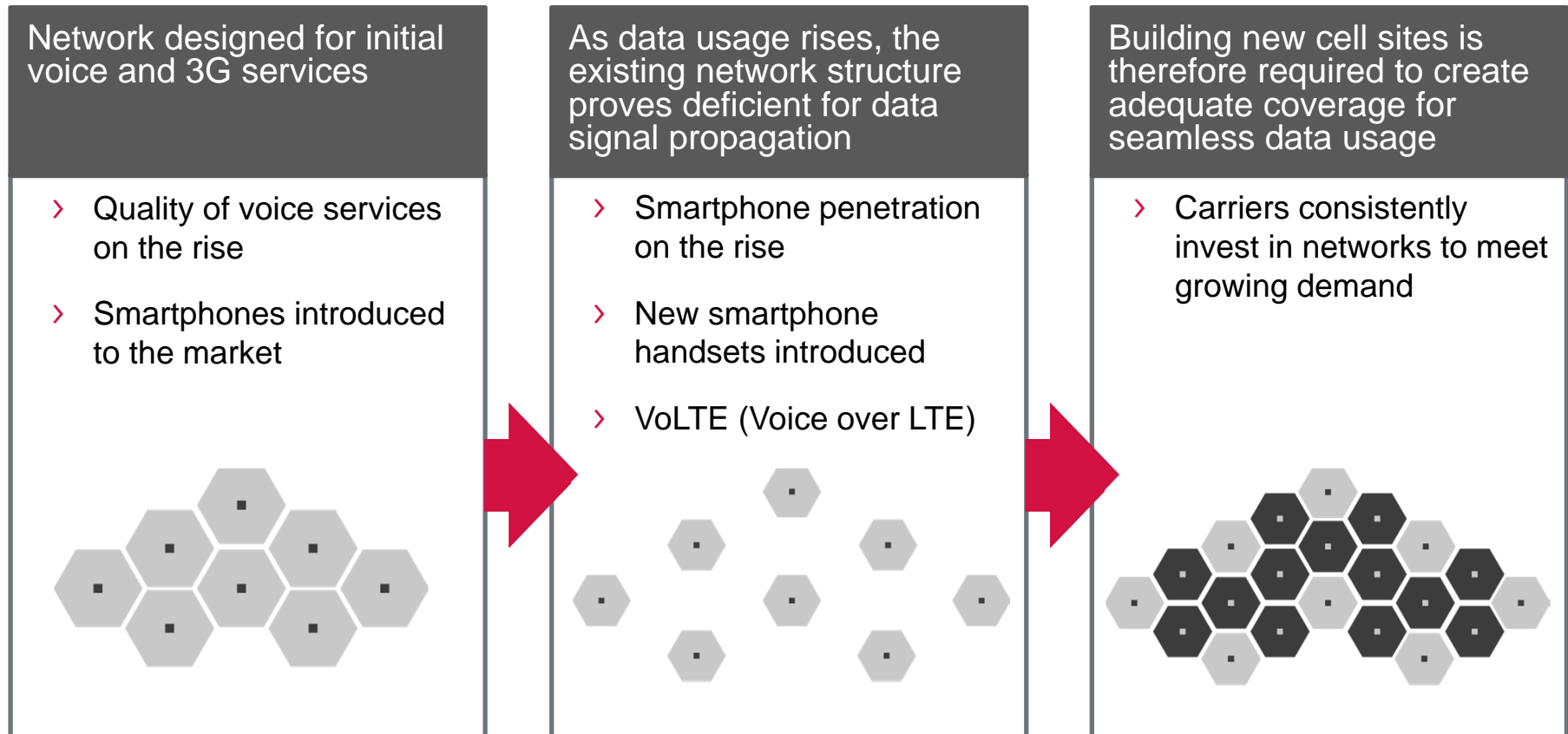
## Signal Strength Curve



As devices become more advanced, the increasing demand for high-bandwidth applications and higher quality of service result in a narrower range at which signals can be transmitted. As a result, carriers are investing in denser networks.



# Network Design Evolution



Growing wireless usage results in the need for more cell sites.

■ New cell site      ■ Original cell site



# Tower Sites are Preferable in Most Locations

## Technology Capability

Population Coverage Area

Wide

Narrow



	Satellite	Tower Sites	DAS Network	Wi-Fi	Small Cell / Femtocell
Mobility	✓	✓	✓	—	—
Uses licensed spectrum	✓	✓	✓	—	✓
Low latency	—	✓	✓	✓	✓

Tower sites continue to be our customers' preferred solution, as they provide the most technologically efficient and cost-effective option for coverage and capacity requirements.



# Wi-Fi vs. Licensed Spectrum

Licensed spectrum allows for exclusive use by licensees with consent of the Federal Communications Commissions (FCC). Wi-Fi spectrum is unlicensed and it can be used by any party.

› **Disadvantages of using unlicensed Wi-Fi spectrum:**





1. Limited Mobility: Unlicensed Wi-Fi spectrum is in the high frequency 2.4 GHz and 5 GHz bands. This means it is unable to propagate far, requiring significantly more transition locations to cover an area and limiting its geographic reach.
2. Congestion: Any Wi-Fi capable device is permitted to use unlicensed Wi-Fi spectrum and as a result, WiFi networks often become congested.
3. Loss of Control: Carriers lose control of their subscribers' user experience when utilizing public, unlicensed spectrum.
4. Concentrated in Dense Urban Areas: Because unlicensed spectrum is high frequency and unable to propagate long distances, it is used predominantly in dense urban areas where mobility requirements are limited and access points are closer together.



# The Morphology View

Morphology is a useful metric to segment tower locations, varying from dense urban locations to rural locations

Morphologies defined as population density within 1.5km of site location

	<i>Dense Urban</i> 	<i>Urban</i> 	<i>Suburban</i> 	<i>Rural</i> 
<b>Population Density</b> <i>(pop / sq. km.)</i>	11,500+	2,900 – 11,500	230 – 2,900	< 230
<b>Tower Coverage Radius</b> <i>(700MHz frequency)</i>	0.7 km	0.9 km	2.5 km	12.6 km
<b>Morphology Area Typically Covered</b>	>90%	>90%	80%	~30%
<b><u>Example U.S.</u></b>				
<b>% of U.S. Area</b>	<1%	<1%	1%	97%
<b>% of U.S. Population</b>	3%	13%	54%	30%

84% of the U.S. population lives outside of dense urban and urban environments

Towers are the preferred solutions in suburban and rural environments

Sources: AV&Co. Analysis; U.S. Census Data

# DAS and Rooftops Help Fill the Gaps

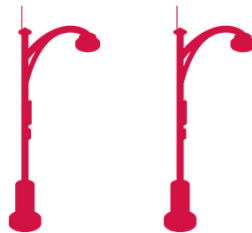
## Indoor DAS

- > Provides coverage in indoor venues, such as malls, casinos and conference centers where signals from towers are insufficient
- > Neutral-host networks are readily accessible to collocation
- > AMT is the largest independent provider of IDAS in the U.S.



## Outdoor DAS

- > Provides coverage in outdoor venues, such as racetracks and stadiums where wireless usage levels tend to be extremely concentrated
- > Allows for multiple carriers to leverage single installation
- > AMT has partnered with NASCAR and other venues to install Outdoor DAS systems



## Rooftops

- > Predominantly located in dense urban areas where towers cannot be installed
- > Used in combination with DAS and Wi-Fi to provide coverage to concentrated user base
- > AMT has access to over 22,000 rooftops throughout the country



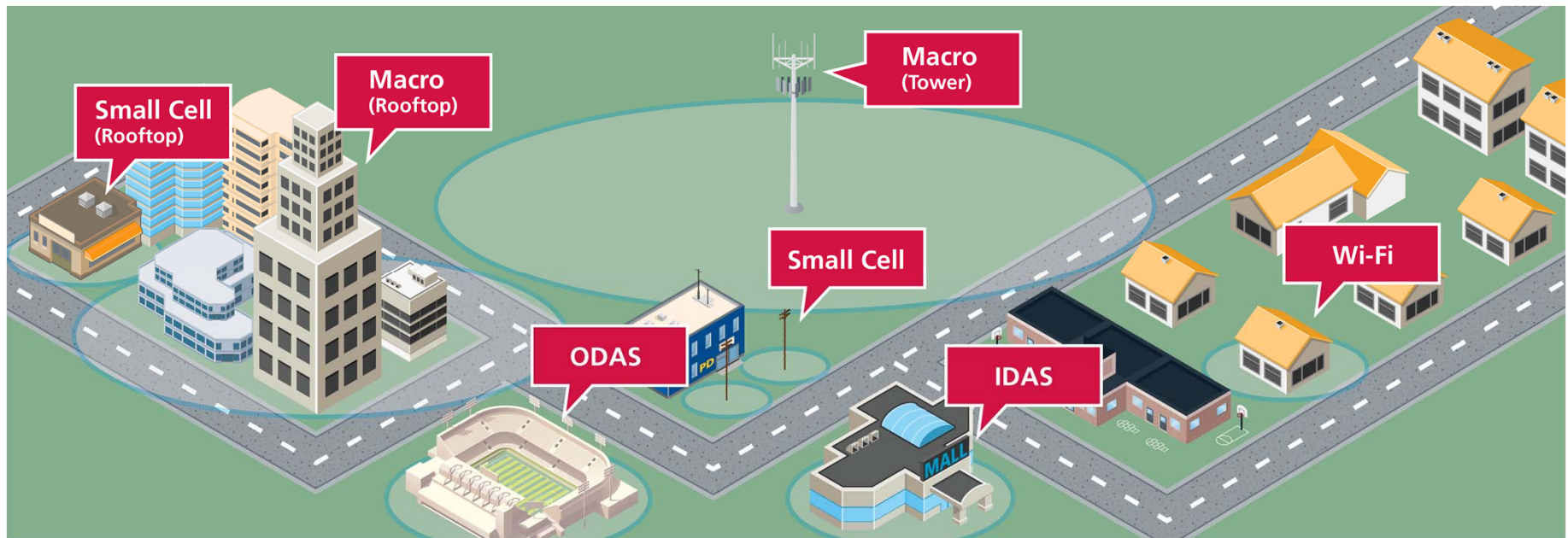
Indoor and Outdoor Distributed Antenna Systems (IDAS/ODAS) and Rooftop locations help to provide coverage in areas where macro tower sites are not available.



# Network Design of the Future

## Heterogeneous Networks (HetNets)

Network deployments will consist of multiple layers—traditional macro cell towers provide a blanket of coverage, while underneath this umbrella, a combination of other technologies are deployed to increase network capacity, particularly in dense urban areas.



- > Macro sites will continue to provide wide area coverage for high mobility users and are the core of wireless networks
- > Multiple solutions including DAS, Rooftops, Wi-Fi and Small Cell networks will complement the coverage provided by towers





## Section 4

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# U.S. Demand Drivers



# Carrier Lease / Build Decision<sup>(1)</sup>

- › Significant economic incentive exists for carriers to choose a collocation model over building their own site
- › Significant time to market advantage from leasing space on an existing tower site
  - › Building a site may involve years of work to secure ground interests and zoning approvals

## An Example

- › Present value of carrier network build-out alternatives

Term	Carrier Build	Tower Lease	Savings
5 years	\$286,638	\$89,575	\$197,062
10 years	\$333,798	\$158,720	\$174,359
15 years	\$368,070	\$212,094	\$155,976
20 years	\$394,433	\$253,293	\$141,140

