AMERICAN TOWER CORP /MA/
Form 10-Q
July 28, 2016

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

FORM 10-Q

(Mark One):

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

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

Commission File Number: 001-14195

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

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

116 Huntington Avenue
Boston, Massachusetts 02116
(Address of principal executive offices)
Telephone Number (617) 375-7500
(Registrant's telephone number, including area code)

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

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

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

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

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

As of July 21, 2016, there were 425,489,212 shares of common stock outstanding.

AMERICAN TOWER CORPORATION
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FOR THE QUARTER ENDED JUNE 30, 2016

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

	June 30, 2016	December 31, 2015
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$410,538	$320,686
Restricted cash	142,761	142,193
Accounts receivable, net	285,422	227,354
Prepaid and other current assets	481,879	306,235
Total current assets	1,320,600	996,468
PROPERTY AND EQUIPMENT, net	10,575,425	9,866,424
GOODWILL	4,981,919	4,091,805
OTHER INTANGIBLE ASSETS, net	11,590,692	9,837,876
DEFERRED INCOME TAXES	229,273	212,041
DEFERRED RENT ASSET	1,233,002	1,166,755
NOTES RECEIVABLE AND OTHER NON-CURRENT ASSETS	809,287	732,903
TOTAL	$30,740,198	$26,904,272
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	$120,586	$96,714
Accrued expenses	617,711	516,413
Distributions payable	227,594	210,027
Accrued interest	151,365	115,672
Current portion of long-term obligations	314,063	50,202
Unearned revenue	224,312	211,001
Total current liabilities	1,655,631	1,200,029
LONG-TERM OBLIGATIONS	18,403,013	17,068,807
ASSET RETIREMENT OBLIGATIONS	951,803	856,936
DEFERRED TAX LIABILITY	745,936	106,333
OTHER NON-CURRENT LIABILITIES	1,058,433	959,349
Total liabilities	22,814,816	20,191,454
COMMITMENTS AND CONTINGENCIES		
REDEEMABLE NONCONTROLLING INTERESTS	1,085,157	—
EQUITY:		
Preferred stock: $.01 par value; 20,000,000 shares authorized;		
5.25%, Series A, 6,000,000 shares issued and outstanding; aggregate liquidation value of $600,000	60	60
5.50%, Series B, 1,375,000 shares issued and outstanding, respectively; aggregate liquidation value of $1,375,000	14	14
Common stock: $.01 par value; 1,000,000,000 shares authorized; 428,071,284 and 426,695,279 shares issued; and 425,261,258 and 423,885,253 shares outstanding, respectively	4,280	4,267
Additional paid-in capital	9,781,223	9,690,609
Distributions in excess of earnings	(1,033,324)	(998,535)
Accumulated other comprehensive loss	(1,770,998)	(1,836,996)

Treasury stock (2,810,026 shares at cost)	(207,740)	(207,740)
Total American Tower Corporation equity	6,773,515	6,651,679
Noncontrolling interests	66,710	61,139
Total equity	6,840,225	6,712,818
TOTAL	$30,740,198	$26,904,272

