

AMERICAN TOWER CORP /MA/  
Form 10-Q  
May 01, 2013  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One):

- Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. For the quarterly period ended March 31, 2013.**
- Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.**  
**Commission File Number: 001-14195**

**AMERICAN TOWER CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
Incorporation or Organization)

**65-0723837**  
(I.R.S. Employer  
Identification No.)

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**116 Huntington Avenue**

**Boston, Massachusetts 02116**

**(Address of principal executive offices)**

**Telephone Number (617) 375-7500**

**(Registrant's telephone number, including area code)**

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

Indicate by check mark whether the registrant 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  No

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

Large accelerated filer  Accelerated filer

Non-accelerated filer  Smaller reporting company

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

As of April 19, 2013, there were 395,485,671 shares of common stock outstanding.

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**AMERICAN TOWER CORPORATION**

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**FOR THE QUARTER ENDED MARCH 31, 2013**

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**Table of Contents****PART I. FINANCIAL INFORMATION****ITEM 1. UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AMERICAN TOWER CORPORATION AND SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEETS Unaudited**

(in thousands, except share data)

	March 31, 2013	December 31, 2012
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 441,706	\$ 368,618
Restricted cash	46,733	69,316
Short-term investments	13,004	6,018
Accounts receivable, net	145,446	143,772
Prepaid and other current assets	232,110	222,851
Deferred income taxes	24,617	25,754
<b>Total current assets</b>	<b>903,616</b>	<b>836,329</b>
PROPERTY AND EQUIPMENT, net	5,879,513	5,796,517
GOODWILL	2,898,638	2,881,959
OTHER INTANGIBLE ASSETS, net	3,271,981	3,136,602
DEFERRED INCOME TAXES	215,559	209,257
DEFERRED RENT ASSET	811,903	776,201
NOTES RECEIVABLE AND OTHER NON-CURRENT ASSETS	482,530	452,788
<b>TOTAL</b>	<b>\$ 14,463,740</b>	<b>\$ 14,089,653</b>
<b>LIABILITIES AND EQUITY</b>		
CURRENT LIABILITIES:		
Accounts payable	\$ 86,769	\$ 89,578
Accrued expenses	263,187	287,575
Distributions payable	103,095	189
Accrued interest	80,065	71,271
Current portion of long-term obligations	57,603	60,031
Unearned revenue	148,405	124,147
<b>Total current liabilities</b>	<b>739,124</b>	<b>632,791</b>
LONG-TERM OBLIGATIONS	8,791,520	8,693,345
ASSET RETIREMENT OBLIGATIONS	455,982	435,635
OTHER NON-CURRENT LIABILITIES	695,592	643,701
<b>Total liabilities</b>	<b>10,682,218</b>	<b>10,405,472</b>

**COMMITMENTS AND CONTINGENCIES****EQUITY:**

Preferred stock: \$.01 par value; 20,000,000 shares authorized; no shares issued or outstanding

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Common stock: \$.01 par value; 1,000,000,000 shares authorized; 396,624,027 and 395,963,218 shares issued; and 395,587,902 and 395,091,213 shares outstanding, respectively	3,966	3,959
Additional paid-in capital	5,029,261	5,012,124
Distributions in excess of earnings	(1,128,361)	(1,196,907)
Accumulated other comprehensive loss	(158,043)	(183,347)
Treasury stock (1,036,125 and 872,005 shares at cost, respectively)	(75,208)	(62,728)
Total American Tower Corporation equity	3,671,615	3,573,101
Noncontrolling interest	109,907	111,080
Total equity	3,781,522	3,684,181
TOTAL	\$ 14,463,740	\$ 14,089,653

See accompanying notes to unaudited condensed consolidated financial statements.