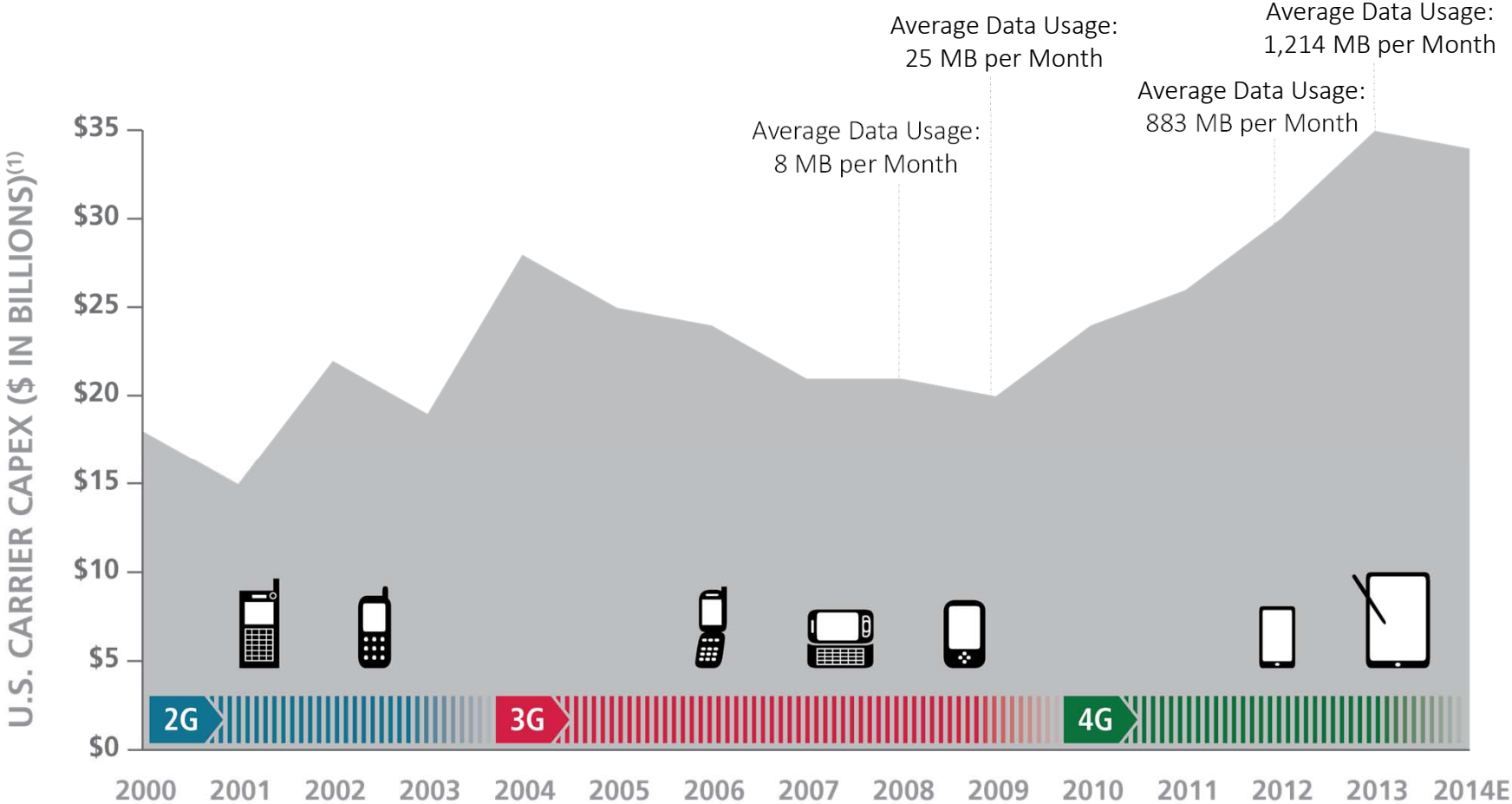
- › Carrier Build Scenario
  - › \$225,000 construction cost, \$1,250 monthly operating expenses with 3% annual escalator, 9% Weighted Average Cost of Capital (WACC)
- › Tower Lease Scenario
  - › \$1,800 monthly lease with 3.5% annual escalator, 9% WACC

(1) For illustrative purposes only. Does not reflect any American Tower financial data.



# U.S. Wireless Industry Trends

Over the last decade, advancing technology, rising device penetration and ramping data usage have led to increased levels of carrier capital expenditures.



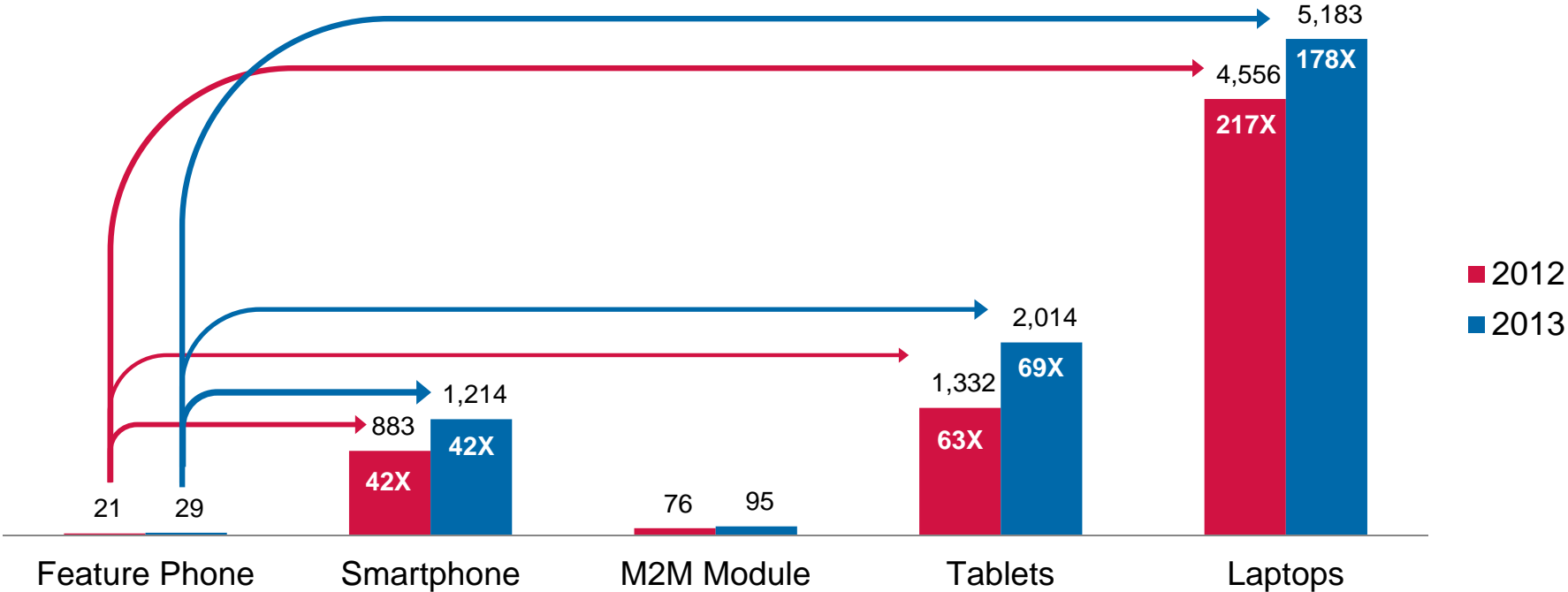
Sources: Wall Street Research and AV & Co. Analysis



# Mobile Network Usage

Handset and Data Estimates

### Year End Mobile Data Usage by Device U.S. Estimates (MB per Months)



Mobile data usage continues to increase as advanced device penetration rises.

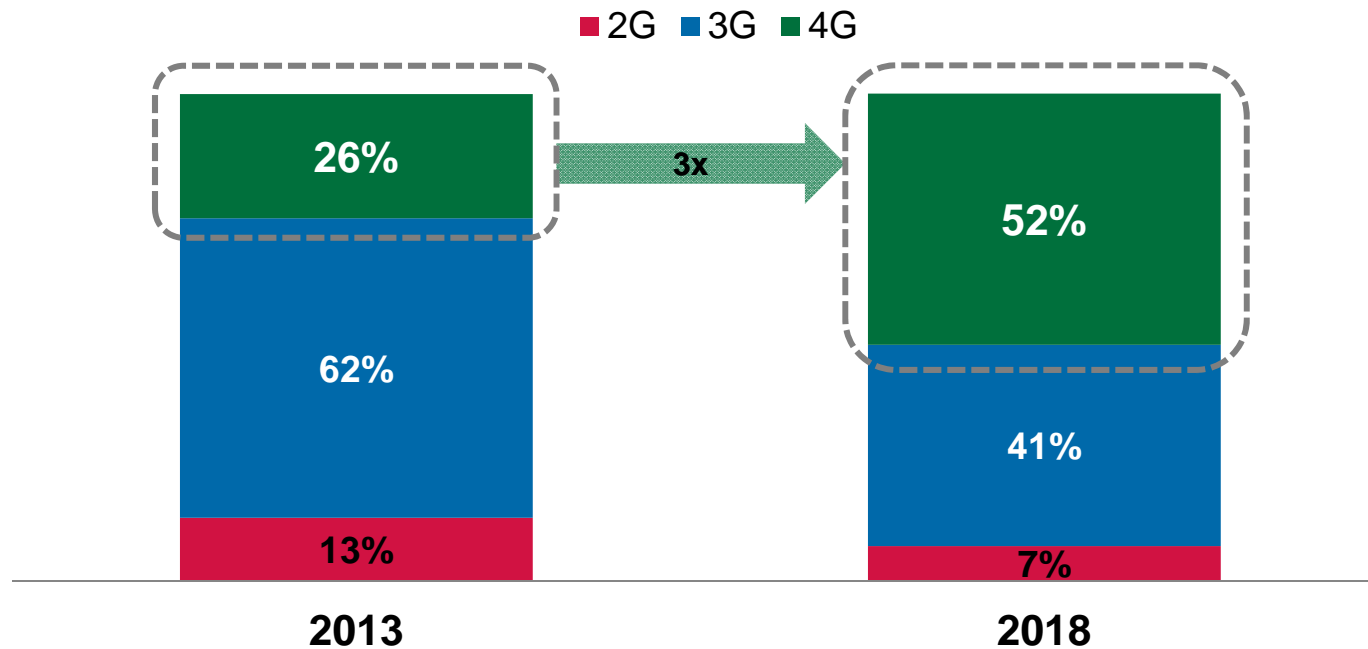
Sources: Altman-Vilandrie & Company analysis and Cisco VNI Mobile Forecast, 2012 and 2013.



# 4G Adoption – Projected Growth

2013 - 2018

## Percent of Total Mobile Connections U.S. Estimates



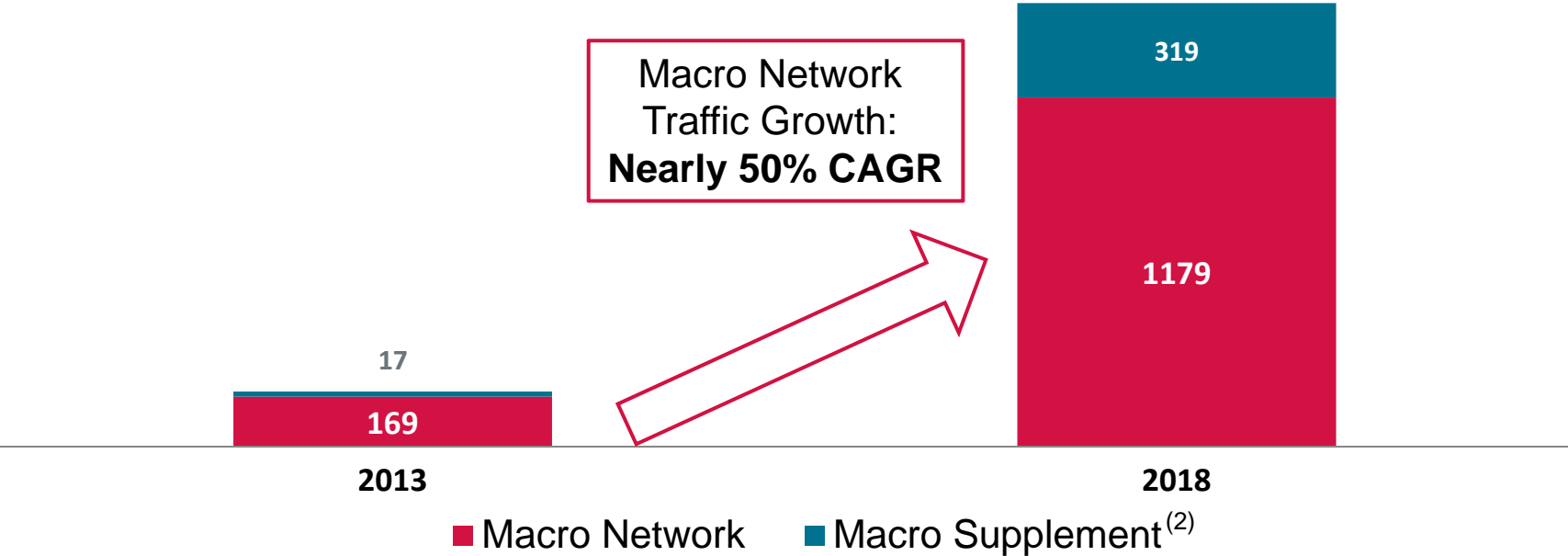
4G connections are expected to grow at a 28% compound annual growth rate between 2013-2018, while 2G and 3G connections are projected to decline



# U.S. Rapid Wireless Data Adoption

Wireless data consumption is forecasted to grow nearly 10x over just five years.

## U.S. Mobile Data Traffic Forecast Petabytes per Month<sup>(1)</sup>



The vast majority of mobile data traffic continues to be carried over macro tower networks.