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
REVENUES:				
Property	$1,426,192	$1,154,235	$2,693,843	$2,216,415
Services	16,035	20,140	37,431	37,150
Total operating revenues	1,442,227	1,174,375	2,731,274	2,253,565
OPERATING EXPENSES:				
Costs of operations (exclusive of items shown separately below):				
Property (including stock-based compensation expense of $392, $390, $899 and $822, respectively)	452,571	314,285	794,861	573,542
Services (including stock-based compensation expense of $255, $98, $406 and $237, respectively)	7,140	8,173	16,295	13,556
Depreciation, amortization and accretion	397,765	328,356	739,399	591,876
Selling, general, administrative and development expense (including stock-based compensation expense of $21,260, $23,557, $48,681 and $52,847, respectively)	138,234	116,338	273,549	239,628
Other operating expenses	13,711	17,449	22,511	25,223
Total operating expenses	1,009,421	784,601	1,846,615	1,443,825
OPERATING INCOME	432,806	389,774	884,659	809,740
OTHER INCOME (EXPENSE):				
Interest income, TV Azteca, net of interest expense of $284, $370, $567 and $740, respectively	2,748	2,662	5,464	5,258
Interest income	6,468	4,404	10,002	7,368
Interest expense	(181,036)	(148,507)	(340,916)	(296,441)
Gain (loss) on retirement of long-term obligations	830	(75,068)	830	(78,793)
Other expense (including unrealized foreign currency (losses) gains of ($24,585), $25,461, $4,777 and ($30,007), respectively)	(25,842)	(2,129)	(13,634)	(56,632)
Total other expense	(196,832)	(218,638)	(338,254)	(419,240)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	235,974	171,136	546,405	390,500
Income tax provision	(43,510)	(13,956)	(72,634)	(37,828)
NET INCOME	192,464	157,180	473,771	352,672
Net income attributable to noncontrolling interests	(4,914)	(1,124)	(11,062)	(3,299)
NET INCOME ATTRIBUTABLE TO AMERICAN TOWER CORPORATION STOCKHOLDERS	187,550	156,056	462,709	349,373
Dividends on preferred stock	(26,782)	(26,782)	(53,563)	(36,601)
NET INCOME ATTRIBUTABLE TO AMERICAN TOWER CORPORATION COMMON STOCKHOLDERS	$160,768	$129,274	$409,146	$312,772
NET INCOME PER COMMON SHARE AMOUNTS:				
Basic net income attributable to American Tower Corporation common stockholders	$0.38	$0.31	$0.96	$0.76
	$0.37	$0.30	$0.95	$0.75

Diluted net income attributable to American Tower Corporation common stockholders				
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
BASIC	424,909	423,154	424,484	414,182
DILUTED	429,004	426,933	428,529	418,303
DISTRIBUTIONS DECLARED PER COMMON SHARE	$0.53	$0.44	$1.04	$0.86

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Net income	$192,464	$157,180	$473,771	$352,672
Other comprehensive (loss) income:				
Changes in fair value of cash flow hedges, net of tax benefit (expense) of $0, ($42), $0 and $9, respectively	(9)	597	65	(345)
Reclassification of unrealized (gains) losses on cash flow hedges to net income, net of tax benefit of $0, $22, $0 and $46, respectively	(57)	2,226	(65)	2,613
Foreign currency translation adjustments, net of tax expense (benefit) of $2,695, $197, $6,883 and ($12,412), respectively	(177,966)	(44,029)	48,326	(476,990)
Other comprehensive (loss) income	(178,032)	(41,206)	48,326	(474,722)
Comprehensive income (loss)	14,432	115,974	522,097	(122,050)
Comprehensive loss attributable to noncontrolling interests	12,712	17,421	6,610	37,123
Comprehensive income (loss) attributable to American Tower Corporation stockholders	$27,144	$133,395	$528,707	$(84,927)

