

Eaton Vance Risk-Managed Diversified Equity Income Fund  
Form N-Q  
November 28, 2018

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**Form N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES**

**811-22044**

**Investment Company Act File Number**

**Eaton Vance Risk-Managed Diversified Equity Income Fund**

(Exact Name of Registrant as Specified in Charter)

Two International Place Boston, Massachusetts 02110

(Address of Principal Executive Offices)

Maureen A. Gemma

Two International Place Boston, Massachusetts 02110

(Name and Address of Agent for Services)

(617) 482-8260

(Registrant's Telephone Number, Including Area Code)

December 31

Date of Fiscal Year End

September 30, 2018

Date of Reporting Period



**Item 1. Schedule of Investments**

**Eaton Vance****Risk-Managed Diversified Equity Income Fund**

September 30, 2018

**PORTFOLIO OF INVESTMENTS (Unaudited)****Common Stocks 99.2%**

<b>Security</b>	<b>Shares</b>	<b>Value</b>
<b>Aerospace &amp; Defense 1.0%</b>		
Raytheon Co. <sup>(1)</sup>	31,212	\$ 6,450,272
		<b>\$ 6,450,272</b>
<b>Air Freight &amp; Logistics 2.0%</b>		
FedEx Corp. <sup>(1)</sup>	52,834	\$ 12,721,899
		<b>\$ 12,721,899</b>
<b>Auto Components 1.8%</b>		
Aptiv PLC <sup>(1)</sup>	133,604	\$ 11,209,376
		<b>\$ 11,209,376</b>
<b>Banks 6.4%</b>		
Bank of America Corp. <sup>(1)</sup>	615,424	\$ 18,130,391
JPMorgan Chase & Co. <sup>(1)</sup>	201,148	22,697,540
		<b>\$ 40,827,931</b>
<b>Beverages 4.3%</b>		
Constellation Brands, Inc., Class A <sup>(1)</sup>	65,840	\$ 14,196,421
PepsiCo, Inc. <sup>(1)</sup>	120,147	13,432,434
		<b>\$ 27,628,855</b>
<b>Biotechnology 3.1%</b>		
Gilead Sciences, Inc. <sup>(1)</sup>	132,749	\$ 10,249,550
Vertex Pharmaceuticals, Inc. <sup>(1)(2)</sup>	50,871	9,804,877
		<b>\$ 20,054,427</b>
<b>Capital Markets 1.7%</b>		
Charles Schwab Corp. (The) <sup>(1)</sup>	222,621	\$ 10,941,822

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		<b>\$ 10,941,822</b>
<b>Chemicals 1.1%</b>		
DowDuPont, Inc. <sup>(1)</sup>	106,727	\$ 6,863,613
		<b>\$ 6,863,613</b>
<b>Consumer Finance 1.8%</b>		
American Express Co. <sup>(1)</sup>	106,544	\$ 11,345,871
		<b>\$ 11,345,871</b>
<b>Containers &amp; Packaging 1.3%</b>		
Ball Corp. <sup>(1)</sup>	187,627	\$ 8,253,712
		<b>\$ 8,253,712</b>
<b>Diversified Telecommunication Services 4.3%</b>		
Verizon Communications, Inc. <sup>(1)</sup>	343,649	\$ 18,347,420
Zayo Group Holdings, Inc. <sup>(1)(2)</sup>	258,528	8,976,092
		<b>\$ 27,323,512</b>
<b>Electric Utilities 1.5%</b>		
NextEra Energy, Inc. <sup>(1)</sup>	55,505	\$ 9,302,638
		<b>\$ 9,302,638</b>

Security	Shares	Value
<b>Electronic Equipment, Instruments &amp; Components 2.1%</b>		
Corning, Inc. <sup>(1)</sup>	389,534	\$ 13,750,550
		<b>\$ 13,750,550</b>
<b>Entertainment 4.9%</b>		
Live Nation Entertainment, Inc. <sup>(1)(2)</sup>	196,818	\$ 10,720,677
Spotify Technology SA <sup>(1)(2)</sup>	32,865	5,942,978
Walt Disney Co. (The) <sup>(1)</sup>	123,377	14,427,706
		<b>\$ 31,091,361</b>
<b>Equity Real Estate Investment Trusts (REITs) 2.8%</b>		
American Tower Corp. <sup>(1)</sup>	83,507	\$ 12,133,567
AvalonBay Communities, Inc. <sup>(1)</sup>	30,608	5,544,639
		<b>\$ 17,678,206</b>
<b>Food Products 1.7%</b>		
Mondelez International, Inc., Class A <sup>(1)</sup>	256,605	\$ 11,023,751
		<b>\$ 11,023,751</b>
<b>Health Care Equipment &amp; Supplies 4.1%</b>		
Abbott Laboratories <sup>(1)</sup>	141,915	\$ 10,410,884
Danaher Corp. <sup>(1)</sup>	145,247	15,782,539
		<b>\$ 26,193,423</b>
<b>Health Care Providers &amp; Services 1.3%</b>		
Aetna, Inc. <sup>(1)</sup>	39,620	\$ 8,036,917
		<b>\$ 8,036,917</b>
<b>Insurance 2.7%</b>		
American Financial Group, Inc. <sup>(1)</sup>	86,264	\$ 9,572,716
American International Group, Inc. <sup>(1)</sup>	144,512	7,693,819
		<b>\$ 17,266,535</b>
<b>Interactive Media &amp; Services 2.8%</b>		
Alphabet, Inc., Class C <sup>(1)(2)</sup>	15,153	\$ 18,084,651
		<b>\$ 18,084,651</b>
<b>Internet &amp; Direct Marketing Retail 3.6%</b>		
Amazon.com, Inc. <sup>(1)(2)</sup>	11,432	\$ 22,898,296

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\$ 22,898,296

**IT Services 5.9%**

Akamai Technologies, Inc. <sup>(1)(2)</sup>	122,305	\$	8,946,611
GoDaddy, Inc., Class A <sup>(1)(2)</sup>	123,752		10,319,679
Visa, Inc., Class A <sup>(1)</sup>	122,958		18,454,766

\$ 37,721,056

**Machinery 4.4%**

Caterpillar, Inc. <sup>(1)</sup>	94,168	\$	14,359,678
Fortive Corp. <sup>(1)</sup>	164,288		13,833,050

\$ 28,192,728

**Multi-Utilities 1.2%**

Sempra Energy <sup>(1)</sup>	69,970	\$	7,959,088
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\$ 7,959,088

Security	Shares	Value
<b>Oil, Gas &amp; Consumable Fuels 6.3%</b>		
ConocoPhillips <sup>(1)</sup>	124,793	\$ 9,658,978
EOG Resources, Inc. <sup>(1)</sup>	69,471	8,862,416
Exxon Mobil Corp. <sup>(1)</sup>	183,346	15,588,077
Phillips 66 <sup>(1)</sup>	54,200	6,109,424
		<b>\$ 40,218,895</b>
<b>Pharmaceuticals 4.9%</b>		
Johnson & Johnson <sup>(1)</sup>	150,450	\$ 20,787,677
Zoetis, Inc. <sup>(1)</sup>	115,852	10,607,409
		<b>\$ 31,395,086</b>
<b>Road &amp; Rail 2.0%</b>		
CSX Corp. <sup>(1)</sup>	176,151	\$ 13,043,982
		<b>\$ 13,043,982</b>
<b>Semiconductors &amp; Semiconductor Equipment 2.6%</b>		
QUALCOMM, Inc. <sup>(1)</sup>	185,386	\$ 13,353,353
Skyworks Solutions, Inc.	39,246	3,560,005
		<b>\$ 16,913,358</b>
<b>Software 5.6%</b>		
Microsoft Corp. <sup>(1)</sup>	315,195	\$ 36,048,852
		<b>\$ 36,048,852</b>
<b>Specialty Retail 2.5%</b>		
Home Depot, Inc. (The) <sup>(1)</sup>	77,742	\$ 16,104,255
		<b>\$ 16,104,255</b>
<b>Technology Hardware, Storage &amp; Peripherals 6.0%</b>		
Apple, Inc. <sup>(1)</sup>	117,142	\$ 26,443,635
Xerox Corp. <sup>(1)</sup>	439,560	11,859,329
		<b>\$ 38,302,964</b>
<b>Textiles, Apparel &amp; Luxury Goods 1.5%</b>		
NIKE, Inc., Class B <sup>(1)</sup>	112,781	\$ 9,554,806
		<b>\$ 9,554,806</b>
		<b>\$ 634,402,688</b>



**Total Common Stocks**  
(identified cost \$481,702,426)

**Short-Term Investments 0.9%**

Description	Units	Value
Eaton Vance Cash Reserves Fund, LLC, 2.19% <sup>(3)</sup>	5,756,476	\$ 5,756,476

**Total Short-Term Investments**  
(identified cost \$5,756,476) \$ 5,756,476

**Total Purchased Put Options 0.2%**  
(identified cost \$2,372,770) \$ 1,160,148

**Total Investments 100.3%**  
(identified cost \$489,831,672)

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Quarter ended December 31 (through December 15) > 8.73 12.00 9.59

On December 17, 2003, the closing price of our Class A common stock was \$10.20 per share as reported on the NYSE.

The outstanding shares of common stock and number of registered holders as of December 15, 2003 were as follows:

	Class		
	A	B	C
Outstanding shares	212,081,511	7,004,369	1,224,914
Registered holders	810	50	1

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**DIVIDEND POLICY**

We have never paid a dividend on any class of common stock. We anticipate that we will retain future earnings, if any, to fund the development and growth of our business. We do not anticipate paying cash dividends on shares of common stock in the foreseeable future. Our borrower subsidiaries are prohibited under the terms of the credit facilities from paying cash dividends or making other distributions on, or making redemptions, purchases or other acquisitions of, their capital stock or other equity interests, including preferred stock, except that, beginning on April 15, 2004, if no default exists or would be created thereby under the credit facilities, our borrower subsidiaries may pay cash dividends or make other distributions to the extent that restricted payments, as defined in the credit facilities, do not exceed 50% of excess cash flow, as defined in the credit facilities, for the preceding calendar year. The indenture governing the 12.25% senior subordinated discount notes and 7.25% senior subordinated notes issued in January 2003 and November 2003, respectively, by American Towers, Inc. (ATI), our principal operating subsidiary, imposes similar limitations on the ability of ATI and certain of our subsidiaries that have guaranteed these discount notes to pay dividends and make other distributions. The indenture governing our 9<sup>3/8</sup>% senior notes due 2009 also imposes significant limitations on the payment of dividends by us to our stockholders.

**SELLING SECURITYHOLDERS**

Selling securityholders may use this prospectus to offer and sell the notes and the shares of our Class A common stock issuable upon conversion of the notes. See Plan of Distribution. The table below sets forth information about the beneficial ownership of the notes and shares of our Class A common stock by each selling securityholder who has timely provided us with a completed and executed notice and questionnaire stating its intent to use this prospectus to sell or otherwise dispose of notes and/or shares of our Class A common stock issuable upon conversion of the notes. We have prepared this table using information furnished to us by or on behalf of the selling securityholders. For purposes of the following table, beneficial ownership is determined in accordance with the rules of the SEC, and includes the right to acquire voting or investment control of our Class A common stock within 60 days. Unless otherwise indicated below, to our knowledge, all persons named in the table have sole voting and investment power with respect to their shares of Class A common stock, except to the extent authority is shared by spouses under applicable law. The inclusion of any securities in the table does not constitute an admission of beneficial ownership by the persons named therein.

Our registration of the notes and the shares of our Class A common stock issuable upon conversion of the notes does not mean that the selling securityholders identified below will sell all or any of these securities. In addition, the selling securityholders may have sold, transferred or disposed of all or a portion of their notes in transactions exempt from the registration requirements of the Securities Act since the date on which they provided the information regarding their holdings. If, from time to time, additional securityholders notify us of their intent to use this prospectus to dispose of the notes and/or shares of our Class A common stock issuable upon conversion of the notes, we may supplement this prospectus to include those additional securityholders' information even if, because we have not been notified of any prior exempt sales, the table below continues to list notes and/or shares of our Class A common stock issuable upon conversion of the notes previously proposed to be offered and sold by the additional securityholders' transferors.