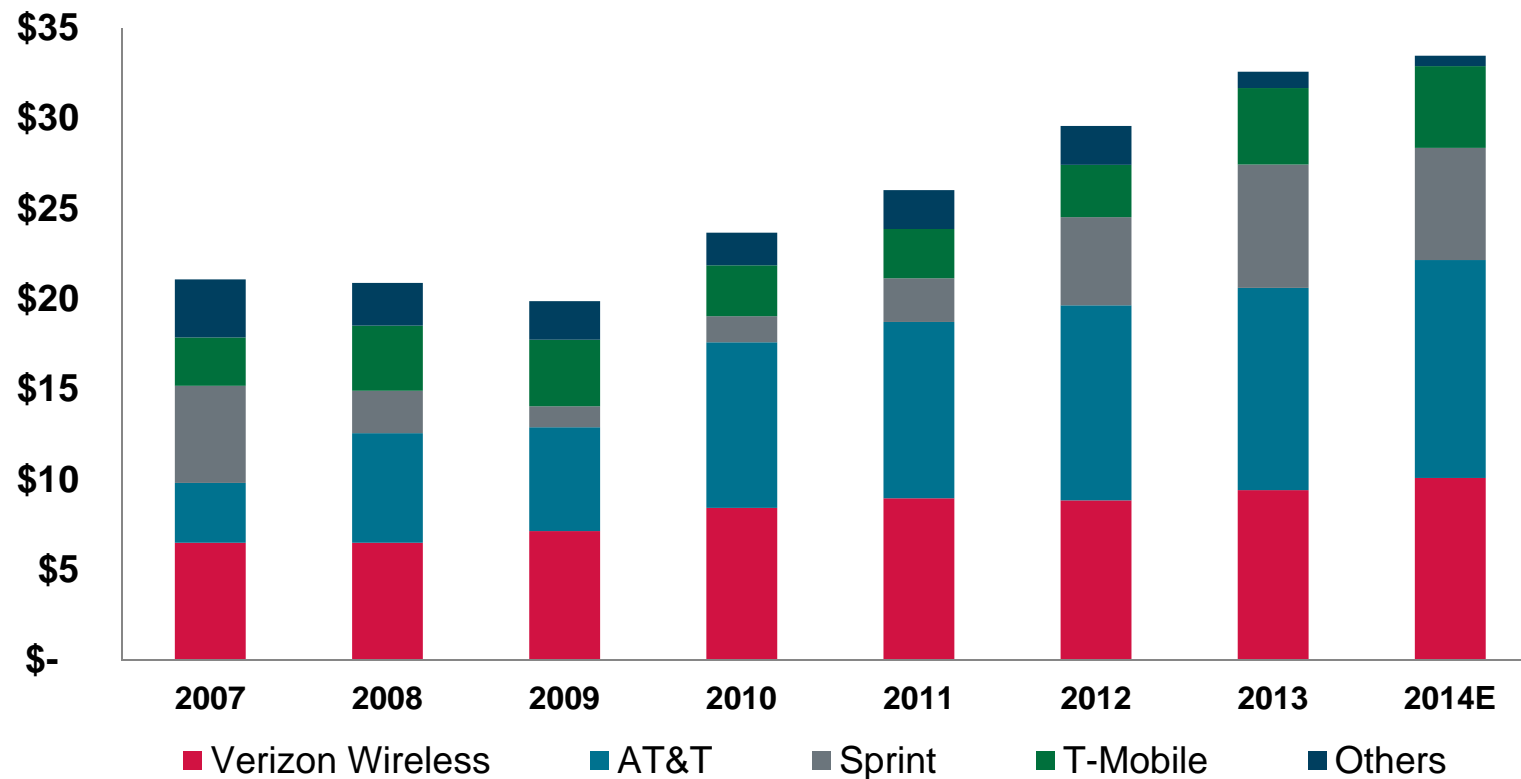
(1) 1 petabyte = ~1.049 x 10<sup>6</sup> gigabytes  
(2) Macro supplement

Source: 2013 Cisco VNI Mobile Forecast Highlights, 2013 - 2018.



# Network Investment by U.S. Carriers <sup>(1)</sup>

## Annual Wireless Carrier Capital Spending

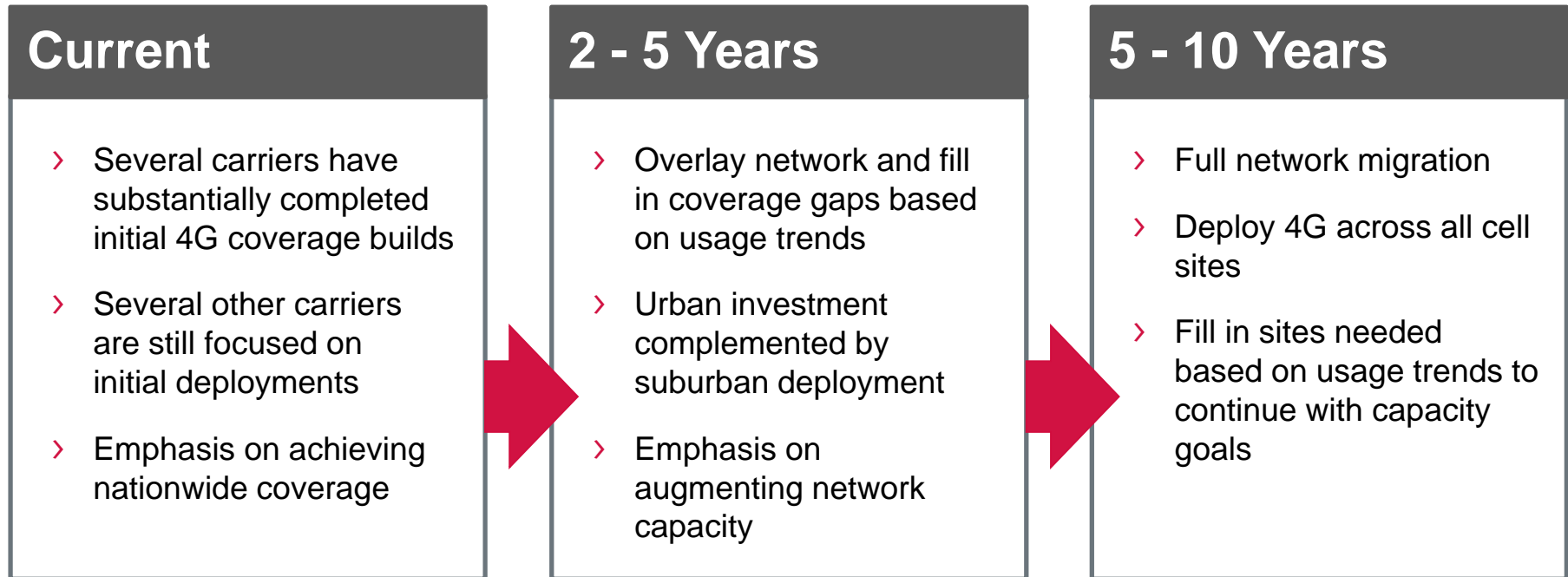


To keep up with the rapid growth in wireless data usage, carriers need to invest in networks.

(1) Source: Wall Street Research. Capital spending in \$ billions.



# 4G Technology Migration Continues



The rollout of 4G in the U.S. is expected to take the better part of a decade and is expected to result in long-term, solid demand for communications towers.





# VoLTE Adoption Requires More Towers

Voice service is currently delivered mainly over 2G and 3G networks while data is transmitted using 4G/LTE networks. Carriers have now deployed or are deploying “voice over LTE” or VoLTE to move voice transmission to 4G/LTE networks.

## Benefits of VoLTE

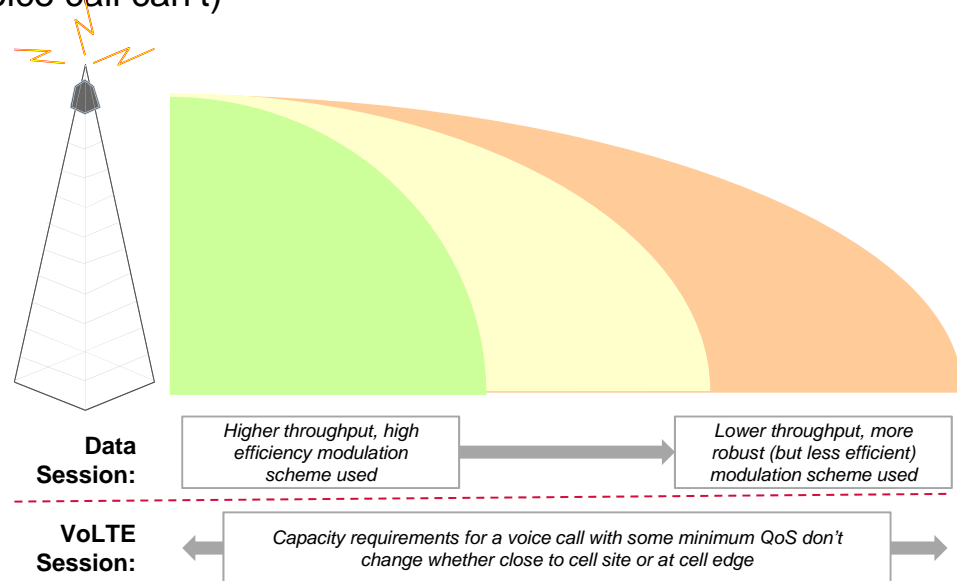
- ✓ Higher spectral efficiency than 2G/3G for delivering voice
- ✓ Allows 2G/3G spectrum to be refarmed to LTE
- ✓ Reduces opex of maintaining distinct voice and data networks
- ✓ Potential for higher quality calls
- ✓ Simultaneous voice and data possible (not available on CDMA-LTE phones today)
- ✓ Increased battery life for LTE-only phones vs. dual-radio CDMA-LTE phones

## Requirements for VoLTE

- > Increased cellsite densification compared to LTE data-only networks
  - Example: Moving from a network designed for data-only (i.e. no voice support at all) to VoLTE on 700 MHz spectrum could require ~20% more cell sites

## Why does VoLTE require network densification?

Voice delivered with quality of service requirements (QoS) has more stringent capacity requirements than “pure-data” (e.g. browsing) – this is much more pronounced on the typical cell edge, where a data session can degrade to a point (but a voice call can’t)



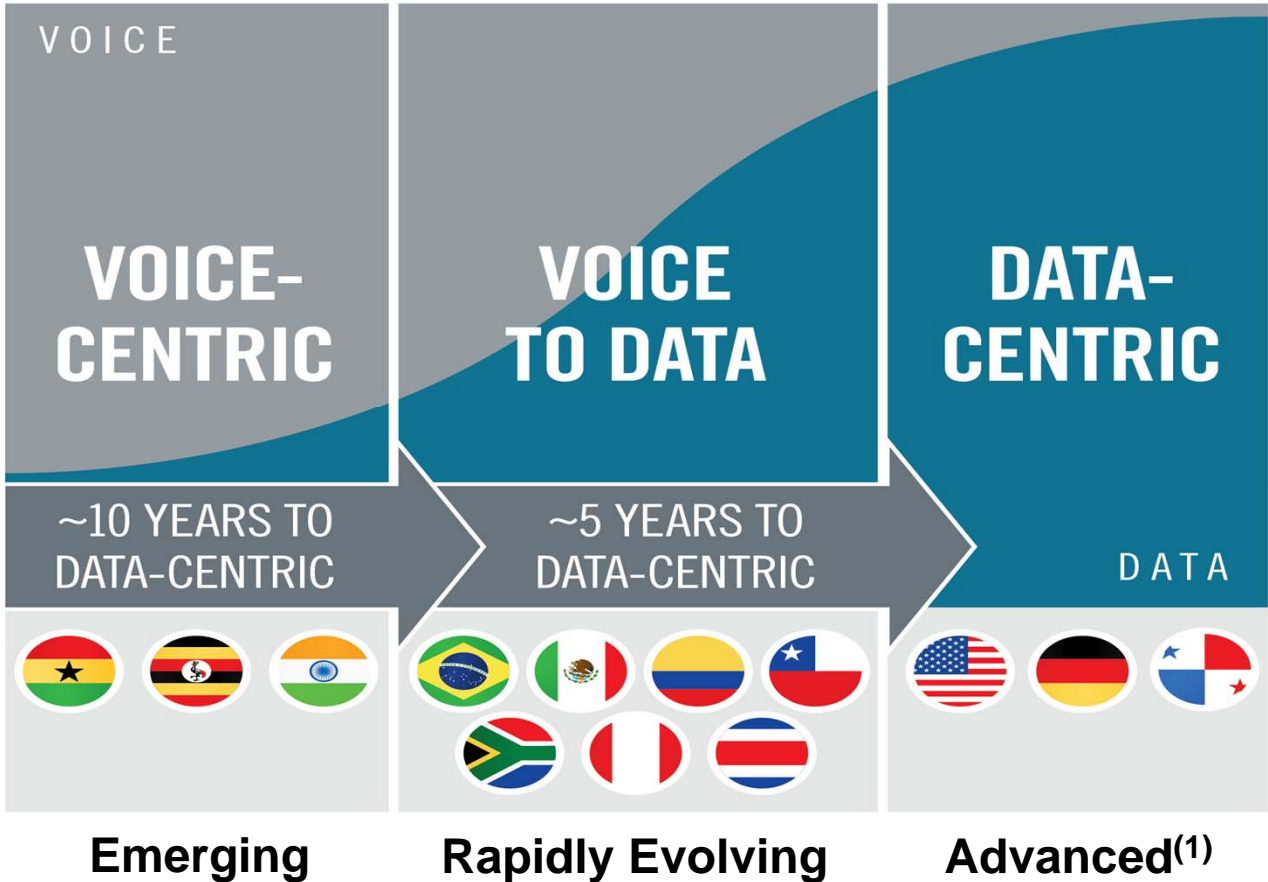
## Section 5

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# International Demand Drivers



# Stages of Global Wireless Market Development

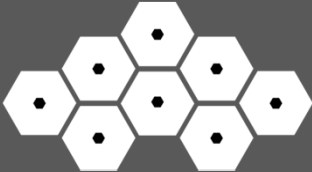







Our International Markets are in diverse stages of wireless technology deployments

Source: Altman Vilandrie & Company  
 (1) Figure above includes assets in Panama which were sold during Q3 2014.