**Table of Contents****AMERICAN TOWER CORPORATION AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS Unaudited****(in thousands, except per share data)**

	<b>Three Months Ended March 31,</b>	
	<b>2013</b>	<b>2012</b>
<b>REVENUES:</b>		
Rental and management	\$ 777,433	\$ 683,990
Network development services	25,295	12,527
<b>Total operating revenues</b>	<b>802,728</b>	<b>696,517</b>
<b>OPERATING EXPENSES:</b>		
Costs of operations (exclusive of items shown separately below):		
Rental and management (including stock-based compensation expense of \$246 and \$197, respectively)	191,295	163,724
Network development services (including stock-based compensation expense of \$192 and \$264, respectively)	10,471	7,261
Depreciation, amortization and accretion	185,804	149,655
Selling, general, administrative and development expense (including stock-based compensation expense of \$20,604 and \$12,584, respectively)	101,153	79,584
Other operating expenses	14,319	21,847
<b>Total operating expenses</b>	<b>503,042</b>	<b>422,071</b>
<b>OPERATING INCOME</b>	<b>299,686</b>	<b>274,446</b>
<b>OTHER INCOME (EXPENSE):</b>		
Interest income, TV Azteca, net of interest expense of \$371 and \$371, respectively	3,543	3,543
Interest income	1,714	2,253
Interest expense	(111,766)	(95,117)
Loss on retirement of long-term obligations	(35,298)	(398)
Other income (including unrealized foreign currency gains of \$22,143 and \$55,838, respectively)	22,291	52,861
<b>Total other expense</b>	<b>(119,516)</b>	<b>(36,858)</b>
<b>INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND INCOME ON EQUITY METHOD INVESTMENTS</b>	<b>180,170</b>	<b>237,588</b>
Income tax provision	(19,222)	(27,248)
Income on equity method investments		18
<b>NET INCOME</b>	<b>160,948</b>	<b>210,358</b>
Net loss (income) attributable to noncontrolling interest	10,459	10,948
<b>NET INCOME ATTRIBUTABLE TO AMERICAN TOWER CORPORATION</b>	<b>\$ 171,407</b>	<b>\$ 221,306</b>
<b>NET INCOME PER COMMON SHARE AMOUNTS:</b>		
Basic net income attributable to American Tower Corporation	\$ 0.43	\$ 0.56
Diluted net income attributable to American Tower Corporation	\$ 0.43	\$ 0.56

WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:

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Basic	395,239	393,885
Diluted	399,659	398,453
<b>DISTRIBUTIONS DECLARED PER SHARE</b>	<b>\$ 0.26</b>	<b>\$ 0.21</b>

See accompanying notes to unaudited condensed consolidated financial statements.

**Table of Contents****AMERICAN TOWER CORPORATION AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME Unaudited****(in thousands)**

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2013</b>	<b>2012</b>
Net income	\$ 160,948	\$ 210,358
Other comprehensive income:		
Changes in fair value of cash flow hedges, net of taxes of \$111 and \$0, respectively	(1,044)	(383)
Reclassification of unrealized losses on cash flow hedges to net income, net of taxes of \$59 and \$0, respectively	549	48
Reclassification of unrealized losses on available-for-sale securities to net income		495
Foreign currency translation adjustments, net of taxes of \$13,732 and \$642, respectively	27,427	36,909
Other comprehensive income	26,932	37,069
Comprehensive income	187,880	247,427
Comprehensive loss attributable to noncontrolling interest	8,831	18,814
Comprehensive income attributable to American Tower Corporation	\$ 196,711	\$ 266,241

See accompanying notes to the unaudited condensed consolidated financial statements.



**Table of Contents****AMERICAN TOWER CORPORATION AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS Unaudited****(in thousands)**

	<b>Three Months Ended March 31,</b>	
	<b>2013</b>	<b>2012</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 160,948	\$ 210,358
Adjustments to reconcile net income to cash provided by operating activities:		
Stock-based compensation expense	21,042	13,045
Depreciation, amortization and accretion	185,804	149,655
Loss on early retirement of securitized debt	35,288	
Other non-cash items reflected in statements of operations	(7,496)	(28,342)
Increase in net deferred rent asset	(26,806)	(28,789)
Decrease (increase) in restricted cash	22,583	(13,490)
(Increase) decrease in assets	(7,374)	55,126
Increase in liabilities	10,047	44,454
 Cash provided by operating activities	 394,036	 402,017
	&	