Except where disclosure is included in the table below regarding natural persons exercising investment and voting control over the securities held by the selling securityholders, the selling securityholders have represented to us that they are a reporting company under the Securities Exchange Act of 1934, as amended, a majority-owned subsidiary thereof, or an investment company registered under the Investment Company Act of 1940.

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Name	Principal Amount of Notes Beneficially Owned that may be Sold	Shares of Class A Common Stock Issuable upon Conversion that may be Sold(1)	Shares of Class A Common Stock Beneficially Owned Before the Offering		Shares of Class A Common Stock Beneficially Owned After the Offering(4)	
			Number(2)	Percent(3)	Number(2)	Percent(3)
Amaranth L.L.C.(5)	\$ 16,220,000	1,326,925	1,326,925	*		*
Argent Classic Convertible Arbitrage Fund (Bermuda) Ltd.(6)	1,300,000	106,350	323,563	*	217,213	*
Argent Classic Convertible Arbitrage Fund II, L.P.	100,000	8,180	32,770	*	24,590	*
Argent Classic Convertible Arbitrage Fund L.P.(7)	500,000	40,904	118,772	*	77,868	*
Argent LowLev Convertible Arbitrage Fund LLC(6)	500,000	40,904	61,395	*	20,491	*
Argent LowLev Convertible Arbitrage Fund Ltd.(6)	1,800,000	147,254	262,008	*	114,754	*
Bank of America Pension Plan(8)	1,700,000	139,073	139,073	*		*
Bear, Stearns & Co. Inc.(9)(10)	1,500,000	122,712	122,712	*		*
BP Amoco PLC Master Trust(11)	732,000	59,883	59,883	*		*
Calamos Market Neutral Fund Calamos Investment Trust(12)	10,000,000	818,080	818,080	*		*
Chrysler Corporation Master Retirement Trust(13)	1,155,000	94,488	94,488	*		*
Clinton Multistrategy Master Fund, Ltd.(14)	5,395,000	441,354	441,354	*		*
Clinton Riverside Convertible Portfolio Limited(14)	10,355,000	847,121	847,121	*		*
CNH CA Master Account, L.P.(15)	1,000,000	81,808	81,808	*		*
Consulting Group Capital Market Funds(12)	900,000	73,627	73,627	*		*
Fidelity Financial Trust: Fidelity Convertible Securities Fund(16)	15,400,000	1,259,843	1,652,602	*	392,759	*
General Motors Welfare Benefit Trust(8)	1,200,000	98,169	98,169	*		*
GMAM Group Pension Trust(8)	900,000	73,627	73,627	*		*
Grace Brothers, Ltd.(17)	3,000,000	245,424	245,424	*		*
Grace Convertible Arbitrage Fund, Ltd.(16)(18)	8,000,000	654,464	654,464	*		*
Guggenheim Portfolio, Co. XV, LLC(19)	500,000	40,904	40,904	*		*
Highbridge International LLC(16)(20)	10,000,000	818,080	1,104,965	*	286,885	*
Hotel Union & Hotel Industry of Hawaii Pension Plan(11)	261,000	21,351	21,351	*		*
Institutional Benchmarks Master Fund Ltd.(11)	1,596,000	130,565	130,565	*		*
Jeffries & Company Inc.(11)	6,000	490	490	*		*
LB Series Fund Inc., High Yield Portfolio(16)	1,700,000	139,073	139,073	*		*
Lutheran Brotherhood High Yield Fund(16)	1,300,000	106,350	106,350	*		*
Lyxor Master Fund(7)	300,000	24,542	53,230	*	28,688	*

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Name	Principal Amount of Notes Beneficially Owned that may be Sold	Shares of Class A Common Stock Issuable upon Conversion that may be Sold(1)	Shares of Class A Common Stock Beneficially Owned Before the Offering		Shares of Class A Common Stock Beneficially Owned After the Offering(4)	
			Number(2)	Percent(3)	Number(2)	Percent(3)
Maystone Continuum Master Fund, Ltd.(21)	\$ 2,000,000	163,616	163,616	*		*
Microsoft Corporation(13)	1,155,000	94,488	161,823	*	67,335	*
Morgan Stanley Convertible Securities Trust(16)	1,500,000	122,712	122,712	*		*
Motion Picture Industry Health Plan Active Member Fund(13)	240,000	19,633	19,633	*		*
Motion Picture Industry Health Plan Retiree Member Fund(13)	150,000	12,271	12,271	*		*
MSD TCB, LP(22)	10,000,000	818,080	818,080	*		*
OCM Convertible Trust(13)	455,000	37,222	37,222	*		*
Partner Reinsurance Company Ltd.(13)	380,000	31,087	31,087	*		*
Peoples Benefit Life Insurance Company Teamsters(8)	1,100,000	89,988	89,988	*		*
Qwest Occupational Health Trust(13)	175,000	14,316	14,316	*		*
Ramius Capital Group(16)(20)	500,000	40,904	40,904	*		*
Ramius Master Fund, LTD.(16)(20)	6,510,000	532,570	532,570	*		*
Ramius Partners II, LP(16)(20)	300,000	24,542	24,542	*		*
Ramius, LP(16)(20)	100,000	8,180	8,180	*		*
RCG Baldwin, LP(16)(20)	500,000	40,904	40,904	*		*
RCG Latitude Master Fund, LTD.(16)(20)	4,340,000	355,046	355,046	*		*
RCG Multi Strategy Master Fund, LTD.(16)(20)	1,500,000	122,712	122,712	*		*
Retail Clerks Pension Trust(8)	1,100,000	89,988	89,988	*		*
Silverback Master, Ltd.(23)	6,500,000	531,752	996,896	*	465,144	*
Sphinx Convertible Arb Fund SPC(11)	306,000	25,033	25,033	*		*
SSI Blended Market Neutral L.P.(11)	500,000	40,904	40,904	*		*
SSI Hedged Convertible Market Neutral L.P.(11)	575,000	47,039	47,039	*		*
State Employees Retirement Fund of the State of Delaware(13)	500,000	40,904	40,904	*		*
Sunrise Partners Limited Partnership(16)(24)	2,764,000	226,117	226,117	*		*
Vanguard Convertible Securities Fund, Inc.(13)	7,290,000	596,380	596,380	*		*
Viacom Inc. Pension Plan Master Trust(11)	24,000	1,963	1,963	*		*
Wachovia Captial Markets LLC(9)(25)	7,500,000	613,560	613,560	*		*
White River Securities L.L.C.(9)(26)	1,500,000	122,712	122,712	*		*
Xavex Convertible Arbitrage 10 Fund(7)	100,000	8,180	36,868	*	28,688	*
Xavex Convertible Arbitrage 2 Fund(7)	100,000	8,180	12,278	*	4,098	*
Xavex Convertible Arbitrage 5 Fund(19)	750,000	61,356	61,356	*		*
All other holders of the notes or future transferees, pledges, donees, assignees or successors of any such holders(27)	52,266,000	4,275,777	4,275,777	2.02%		*
<b>Total</b>	<b>\$ 210,000,000</b>	<b>17,179,661</b>	<b>18,908,174</b>	<b>8.92%</b>	<b>1,728,513</b>	<b>*</b>

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- \* Indicates less than 1%.
- (1) Assumes conversion of the entire amount of notes held by the selling securityholder at the rate of 81.8080 shares of our Class A common stock per each \$1,000 principal amount of notes converted. The number of shares of Class A common stock issuable upon conversion of the notes may be adjusted under circumstances described under Description of Notes. Under the terms of the notes, cash will be paid instead of issuing any fractional shares.
  - (2) Includes shares of Class A common stock that the selling securityholder has the right to acquire upon conversion of our Class B common stock, Class C common stock, 3.25% convertible notes due August 1, 2010, 6.25% convertible notes due 2009, 2.25% convertible notes due 2009 and 5% convertible notes due 2010.
  - (3) Based on 212,081,511 shares of Class A common stock outstanding as of December 15, 2003.
  - (4) We cannot estimate the amount of notes or the number of shares of Class A common stock issuable upon conversion of the notes that will be beneficially owned by the selling securityholders after any offering by the selling securityholders because they may sell all or a portion of the notes or the shares of Class A common stock beneficially owned by them. However, for purposes of this table, we have assumed that, after completion of the offering, none of the shares of Class A common stock covered by this prospectus will be held by the selling securityholders.
  - (5) Amaranth Advisors L.L.C. is the managing member of this selling securityholder and has investment and voting control over the securities beneficially owned by this selling securityholder. Nicholas M. Maounis is the managing member of Amaranth Advisors L.L.C.
  - (6) Henry Cox and Thomas Marshal have investment and voting control over the securities beneficially owned by this selling securityholder.
  - (7) Bruce McMahan, Saul Schwartzman and John Gordon have investment and voting control over the securities beneficially owned by this selling securityholder.
  - (8) Camden Asset Management L.P. is the investment advisor of this selling securityholder and has investment and voting control over the securities beneficially owned by this selling securityholder. Roy Astrachen is the portfolio manager of Camden Asset Management L.P.
  - (9) This selling securityholder has identified itself as a registered broker-dealer and, accordingly, an underwriter. Please see Plan of Distribution for required disclosure regarding these selling securityholders.
  - (10) This selling securityholder is a majority owned subsidiary of The Bear Stearns Companies.
  - (11) SSI Investment Management Inc. is the investment adviser for this selling securityholder and has investment and voting control over the securities beneficially owned by this selling securityholder. John Gottfurcht, George Douglas and Amy Jo Gottfurcht are the principals of SSI Investment Management Inc.
  - (12) Nick Calamos has investment and voting control over the securities beneficially owned by this selling securityholder.
  - (13) Oaktree Capital Management LLC ( Oaktree ) is the investment manager of this selling securityholder. Oaktree does not own any equity interest in this selling securityholder but has investment and voting control over the securities beneficially owned by this selling securityholder. Lawrence Keele is a principal of Oaktree and is the portfolio manager for this selling securityholder. Mr. Keele, Oaktree and all employees and members of Oaktree disclaim beneficial ownership of the securities held by this selling securityholder, except for its pecuniary interest therein.
  - (14) Mike Vacca has investment and voting control over the securities beneficially owned by this selling securityholder.
  - (15) CNH Partners, LLC is the investment adviser of this selling securityholder and has investment and voting control over the securities beneficially owned by this selling securityholder. Robert Krail, Mark Mitchell and Todd Pulvino are the investment principals of CNH Partners, LLC.

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- (16) This selling securityholder has identified itself as an affiliate of a broker-dealer. Please see Plan of Distribution for required disclosure regarding these selling securityholders.
- (17) Bradford Whitmore has investment and voting control over the securities beneficially owned by this selling securityholder.
- (18) Bradford Whitmore and Michael Brailov have investment and voting control over the securities beneficially owned by this selling securityholder.
- (19) Alex Adair has investment and voting control over the securities beneficially owned by this selling securityholder.
- (20) Highbridge Capital Management is the investment advisor of this selling securityholder and has investment and voting control over the securities held by this selling securityholder. Glenn Dubin and Henry Swica are principals of Highbridge Capital Management.
- (21) Maystone Partners LLC is the investment manager of this selling securityholder and has investment and voting control over the securities beneficially owned by this selling securityholder. Henry J. Pizzutello and Mark R. Connors are the managing members of Maystone Partners LLC.
- (22) Glenn Fuhrman and John Phelan have investment and voting control over the securities beneficially owned by this selling securityholder.
- (23) Elliot Bossen has investment and voting control over the securities beneficially owned by this selling securityholder.
- (24) S. Donald Sussman has investment and voting control over the securities beneficially owned by this selling securityholder.
- (25) Eric Grant has investment and voting control over the securities beneficially owned by this selling security holder.
- (26) Yan Erlikh and David Liebowitz have investment and voting control over the securities beneficially owned by this selling securityholder.
- (27) Information about other selling securityholders, if any, will be set forth in one or more prospectus supplements. Assumes that any other holders of the securities, or any future transferees, pledgees, donees or successors of or from any such holders of securities do not beneficially own any shares of Class A common stock other than the Class A common stock issuable upon conversion of the notes.