# International Wireless Markets

## Diverse Demand Drivers

	 <b>Coverage</b>	 <b>Technology</b>	 <b>Wireless Penetration</b>
<b>Emerging</b> 	<ul style="list-style-type: none"> <li>&gt; Nationwide wireless voice coverage build-outs continue, with many areas having no access to reliable service</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Lack of fixed-line infrastructure makes mobile the cost-effective choice for communication</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Wireless penetration continues to increase, and improving network quality is key for carriers to add customers</li> </ul>
<b>Rapidly Evolving</b> 	<ul style="list-style-type: none"> <li>&gt; Recent and upcoming spectrum auctions help to catalyze incremental network investment</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Carriers are continuing to invest in denser 3G networks as usage increases with initial 4G builds underway</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Increasing penetration of smartphones and other wireless devices</li> </ul>
<b>Advanced</b> 	<ul style="list-style-type: none"> <li>&gt; Recent and upcoming spectrum auctions help to catalyze incremental network investment</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 4G network coverage build-outs underway with densification initiatives expected to accelerate over next several years</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Exploding mobile video/gaming usage, next generation voice technology over 4G and connected homes and vehicles expected to drive additional demand</li> </ul>



# Additional International Market Information

For more detailed information about our international markets, please refer to the “International Market Overview” presentation located at:

[www.american tower.com/corporateus/investor-relations/company-industry-resources](http://www.american tower.com/corporateus/investor-relations/company-industry-resources)



## Section 5

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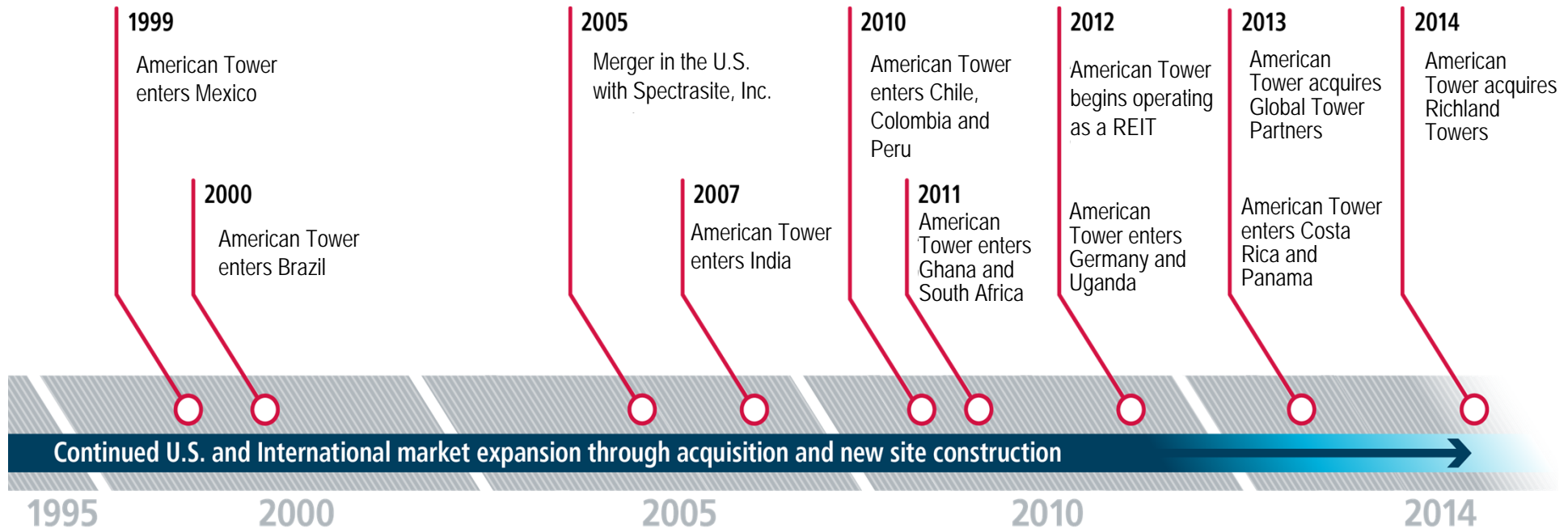
# American Tower Overview



# Our History

American Tower (NYSE: AMT) is a leading independent owner, operator and developer of broadcast and wireless communications real estate.

- > Global headquarters located in Boston, Massachusetts
- > Global portfolio includes approximately 69,000 owned sites<sup>(1)</sup>

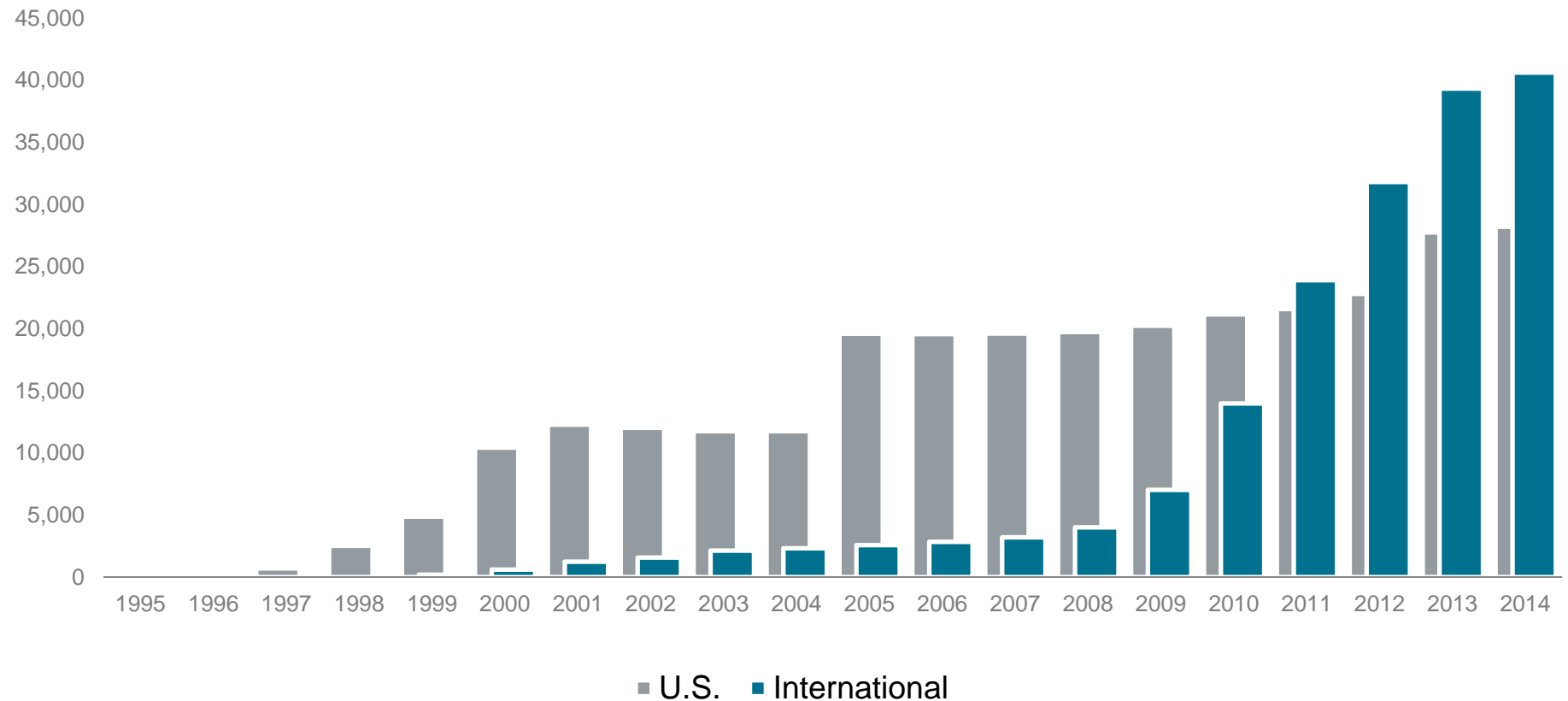


(1) As of June 30, 2014.



# Portfolio of Approximately 69,000 Towers

Tower Count as of June 30, 2014<sup>(1)</sup>



(1) Excludes DAS Networks.





# Our Global Presence<sup>(1)</sup>

12

Countries

1,400+

U.S. Employees

2,800+

Global Employees

69,000+

Total Sites

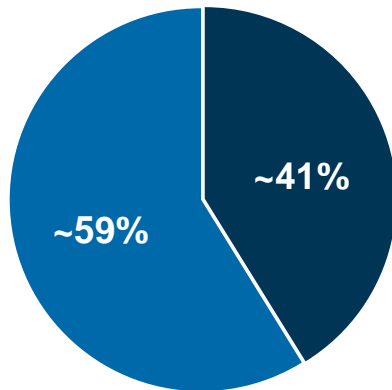


(1) As of June 30, 2014. Pro Forma for sale of Panama's assets during Q3 2014.

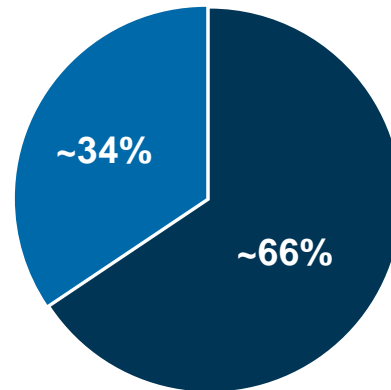


# Diversification Strategy Driving Strong Organic Growth

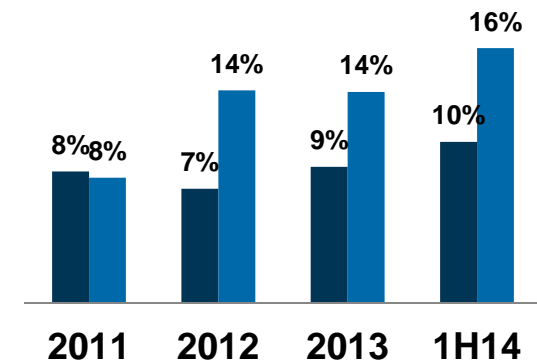
Communications Sites<sup>(1)</sup>



Revenue<sup>(1)</sup>



Organic Core Growth (in Revenue)



Domestic
  International

- > Our top 10 tenants are expected to invest over \$40 billion<sup>(2)</sup> in wireless capex globally during 2014
- > Our ~\$23 billion of non-cancellable tenant lease revenue represents 7x our 2013 revenue
- > Our disciplined investments and portfolio diversification strategy is driving an acceleration of Organic Core Growth in revenue

(1) Characteristics for the quarter ended June 30, 2014

(2) Source: Wall Street Research



# Global Expansion Considerations

## Three Pillar Analysis Approach to New Market Expansion



### Country

- › Political stability and rule of law
- › Solid macro-economic fundamentals
- › Business environment
  - › Property rights
  - › Regulatory environment



### Wireless Market

- › Competitive wireless market
  - › Three or more wireless carriers
- › Stage of wireless maturity
  - › Voice penetration
  - › Data network deployments



### Opportunity / Counterparty

- › Build-to-suit, merger, acquisition or joint venture
- › Evaluate options based on their economic benefits as well as structure
- › Future potential investment/expansion within region