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

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

	Six Months Ended June 30, 2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$473,771	$352,672
Adjustments to reconcile net income to cash provided by operating activities		
Depreciation, amortization and accretion	739,399	591,876
Stock-based compensation expense	49,986	53,906
(Gain) loss on early retirement of long-term obligations	(830)	78,793
Other non-cash items reflected in statements of operations	53,464	75,531
Decrease in restricted cash	12,170	26,804
Increase in net deferred rent asset	(34,931)	(46,653)
Increase in assets	(32,984)	(99,179)
Increase in liabilities	51,271	2,710
Cash provided by operating activities	1,311,316	1,036,460
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchase of property and equipment and construction activities	(319,427)	(311,122)
Payments for acquisitions, net of cash acquired	(1,216,467)	(670,246)
Payment for Verizon transaction	(4,748)	(5,060,416)
Proceeds from sale of short-term investments and other non-current assets	2,601	781,469
Payments for short-term investments	—	(816,038)
Deposits, restricted cash, investments and other	(5,360)	(3,087)
Cash used for investing activities	(1,543,401)	(6,079,440)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings, net	(2,843)	—
Borrowings under credit facilities	1,326,866	4,740,308
Proceeds from issuance of senior notes, net	2,237,503	1,492,298
Proceeds from term loan	—	500,000
Proceeds from other borrowings	70,806	—
Proceeds from issuance of securities in securitization transaction, net	—	875,000
Repayments of notes payable, credit facilities and capital leases	(2,858,415)	(5,931,401)
Distributions to noncontrolling interest holders, net	(503)	(383)
Proceeds from stock options and ESPP	60,361	17,364
Distributions paid on common stock	(426,564)	(329,766)
Distributions paid on preferred stock	(53,563)	(31,085)
Proceeds from the issuance of common stock, net	—	2,440,327
Proceeds from the issuance of preferred stock, net	—	1,337,946
Payment for early retirement of long-term obligations	(125)	(86,107)
Deferred financing costs and other financing activities	(23,264)	(34,284)
Cash provided by financing activities	330,259	4,990,217
Net effect of changes in foreign currency exchange rates on cash and cash equivalents	(8,322)	13,973
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	89,852	(38,790)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	320,686	313,492
CASH AND CASH EQUIVALENTS, END OF PERIOD	$410,538	$274,702
CASH PAID FOR INCOME TAXES (NET OF REFUNDS OF $14,011 AND $3,311, RESPECTIVELY)	$50,413	$29,911
CASH PAID FOR INTEREST	$288,880	$291,103

NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Decrease in accounts payable and accrued expenses for purchases of property and equipment and construction activities	$(36,083)	$(20,632)
Purchases of property and equipment under capital leases	$21,651	$10,510
Settlement of accounts receivable related to acquisitions	$—	$735

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

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

	Preferred Stock - Series A		Preferred Stock - Series B		Common Stock		Treasury Stock		Additional Paid-in Capital	Accumula Other Comprehe Loss
	Issued Shares	Amount	Issued Shares	Amount	Issued Shares	Amount	Shares	Amount		
BALANCE, JANUARY 1, 2015	6,000,000	$60	—	$—	399,508,751	$3,995	(2,810,026)	$(207,740)	$5,788,786	$(794,221
Stock-based compensation related activity	—	—	—	—	672,300	6	—	—	49,155	—
Issuance of common stock—stock purchase plan	—	—	—	—	43,940	—	—	—	3,465	—
Issuance of common stock	—	—	—	—	25,850,000	259	—	—	2,440,068	—
Issuance of preferred stock	—	—	1,375,000	14	—	—	—	—	1,337,932	—
Changes in fair value of cash flow hedges, net of tax	—	—	—	—	—	—	—	—	—	(340
Reclassification of unrealized losses on cash flow hedges to net income, net of tax	—	—	—	—	—	—	—	—	—	2,583
Foreign currency translation adjustment, net of tax	—	—	—	—	—	—	—	—	—	(436,543
Contributions from noncontrolling interest holders	—	—	—	—	—	—	—	—	—	—
Distributions to noncontrolling interest holders	—	—	—	—	—	—	—	—	—	—
Common stock dividends/distributions declared	—	—	—	—	—	—	—	—	—	—
Preferred stock dividends declared	—	—	—	—	—	—	—	—	—	—
Net income	—	—	—	—	—	—	—	—	—	—
BALANCE, JUNE 30, 2015	6,000,000	$60	1,375,000	$14	426,074,991	$4,260	(2,810,026)	$(207,740)	$9,619,406	$(1,228,5
BALANCE, JANUARY 1, 2016	6,000,000	$60	1,375,000	$14	426,695,279	$4,267	(2,810,026)	$(207,740)	$9,690,609	$(1,836,9
Stock-based compensation related	—	—	—	—	1,331,272	13	—	—	86,767	—