No selling securityholder nor any of its affiliates has held any position or office with, been employed by or otherwise has had any material relationship with us or our affiliates during the three years before the date of this prospectus.

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**DESCRIPTION OF NOTES**

We issued the notes under an indenture between us and The Bank of New York, as trustee. Copies of the indenture and the registration rights agreement referred to below are included as exhibits to the registration statement of which this prospectus forms a part and are available as set forth above on page 1 under the heading **Where You Can Find More Information**. The following is a summary of certain provisions of the indenture and the registration rights agreement and does not purport to be complete. Reference should be made to all provisions of the indenture and the registration rights agreement, including the definitions of certain terms contained therein. As used in this section, the terms **we**, **us** and **our** refer to American Tower Corporation, but not any of our subsidiaries, unless the context requires otherwise.

**General**

The notes are our unsecured general obligations. The notes are limited to a principal amount of \$210,000,000. The notes will mature on August 1, 2010.

The notes accrue interest at a rate of 3.25% per annum from August 4, 2003, or from the most recent interest payment date to which interest has been paid or duly provided for, and accrued and unpaid interest will be payable semi-annually in arrears on February 1 and August 1 of each year, which we refer to as interest payment dates, beginning February 1, 2004. Interest will be paid to the person in whose name a note is registered at the close of business on the January 15 or July 15, which we refer to as the record dates, immediately preceding the relevant interest payment date. Each payment of interest on the notes will include interest accrued through the day before the applicable interest payment date (or purchase or redemption, as the case may be). Any payment required to be made on any day that is not a business day will be made on the next succeeding business day as if made on the date that the payment was due and no interest will accrue on that payment for the period from the original payment date to the date of that payment on the next succeeding business day. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Payments on the notes will be made in U.S. dollars at the office of the trustee. At our option, however, we may make payments by check mailed to the holder's registered address or, with respect to global notes, by wire transfer. You may present the notes for conversion, registration of transfer and exchange, without service charge, at the office of our paying agent, initially the trustee, in New York, New York and at the corporate trust office of the trustee in New York, New York.

**Ranking**

The notes rank equally with our senior unsecured indebtedness. As of September 30, 2003, giving effect to subsequent repurchases of our 2.25% convertible notes and 5.0% convertible notes, our senior unsecured indebtedness included \$772.1 million accreted amount of convertible notes due in 2009 and 2010 and \$1.0 billion principal amount of our 9<sup>3</sup>/<sub>8</sub>% senior notes due 2009. Our subsidiaries do not guarantee the notes. The notes effectively rank junior to all indebtedness of our subsidiaries. This indebtedness includes the borrowings of our principal operating subsidiaries under the credit facilities and the 12.25% senior subordinated discount notes and 7.25% senior subordinated notes, all of which are guaranteed by us and substantially all of our subsidiaries. Additionally, the credit facilities are secured by our assets and the assets of substantially all of our subsidiaries. As of September 30, 2003, after giving effect to the sale of 7.25% senior subordinated notes in November 2003 and the use of proceeds to repay \$389.3 million of indebtedness under the credit facilities and the related permanent reduction of revolving loan commitments, the following amounts of subsidiary debt would be outstanding: \$742.8 million under the credit facilities, \$408.2 million of 12.25% senior subordinated discount notes (net of the unamortized allocated fair value of the warrants of \$46.5 million) \$400.0 million of 7.25% senior subordinated notes and \$62.6 million of other long-term subsidiary debt, and \$237.8 million of unused commitments would remain under

the credit facilities.

**Conversion**

You are entitled to convert your notes, in denominations of \$1,000 principal amount or multiples thereof, into our Class A common stock at any time before the close of business on the last trading day prior to



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the maturity date of the notes, subject to prior redemption or repurchase of the notes. Each \$1,000 principal amount of notes may be converted into our Class A common stock at the conversion rate of 81.8080 shares per note, which is equal to an initial conversion price of approximately \$12.22 per share. The conversion rate may be adjusted for certain events as described under Conversion Rate Adjustments, but it will not be adjusted for accrued interest.

Upon conversion, you will not be entitled to any payment or adjustment on account of accrued and unpaid interest on the notes. Our delivery to you of the fixed number of shares of Class A common stock into which the notes are convertible, together with cash in lieu of any fractional share, will be deemed to satisfy our obligation to pay principal and accrued interest on the notes to the date of conversion. Accrued interest is deemed to be paid in full rather than canceled, extinguished or forfeited.

If the notes are converted during the period after any interest record date and prior to the corresponding interest payment date, you will receive the interest payable on those notes on the corresponding interest payment date notwithstanding the conversion (unless they have been called for redemption on a redemption date within the period from the close of business on any regular record date to the opening of business on the next interest payment date) and upon surrender of the notes for conversion you must pay funds equal to the semi-annual cash interest payable on the principal amount to be converted. You may not convert notes called for redemption after the close of business on the business day preceding the date fixed for redemption, unless we default in payment of the redemption price. We will not issue fractional shares of Class A common stock upon conversion. Rather, we will pay the converting holder cash equal to the fair market value of the fractional interest, unless cash payment is prohibited by our indebtedness. In that case, we will issue fractional shares.

If you wish to exercise your conversion right, you must deliver an irrevocable conversion notice, together, if the notes are in certificated form, with the certificated security (the date of such delivery of notice, the conversion date), to the conversion agent who will, on your behalf, convert the notes into shares of our Class A common stock. You may obtain copies of the required form of the conversion notice from the conversion agent. The Bank of New York will act as the initial conversion agent.

## **Conversion Rate Adjustments**

The initial conversion rate into shares of our Class A common stock is subject to adjustment upon the following events:

- (1) the issuance of shares of Class A common stock as a dividend or distribution on shares of Class A common stock. In such cases the conversion rate shall be increased by multiplying:

the conversion rate by

a fraction, the numerator of which will be the sum of the number of shares of Class A common stock outstanding immediately prior to distribution plus the number of shares constituting such distribution, and the denominator of which will be the number of shares of Class A common stock outstanding immediately prior to the distribution;

- (2) subdivisions, combinations and reclassifications of the shares of Class A common stock. In cases of subdivisions and combinations, the conversion rate will be appropriately adjusted to reflect the greater or lesser number of shares of Class A common stock outstanding after any such subdivision or combination. In case of a reclassification, the conversion rate will be adjusted so that upon conversion, a holder of notes will receive the securities it would have owned or have been entitled to receive had such notes been

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converted immediately prior to the reclassification;

- (3) the issuance to all holders of shares of Class A common stock of options, rights or warrants to subscribe for or purchase shares of Class A common stock (or securities convertible into shares of Class A common stock) for a period of not more than 45 days to subscribe for or purchase shares of Class A common stock at a price per share (or a conversion price per share) less than the current market price per share, provided, however, that the conversion rate will be readjusted to the extent that

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such subscription, purchase or conversion rights are not exercised on or prior to the expiration date thereof. In such cases, the conversion rate will be increased by multiplying:

the conversion rate by

a fraction, the numerator of which shall be the number of shares of Class A common stock outstanding plus the number of shares so offered for subscription or purchase and the denominator shall be the number of shares outstanding plus the number of shares of Class A common stock which the aggregate of the offering price of the total number of shares of Class A common stock so offered for subscription or purchase would purchase at the current market price per share.

- (4) a payment by us or one of our subsidiaries in respect of a repurchase (including by way of a tender offer or exchange offer) of shares of our Class A common stock to the extent that the cash and value of any other consideration included in the payment per share of Class A common stock exceeds the current market price per share (as defined below) of our Class A common stock on the trading day next succeeding the date of such repurchase (or the last date on which tenders or exchanges may be made pursuant to a tender or exchange offer). In such cases, the conversion rate will be increased by multiplying:

the conversion rate by

a fraction, the numerator of which will be the sum of (x) the fair market value, as determined by our board of directors, of the aggregate consideration payable for all shares of our Class A common stock we purchase in such repurchases and (y) the product of the number of shares of our Class A common stock outstanding less any such purchased shares and the current market price per share of our Class A common stock on the trading day next succeeding the date of the repurchases (or the last date on which tenders or exchanges may be made pursuant to a tender or exchange offer) and the denominator of which will be the product of the number of shares of our Class A common stock outstanding, including any such purchased shares, and the current market price per share of our Class A common stock on the trading day next succeeding the date of the repurchases (or the last date on which tenders or exchanges may be made pursuant to a tender or exchange offer);

- (5) the distribution to all holders of shares of Class A common stock of shares of our capital stock, evidences of our indebtedness, securities, cash or other assets, including options, rights or warrants to purchase our securities, excluding from the foregoing distributions of shares of Class A common stock referred to in (1) above, options, rights and warrants (or convertible securities) referred to in (3) above, dividends and distributions paid exclusively in cash covered by (6) below and cash distributions upon a consolidation or merger to which the last paragraph of this section Conversion Rate Adjustments applies. In such cases, the conversion rate will be increased by multiplying:

the conversion rate by

a fraction, the numerator of which is the current market price per share of our Class A common stock and the denominator of which is the current market price per share of our Class A common stock minus the fair market value, as determined by our board of directors, of the indebtedness, securities, cash or other assets so distributed that is applicable to one share of Class A common stock; and

- (6) the distribution by us of cash to all holders of Class A common stock, excluding any cash portion of distributions referred to in (5) above, or cash distributions upon a merger or consolidation to which the last paragraph of this section Conversion Rate Adjustments applies. In such cases, the conversion rate will be increased by multiplying:

the conversion rate by

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a fraction, the numerator of which will be the current market price per share of our Class A common stock and the denominator of which will be the current market price per share of our Class A common stock minus the amount per share of such dividend or distribution.

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For the purpose of any computation under (3), (5) or (6) above, the current market price per share of our Class A common stock means the average of the closing sale price per share of our Class A common stock for the 20 consecutive trading days ending the day before the ex date with respect to the issuance or distribution requiring such computation. For purposes of any computation under (4) above, the current market price per share of our Class A common stock means the average of the closing sale price per share of our Class A common stock for the 20 consecutive trading days commencing the trading day next succeeding the date of such repurchase (or the last date on which tenders or exchanges may be made pursuant to a tender offer or exchange offer). The ex date means the first date on which the Class A common stock trades in the applicable securities exchange without the right to receive such issuance or distribution. The closing sale price of our Class A common stock means the closing per share sale price (or if no closing per share sales price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask price) on that date as reported on the NYSE or, if our Class A common stock is not then listed on the NYSE, then on such national or regional exchange or market on which the Class A common stock is then listed or quoted.

If we distribute capital stock of, or similar equity interests in, a subsidiary or other business unit of ours, the conversion rate will be adjusted based on the market value of the securities so distributed relative to the market value of shares of our Class A common stock, in each case based on the average closing sales prices of those securities for the 20 trading days commencing on and including the fifth trading day after the date on which ex-dividend trading commences for such distribution on the NYSE, the Nasdaq National Market or such other national or regional exchange or market on which the securities are then listed or quoted.

To the extent permitted by law, we may increase the conversion rate by any amount for any period of at least 20 days if our board of directors determines that the increase would be in our best interests. Any such determination by our board will be conclusive. We may also increase the conversion rate as our board of directors deems advisable to avoid or diminish any income tax to holders of Class A common stock resulting from any dividend or distribution of stock, or rights to acquire stock, or from any event so treated for income tax purposes.