# Long-Term Strategy

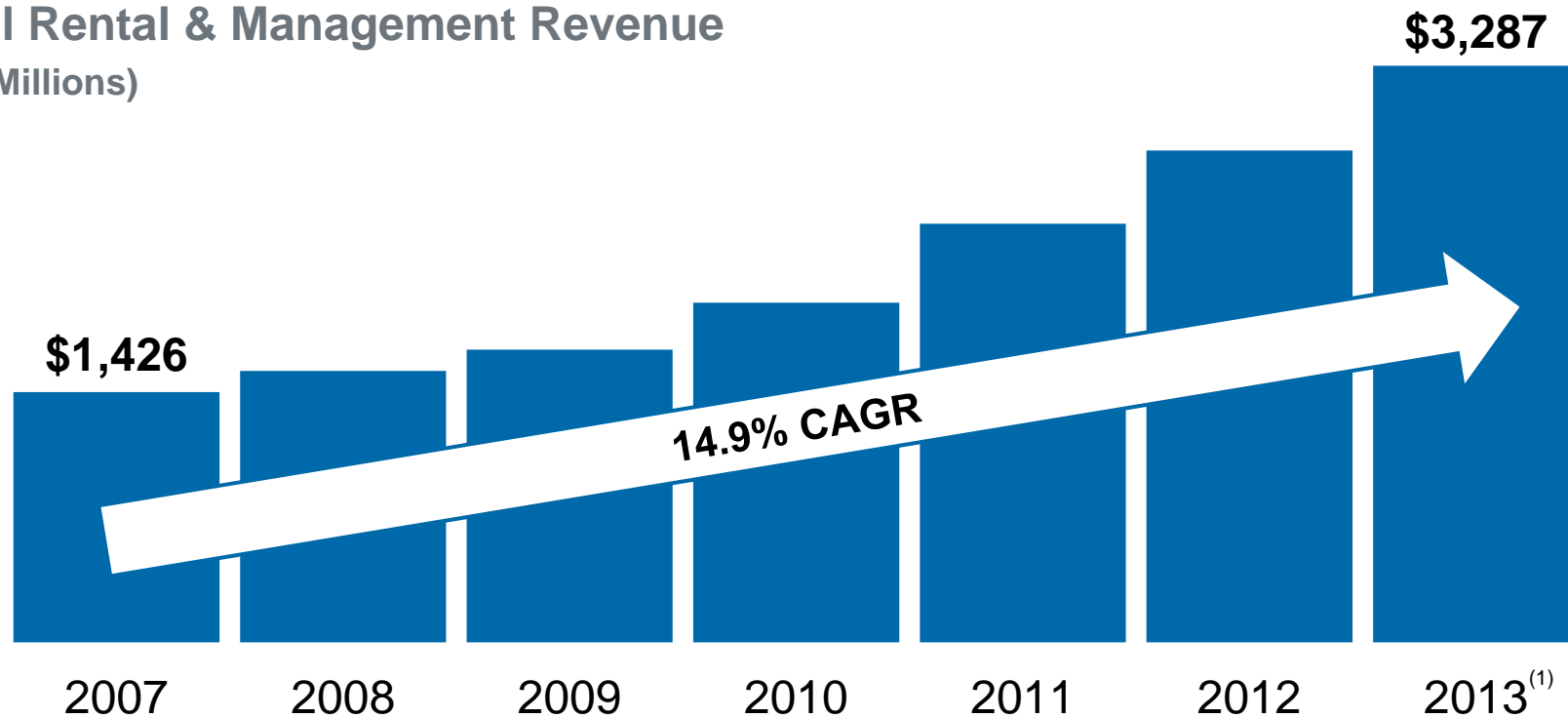


American Tower remains focused on driving AFFO per share growth while increasing return on invested capital.



# Consistent Revenue Growth

Total Rental & Management Revenue  
(\$ in Millions)



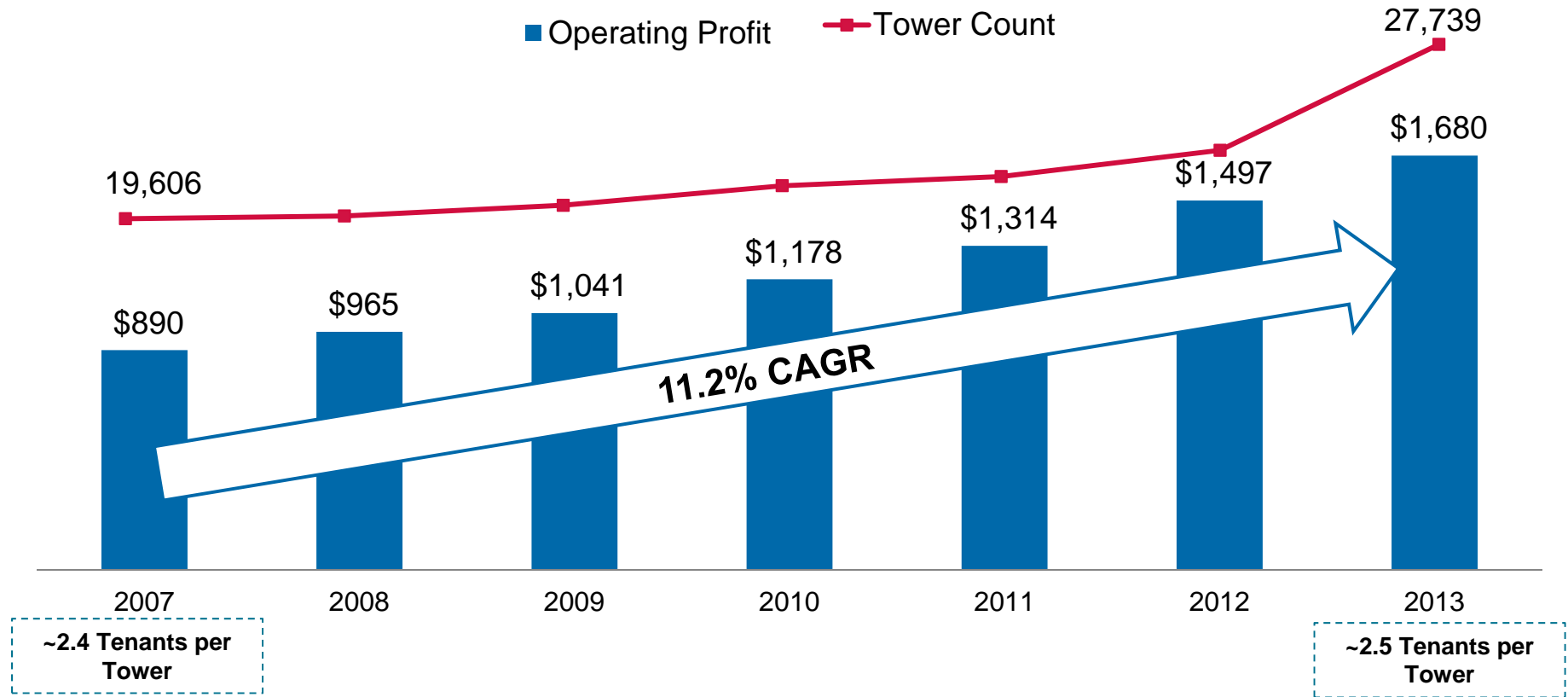
Strong organic core growth and contributions from new assets lead to continued growth in revenue, both in the U.S. and internationally.

(1) Reflects the acquisition of Global Tower Partners as of October 1, 2013.



# Strong Domestic Operating Profit Growth

Domestic Rental & Management Operating Profit  
(\$ in Millions)

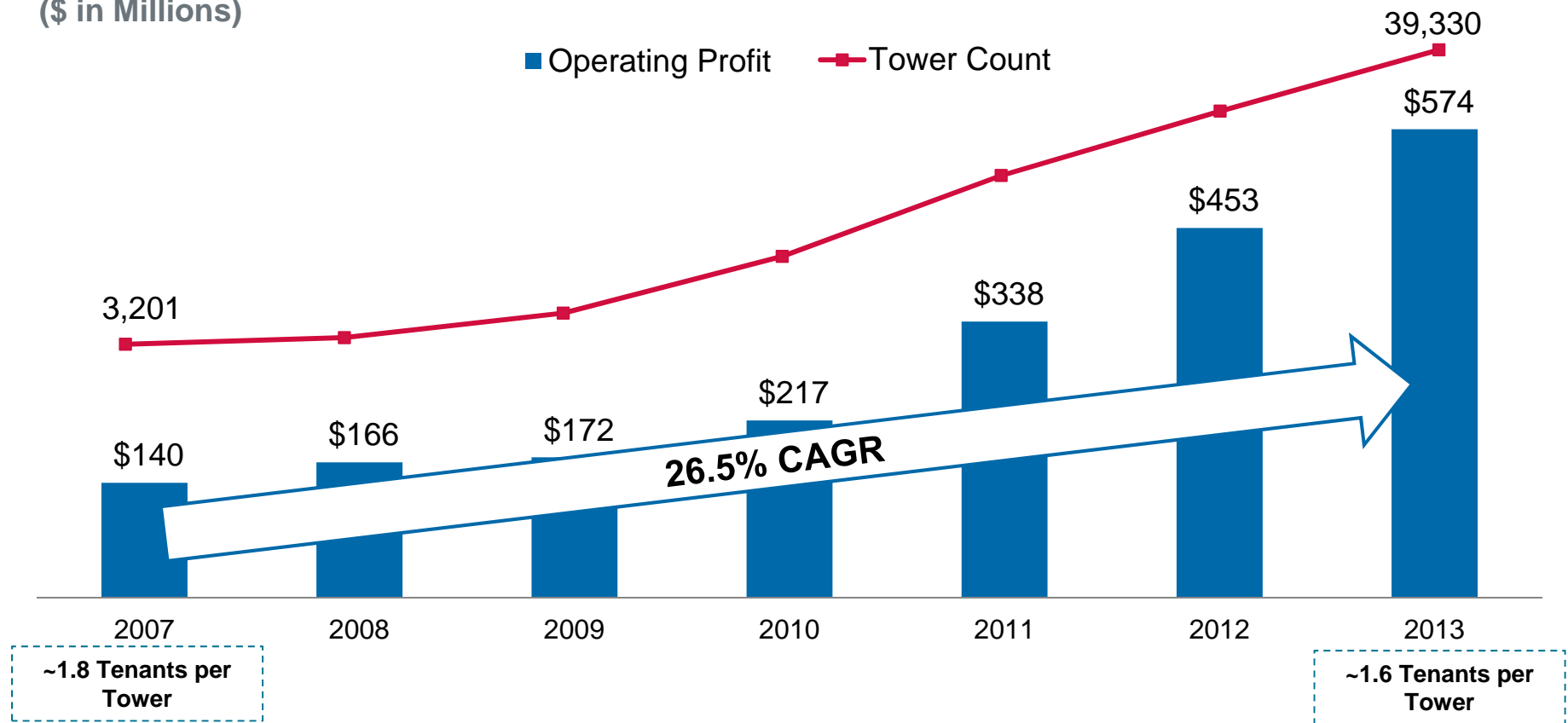


Operating Profit growth has been driven primarily by organic new business commencements.