activity										
Issuance of common stock—stock purchase plan	—	—	—	—	44,733	—	—	—	3,847	—
Changes in fair value of cash flow hedges, net of tax	—	—	—	—	—	—	—	—	—	65
Reclassification of unrealized gains on cash flow hedges to net income	—	—	—	—	—	—	—	—	—	(65
Foreign currency translation adjustment, net of tax	—	—	—	—	—	—	—	—	—	65,998
Contributions from noncontrolling interest holders	—	—	—	—	—	—	—	—	—	—
Distributions to noncontrolling interest holders	—	—	—	—	—	—	—	—	—	—
Common stock dividends/distributions declared	—	—	—	—	—	—	—	—	—	—
Preferred stock dividends declared	—	—	—	—	—	—				
Net income	—	—	—	—	—	—	—	—	—	—
BALANCE, JUNE 30, 2016	6,000,000	$60	1,375,000	$14	428,071,284	$4,280	(2,810,026)	$(207,740)	$9,781,223	$(1,770,99

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

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED AND CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED AND CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. PREPAID AND OTHER CURRENT ASSETS

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

	As of June 30, 2016	As of December 31, 2015
Prepaid income tax	$151,828	$ 45,056
Prepaid operating ground leases	132,629	128,542
Unbilled receivables	59,124	34,173
Prepaid assets	59,063	32,892
Value added tax and other consumption tax receivables	32,258	30,239
Other miscellaneous current assets	46,977	35,333
Total	$481,879	$ 306,235

3. GOODWILL AND OTHER INTANGIBLE ASSETS

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

	Property U.S.	Asia (1)	EMEA	Latin America	Services	Total
Balance as of January 1, 2016	$3,379,163	$170,719	$132,570	$407,365	$ 1,988	$4,091,805
Additions	289	856,110	3,200	4,615	—	864,214
Effect of foreign currency translation	—	(16,714)	(18,417)	61,031	—	25,900
Balance as of June 30, 2016	$3,379,452	$1,010,115	$117,353	$473,011	$ 1,988	$4,981,919

(1) Includes approximately $856.1 million of goodwill assumed in the Viom Acquisition (see note 13).

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

	Estimated Useful Lives (years)	As of June 30, 2016 Gross Carrying Value (in thousands)	Accumulated Amortization	Net Book Value	As of December 31, 2015 Gross Carrying Value	Accumulated Amortization	Net Book Value
Acquired network location intangibles (1)	Up to 20	$4,589,425	$(1,175,676)	$3,413,749	$3,980,281	$(1,052,393)	$2,927,888
Acquired customer-related intangibles	15-20	10,139,104	(1,996,896)	8,142,208	8,640,554	(1,763,853)	6,876,701
Acquired licenses and other intangibles	3-20	28,756	(3,725)	25,031	28,293	(5,486)	22,807

Economic Rights, TV Azteca	70	20,267	(10,563)	9,704	21,688	(11,208)	10,480
Total other intangible assets		$14,777,552	$(3,186,860)	$11,590,692	$12,670,816	$(2,832,940)	$9,837,876

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

The acquired network location intangibles represent the value to the Company of the incremental revenue growth that could potentially be obtained from leasing the excess capacity on acquired communications sites. The acquired

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AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED AND CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

customer-related intangibles typically represent the value to the Company of customer contracts and relationships in place at the time of an acquisition or similar transaction, including assumptions regarding estimated renewals.
The Company amortizes its acquired network location intangibles and customer-related intangibles on a straight-line basis over their estimated useful lives. As of June 30, 2016, the remaining weighted average amortization period of the Company's intangible assets, excluding the TV Azteca Economic Rights detailed in note 5 to the Company's consolidated financial statements included in the 2015 Form 10-K, was 16 years. Amortization of intangible assets for the three and six months ended June 30, 2016 was $185.3 million and $337.1 million, respectively, and amortization of intangible assets for the three and six months ended June 30, 2015 was $147.6 million and $258.1 million, respectively. Based on current exchange rates, the Company expects to record amortization expense as follows over the remaining current year and the five subsequent years (in millions):

Fiscal Year	
Remainder of 2016	$356.6
2017	710.8
2018	708.6
2019	705.6
2020	686.8
2021	677.5