If an increase in the conversion rate is made with respect to a distribution of cash or other property (but generally not stock dividends or rights to subscribe for shares of Class A common stock) to our stockholders, such increase will result in a deemed distribution to U.S. Holders of the notes for U.S. federal income tax purposes. See Material United States Federal Income Tax Consequences for a discussion of this issue.

We will not be required to make an adjustment in the conversion rate unless the adjustment would require a change of at least 1% in the conversion rate. However, we will carry forward any adjustments that are less than 1% of the conversion rate.

If a reorganization event occurs, you will have the right to convert the notes only into the kind and amount of the securities, cash or other property you would have received had you converted your notes immediately prior to the reorganization event. We use the term reorganization event to mean:

any recapitalization of shares of Class A common stock, other than changes involving par value, or as a result of a subdivision or combination of the Class A common stock;

any consolidation or merger involving our company, other than one that does not result in a reclassification, conversion, exchange or cancellation of Class A common stock;

any sale or transfer of all or substantially all of our assets; or

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any compulsory share exchange pursuant to which holders of Class A common stock will be entitled to receive other securities, cash or other property.

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**Optional Redemption of the Notes**

Prior to August 6, 2008, we cannot redeem the notes at our option. Beginning on August 6, 2008, we may redeem the notes, in whole at any time, or in part from time to time, for cash at the following redemption prices, expressed as a percentage of the principal amount. We are required to pay accrued and unpaid interest up to but not including the date of redemption. We will give not less than 20 days nor more than 60 days notice of redemption by mail to holders of the notes. If we opt to redeem less than all of the notes at any time, the trustee will select or cause to be selected the notes to be redeemed in principal amounts of \$1,000 or integral multiples thereof. The trustee may select the notes by lot, pro rata or by any other method the trustee considers fair and appropriate.

<b>Twelve Months (or shorter period) commencing</b>	<b>Redemption Price</b>
August 6, 2008	100.929%
August 1, 2009	100.464%
August 1, 2010	100.000%

**Fundamental Change**

Upon the occurrence of a fundamental change, you will have the right to require us to repurchase in cash all of your notes not previously called for redemption, or any portion of the principal amount thereof, that is equal to \$1,000 or an integral multiple of \$1,000. The price we are required to pay is equal to 100% of the principal amount of the notes plus accrued and unpaid interest up to, but not including, the repurchase date.

Within 15 days after the occurrence of a fundamental change, we are obligated to give you notice of the fundamental change and of the repurchase right arising as a result of the fundamental change. We must also deliver a copy of this notice to the trustee. To exercise the repurchase right, you must deliver before the 45th day after the date of our notice irrevocable written notice to the trustee of your exercise of its repurchase right, together with the notes with respect to which the right is being exercised. We are required to repurchase the notes on the date that is 45 days after the date of our notice.

A fundamental change will be deemed to have occurred upon a change in control or a termination of trading.

A change in control will be deemed to have occurred at the time after the notes are originally issued that any of the following occurs:

- (1) any person, including any syndicate or group deemed to be a person under Section 13(d)(3) of the Exchange Act, acquires beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of transactions, of shares of our capital stock entitling the person to exercise 50% or more (or 75% or more in the case of an acquisition by the principal or a related party of the principal) of the total voting power of all shares of our capital stock entitled to vote generally in elections of directors, other than an acquisition by us, any of our subsidiaries or any of our employee benefit plans;

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- (2) consummation of any merger, consolidation or amalgamation by us with or into any other person (other than one or more of our subsidiaries), or of another person into us, or the conveyance, sale, transfer or lease by us of all or substantially all of our assets to another person, other than any transaction:

that does not result in a reclassification, conversion, exchange or cancellation of outstanding shares of Class A common stock,

pursuant to which the holders of shares of our Class A common stock (including within this group all related parties) immediately prior to the transaction have the entitlement to exercise, directly or indirectly, 50% or more of the total voting power of all shares of capital stock entitled to vote generally in the election of directors of the continuing or surviving corporation immediately after



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the transaction, provided, for the avoidance of doubt, nothing under this bullet point should affect the applicability of clause (1) above, or

which is effected solely to change our jurisdiction of incorporation and results in a reclassification, conversion or exchange of outstanding shares of our Class A common stock solely into shares of common stock of the surviving entity; or

- (3) any time our continuing directors do not constitute a majority of our board of directors (or, if applicable, a successor corporation to us).

However, a change in control will not be deemed to have occurred if either:

- (A) the closing sale price per share of our Class A common stock for any five trading days within the period of 10 consecutive trading days ending immediately after the later of the change in control or the public announcement of the change in control, in the case of a change in control relating to an acquisition of capital stock, or the period of 10 consecutive trading days ending immediately before the change in control, in the case of change in control relating to a merger, consolidation or asset sale, equals or exceeds 105% of the conversion price of the notes in effect on each of those trading days, or
- (B) at least 90% of the consideration in a merger or consolidation otherwise constituting a change in control under clause (1) and/or clause (2) above consists of shares of common stock traded on a national securities exchange or quoted on the Nasdaq National Market (or will be so traded or quoted immediately following the merger or consolidation) and as a result of the merger or consolidation the notes become convertible into such shares of common stock.

For purposes of these provisions:

principal means Steven B. Dodge,

related party with respect to the principal means:

- (1) any person that is a subsidiary of the principal; or
- (2) any corporation, trust, partnership, limited liability company or other entity controlled, directly or indirectly, by the principal or a person referred to in the immediately preceding clause (1). For the purposes of this clause (2), the principal and one or more of such persons shall be deemed to control one of the entities referred to above only if they collectively hold in excess of 50% of the outstanding equity, beneficial, partnership, membership or other interests in such entity,

the conversion price is equal to \$1,000 divided by the conversion rate,

whether a person is a beneficial owner will be determined in accordance with Rule 13d-3 under the Exchange Act, and

person includes any syndicate or group that would be deemed to be a person under Section 13(d)(3) of the Exchange Act.

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Rule 13e-4 under the Exchange Act requires the dissemination of prescribed information to security holders in the event of an issuer tender offer and may apply in the event that the repurchase option becomes available to the holders of notes. We will comply with this rule to the extent it applies at that time.

The definition of change in control includes a phrase relating to the conveyance, transfer, sale, lease or disposition of all or substantially all of our and our subsidiaries' assets. There is no precise, established definition of the phrase substantially all under applicable law. Accordingly, the ability of a holder of notes to require us to repurchase its notes as a result of the conveyance, transfer, sale, lease or other disposition of less than all of our and our subsidiaries' assets may be uncertain.

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Continuing directors means, as of any date of determination, any member of our board of directors who (i) was a member of our board of directors on the date of the indenture or (ii) was nominated for election or elected to our board of directors with the approval of a majority of the continuing directors who were members of our board of directors at the time of such nomination or election.

A termination of trading will be deemed to have occurred if shares of our Class A common stock (or other common stock into which the notes are then convertible) is neither listed for trading on the NYSE nor approved for trading or quoted on the Nasdaq National Market or any other U.S. securities exchange or another established over-the-counter trading market in the United States.

The foregoing provisions would not necessarily provide the holders of notes with protection if we are involved in a highly leveraged or other transaction that may adversely affect the holders.

If a fundamental change were to occur, we may not have sufficient funds to pay the fundamental change repurchase price. Further, we will need to obtain lender approval under the existing credit facilities in order to make any fundamental change repurchase and any future credit agreements or other agreements relating to our indebtedness could contain provisions prohibiting repurchase of the notes under certain circumstances or could provide that a fundamental change repurchase constitutes an event of default under that agreement. If any agreement governing our indebtedness prohibits or otherwise restricts us from repurchasing the notes at a time when we become obligated to do so, we could seek the consent of the lenders to repurchase the notes or to refinance this debt. If we fail to repurchase the notes when required following a fundamental change, we will be in default under the indenture, which would constitute a default under the existing credit facilities and might constitute a default under the terms of our other indebtedness. See Risk Factors We may be unable to repay the notes when due or repurchase the notes when we are required to do so.

## **Consolidation, Merger and Sales of Assets**

We may not (1) consolidate with or merge into any other person or sell, convey, lease or transfer our properties and assets substantially as an entirety to any other person in any one transaction or series of related transactions, or (2) permit any person to consolidate with or merge into us, unless:

if we are not the surviving person, the surviving person formed by such consolidation or into which we are merged or the person to which our properties and assets are so transferred shall be a corporation organized and existing under the laws of the United States of America, any state thereof or the District of Columbia, and shall execute and deliver to the trustee a supplemental indenture expressly assuming the payment when due of the principal of and interest on the notes and the performance of each of our other covenants under the indenture, and

in either case, immediately after giving effect to such transaction, no default or event of default shall have occurred and be continuing.

## **Events of Default and Remedies**

An event of default is defined in the indenture as being any of the following:

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our default in payment of the principal amount at maturity, optional redemption price or any fundamental change repurchase price when due, upon maturity, acceleration, redemption or otherwise, on any of the notes;

our default for 30 days in payment of any installment of interest, including liquidated damages, if any, on the notes;

our default for 60 days after notice in the observance or performance of any other covenants in the indenture;

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certain events involving bankruptcy, insolvency or reorganization of us or any of our significant subsidiaries;

our failure to give notice of the right to require us to purchase notes following the occurrence of a fundamental change within the time required to give such notice;

the default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness for money borrowed by us or any of our significant subsidiaries (or the payment of which is guaranteed by us or any of our significant subsidiaries) whether such indebtedness or guarantee now exists, or is created after the date of the indenture, if that default:

is caused by a failure to pay principal of, or interest or premium, if any, on such indebtedness prior to the expiration of the grace period provided in such indebtedness on the date of such default, which we refer to as a **payment default** ; or

results in the acceleration of such indebtedness prior to its express maturity;

and, in each case, if the principal amount of any such indebtedness, together with the principal amount of any other such indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates \$25.0 million or more; and

our failure or the failure of any of our significant subsidiaries to pay final judgments aggregating in excess of \$25.0 million, which judgments are not paid, discharged or stayed for a period of 60 days.

The indenture will provide that if any event of default exists, the trustee or the holders of not less than 25% in principal amount of the notes then outstanding may declare the principal amount of, and any accrued and unpaid interest, including liquidated damages, if any, on all notes to be due and payable immediately. Notwithstanding the foregoing, in the case of an event of default arising from certain events of bankruptcy or insolvency involving us or any of our significant subsidiaries, all outstanding notes will become due and payable without further action or notice. However, if we cure all defaults, except the nonpayment of principal and interest with respect to any notes that become due by acceleration, and certain other conditions are met, the holders of a majority in principal amount of the notes then outstanding may rescind that acceleration. Holders may similarly waive past defaults.

The holders of a majority in principal amount of the notes then outstanding have the right to direct the time, method and place of conducting any proceedings for any remedy available to the trustee, subject to certain limitations specified in the indenture.

The indenture will provide that while the trustee shall give notice to the holders of notes of any default, the trustee may withhold notice of any default or event of default (except in payment on the notes) if the trustee in good faith considers it in the interest of the note holders to refrain from giving notice.

## **Modification of the Indenture**

The indenture contains provisions permitting us and the trustee, with the consent of the holders of not less than a majority in principal amount of the notes at the time outstanding, to modify the indenture and the rights of the note holders. However, without the consent of each note holder so

affected, we cannot make any modification that will:

change the final maturity of any notes;

reduce the rate or extend the time for payment of interest;

reduce the principal amount or any premium;

change the provisions for liquidated damages, for redemption or for repurchase upon a fundamental change, in each case in a manner adverse to the holders;

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impair or affect the right of a holder to institute suit for the payment of principal, interest or any premium;

change the currency in which the notes are payable;

impair the right to convert the notes into shares of Class A common stock; or

reduce the percentage of notes, the consent of the holders of which is required for any modification.