# Strong International Operating Profit Growth

International Rental & Management Operating Profit  
(\$ in Millions)

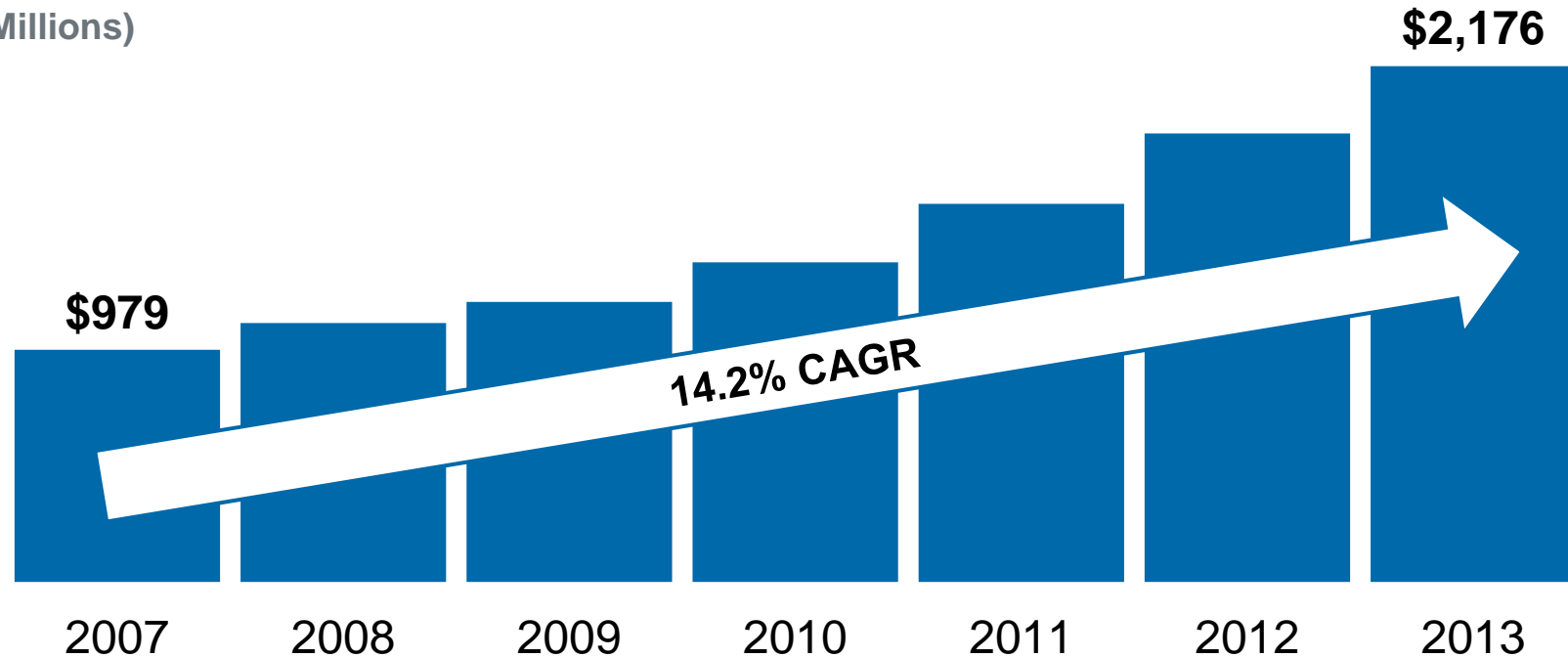


Acquisition of primarily single tenant towers positions our international business well for future organic leasing growth.



# Consistent Adjusted EBITDA Growth

Adjusted EBITDA<sup>(1)</sup>  
(\$ in Millions)



Strong growth with maintenance of high margins

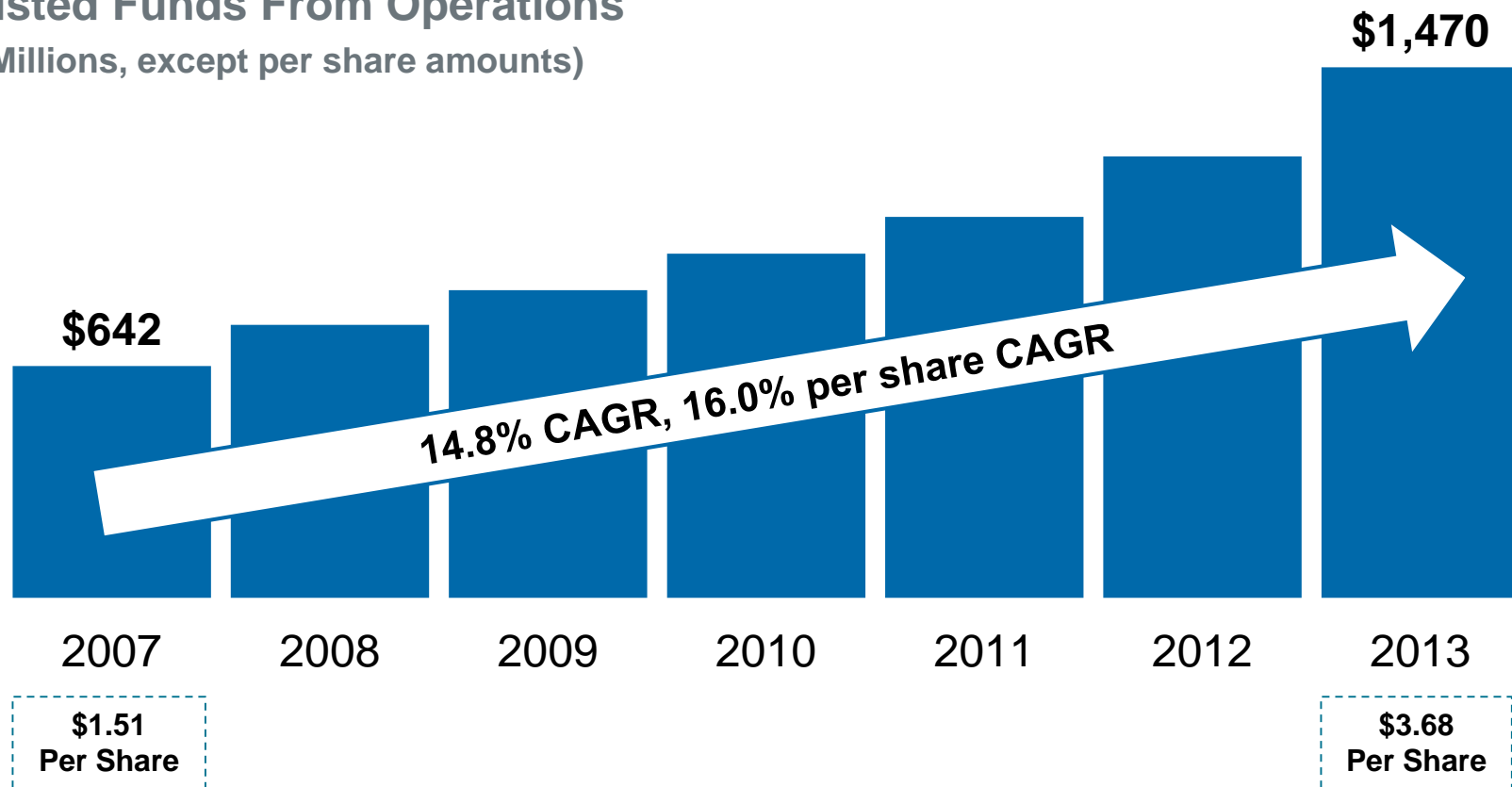
(1) Definitions and reconciliations to GAAP measures are provided at the end of this presentation.





# Consistent AFFO Growth

Adjusted Funds From Operations  
(\$ in Millions, except per share amounts)



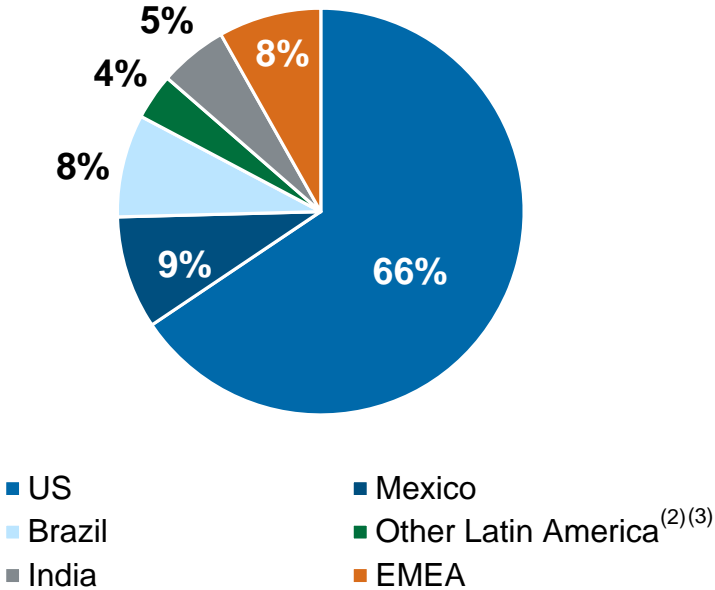
Targeting to double 2012 AFFO per Share by 2017



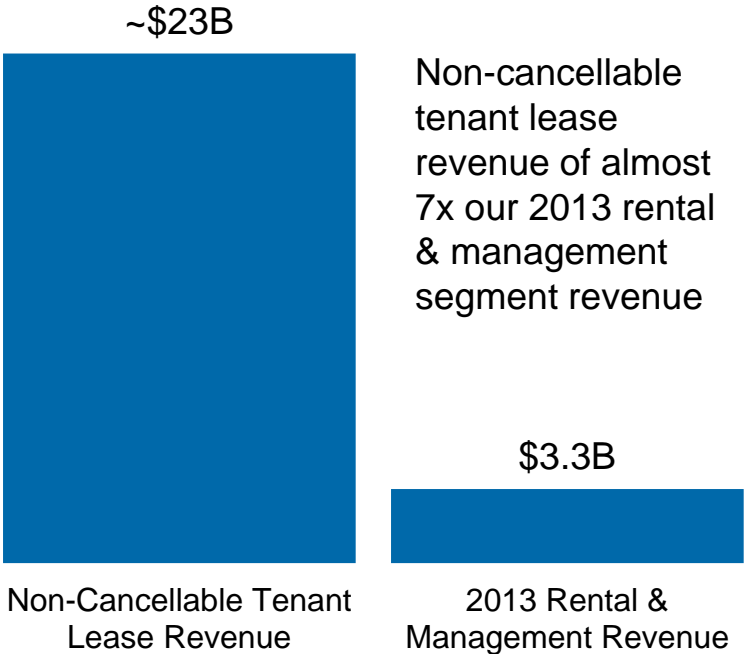
# Geographically Diverse, Long-Term Revenue Base

## Rental and Management Revenue by Region<sup>(1)</sup>

Total Revenue by Market



## Non-Cancellable Tenant Lease Revenue<sup>(1)</sup>



We have diversified our revenue base into international markets

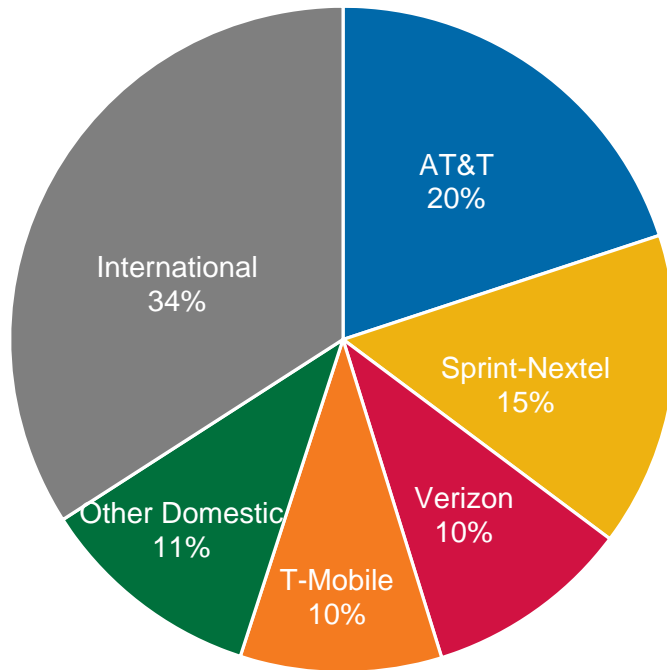
Long-term contracts result in significant, non-cancellable tenant lease revenue

(1) Characteristics for the quarter ended June 30, 2014.  
 (2) Includes Chile, Colombia, Peru, Costa Rica and Panama.  
 (3) Figure above includes assets in Panama which sold during Q3 2014.



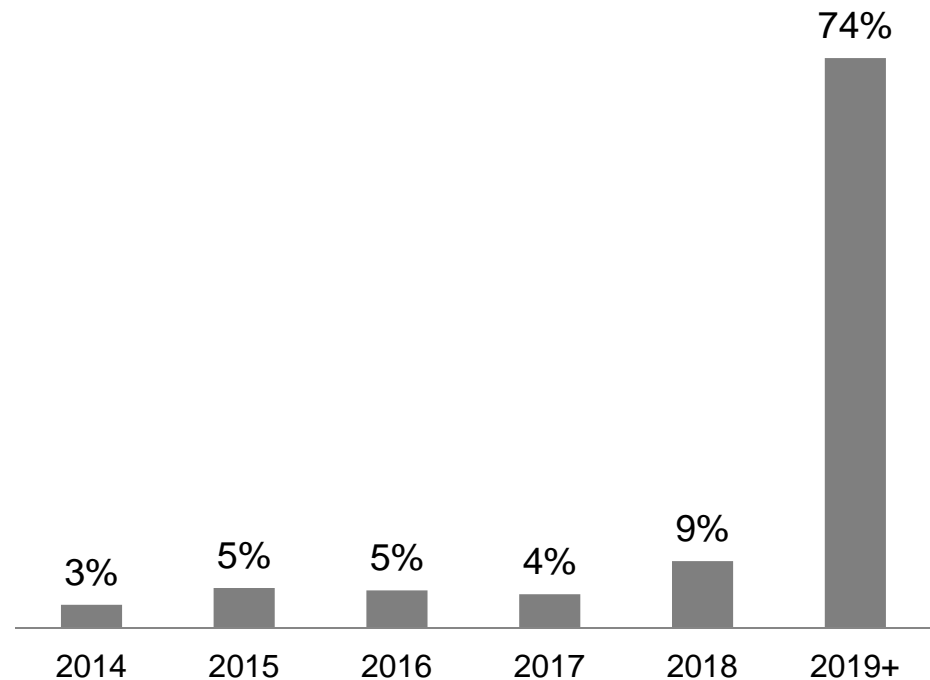
# Strong Tenant Profile

Tower Revenue by Customer (1)



~50% from Investment Grade Tenants

Global Tenant Lease Renewal Schedule(1)



American Tower's customer base includes the leading wireless carriers in the U.S. as well as a number of large, multinational carriers in our international markets

(1) Characteristics for the quarter ended June 30, 2014.