4. ACCRUED EXPENSES
Accrued expenses consisted of the following (in thousands):

	As of June 30, 2016	December 31, 2015
Accrued property and real estate taxes	$108,636	$ 75,827
Accrued income tax payable	70,490	11,704
Payroll and related withholdings	52,844	62,334
Accrued rent	50,449	54,732
Accrued construction costs	16,550	19,857
Other accrued expenses	318,742	291,959
Total	$617,711	$ 516,413

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5. LONG-TERM OBLIGATIONS

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

	As of		
	June 30, 2016	December 31, 2015	Maturity Date
Series 2013-1A securities (1)	$498,060	$497,478	March 15, 2018
Series 2013-2A securities (2)	1,289,478	1,288,689	March 15, 2023
Series 2015-1 notes (3)	346,685	346,262	June 15, 2020
Series 2015-2 notes (4)	519,106	518,776	June 16, 2025
2012 GTP notes (5)	182,233	281,902	March 15, 2019
Unison notes (6)	201,054	201,930	Various
Viom indebtedness (7)	698,274	—	Various
Viom preference shares (8)	24,682	—	Various
Shareholder loans (9)	154,387	145,540	Various
BR Towers debentures (10)	105,191	85,219	October 15, 2023
Colombian credit facility (11)	61,060	59,640	April 24, 2021
South African facility (12)	50,230	53,175	December 17, 2020
Brazil credit facility (13)	31,293	21,868	January 15, 2022
Indian working capital facility (14)	5,688	8,752	July 31, 2016
Total American Tower subsidiary debt	4,167,421	3,509,231	
2013 Credit Facility	72,203	1,225,000	June 28, 2019
Term Loan	1,994,238	1,993,601	January 29, 2021
2014 Credit Facility	1,840,000	1,980,000	January 29, 2021
4.500% senior notes	997,944	997,693	January 15, 2018
3.40% senior notes	999,532	999,769	February 15, 2019
7.25% senior notes	296,389	296,242	May 15, 2019
2.800% senior notes	744,239	743,557	June 1, 2020
5.050% senior notes	696,916	697,216	September 1, 2020
3.300% senior notes	744,121	—	February 15, 2021
3.450% senior notes	643,216	642,786	September 15, 2021
5.900% senior notes	497,037	497,188	November 1, 2021
4.70% senior notes	695,671	695,374	March 15, 2022
3.50% senior notes	988,231	987,966	January 31, 2023
5.00% senior notes	1,002,735	1,003,453	February 15, 2024
4.000% senior notes	739,539	739,057	June 1, 2025
4.400% senior notes	494,957	—	February 15, 2026
3.375% senior notes	982,645	—	October 15, 2026
Total American Tower Corporation debt	14,429,613	13,498,902	
Other debt, including capital lease obligations	120,042	110,876	

Total	18,717,076	17,119,009
Less current portion of long-term obligations	(314,063)	(50,202)
Long-term obligations	$18,403,013	$17,068,807

(1) Maturity date represents anticipated repayment date; final legal maturity is March 15, 2043.
(2) Maturity date represents anticipated repayment date; final legal maturity is March 15, 2048.
(3) Maturity date represents anticipated repayment date; final legal maturity is June 15, 2045.
(4) Maturity date represents anticipated repayment date; final legal maturity is June 15, 2050.
(5) Secured debt assumed by the Company in connection with its acquisition of MIP Tower Holdings LLC. Maturity date represents anticipated repayment date; final legal maturity is March 15, 2042. During the six months ended June 30, 2016, the Company repaid the $94.1 million outstanding under the Secured Tower Cellular Site Revenue Notes, Series 2012-1 Class A and released 472 sites in connection with the repayment.

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(6) Secured debt assumed by the Company in connection with its acquisition of certain legal entities from Unison Holdings LLC and Unison Site Management II, L.L.C. Anticipated repayment dates begin April 15, 2017; final legal maturity date is April 15, 2040.