We may, without the consent of any holder of notes, amend or supplement the indenture or the notes to:

cure any ambiguity, defect or inconsistency or make any other changes in the provisions of the indenture which we and the trustee may deem necessary or desirable, provided such amendment does not materially and adversely affect the notes;

provide for uncertificated notes in addition to or in place of certificated notes;

provide for the assumption of our obligations to holders of notes in the circumstances required under the indenture as described under Consolidation, Merger and Sales of Assets ;

provide for conversion rights of holders of notes in certain events such as our consolidation or merger or the sale of all or substantially all of our assets;

increase the conversion rate;

evidence and provide for the acceptance of the appointment under the indenture of a successor trustee;

make any change that would provide any additional rights or benefits to the holders of notes or that does not adversely affect the legal rights under the indenture of any such holder; or

comply with requirements of the SEC in order to effect or maintain the qualification of the indenture under the Trust Indenture Act of 1939, as amended.

**Registration Rights**

On August 4, 2003, we entered into a registration rights agreement with the initial purchasers of the notes for the benefit of the holders of the notes. That agreement obligates us, at our sole expense, as follows:

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to use our reasonable best efforts to file a shelf registration statement as soon as practicable, but in no event more than 90 days after the issuance of the notes, covering resales of the notes and the shares of Class A common stock issuable upon their conversion. We refer to those securities collectively as the registrable securities;

to use our reasonable best efforts to cause the shelf registration statement to be declared effective under the Securities Act within 180 days after the issuance of the notes; and

to use our reasonable best efforts to keep the shelf registration statement effective and usable for two years or any shorter period required under Rule 144(k) of the Securities Act.

We are permitted to suspend the use of the shelf registration statement during certain black-out periods if we determine in good faith that it is in our best interest and if we provide the registered holders with written notice of the suspension. The period may not exceed 30 days in any three-month period and may not exceed 90 days in the aggregate in any 12-month period. We are also not required to maintain the shelf registration statement if prior to the end of that two-year period or other shorter Rule 144(k) period all the registrable securities have been sold under the shelf registration statement, transferred under Rule 144 under the Securities Act or otherwise transferred in a way that eliminates their Securities Act transfer restrictions for future resales by non-affiliates.

We are obligated to:

provide each holder of registrable securities with copies of this prospectus,

notify each holder when the registration statement has become effective, and



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take certain other actions as are required to permit unrestricted resales of the registrable securities.

If you sell registrable securities pursuant to the registration statement, you:

will usually be required to be named as a selling security holder in this prospectus and to deliver this prospectus to purchasers,

will be subject to certain of the civil liability provisions under the Securities Act in connection with your sales, and

will be bound by the applicable provisions of the registration rights agreement, including certain indemnification rights and obligations.

If a registration default occurs, the interest rate will be increased 0.50% per annum, subject to certain exceptions. Following the cure of a registration default, the interest rate will become the rate in effect immediately prior to the registration default. We use the term registration default to mean if:

we fail to timely file the shelf registration statement with the SEC within 90 days of closing,

the SEC has not declared the shelf registration statement effective within 180 days of closing, or

we fail to keep the shelf registration statement that has been declared effective continuously effective and usable, subject to certain exceptions, for the period required.

Each registrable security contains a legend to the effect that the holder is deemed to have agreed to be bound by the provisions of the registration rights agreement.

We will mail a notice and questionnaire to the holders of registrable securities not less than 30 calendar days prior to the time we intend in good faith to have the shelf registration statement declared effective. Holders are required to complete and deliver the signed notice and questionnaire at least five business days prior to the effective date of the shelf registration statement to be named as selling security holders in the prospectus at the time of effectiveness. Holders of registrable securities will, however, have at least 20 calendar days from the date on which the notice and questionnaire is first mailed to them to return a completed and signed notice and questionnaire.

No holder of registrable securities will be entitled to be named as a selling security holder in the shelf registration statement at the time of the effectiveness of the registration statement, and no holder of registrable securities will be entitled to use the prospectus forming a part of the shelf registration statement for offers and resales of registrable securities at any time, unless such holder has returned a completed and signed notice and questionnaire to us.

Beneficial owners of registrable securities who have not returned a notice and questionnaire by the deadline described above may receive another notice and questionnaire from us upon request. Following our receipt of a completed and signed notice and questionnaire, we will

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include the registrable securities covered thereby in the shelf registration statement, subject to restrictions on the timing provided in the registration rights agreement.

The summary of certain provisions of the registration rights agreement does not purport to be complete. It is subject to, and is qualified in its entirety by reference to, all the provisions of the registration rights agreement. A copy of the registration rights agreement is included as an exhibit to the registration statement of which this prospectus forms a part is available as set forth above on page 1 under the heading **Where You Can Find More Information**.

### **Concerning the Trustee**

The Bank of New York is the trustee, registrar conversion agent and paying agent and is a lender under the credit facilities and may provide other commercial banking services to us in the future.

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### **Governing Law**

The indenture and the notes will be governed by, and construed in accordance with, the laws of the State of New York.

### **Form, Exchange, Registration and Transfer**

We issued the notes in registered form, without interest coupons. We will not charge a service charge for any registration of transfer or exchange of the notes. We may, however, require the payment of any tax or other governmental charge payable for that registration.

Notes are exchangeable for other notes, for the same principal amount and for the same terms but in different authorized denominations in accordance with the indenture. You may present notes for registration of transfer at the office of the security registrar or any transfer agent we designate. The security registrar or transfer agent will effect the transfer or exchange when it is satisfied with the documents of title and identity of the person making the request.

We have appointed the trustee as security registrar for the notes. We may at any time rescind that designation or approve a change in the location through which any registrar acts. We are required to maintain an office or agency for transfers and exchanges in each place of payment. We may at any time designate additional registrars for the notes.

In the case of any redemption, the security registrar will not be required to register the transfer or exchange of any notes either:

during a period beginning 15 business days prior to the mailing of the relevant notice of redemption and ending on the close of business on the day of mailing of the notice, or

if the notes have been called for redemption in whole or in part, except the unredeemed portion of any notes being redeemed in part.

### **Payment and Paying Agents**

Payments on the notes will be made in U.S. dollars at the office of the trustee. At our option, however, we may make payments by check mailed to the holder's registered address or, with respect to global notes, by wire transfer. We will make any required interest payments to the person in whose name a note is registered at the close of business on the record date for the interest payment.

We have designated the trustee as our paying agent for payments on the notes. We may at any time designate additional paying agents or rescind the designation of any paying agent or approve a change in the office through which any paying agent acts.

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Subject to the requirements of any applicable abandoned property laws, the trustee and paying agent shall pay to us upon written request any money held by them for payments on the notes that remain unclaimed for two years after the date upon which that payment has become due. After payment to us, holders entitled to the money must look to us for payment. In that case, all liability of the trustee or paying agent with respect to that money will cease.

### **Notices**

Except as otherwise described herein, notice to registered holders of the notes will be given by mail to the addresses as they appear in the security register. Notices will be deemed to have been given on the date of such mailing.

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### **Replacement of Notes**

We will replace any notes that become mutilated, destroyed, stolen or lost at the expense of the holder upon delivery to the trustee of the mutilated notes or evidence of the loss, theft or destruction satisfactory to us and the trustee. In the case of lost, stolen or destroyed notes, indemnity satisfactory to the trustee and us may be required at the expense of the holder of the notes before replacement notes will be issued.

### **Book-Entry System**

The notes are evidenced by one or more permanent global notes in definitive, fully-registered form without interest coupons. The global notes have been deposited with the trustee as custodian for DTC and registered in the name of a nominee of DTC in New York, New York for the accounts of participants in DTC.

Investors may hold their interests in the global notes directly through DTC if they are DTC participants, or indirectly through organizations that are DTC participants.

Except in the limited circumstances described below, holders of notes represented by interests in the global notes will not be entitled to receive notes in definitive form.

DTC has advised us as follows: DTC is a limited purpose trust company organized under the laws of the State of New York Uniform Commercial Code and a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities of institutions that have accounts with DTC (which we refer to as participants) and to facilitate the clearance and settlement of securities transactions among its participants in such securities through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. DTC's participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Access to DTC's book-entry system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, whether directly or indirectly.

DTC will credit, on its book-entry registration and transfer system, the respective principal amount of the individual beneficial interests represented by the global notes to the accounts of participants. The accounts to be credited shall be designated by the purchasers of such beneficial interests. Ownership of beneficial interests in the global notes will be limited to participants or persons that may hold interests through participants. Ownership of beneficial interests in the global notes will be shown on, and the transfer of those ownership interests will be effected only through, records maintained by DTC (with respect to participants' interests) and such participants (with respect to the owners of beneficial interests in the global notes other than participants).

Except as set forth below, owners of beneficial interests in the global notes will not be entitled to receive notes in definitive form and will not be considered to be the owners or holders of any notes under the global notes. We understand that under existing industry practice, in the event an owner of a beneficial interest in the global notes desires to take any actions that DTC, as the holder of the global notes, is entitled to take, DTC would authorize the participants to take such action, and that participants would authorize beneficial owners owning through such participants to take such action or would otherwise act upon the instructions of beneficial owners owning through them. No beneficial owner of an interest in the global notes will be able to transfer the interest except in accordance with DTC's applicable procedures, in addition to those provided for

under the indenture.

Payments of the principal of, premium, if any, and interest and liquidated damages, if any, on the notes represented by the global notes registered in the name of and held by DTC or its nominee will be made to DTC or its nominee, as the case may be, as the registered owner and holder of the global notes.

We expect that DTC or its nominee, upon receipt of any payment of principal or interest in respect of the global notes, will credit participants accounts with payments in amounts proportionate to their respective

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beneficial interests in the principal amount of the global notes as shown on the records of DTC or its nominee. We also expect that payments by participants to owners of beneficial interests in the global notes held through such participants will be governed by standing instructions and customary practices as is now the case with securities held for accounts of customers registered in the names of nominees for such customers. Such payments, however, will be the responsibility of such participants and indirect participants, and neither we, the trustee nor any paying agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the global notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests or for any other aspect of the relationship between DTC and its participants or the relationship between such participants and the owners of beneficial interests in the global notes.

Unless and until it is exchanged in whole or in part for notes in definitive form, the global notes may not be transferred except as a whole by DTC to a nominee of DTC or by a nominee of DTC to DTC or another nominee of DTC.

Transfers between participants in DTC will be effected in the ordinary way in accordance with DTC rules and will be settled in same-day funds.

DTC may grant proxies and otherwise authorize any person, including agent members and persons that may hold interests through agent members, to take any action that a holder is entitled to take. We expect that DTC will take any action permitted to be taken by a holder of notes (including the presentation of notes for exchange as described below) only at the direction of one or more participants to whose account the DTC interests in the global notes is credited and only in respect of such portion of the aggregate principal amount of the notes as to which such participant or participants has or have given such direction. However, if there is an event of default under the notes, the global notes may be exchanged for notes in definitive form.

Although we expect that DTC will agree to the foregoing procedures in order to facilitate transfers of interests in the global notes among participants of DTC, DTC is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither we nor the trustee will have any responsibility for the performance by DTC or their participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

If DTC is at any time unwilling to continue as a depository for the global notes and a successor depository is not appointed by us within 90 days, or under other circumstances described in the indenture, we will issue notes in fully registered, definitive form in exchange for the global notes.

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**DESCRIPTION OF CAPITAL STOCK**

The description below summarizes the more important terms of American Tower Corporation's capital stock. Because this section is a summary, it does not describe every aspect of our capital stock. This summary is subject to and qualified in its entirety by reference to the provisions of our restated certificate of incorporation, as amended, which we refer to as our charter.

**General**

Our authorized capital stock consists of 20,000,000 shares of preferred stock, \$.01 par value per share, 500,000,000 shares of Class A common stock, \$.01 par value per share, 50,000,000 shares of Class B common stock, \$.01 par value per share, and 10,000,000 shares of Class C common stock, \$.01 par value per share.