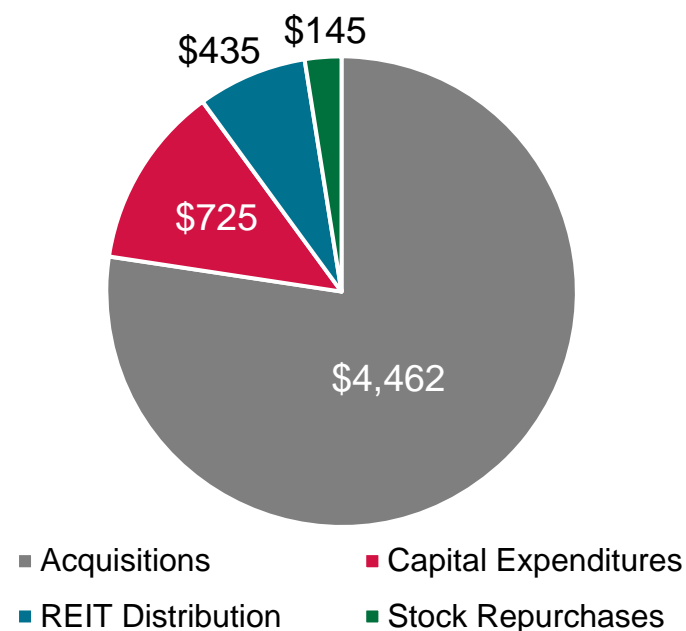


# Capital Allocation Priorities



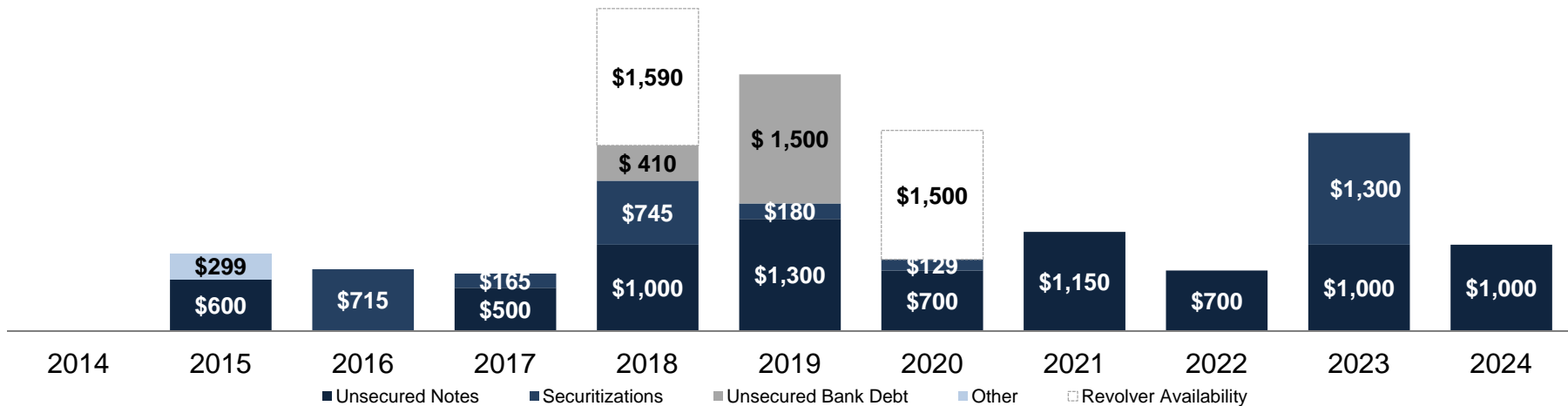
- > At least 20% dividend growth expected
- > Majority of annual CAPEX budget dedicated to investing in growth
- > Low maintenance capital requirements
- > Targeted long-term leverage range continues to be 3 - 5x
- > Consistent deployment of additional capital towards acquisitions and/or share repurchases

## 2013 Capital Allocation (\$ in Millions)



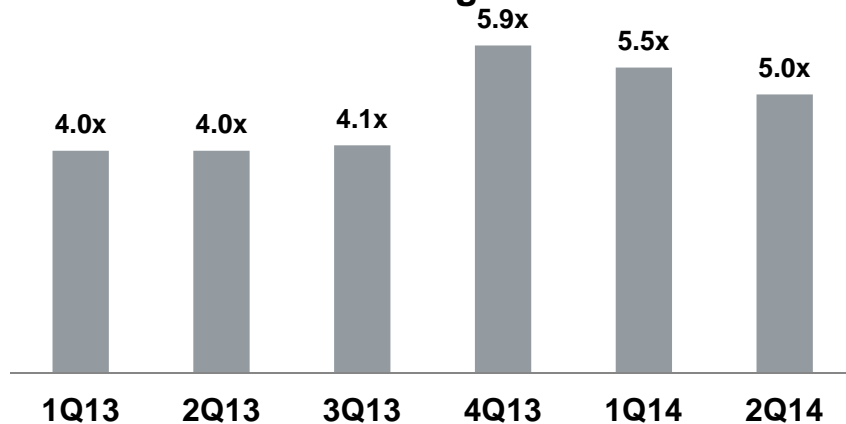
# Solid Balance Sheet Position

**Debt Maturity Schedule (\$ millions) <sup>(1)</sup>**



(1) Reflects principal balances as of June 30, 2014, pro forma for (i) additional net repayments of \$373 million under its 2013 Credit Facility, (ii) the purchase of the \$35 million Colombian shareholder loan in July 2014, (iii) the offering of \$650 million of senior notes due 2021 in August 2014, (iv) the repayment in August 2014 of \$250 million of securitized notes acquired in connection with the Company's acquisition of MIP Tower Holdings LLC, (v) the expiration of the Company's \$1 billion short-term credit facility in September 2014, and (vi) the \$1.5 billion amended and restated revolving credit facility entered into in September 2014. Excludes \$523 million of other debt, including international loans and capital lease obligations.

**Net Leverage Ratio <sup>(2)</sup>**



- > Liquidity of ~\$3.1 billion as of June 30, 2014 <sup>(3)</sup>
- > Expect to de-lever back to within target leverage of 3-5x range by early 2015

(2) Reflects Net Debt divided by last quarter annualized Adjusted EBITDA.

(3) Pro forma for the \$1.5 billion amended and restated revolving credit facility entered into in September 2014, the expiration in September 2014 of the Company's short-term credit facility entered into in September 2013 and the Company's net repayment of \$373 million under its 2013 Credit Facility.



# The American Tower Difference

## Our Vision

To be the premier wireless infrastructure provider in the eyes of our employees, customers and communities, enabling the deployment of advanced services that make wireless communication possible everywhere.

## Our Mission

- › Create a customer-focused team environment where employees are respected and innovation is a state of mind.
- › Deliver the highest level of customer service while providing safe, compliant and quality tower sites.
- › Exceed yearly performance goals to create enduring success.
- › Pursue meaningful opportunities to grow and strengthen the Company.

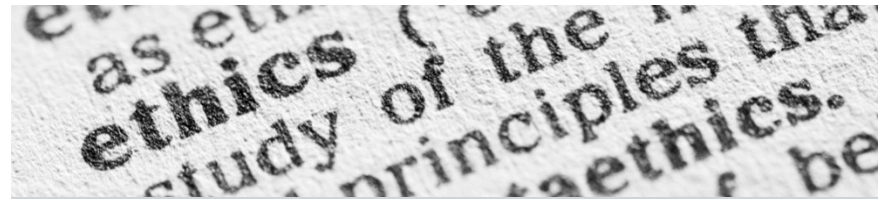


# Commitment to Corporate Responsibility



## Philanthropy

We take great pride in how our organization, led by teams of employees, demonstrates our commitment to the communities where we live and work.



## Ethics

Upholding the highest standard of corporate values is critical to the success of our business. Starting with our executive management team, our focus on ethical behavior lays the foundation of our Company's culture.



## Environmental Responsibility

The promotion of shared infrastructure to customers is fundamentally green. Internally, our environmental awareness programs, focused on minimizing the impact of materials used in our daily operations, help ensure that we are doing our part to care for the environment in our offices and in the field.



## People

American Tower's diverse teams reach far across the globe and our employees, no matter where they are, understand that respect, inclusion, teamwork and communication are the cornerstones of our organization.



# Our Core Principles

- › **Understand our customers' needs and satisfy them.**

Work as a team to build lasting customer relationships by understanding their requirements and exceeding their expectations.

- › **Hire good people and empower them.**

Place the right people in the right positions, develop their talent and skills and provide opportunities for them to influence outcomes.

- › **Focus on solutions, not problems.**

Begin with the end in mind and involve the right people. Stay positive and work together for desired results.

- › **Do what we say we're going to do.**

Set realistic expectations. Communicate clearly. Be accountable for your actions.

- › **Have fun.**

Recognize our success, celebrate together and contribute to a positive work environment.

- › **Play to win.**

Put integrity first. Be competitive. Work together as a team to exceed expectations.





# Executive Team



**Jim Taiclet**  
Chairman, President & Chief  
Executive Officer



**Tom Bartlett**  
Executive Vice President & Chief  
Financial Officer



**Ed DiSanto**  
Executive Vice President, Chief  
Administrative Officer & General  
Counsel



**Hal Hess**  
Executive Vice President,  
International Operations &  
President, Latin America &  
EMEA



**Steven Marshall**  
Executive Vice President &  
President, U.S. Tower Division



**Amit Sharma**  
Executive Vice President  
& President, Asia



# Summary

- › Strong business model, independent of economic cyclicality
- › Leveraging secular growth in global wireless
- › High visibility to drivers of revenue and profitability for 2014 and beyond
- › Significant investment capacity to fuel strong future growth
- › Prudently-maintained balance sheet provides the foundation for future success
- › On track to double AFFO/share from 2012 levels by 2017



# Additional Information

For more information on the tower industry and American Tower, please refer to the various presentations by visiting:

[www.american tower.com/corporateus/investor-relations/company-industry-resources](http://www.american tower.com/corporateus/investor-relations/company-industry-resources)

[www.american tower.com/corporateus/investor-relations/earnings-materials/index.htm](http://www.american tower.com/corporateus/investor-relations/earnings-materials/index.htm)

In addition, please feel free to contact our investor relations team if you have further questions.

## Investor Relations Contacts

### Leah Stearns

**Vice President,**  
Investor Relations and Treasurer  
617-587-7921  
leah.stearns@americantower.com

### Igor Khislavsky

**Sr. Manager,**  
Investor Relations  
617-587-7915  
igor.khislavsky@americantower.com

### Kristyn Farahmand

**Manager,**  
Investor Relations  
617-375-7545  
kristyn.farahmand@americantower.com

### Margo Williams

**Analyst,**  
Investor Relations  
617-375-7589  
Margo.williams@americantower.com



# Definitions

**Adjusted EBITDA:** Net income before Income (loss) on discontinued operations, net; Income (loss) from equity method investments; Income tax provision (benefit); Other income (expense); Loss on retirement of long-term obligations; Interest expense; Interest income; Other operating income (expense); Depreciation, amortization and accretion; and Stock-based compensation expense.

**Adjusted EBITDA Margin:** the percentage that results from dividing Adjusted EBITDA by total revenue.

**Adjusted Funds From Operations, or AFFO:** NAREIT Funds From Operations before (i) straight-line revenue and expense, (ii) stock-based compensation expense, (iii) the non-cash portion of our tax provision, (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) loss on retirement of long-term obligations, (viii) other operating income (expense), and adjustments for (ix) unconsolidated affiliates, and (x) noncontrolling interest, less cash payments related to capital improvements and cash payments related to corporate capital expenditures.

**AFFO per Share:** Adjusted Funds From Operations divided by the diluted weighted average common shares outstanding.

**Churn:** Revenue lost when a tenant cancels or does not renew its lease, and in limited circumstances, such as a tenant bankruptcy, reductions in lease rates on existing leases.

**Core Growth:** (Rental and management revenue, Adjusted EBITDA, Gross Margin and Operating Profit) the increase or decrease, expressed as a percentage, resulting from a comparison of financial results for a current period with corresponding financial results for the corresponding period in a prior year, in each case, excluding the impact of straight-line revenue and expense recognition, foreign currency exchange rate fluctuations and material one-time items.