(7) Debt primarily assumed by the Company in connection with the Viom Acquisition. Maturity dates begin March 31, 2017. In June 2016, the Company refinanced 4.75 billion Indian Rupees ("INR") of Viom assumed indebtedness with a new short-term committed loan facility with a borrowing capacity of 5.80 billion INR ($85.9 million as of June 30, 2016). Denominated in INR.

(8) Mandatorily redeemable preference shares issued by Viom. The shares are to be redeemed in equal parts on March 26, 2017 and March 26, 2018.

(9) Reflects balances owed to the Company's joint venture partners in Ghana and Uganda. The Ghana loan is denominated in Ghanaian Cedi and the Uganda loan is denominated in U.S. Dollars.

(10) Publicly issued debentures assumed by the Company in connection with its acquisition of BR Towers S.A. Denominated in Brazilian Reais ("BRL").

(11) Denominated in Colombian Pesos and amortizes through April 24, 2021.

(12) Denominated in South African Rand and amortizes through December 17, 2020.

(13) Denominated in BRL.

(14) Denominated in INR. This agreement provides that the maturity date may be extended for additional 30-day periods.

Current portion of long-term obligations—The Company's current portion of long-term obligations includes (i)13.1 billion INR ($194.7 million) of indebtedness primarily assumed by the Company in connection with the Viom Acquisition, including 4.75 billion INR ($70.3 million) outstanding under a short-term committed loan facility which was used to refinance a Viom term loan, (ii) 0.8 billion INR ($12.3 million) related to Viom preference shares, and (iii) $67.4 million outstanding under the Secured Cellular Site Revenue Notes, Series 2010-1 Class C (included in the Unison notes) assumed in connection with the acquisition of Unison.

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

	Amount Outstanding (INR)	Amount Outstanding (USD)	Interest Rate (Range)	Maturity Date (Range)
Term loans	39,745	$ 588.6	8.75% - 11.20%	March 31, 2017 - November 30, 2024
Debenture	6,000	$ 88.9	9.90 %	April 28, 2020
Working capital facilities	1,406	$ 20.8	11.05% - 11.60%	October 23, 2016 - March 18, 2017

The Viom indebtedness includes several term loans, ranging from one to ten years, which are generally secured by the borrower's short-term and long-term assets. The term loans bear interest at the bank's Marginal Cost of Funds based Lending Rate or the bank's base rate, plus spreads ranging from 1.00% to 1.55%. Interest rates on the term loans are fixed until certain annual reset dates. Generally, the term loans can be repaid without penalty on the annual reset dates; earlier repayments require notice to the lenders and are subject to prepayment penalties, typically of 1% to 2%.

Scheduled repayment terms include either ratable or staggered amortization with repayments typically commencing between six and 36 months after the initial disbursement of funds.

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

The Viom indebtedness includes several working capital facilities, most of which are subject to annual renewal, which are generally secured by the borrower’s short-term and long-term assets. The working capital facilities bear interest at rates that are comprised of base rates plus spreads ranging from 1.60% to 2.30%. Generally, the working capital facilities are payable on demand prior to maturity.

Viom preference shares—As of June 30, 2016, ATC TIPL had 166,666,666 mandatorily redeemable preference shares (the “Preference Shares”) outstanding, which are required to be redeemed in cash. Accordingly, the Company recognized debt of 1.67 billion INR ($24.7 million) related to the Preference Shares outstanding on the consolidated balance sheet.

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

Senior Notes Offerings

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

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

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

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

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

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

Bank Facilities

2013 Credit Facility—During the six months ended June 30, 2016, the Company borrowed an aggregate of $1.2 billion and repaid an aggregate of $2.4 billion of revolving indebtedness under the 2013 Credit Facility. The Company primarily used the borrowings to fund the Viom Acquisition. On July 15, 2016, the Company borrowed $110.0 million under the 2013 Credit Facility.