**Preferred Stock**

Our board of directors will determine the designations, preferences, limitations and relative rights of the 20,000,000 authorized and unissued shares of preferred stock. These include:

the distinctive designation of each series and the number of shares that will constitute the series;

the voting rights, if any, of shares of the series;

whether shares of the series will be entitled to receive dividends and, if so, the dividend rate on the shares of the series, any restriction, limitation or condition upon the payment of the dividends, whether dividends will be cumulative, and the dates on which dividends are payable;

the prices at which, and the terms and conditions on which, the shares of the series may be redeemed, if the shares are redeemable;

the purchase or sinking fund provisions, if any, for the purchase or redemption of shares of the series;

any preferential amount payable upon shares of the series upon our liquidation or the distribution of our assets;

the price or rates of conversion at which, and the terms and conditions on which the shares of the series may be converted into other securities, if the shares are convertible; and

whether the series can be exchanged, at our option, into debt securities, and the terms and conditions of any permitted exchange.



The issuance of preferred stock, or the issuance of rights to purchase preferred stock, could discourage an unsolicited acquisition proposal. In addition, the rights of holders of common stock will be subject to, and may be adversely affected by, the rights of holders of any preferred stock that we may issue in the future.

### **Common Stock**

*Dividends.* Holders of record of shares of common stock on the record date fixed by our board of directors are entitled to receive dividends as declared by our board of directors out of funds legally available for the purpose. No dividends may be declared or paid in cash or property on any share of any class of common stock, however, unless simultaneously the same dividend is declared or paid on each share of the other classes of common stock. Dividends in the form of shares of stock of any company, including our company or any of our subsidiaries, are excepted from that requirement. Therefore, in the case of stock dividends, the shares paid as the dividend may differ as to voting rights to the extent that voting rights now differ among the different classes of common stock. In the case of any dividend payable in shares of common stock, holders of each class of common stock are entitled to receive the same percentage dividend, payable in shares of that class, as the holders of each other class. Dividends and other distributions on common stock are also subject to the rights of holders of any series of preferred stock or debt that may be outstanding from time to time.

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*Voting Rights.* Holders of shares of Class A common stock and Class B common stock have the exclusive voting rights and will vote as a single class on all matters submitted to a vote of the stockholders. The foregoing is subject to the requirements of Delaware corporate law, special provisions in our charter governing election of directors, certain Class A common stock class voting rights and the rights of holders of any series of preferred stock that may be outstanding from time to time. Each share of Class A common stock is entitled to one vote and each share of Class B common stock is entitled to ten votes. The holders of the Class A common stock, voting as a separate class, have the right to elect two directors. The holders of the Class A common stock and Class B common stock, voting together as a single class, have the right to elect the other directors. The Class C common stock is nonvoting except as otherwise required by Delaware corporate law.

Delaware corporate law requires the affirmative vote of the holders of a majority of the outstanding shares of any class or series of common stock to approve, among other things, an adverse change in the powers, preferences or special rights of the shares of that class or series. Our charter requires the affirmative vote of the holders of not less than 66<sup>2</sup>/<sub>3</sub>% of the Class A common stock and Class B common stock, voting as a single class, to amend most of the provisions of the charter, including those relating to the provisions of the various classes of common stock, an increase or decrease in the number of authorized shares of Class A common stock, Class B common stock or Class C common stock, indemnification of directors, exoneration of directors for certain acts and the super-majority provision.

The provisions of our charter:

prohibit the acquisition by Steven B. Dodge and his controlled entities of more than 49.99% of the aggregate voting power of all shares of capital stock entitled to vote generally for the election of directors, less the voting power represented at the date of determination by the shares of Class B common stock acquired by Thomas H. Stoner, a former director, and purchasers affiliated with him in the January 1998 private offering and owned by them or certain affiliates;

prohibit future issuances of Class B common stock, except upon exercise of then outstanding options and pursuant to stock dividends or stock splits;

limit transfers of Class B common stock to permitted transferees;

provide for automatic conversion of the Class B common stock to Class A common stock if the aggregate voting power of Mr. Dodge, Mr. Stoner and their respective controlled entities falls below 21.3% of the aggregate voting power of all shares of capital stock; and

require the holders of a majority of Class A common stock to approve adverse amendments to the powers, preferences or special rights of the Class A common stock.

Mr. Dodge, together with his affiliates, owned approximately 27.5% of our total voting power as of December 15, 2003, which includes shares of common stock of American Tower Corporation that Mr. Dodge had the right to acquire within sixty days of December 15, 2003 through the exercise of an option, conversion feature or similar right.

*Conversion Provisions.* Shares of Class B common stock and Class C common stock are convertible, at any time at the option of the holder, on a share for share basis into shares of Class A common stock. The present owner of Class C common stock can convert that stock only upon the occurrence of various events specified in our charter in which such conversion is permissible or with the consent of our board of directors. Shares of Class B common stock automatically convert into shares of Class A common stock upon any sale, transfer, assignment or other disposition other than (a) to permitted transferees, or (b) pursuant to pledges but not to the pledgee upon foreclosure. Permitted transferees include certain family members and other holders of Class B common stock.

*Liquidation Rights.* Upon our liquidation, dissolution or winding up the holders of each class of common stock are entitled to share ratably in all assets available for distribution after payment in full of creditors and payment in full to holders of preferred stock then outstanding of any amount required to be paid to them.

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However, if shares of stock or securities of any company, including any of our subsidiaries, are distributed in connection with our liquidation, dissolution or winding up, the shares or securities that we distribute to holders of the various classes of our common stock may differ as to voting rights to the extent that voting rights now differ among the different classes of common stock.

*Other Provisions.* The holders of common stock have no preemptive, subscription or redemption rights and are not entitled to the benefit of any sinking fund. The shares of common stock presently outstanding are validly issued, fully paid and nonassessable.

In any merger, consolidation or business combination, the holders of each class of common stock must receive the identical consideration to that received by holders of each other class of common stock, except if shares of common stock or common stock of any other company are distributed, in which case the shares may differ as to voting rights to the same extent that voting rights then differ among the different classes of common stock.

No class of common stock may be subdivided, consolidated, reclassified or otherwise changed unless, concurrently, the other classes of common stock are subdivided, consolidated, reclassified or otherwise changed in the same proportion and in the same manner.

Our charter restricts transfers of shares of our capital stock to the extent necessary to comply with the FCC's foreign ownership limitations.

## **Dividend Restrictions**

Our borrower subsidiaries are prohibited under the terms of the credit facilities from paying cash dividends or making other distributions on, or making redemptions, purchases or other acquisitions of, their capital stock or other equity interests, including preferred stock, except that, beginning on April 15, 2004, if no default exists or would be created thereby under the credit facilities, our borrower subsidiaries may pay cash dividends or make other distributions to the extent that restricted payments, as defined in the credit facilities, do not exceed 50% of excess cash flow, as defined in the credit facilities, for the preceding calendar year. The indenture governing the 12.25% senior subordinated discount notes issued in January 2003 by ATI, our principal operating subsidiary, imposes similar limitations on the ability of ATI and certain of our subsidiaries that have guaranteed these discount notes to pay dividends and make other distributions. The indenture governing our 9<sup>3</sup>/<sub>8</sub>% senior notes due 2009 also imposes significant limitations on the payment of dividends by us to our stockholders.

## **Delaware Business Combination Provisions**

We are subject to the provisions of Section 203 of the General Corporation Law of Delaware. Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years after the person became an interested stockholder, unless the business combination or the transaction in which the stockholder became an interested stockholder is approved in a prescribed manner. A business combination includes mergers, asset sales and other transactions resulting in a financial benefit to the interested stockholder. Subject to certain exceptions, an interested stockholder is a person who, together with affiliates and associates, owns, or within the prior three years did own, 15% or more of the corporation's voting stock. These provisions do not apply to Mr. Dodge because our board of directors approved the transaction pursuant to which he became an interested stockholder.

**Listing of Class A Common Stock**

Our Class A common stock is traded on the NYSE under the symbol AMT.

**Transfer Agent and Registrar**

The transfer agent and registrar for the Class A common stock is The Bank of New York, P.O. Box 11258, Church Street Station, New York, NY 10286, telephone number (800) 524-4458.

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**MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES**

The following summary describes the material United States federal income tax consequences to U.S. Holders of the acquisition, ownership, and disposition, of the notes and the shares of Class A common stock into which the notes may be converted. This summary is based on the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as currently in effect and all subject to change at any time, perhaps with retroactive effect. This summary applies only to persons who will hold the notes and common stock as capital assets within the meaning of Section 1221 of the Code, that is, generally, for investment. This summary does not discuss all aspects of United States federal income taxation that may be relevant to holders in light of their special circumstances or to holders subject to special tax rules. Special rules apply, for example, to financial institutions, insurance companies, tax-exempt organizations, dealers in securities or currencies, persons who hold the notes or shares of Class A common stock through a partnership or other pass-through entity, persons subject to alternative minimum tax, persons holding the notes or shares of Class A common stock as a part of a hedge, straddle, conversion, constructive sale or other integrated transaction, persons whose functional currency is not the U.S. dollar or persons who have ceased to be U.S. citizens or to be taxed as resident aliens. This summary also does not discuss any tax consequences arising under the United States federal estate and gift tax laws or the laws of any state, local, foreign or other taxing jurisdiction.

THIS SUMMARY IS PROVIDED FOR GENERAL INFORMATION PURPOSES ONLY, AND DOES NOT CONSTITUTE, AND SHOULD NOT BE CONSIDERED AS, LEGAL OR TAX ADVICE TO PROSPECTIVE PURCHASERS OF THE NOTES. PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR OWN TAX ADVISORS CONCERNING THE CONSEQUENCES, IN THEIR PARTICULAR CIRCUMSTANCES, UNDER THE CODE, AS WELL AS UNDER THE LAWS OF ANY OTHER TAXING JURISDICTION, OF ACQUIRING, OWNING, AND DISPOSING OF THE NOTES.

As used in this summary, a U.S. Holder is a beneficial owner of the notes or shares of our Class A common stock that is (1) a citizen or resident of the United States, (2) a domestic corporation, (3) an estate the income of which is subject to United States federal income tax without regard to its source or (4) a trust, if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust, or if a valid election is in place to treat the trust as a United States person.

As used in this summary, the term non-U.S. holder means a beneficial owner of the notes or shares of our Class A common stock that is not a U.S. holder.

**Tax Consequences to U.S. Holders**

***Payments of Interest***

Interest on a note will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on the holder's method of accounting for United States federal income tax purposes.

***Additional Payments***

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Under the terms of the notes, we may be obligated in certain circumstances to pay amounts in excess of stated interest or principal on the notes. Under Treasury regulations, the possibility of such excess amounts being paid will not affect the amount of interest income a holder recognizes, in advance of the payment of such excess amounts, if there is only a remote chance as of the date the notes were issued that the holder will receive such amounts. We intend to take the position that the likelihood that we will be obligated to pay such excess amounts is remote. Our determination that these contingencies are remote is binding on a holder unless the holder discloses a contrary position in the manner required by applicable Treasury regulations. Our determination is not, however, binding on the Internal Revenue Service. In the event a contingency occurs, it could affect the amount and timing of the income that a holder must recognize.

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### ***Market Discount***

If a holder purchases a note for an amount that is less than its stated redemption price at maturity, the difference will be treated as market discount (unless the difference is less than a statutorily defined *de minimis* amount), and the note will be subject to the market discount rules. The holder of a note that is subject to the market discount rules will be required to treat any full or partial principal payment or any gain recognized on the maturity, sale or other disposition of the note as ordinary income, to the extent that such gain does not exceed the accrued market discount on the note. The amount of market discount treated as having accrued will be determined either:

on a straight-line basis by multiplying the market discount times a fraction, the numerator of which is the number of days the note was held by the holder and the denominator of which is the total number of days after the date the holder acquired the note up to (and including) the note's maturity date, or

if the holder so elects, on the basis of a constant rate of compound interest.