**NAREIT FFO:** 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 declared on preferred stock, and including adjustments for (i) unconsolidated affiliates and (ii) noncontrolling interest.

**NAREIT FFO per Share:** Funds From Operations divided by the diluted weighted average common shares outstanding.

**Net Leverage Ratio:** Net debt (total debt, less cash and cash equivalents) divided by last quarter annualized Adjusted EBITDA.

**New Property Core Growth:** (Rental and management revenue) the increase or decrease, expressed as a percentage, on the properties the Company has added to its portfolio since the beginning of the prior period, in each case, excluding the impact of straight-line revenue and expense recognition, foreign currency exchange rate fluctuations and significant one-time items.

**Operating Profit:** Gross margin less selling, general, administrative and development expense attributable to the segment, excluding stock-based compensation expense and corporate expenses. International rental and management segment includes interest income, TV Azteca, net.

# Definitions

**Operating Profit Margin:** Operating profit divided by total revenue.

**Organic Core Growth:** (Rental and management revenue) the increase or decrease, expressed as a percentage, resulting from a comparison of financial results for a current period with corresponding financial results for the corresponding period in a prior year, in each case, excluding the impact of straight-line revenue and expense recognition, foreign currency exchange rate fluctuations, significant one-time items and revenue associated with new properties that the Company has added to the portfolio since the beginning of the prior period.

**Recurring Free Cash Flow:** Adjusted EBITDA before straight-line revenue and expense plus interest income less interest expense, cash paid for income taxes and non-discretionary capital expenditures (redevelopment, capital improvement and corporate capital expenditures).

**Recurring Free Cash Flow per Share:** Recurring Free Cash Flow divided by the diluted weighted average common shares outstanding.

**Segment Gross Margin:** segment revenue less segment operating expenses, excluding stock-based compensation expense recorded in costs of operations; depreciation, amortization and accretion; selling, general, administrative and development expense; and other operating expenses. International rental and management segment includes interest income, TV Azteca, net.

**Segment Gross Margin Conversion Rate:** the percentage that results from dividing the change in gross margin by the change in revenue.

**Segment Operating Profit:** Segment gross margin less segment selling, general, administrative and development expense attributable to the segment, excluding stock-based compensation expense and corporate expenses. International rental and management segment includes interest income, TV Azteca, net.

**Pass-through Revenues:** In several of our international markets we pass through certain operating expenses to our tenants, including in Latin America where we primarily pass through ground rent expenses, and in India and South Africa, where we primarily pass through fuel costs. We record pass through as revenue and a corresponding offsetting expense for these events.

**Straight-line expenses:** We calculate straight-line ground rent expense for our ground leases based on the fixed non-cancellable term of the underlying ground lease plus all periods, if any, for which failure to renew the lease imposes an economic penalty to us such that renewal appears, at the inception of the lease, to be reasonably assured. Certain of our tenant leases require us to exercise available renewal options pursuant to the underlying ground lease, if the tenant exercises its renewal option. For towers with these types of tenant leases at the inception of the ground lease, we calculate our straight-line ground rent over the term of the ground lease, including all renewal options required to fulfill the tenant lease obligation.

**Straight-line revenues:** We calculate straight-line rental revenues from our tenants based on the fixed escalation clauses present in non-cancellable lease agreements, excluding those tied to the Consumer Price Index or other inflation-based indices, and other incentives present in lease agreements with our tenants. We recognized revenues on a straight-line basis over the fixed, non-cancellable terms of the applicable leases.

# Reconciliations

(In millions. Totals may not add due to rounding.)

<b>RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA</b>													
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>1Q13</b>	<b>2Q13</b>	<b>3Q13</b>	<b>4Q13</b>	<b>1Q14</b>	<b>2Q14</b>
Net income	\$56.6	\$347.4	\$247.1	\$373.6	\$381.8	\$594.0	\$482.2	\$160.9	\$84.1	\$163.2	\$73.9	\$193.3	\$221.7
Loss (income) from discontinued operations, net	36.4	(111.0)	(8.2)	(0.0)	0.0	\$0.0	\$0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from continuing operations	\$93.0	\$236.4	\$238.9	\$373.6	\$381.8	\$594.0	\$482.2	\$160.9	\$84.1	\$163.2	\$73.9	\$193.3	\$221.7
Income from equity method investments	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(\$0.0)	\$0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income tax provision	59.8	135.5	182.6	182.5	125.1	\$107.3	\$59.5	19.2	(11.4)	15.6	36.2	17.6	21.8
Other (income) expense	(20.7)	(6.0)	(1.3)	(0.3)	123.0	\$38.3	\$207.5	(22.3)	141.7	29.6	58.5	3.7	16.5
Loss on retirement of long-term obligations	35.4	4.9	18.2	1.9	0.0	\$0.4	\$38.7	35.3	2.7	0.0	0.7	0.2	1.3
Interest expense	235.8	253.6	249.8	246.0	311.9	\$401.7	\$458.3	111.8	100.8	106.3	139.4	143.3	146.2
Interest income	(10.8)	(3.4)	(1.7)	(5.0)	(7.4)	(\$7.7)	(\$9.7)	(1.7)	(1.4)	(2.3)	(4.2)	(2.0)	(2.3)
Other operating expenses	9.2	11.2	19.2	35.9	58.1	\$62.2	\$71.5	14.3	5.9	15.5	35.9	13.9	12.8
Depreciation, amortization and accretion	522.9	405.3	414.6	460.7	555.5	\$644.3	\$800.1	185.8	184.6	184.9	244.8	245.8	245.4
Stock-based compensation expense	54.6	54.8	60.7	52.6	47.4	\$52.0	\$68.1	21.0	17.1	15.1	15.0	24.6	18.8
<b>ADJUSTED EBITDA</b>	<b>\$979.3</b>	<b>\$1,092.3</b>	<b>\$1,180.9</b>	<b>\$1,347.7</b>	<b>\$1,595.4</b>	<b>\$1,892.4</b>	<b>\$2,176.4</b>	<b>\$524.4</b>	<b>\$524.0</b>	<b>\$527.9</b>	<b>\$600.1</b>	<b>\$640.5</b>	<b>\$682.2</b>
Divided by total revenue	\$1,456.6	\$1,593.5	\$1,724.1	\$1,985.3	\$2,443.5	\$2,876.0	\$3,361.4	\$802.7	\$808.8	\$807.9	\$942.0	\$984.1	\$1,031.5
<b>ADJUSTED EBITDA MARGIN</b>	<b>67%</b>	<b>69%</b>	<b>68%</b>	<b>68%</b>	<b>65%</b>	<b>66%</b>	<b>65%</b>	<b>65%</b>	<b>65%</b>	<b>65%</b>	<b>64%</b>	<b>65%</b>	<b>66%</b>

<b>AFFO RECONCILIATION <sup>(1)</sup></b>													
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>1Q13</b>	<b>2Q13</b>	<b>3Q13</b>	<b>4Q13</b>	<b>1Q14</b>	<b>2Q14</b>
Adjusted EBITDA	\$979.3	\$1,092.3	\$1,180.9	\$1,347.7	\$1,595.4	\$1,892.4	\$2,176.4	\$524.4	\$524.0	\$527.9	\$600.1	\$640.5	\$682.2
Straight-line revenue	(69.7)	(50.4)	(36.3)	(105.2)	(144.0)	(165.8)	(147.7)	(34.2)	(34.4)	(37.3)	(41.7)	(31.2)	(33.1)
Straight-line expense	26.7	27.6	26.6	22.3	31.0	33.7	29.7	7.1	7.9	6.3	8.4	9.5	7.9
Cash interest	(227.5)	(244.0)	(240.4)	(237.6)	(300.8)	(380.6)	(435.3)	(104.2)	(93.4)	(99.2)	(138.5)	(139.9)	(143.1)
Interest Income	10.8	3.4	1.7	5.0	7.4	7.7	9.7	1.7	1.4	2.3	4.2	2.0	2.3
Cash received (paid) for income taxes <sup>(2)</sup>	(35.3)	(35.1)	(40.2)	(36.4)	(53.9)	(69.3)	(51.7)	(13.5)	(3.6)	(6.0)	(28.5)	(19.1)	(16.7)
Dividends Declared on preferred stock	-	-	-	-	-	-	-	-	-	-	-	-	(4.4)
Capital Improvement Capex	(29.2)	(32.5)	(32.5)	(31.4)	(60.8)	(75.4)	(81.2)	(15.9)	(26.4)	(18.7)	(20.2)	(17.2)	(17.2)
Corporate Capex	(12.7)	(5.6)	(8.1)	(11.6)	(18.7)	(20.0)	(30.4)	(7.5)	(9.2)	(7.9)	(5.8)	(5.2)	(3.9)
<b>AFFO</b>	<b>\$642.4</b>	<b>\$755.8</b>	<b>\$851.7</b>	<b>\$952.8</b>	<b>\$1,055.5</b>	<b>\$1,222.6</b>	<b>\$1,469.5</b>	<b>\$357.8</b>	<b>\$366.2</b>	<b>\$367.3</b>	<b>\$378.2</b>	<b>\$439.3</b>	<b>\$473.9</b>

(1) Calculation of AFFO excludes start-up related capital spending in 2012, 2013 and 2014.

(2) 2007 cash tax included in AFFO calculation has been adjusted to exclude a cash tax refund received in 2007 related to the carry back of certain federal net operating losses.



# Risk Factors

This presentation contains "forward-looking statements" concerning our goals, beliefs, expectations, strategies, objectives, plans, future operating results and underlying assumptions, and other statements that are not necessarily based on historical facts. Examples of these statements include, but are not limited to statements regarding our leverage range, our growth expectations, including AFFO per share and our REIT distributions, and our expectations regarding the leasing demand for communications real estate and the wireless industry in general. Actual results may differ materially from those indicated in our forward-looking statements as a result of various important factors, including: (1) decrease in demand for our communications sites would materially and adversely affect our operating results, and we cannot control that demand; (2) 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; (3) our business is subject to government regulations and changes in current or future laws or regulations could restrict our ability to operate our business as we currently do; (4) our leverage and debt service obligations may materially and adversely affect us; (5) if we fail to pay scheduled dividends on our preferred stock, in cash or common stock, we will be prohibited from paying dividends on our common stock, which may jeopardize our status as a REIT; (6) increasing competition in the tower industry may materially and adversely affect us; (7) our expansion initiatives involve a number of risks and uncertainties that could adversely affect our operating results, disrupt our operations or expose us to additional risk if we are not able to successfully integrate operations, assets and personnel; (8) 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; (9) 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; (10) we may fail to realize the growth prospects and cost savings anticipated as a result of our acquisition of MIP Tower Holdings LLC, the parent company of Global Tower Partners (GTP); (11) new technologies or changes in a tenant's business model could make our tower leasing business less desirable and result in decreasing revenues; (12) if we fail to remain qualified as a REIT, we will be subject to tax at corporate income tax rates, which may substantially reduce funds otherwise available; (13) we may be limited in our ability to fund required distributions using cash generated through our TRSs; (14) complying with REIT requirements may limit our flexibility or cause us to forego otherwise attractive opportunities;



# Risk Factors

(continued)

(15) certain of our business activities may be subject to corporate level income tax and foreign taxes, which reduce our cash flows and may create deferred and contingent tax liabilities; (16) we may need additional financing to fund capital expenditures, future growth and expansion initiatives and to satisfy our REIT distribution requirements; (17) if we are unable to protect our rights to the land under our towers, it could adversely affect our business and operating results; (18) 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; (19) restrictive covenants in the agreements related to our securitization transactions, our credit facilities and our debt securities could materially and adversely affect our business by limiting flexibility; (20) we may incur goodwill and other intangible asset impairment charges, which could result in a significant reduction to our earnings; (21) our costs could increase and our revenues could decrease due to perceived health risks from radio emissions, especially if these perceived risks are substantiated; (22) we could have liability under environmental and occupational safety and health laws; and (23) our towers or data centers may be affected by natural disasters and other unforeseen events for which our insurance may not provide adequate coverage. For additional information regarding factors that may cause actual results to differ materially from those indicated in our forward-looking statements, we refer you to the information contained in Item 1A of our Form 10-Q for the quarter ended June 30, 2014. We undertake no obligation to update the information contained in this presentation to reflect subsequently occurring events or circumstances.





# Contact Information

## American Tower Contacts

### Corporate Headquarters

**116 Huntington Avenue  
Boston, MA 02116**

Phone: 617-375-7500

Fax: 617-375-7575

## Transfer Agent

### Computershare

**P.O. Box 43006  
Providence, RI 02940**

Phone: 866-201-5087