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

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As of June 30, 2016, the key terms under the 2013 Credit Facility, the 2014 Credit Facility and the Company's unsecured term loan entered into in October 2013, as amended (the "Term Loan") were as follows:

	Outstanding Principal Balance (in millions)	Undrawn letters of credit (in millions)	Maturity Date	Current margin over LIBOR (1)	Current commitment fee (2)
2013 Credit Facility	$ 72.2	$ 3.2	June 28, 2019 (3)	1.250 %	0.150 %
2014 Credit Facility	$ 1,840.0	$ 7.4	January 29, 2021 (3)	1.250 %	0.150 %
Term Loan	$ 2,000.0	N/A	January 29, 2021	1.250 %	N/A

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

6. FAIR VALUE MEASUREMENTS

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

Level 1 Quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

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

	June 30, 2016	December 31, 2015
	Fair Value Measurements Using	Fair Value Measurements Using
	Level 3	Level 3

	Level 2		Level 2	
Assets:				
Interest rate swap agreements	$751	—	$692	—
Embedded derivative in lease agreement	—	$13,735	—	$14,176
Liabilities:				
Acquisition-related contingent consideration	—	$12,225	—	$12,436

During the six months ended June 30, 2016, the Company has made no changes to the methods described in note 11 to the Company's consolidated financial statements in the 2015 Form 10-K that it used to measure the fair value of its interest rate swap agreements, the embedded derivative in one of its lease agreements and acquisition-related contingent consideration. The changes in fair value during the six months ended June 30, 2016 and 2015 were not material to the consolidated financial statements. As of June 30, 2016, the Company estimated the value of all potential acquisition-related contingent consideration required payments to be between zero and $26.3 million.

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Redeemable Noncontrolling Interests
In connection with the Viom Acquisition, the Company entered into a shareholders' agreement that provides for put options held by certain noncontrolling shareholders (see note 9). The fair value of the Company's noncontrolling interests reflected on the consolidated balance sheet are determined using a discounted cash flow approach, which takes into consideration Level 3 unobservable inputs and applies a discount factor.

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

See notes 9 and 13 for more information.

Items Measured at Fair Value on a Nonrecurring Basis
Assets Held and Used—The Company's long-lived assets are recorded at amortized cost and, if impaired, are adjusted to fair value using Level 3 inputs. During the three and six months ended June 30, 2016 and 2015, the Company did not record any material asset impairment charges.

There were no other items measured at fair value on a nonrecurring basis during the six months ended June 30, 2016.

Fair Value of Financial Instruments—The Company's financial instruments for which the carrying value reasonably approximates fair value at June 30, 2016 and December 31, 2015 include cash and cash equivalents, restricted cash, accounts receivable and accounts payable. The Company's estimates of fair value of its long-term obligations, including the current portion, are based primarily upon reported market values. For long-term debt not actively traded, fair value is estimated using either indicative price quotes or a discounted cash flow analysis using rates for debt with similar terms and maturities. As of June 30, 2016 and December 31, 2015, the carrying value of long-term obligations, including the current portion, was $18.7 billion and $17.1 billion, respectively. As of June 30, 2016, the fair value of long-term obligations, including the current portion, was $19.5 billion, of which $11.3 billion was measured using Level 1 inputs and $8.2 billion was measured using Level 2 inputs. As of December 31, 2015, the fair value of long-term obligations, including the current portion, was $17.4 billion, of which $8.7 billion was measured using Level 1 inputs and $8.7 billion was measured using Level 2 inputs.

7. INCOME TAXES
The Company provides for income taxes at the end of each interim period based on the estimated effective tax rate ("ETR") for the full fiscal year. Cumulative adjustments to the Company's estimate are recorded in the interim period in which a change in the estimated annual ETR is determined. As a REIT, the Company continues to be subject to income taxes on the income of its TRSs and income taxes in foreign jurisdictions where it conducts international operations. Under the provisions of the Internal Revenue Code of 1986, as amended, the Company may deduct amounts distributed to stockholders against the income generated by its REIT operations. In addition, the Company is able to offset certain income by utilizing its net operating losses, subject to specified limitations.
The Company provides valuation allowances if, based on the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets.