The holder of a note subject to the market discount rules may elect to include market discount in income currently, through the use of either the straight-line inclusion method or the elective constant interest rate method, in lieu of recharacterizing gain upon disposition as ordinary income to the extent of the accrued market discount on the note. Once made, this election will apply to all debt instruments with market discount acquired by the electing holder on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the IRS. If an election is made to include market discount on a debt instrument in income currently, the basis of the debt instrument in the hands of the holder will be increased by the market discount as it is included in income.

A holder that does not elect to include the market discount on a note in income currently may be required to defer interest expense deductions for a portion of the interest paid on indebtedness incurred or continued to purchase or carry such note, until (1) the maturity of the note, (2) its earlier disposition in a taxable transaction or (3) if the holder so elects, a subsequent taxable year in which sufficient income exists with respect to the note.

### ***Amortizable Bond Premium***

If a holder purchases a note for an amount in excess of all amounts payable on the note after the purchase date, other than payments of stated interest, the excess will constitute bond premium. Bond premium will not include any amount attributable to the note's conversion feature, however. The amount attributable to the conversion feature may be determined under any reasonable method, including by comparing the note's purchase price to the market price of a similar debt instrument that does not have a conversion feature. A holder generally may elect to amortize bond premium on a constant yield method over the remaining term of the note by offsetting stated interest allocable to an accrual period with bond premium allocable to that period when the holder takes the interest into income under the holder's regular method of accounting. Because the notes are redeemable at our option on or after August 6, 2008 (see Description of Notes Optional Redemption of the Notes ), a holder must determine the yield and maturity of a note for purposes of calculating and amortizing bond premium by assuming that we will exercise our option to redeem the holder's note in a manner that maximizes the holder's yield. If we do not exercise our option to redeem the note in the manner assumed, then solely for purposes of calculating and amortizing any remaining bond premium, the holder must treat the note as retired and reissued on the deemed redemption date for its adjusted acquisition price as of that date. The adjusted acquisition price of the note is the holder's initial investment in the note, decreased by the amount of any payments, other than qualified stated interest payments, received with respect to such note and any bond premium previously amortized by the holder.



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Once made, the election to amortize bond premium on a constant yield method applies to all debt instruments (other than debt instruments the interest on which is excludable from gross income) held or subsequently acquired by the holder on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the IRS.

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### ***Constructive Dividends in Respect of the Notes***

If at any time we make a distribution of cash or property to the holders of Class A common stock which is taxable to such stockholders as a dividend for United States federal income tax purposes and (1) the conversion rate of the notes is increased pursuant to the anti-dilution provisions of the indenture or (2) the conversion rate of the notes is increased at our discretion, such increase in the conversion rate generally will be deemed to be the payment of a taxable dividend to holders of the notes pursuant to Section 305 of the Code to the extent of our current or accumulated earnings and profits. Holders of the notes could therefore have taxable income as a result of an event pursuant to which they received no cash or property. Any such taxable dividend would not be eligible for the preferential rates of U.S. federal income tax applicable in respect of certain dividends under recently enacted legislation.

### ***Sale, Exchange or Retirement of the Notes***

A U.S. Holder will generally recognize gain or loss on the sale, exchange, retirement, or other disposition of a note equal to the difference between the amount realized by the holder and the holder's adjusted tax basis in the note. A holder's adjusted tax basis in a note will generally be its cost. The amount realized by the holder will include the amount of any cash and the fair market value of any property received for the note, except to the extent attributable to accrued but unpaid interest not previously included in income by the holder. The portion of the amount received which is attributable to accrued but unpaid interest not previously included in income will be taxed as ordinary interest income. Subject to the market discount rules described above, the gain or loss recognized by the holder upon the disposition of a note will be capital gain or loss and will be long-term capital gain or loss if the note has been held for more than one year. Long-term capital gain of an individual U.S. Holder prior to 2009 is generally subject to a maximum tax rate of 15%.

### ***Conversion of the Notes***

A U.S. Holder generally will not recognize any income, gain or loss upon conversion of a note into shares of Class A common stock, except with respect to cash received in lieu of a fractional share of Class A common stock or attributable to accrued interest on the converted note. Such holder's tax basis in the shares of Class A common stock received on conversion of a note will be the same as such holder's adjusted tax basis in the note at the time of conversion, reduced by any basis allocable to a fractional share interest, and the holding period for the shares of Class A common stock received on conversion will generally include the holding period of the note converted.

Cash received in lieu of a fractional share of Class A common stock upon conversion generally will be treated as a payment in exchange for the fractional share of Class A common stock. Accordingly, the receipt of cash in lieu of a fractional share of Class A common stock generally will result in capital gain or loss, measured by the difference between the cash received for the fractional share and the U.S. Holder's adjusted tax basis in the fractional share.

### ***Dividends on the Class A Common Stock***

The amount of any distribution by us in respect of the Class A common stock will be equal to the amount of cash and the fair market value, on the date of distribution, of any property distributed. Generally, distributions made to U.S. Holders will be treated first as a dividend to the extent of our current or accumulated earnings and profits, next as a tax-free return of capital that reduces a holder's tax basis in the shares of Class A common stock until that basis has been reduced to zero, and thereafter as gain from the sale or exchange of the stock.

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In general, dividends are subject to tax as ordinary income. For tax years beginning in 2003 through 2008, however, a dividend distribution to an individual U.S. Holder is generally taxed as long-term capital gain at a maximum rate of 15%. The lower capital gain rates will not apply to a dividend on the shares of Class A common stock, however, if the individual U.S. Holder fails to satisfy certain holding period requirements with

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respect to the shares or is obligated to make related payments with respect to positions in substantially similar or related property. In addition, the lower capital gain rates will not apply to dividends that the holder elects to treat as investment income for purposes of an investment interest deduction.

In general, a dividend distribution to a corporate U.S. Holder will qualify for the 70% dividends received deduction if the holder owns less than 20% of the voting power or value of our stock (other than any non-voting, non-convertible, non-participating preferred stock). A corporate U.S. Holder that owns 20% or more of the voting power and value of our stock (other than any non-voting, non-convertible, nonparticipating preferred stock) generally will qualify for an 80% dividends received deduction. The dividends received deduction is subject, however, to certain holding period, debt financed portfolio stock and taxable income limitations. In addition, corporate holders should consider the rules under Section 1059 of the Code that may reduce their basis in the shares of Class A common stock.

### ***Sale of Class A Common Stock***

Upon the sale or exchange of shares of Class A common stock, a U.S. Holder generally will recognize capital gain or loss equal to the difference between the amount realized upon the sale or exchange and such holder's adjusted tax basis in the shares of Class A common stock. Such capital gain or loss will be long-term if the U.S. Holder's holding period in the shares of Class A common stock is more than one year at the time of the sale or exchange. Long-term capital gain of an individual U.S. Holder prior to 2009 is generally subject to a maximum tax rate of 15%.

### ***Information Reporting and Backup Withholding***

In general, certain information is required to be reported by the payor to the Internal Revenue Service with respect to payments made to certain non-corporate U.S. Holders of principal and interest on a note, dividends on shares of Class A common stock, the proceeds of the sale of a note and the proceeds of the sale of shares of Class A common stock. A U.S. Holder of a note may be subject to back-up withholding with respect to certain of such reportable payments. In general, these back-up withholding rules apply if such holder, among other things, (1) fails to furnish a taxpayer identification number (or TIN) to the payor or establish an exemption from backup withholding, (2) furnishes an incorrect TIN, (3) fails to report properly certain interest or dividend income or (4) under certain circumstances, fails to certify under the penalty of perjury that the TIN furnished is the correct number and that such holder is not subject to backup withholding under the Code. Any amounts withheld under the back-up withholding rules from payments to a U.S. Holder will be allowed as a credit against such holder's United States federal income tax liability and may entitle the holder to a refund, provided that the required information is furnished to the Internal Revenue Service. Back-up withholding will not apply, however, with respect to payments made to certain holders of the notes, generally including corporations, provided that their exemption from back-up withholding is properly established. U.S. Holders should consult their tax advisors as to their qualification for exemption from back-up withholding and the procedure for obtaining such an exemption.

### **U.S. Federal Income Tax Consequences to Non-U.S. Holders**

The following discussion applies only to non-U.S. holders. This discussion does not address all aspects of United States federal income taxation that may be relevant to such non-U.S. holders in light of their special circumstances. For example, special rules may apply to a non-U.S. holder that is a controlled foreign corporation, passive foreign investment company or foreign personal holding company, and such holders should consult their own tax advisors to determine the United States federal, state, local and other tax consequences that may be relevant to them.



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### ***Payments of Interest***

Subject to the discussion below concerning effectively connected income and backup withholding, interest payments on the notes will not be subject to the 30% United States federal withholding tax provided that:

the holder does not own actually or constructively 10% or more of the total combined voting power of all classes of our stock entitled to vote;

the holder is not a controlled foreign corporation related to us through actual or constructive stock ownership;

the holder is not a bank whose receipt of interest on the notes is described in Section 881(c)(3)(A) of the Code; and

either (i) the holder provides the holder's name and address to us or our paying agent on an IRS Form W-8BEN (or other applicable form) and certifies under penalty of perjury that the holder is not a United States person, or (ii) a financial institution holding the notes on the holder's behalf certifies to us or our paying agent under penalty of perjury that it has received an IRS Form W-8BEN (or other applicable form) from the beneficial owner and provides a copy or, in the case of certain foreign intermediaries, satisfies other certification requirements under the applicable U.S. Treasury regulations.

Special certification requirements apply to certain non-U.S. holders that are entities rather than individuals.

If a holder cannot satisfy the requirements described above, payments of interest to the holder will be subject to the 30% United States federal withholding tax, unless the holder qualifies for a reduced rate of withholding under a tax treaty or the payments are exempt from withholding because they are effectively connected with the holder's conduct of a trade or business in the United States and, where a tax treaty applies, are attributable to a United States permanent establishment maintained by the holder. In order to claim a reduction in or exemption from the 30% withholding tax under an applicable tax treaty, a holder must provide a properly executed IRS Form W-8BEN (or a suitable substitute form). In order to claim that interest payments are exempt from the withholding tax because they are effectively connected with the holder's conduct of a trade or business in the United States, the holder must provide a properly executed IRS Form W-8ECI (or a suitable substitute form).

A non-U.S. holder eligible for a reduced rate of United States withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the IRS.

### ***Constructive Dividends in Respect of the Notes***

Certain adjustments in the conversion rate of the notes may be treated as a taxable dividend to a non-U.S. holder. See [Tax Consequences to U.S. Holders](#) [Constructive Dividends in Respect of the Notes](#) above and [Dividends on the Class A Common Stock](#) below.

### ***Conversion of the Notes***

A non-U.S. holder's conversion of a note into shares of Class A common stock generally will not be a taxable event except with respect to cash received in lieu of a fractional share, which will be taxed as described below under Sale, Exchange or Retirement of the Notes and Sale or Exchange of the Class A Common Stock.

*Dividends on the Class A Common Stock*

Distributions made to a non-U.S. Holder with respect to the Class A common stock that are treated as dividends paid, as described above under Tax Consequences to U.S. Holders Dividends on the Class A Common Stock, and any deemed dividends resulting from adjustments to the conversion ratio of the notes will be subject to United States federal withholding tax at a 30% rate, unless (1) the holder qualifies for a reduced rate of withholding under a tax treaty or (2) the payments are exempt from withholding because they are effectively connected with the holder's conduct of a trade or business in the United States and, where a tax treaty applies, are

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attributable to a United States permanent establishment maintained by the holder. In order to claim a reduction in or exemption from the 30% withholding tax under an applicable tax treaty, a holder must provide a properly executed IRS Form W-8BEN (or a suitable substitute form). In order to claim that dividend payments are exempt from the withholding tax because they are effectively connected with the holder's conduct of a trade or business in the United States, the holder must provide a properly executed IRS Form W-8ECI (or a suitable substitute form).

### ***Sale, Exchange or Retirement of the Notes and Sale or Exchange of the Class A Common Stock***

A non-U.S. holder generally will not be subject to United States federal income tax or withholding tax on any gain realized on the sale, exchange or retirement of a note or a sale or exchange of the Class A Common Stock unless:

the gain is effectively connected with a trade or business of the non-U.S. holder in the United States and, where a tax treaty applies, is attributable to a United States permanent establishment maintained by the holder;

the holder is an individual who is present in the U.S. for at least 183 days during the year of disposition of the note or shares and other conditions are satisfied; or

section 897 of the Code applies to the holder.

If a holder is engaged in a trade or business in the United States and the holder's investment in a note or the Class A common stock is effectively connected with such trade or business, the holder will be subject to regular United States federal income tax on a net income basis on any payments of interest or dividends and any gain recognized upon a sale of the notes or Class A common stock in the same manner as if the holder were a U.S. holder. In addition, if the holder is a foreign corporation, the holder may be subject to a branch profits tax of 30% (or the lower rate provided by an applicable income tax treaty) of the holder's earnings and profits for the taxable year that are effectively connected with the holder's conduct of a trade or business in the United States. If a holder is eligible for the benefits of a tax treaty, any effectively connected income or gain will generally be subject to U.S. federal income tax only if it is also attributable to a permanent establishment maintained by the holder in the United States.

We believe that we are currently a United States real property holding corporation and that we are likely to remain one. As a result, section 897 may require any gain realized by a non-U.S. holder upon the disposition of a note or our Class A common stock to be treated as effectively connected with the conduct of a trade or business in the United States and taxable in the manner described above. In addition, if we are a United States real property holding corporation, section 1445 of the Code may impose a United States withholding tax, at a rate of 10%, on the amount realized upon the sale or exchange of a note or our Class A common stock by a non-U.S. holder. As long as our Class A common stock continues to be regularly traded on the New York Stock Exchange, however, we believe that a non-U.S. holder will not be subject to United States federal income tax under section 897 on any gain realized upon a sale or exchange of a note or our Class A common stock or to withholding on the amount realized under section 1445, so long as the following conditions are met:

in the case of a disposition of a note, and if the notes are regularly traded on an established securities market within the meaning of applicable regulations, the holder has not directly or indirectly owned more than 5% of the total fair market value of the outstanding notes at any time during the five-year period preceding the disposition;

in the case of a disposition of Class A common stock, the holder has not directly or indirectly owned more than 5% of the total fair market value of the outstanding Class A common stock at any time during the five-year period preceding the disposition; and



in the case of a disposition of a note at a time when the notes are not regularly traded on an established securities market within the meaning of applicable regulations, on the date of acquisition by the holder of any of the notes or any other interests in our company, other than an interest solely as a creditor, that

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are not regularly traded on an established securities market, the aggregate fair market value of all such notes and other interests owned directly or indirectly by the holder does not exceed 5% of the aggregate value of our outstanding Class A common stock.

We urge you to consult with your tax advisor to determine whether you meet these conditions, or whether you otherwise qualify for exemption from section 897 and section 1445.

### ***Information Reporting and Backup Withholding***

We must report annually to the IRS the amount of interest, dividends or other distributions we pay to non-U.S. holders and the amount of tax we withhold on these payments, regardless of whether withholding is required. The IRS may make copies of the information returns reporting those dividends and amounts withheld available to the tax authorities in the country of residence of the non-U.S. holder pursuant to the provisions of an applicable income tax or exchange of information treaty.

The United States imposes a backup withholding tax on interest, dividends and certain other types of payments to U.S. persons. A non-U.S. holder will not be subject to backup withholding tax on such payments if the holder provides proper certification, usually on an IRS Form W-8BEN, of the holder's status as a non-U.S. person.

In general, information reporting and backup withholding are not required with respect to the amount of any proceeds from the sale by a non-U.S. holder of a note or shares of our Class A common stock if the sale is made outside the United States through a foreign office of a foreign broker that does not have certain specified connections to the United States. However, if the sale is made through a U.S. broker or the United State office of a foreign broker, the broker will be required to report to the IRS the amount of proceeds paid to the non-U.S. holder and also withhold backup withholding taxes unless the holder provides appropriate certification, usually on an IRS Form W-8BEN, to the broker. Information reporting but not backup withholding also applies, unless the appropriate certification is provided, if the sale is made through a foreign broker deriving more than a specified percentage of its income from United States sources or having certain other connections to the United States.

Backup withholding is not an additional tax, and amounts withheld as backup withholding will be allowed as a refund or credit against a holder's federal income tax liability, provided that the required information is furnished to the IRS.

***Non-U.S. holders should consult with their tax advisor regarding the application of information reporting and backup withholding in their particular situations, the availability of exemptions and the procedures for obtaining those exemptions, if available.***

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**PLAN OF DISTRIBUTION**

Selling securityholders may offer and sell, from time to time, the notes and the shares of our Class A common stock issuable upon conversion of the notes covered by this prospectus. We refer to both the notes and the underlying shares of common stock, individually and together, as the securities. The term selling securityholders includes donees, pledgees, transferees or other successors-in-interest selling securities received after the date of this prospectus from a selling securityholder as a gift, pledge, partnership distribution or other non-sale related transfer. The selling securityholders will act independently of us in making decisions with respect to the timing, manner and size of each sale.

We have been advised by the selling securityholders that they may sell all or a portion of the securities beneficially owned by them and offered hereby from time to time:

directly; or

through underwriters, broker-dealers or agents, who may receive compensation in the form of discounts, commissions or concessions from the selling securityholders or from the purchasers of the securities for whom they may act as agent.

The securities may be sold from time to time in one or more transactions at:

fixed prices, which may be changed;

prevailing market prices at the time of sale;

varying prices determined at the time of sale; or

negotiated prices.

These prices will be determined by the holders of the securities or by agreement between these holders and underwriters or dealers who may receive fees or commissions in connection with the sale. The aggregate proceeds to the selling securityholders from the sale of the securities offered by them hereby will be the purchase price of the securities less discounts and commissions, if any.

The sales described in the preceding paragraph may be effected in transactions:

on any national securities exchange or quotation service on which the securities may be listed or quoted at the time of sale, including the New York Stock Exchange in the case of the shares of our Class A common stock;

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in the over-the-counter market;

in transactions otherwise than on such exchanges or services or in the over-the-counter market; or

through the writing of options.

These transactions may include block transactions or crosses. Crosses are transactions in which the same broker acts as an agent on both sides of the trade.

The shares of our Class A common stock issuable upon conversion of the notes will be listed, and may be traded, on the New York Stock Exchange under the symbol AMT.

In addition, the selling securityholders may sell any securities that qualify for sale pursuant to Rule 144 or Rule 144A under the Securities Act rather than pursuant to this prospectus.

To the extent required, we may amend or supplement this prospectus to describe a specific plan of distribution. In connection with the sale of the securities, the selling securityholders may enter into hedging

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transactions with broker-dealers or other financial institutions. In connection with those transactions, broker-dealers or other financial institutions may engage in short sales of the securities in the course of hedging the positions they assume with selling securityholders. The selling securityholders may also sell the securities short and redeliver the securities to close out their short positions. The selling securityholders may also enter into option or other transactions with broker-dealers or other financial institutions that require the delivery to the broker-dealer or other financial institution of securities offered by this prospectus, which securities the broker-dealer or other financial institution may resell pursuant to this prospectus, as supplemented or amended to reflect the transaction. The selling securityholders may also pledge securities to a broker-dealer or other financial institution, and, upon a default, the broker-dealer or other financial institution, may effect sales of the pledged securities pursuant to this prospectus, as supplemented or amended to reflect the transaction.

In effecting sales, broker-dealers or agents engaged by the selling securityholders may arrange for other broker-dealers to participate. Broker-dealers or agents may receive commissions, discounts or concessions from the selling securityholders in amounts to be negotiated immediately prior to the sale.

Each of the selling securityholders which is an affiliate of a registered broker-dealer has represented to us that it purchased the notes and/or the Class A common stock issuable upon conversion of the notes in the ordinary course of business and at the time of such purchase, the selling securityholder had no agreements or understandings, directly or indirectly, with any person to distribute such notes and/or Class A common stock issuable upon conversion of the notes.

In offering the securities covered by this prospectus, the selling securityholders and any broker-dealers who execute sales for the selling securityholders may be treated as underwriters within the meaning of the Securities Act in connection with sales. Any profits realized by the selling securityholders and the compensation of any broker-dealer may be treated as underwriting discounts and commissions. To our knowledge, there are currently no plans, arrangements or understandings between any selling securityholders and any underwriter, broker-dealer or agent regarding the sale of the securities by the selling securityholders.

In order to comply with the securities laws of certain states, the securities must be sold in those states only through registered or licensed brokers or dealers. In addition, in certain states the securities may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

The selling securityholders and any other person participating in a distribution will be subject to the Exchange Act. The Exchange Act rules include, without limitation, Regulation M, which may limit the timing of purchases and sales of any of the securities by the selling securityholders and other participating persons. In addition, Regulation M may restrict the ability of any person engaged in the distribution of the securities to engage in market-making activities with respect to the particular security being distributed for a period of up to five business days prior to the commencement of the distribution. This may affect the marketability of the securities and the ability of any person or entity to engage in market-making activities with respect to the securities.

We will make copies of this prospectus available to the selling securityholders for the purpose of satisfying the prospectus delivery requirements of the Securities Act, which may include delivery through the facilities of the New York Stock Exchange pursuant to Rule 153 under the Securities Act. The selling securityholders may indemnify any broker-dealer that participates in transactions involving the sale of the securities against certain liabilities, including liabilities arising under the Securities Act.

At the time a particular offer of securities is made, if required, a prospectus supplement will be distributed that will set forth the number of securities being offered and the terms of the offering, including the name of any underwriter, dealer or agent, the purchase price paid by any

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underwriter, any discount, commission and other item constituting compensation, any discount, commission or concession allowed or reallocated or paid to any dealer, and the proposed selling price to the public.

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We and the selling securityholders have each agreed to indemnify the other against certain liabilities, including certain liabilities arising under the Securities Act, or, in the alternative, that each party will be entitled to contribution in connection with those liabilities. We will bear all fees and expenses incurred in connection with the registration of the securities, except that selling securityholders will pay all broker's commissions and, in connection with any underwritten offering, underwriting discounts and commissions.

**LEGAL MATTERS**

The validity of the notes offered by this prospectus and of the shares of our Class A common stock that may be issued upon conversion of the notes and offered by this prospectus will be passed upon for us by our counsel, Palmer & Dodge LLP, Boston, Massachusetts. In rendering its opinion, Palmer & Dodge LLP will rely on the opinion of Cleary, Gottlieb, Steen & Hamilton with respect to matters of New York law. A partner of Palmer & Dodge LLP holds options to purchase 7,200 shares of our Class A common stock at \$18.75 per share.

**EXPERTS**

The consolidated financial statements of American Tower Corporation incorporated in this prospectus by reference from American Tower Corporation's Current Report on Form 8-K dated December 18, 2003, have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report dated February 24, 2003 (except for the last paragraph of note 1 and paragraph 9 of note 2 as to which the date is July 25, 2003 and the last four paragraphs of note 2 as to which the date is December 15, 2003) which report expresses an unqualified opinion and includes explanatory paragraphs relating to the adoption of (1) Statement of Financial Accounting Standard No. 133, Accounting for Derivative Instruments and Hedging Activities, as amended and Statement of Financial Accounting Standard No. 142, Goodwill and Other Intangible Assets; and (2) Statement of Financial Accounting Standard No. 145, Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections, which is incorporated herein by reference, and has been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.