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

As of June 30, 2016 and December 31, 2015, the total unrecognized tax benefits that would impact the ETR, if recognized, were approximately $68.6 million and $28.1 million, respectively. The amount of unrecognized tax benefits during the three and six months ended June 30, 2016 includes additions to the Company's existing tax positions of $32.8

million and $39.3 million, respectively, both of which include $23.8 million of tax positions assumed through acquisition, and foreign currency fluctuations of $0.4 million and $1.2 million, respectively. The Company expects the unrecognized tax benefits to change over the next 12 months if certain tax matters ultimately settle with the applicable taxing jurisdiction during this time frame, as described in note 12 to the Company's consolidated financial statements included in the 2015 Form 10-K. The impact of the amount of these changes to previously recorded uncertain tax positions could range from zero to $14.1 million.

The Company recorded penalties and income tax-related interest expense during the three and six months ended June 30, 2016 of $2.2 million and $5.2 million, respectively, and during the three and six months ended June 30, 2015 of $0.6 million and $1.5 million, respectively. As of June 30, 2016 and December 31, 2015, the total amount of accrued income tax related interest and penalties included in the consolidated balance sheets was $25.0 million and $20.2 million, respectively.

8. STOCK-BASED COMPENSATION

Summary of Stock-Based Compensation Plans—The Company maintains equity incentive plans that provide for the grant of stock-based awards to its directors, officers and employees. The 2007 Equity Incentive Plan (the "2007 Plan") provides for the grant of non-qualified and incentive stock options, as well as restricted stock units, restricted stock and other stock-based awards. Exercise prices in the case of non-qualified and incentive stock options are not less than the fair value of the underlying common stock on the date of grant. Equity awards typically vest ratably, generally over four years for time-based restricted stock units ("RSUs") and stock options and three years for performance-based restricted stock units ("PSUs"). Stock options generally expire ten years from the date of grant. As of June 30, 2016, the Company had the ability to grant stock-based awards with respect to an aggregate of 9.4 million shares of common stock under the 2007 Plan. In addition, the Company maintains an employee stock purchase plan ("ESPP") pursuant to which eligible employees may purchase shares of the Company's common stock on the last day of each bi-annual offering period at a 15% discount of the lower of the closing market value on the first or last day of such offering period. The offering periods run from June 1 through November 30 and from December 1 through May 31 of each year.

The Company recognized stock-based compensation expense of $21.9 million and $50.0 million during the three and six months ended June 30, 2016, respectively, and recognized stock-based compensation expense of $24.0 million and $53.9 million during the three and six months ended June 30, 2015, respectively. The Company capitalized $0.1 million and $0.8 million of stock-based compensation expense as property and equipment during the three and six months ended June 30, 2016, respectively, and capitalized $0.6 million and $1.1 million of stock-based compensation expense as property and equipment during the three and six months ended June 30, 2015, respectively.

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

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

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

The weighted average grant date fair value per share during the six months ended June 30, 2016 was $14.56. As of June 30, 2016, total unrecognized compensation expense related to unvested stock options was $34.8 million, which is expected to be recognized over a weighted average period of approximately two years.

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The Company’s option activity for the six months ended June 30, 2016 was as follows:

	Number of Options
Outstanding as of January 1, 2016	7,680,819
Granted	1,132,596
Exercised	(907,829)
Forfeited	(16,320)
Expired	(500)
Outstanding as of June 30, 2016	7,888,766

Restricted Stock Units—As of June 30, 2016, total unrecognized compensation expense related to unvested RSUs granted under the 2007 Plan was $115.6 million and is expected to be recognized over a weighted average period of approximately three years.

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

The performance metric related to the 2015 PSUs is tied to year-over-year growth, and actual results for the metric cannot be determined until the end of each respective fiscal year. As a result, as of June 30, 2016, the Company was unable to determine the annual target for the third year of the performance period for this award. Accordingly, an aggregate of 23,377 PSUs was not included in the table below.
Restricted Stock Units and Performance-Based Restricted Stock Units—The Company’s RSU and PSU activity for the six months ended June 30, 2016 was as follows: