

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

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED] For the fiscal year ended December 31, 1999

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE EXCHANGE ACT OF 1934 [NO FEE REQUIRED] For the transition period from to .

Commission file number 0-19551

Atlantic Tele-Network, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

19 Estate Thomas
Havensite
P.O. Box 12030
St. Thomas, U.S. Virgin Islands
(Address of principal executive offices)

47-0728886
(I.R.S. Employer Identification No.)

00801
(Zip Code)

(340) 777-8000
(Registrant's telephone number, including area code)

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

Title of each class	Name of each exchange on which registered
Common Stock, Par Value \$.01 per Share	American Stock Exchange

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

Title of each class
None

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 such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K ((S)229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. The aggregate market value of the shares of all classes of voting stock of the registrant held by non-affiliates of the registrant on March 27, 2000, was approximately \$21,791,232 computed upon the basis of the closing sales price of the Common Stock on that date. For purposes of this computation, shares held by directors (and shares held by any entities in which they serve as officers) and officers of the registrant have been excluded. Such exclusion is not intended, nor shall it be deemed, to be an admission that such persons are affiliates of the registrant.

As of March 27, 2000, there were outstanding 4,699,700 shares of Common Stock, \$.01 par value, of the registrant.

Documents Incorporated by Reference

Portions of the proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A for the registrant's 2000 annual meeting of stockholders are incorporated by reference into Part III of this Form 10-K.

ATLANTIC TELE-NETWORK, INC. ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999

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PART I

Item 1. Business

Introduction

Atlantic Tele Network, Inc. ("the Company") was established in 1987 as a holding company to acquire the Virgin Islands Telephone Corporation from ITT Corporation. In January 1991 the Company acquired 80% of the stock of the Guyana Telephone & Telegraph Company Limited ("GT&T"). The Company became a public company in November of that year.

On December 30, 1997, the Company was split into two separate public companies. One, a new company, Emerging Communications, Inc., contained all of the Company's telephone operations in the U.S. Virgin Islands and was spun off to Jeffrey J. Prosser and the public stockholders of the Company. The other, the Company, continued to own GT&T. In connection with the transaction, the number of outstanding shares of the Company's capital stock was reduced by 60% (in effect, a reverse stock split of 1:2.5).

The Company from time to time evaluates opportunities for establishing or acquiring other telecommunications business through privatization of government-owned business or otherwise in the Caribbean area and in developing countries in other parts of the world, and may make investments in such businesses in the future. The Company has focused its attention on wireline and cellular telephone businesses and cable and "wireless cable" television businesses. In 1998, the Company acquired a 75% interest (increased to 80% in 1999) in Digicom, S.A., which provides dispatch radio, wireless data, network and paging services in Haiti; and a 30% interest in Bermuda Digital Communications, which, operating under the name "Cellular One" is the sole cellular and PCS competitor in Bermuda to the Bermuda Telephone Company. During 1999 the Company organized a wholly owned subsidiary, Wireless World, LLC., and Wireless World, LLC. acquired VI Access the largest internet service provider in the U. S. Virgin Islands. In December 1999, Wireless World, LLC. agreed to acquire Antilles Wireless Cable T.V. Company, which holds MMDS and LMDS licenses for the U. S. Virgin Islands and provides wireless cable television services there.

Cornelius P. Prior, Jr., Chairman of the Board and Chief Executive Officer of the Company, is the owner of approximately 60% of the outstanding common stock of the Company.

GT&T

General. GT&T supplies all public telecommunications service in Guyana. GT&T is the successor to the Guyana Telecommunication Corporation ("GTC"), a corporation wholly owned by the government of Guyana, which prior to 1991 had been the exclusive provider of telecommunications services in Guyana for more than 20 years.

International Traffic. GT&T's revenues and earnings are highly dependent upon international long-distance calls originating outside of Guyana and collect calls from Guyana to foreign points. The following table sets forth data with respect to the volume of GT&T's international traffic for the past three years:

	International Traffic (in thousands of minutes)					
	1997		1998		1999	
	----		----	----		
Inbound Paid and						
Outbound Collect	44,456	(27%)	49,796	(41%)	59,509	(51%)
Audiotext	97,913	(59%)	55,776	(46%)	41,500	(35%)
Total Inbound	142,369	(86%)	105,572	(87%)	101,009	(86%)
Outbound	24,120	(14%)	16,440	(13%)	16,061	(14%)
	-----	---	-----	---	-----	---
Total	166,489	(100%)	122,012	(100%)	117,070	(100%)
	=====	====	=====	====	=====	====

GT&T has agreements with foreign telecommunications administrations and private carriers covering all international calls into or out of Guyana. These agreements include negotiated "accounting rates" which govern the rates of payment by GT&T to the foreign carriers for the use of their facilities in connecting international calls billed in Guyana, and by the foreign carriers to GT&T for the use of its facilities in connecting international calls billed abroad.

The different classes of international traffic described in the above table produce significantly different profit margins for GT&T. In the case of regular inbound traffic and outbound collect traffic, GT&T receives a "settlement rate" payment from the foreign telecommunications carrier generally equal to one-half of the applicable "accounting rate" (e.g., in the case of traffic from the United States, a payment of 85 cents per minute), and GT&T has no significant direct expenses associated with such traffic except for earth station and satellite system costs which are applicable to all of GT&T's international traffic. In the case of audiotext traffic, GT&T receives a settlement rate payment from the foreign carrier which is generally equal to one-half of the applicable accounting rate, and GT&T pays a fee or commission to the audiotext traffic provider at rates which are negotiated from time to time and are typically more than half of the amount received by GT&T from the foreign carrier. In the case of outbound international traffic, GT&T must generally pay the foreign carrier a settlement rate payment equal to one-half of the applicable international accounting rate, and GT&T collects from its subscriber a rate which is regulated by the PUC. In 1997 and earlier, the amount which GT&T collected from its subscribers for outbound international traffic was usually significantly less than the amount which GT&T was required to pay the foreign carrier (e.g., throughout most of 1997, for the United States, GT&T collected approximately \$.74 per minute and paid the U.S. carrier \$.85 per minute). Since February 1, 1998, when a temporary rate increase from the Public Utility Commission ("PUC") went into effect, amounts collected by GT&T for outbound international traffic have in the aggregate slightly exceeded the payments due to foreign carriers for such traffic. GT&T does not allow a significant volume of collect calls into Guyana.

Historically, the volume of calls into Guyana from the United States, Canada and the United Kingdom (including credit card and collect calls from Guyana) has greatly exceeded the volume of paid outbound calls from Guyana to these countries. Except for audiotext traffic, the volume of traffic with other countries has been more evenly balanced. Management of GT&T believes that the disparity in traffic with these countries, which has produced a steady stream of hard currency revenues for GT&T, stems from the fact that the vast majority of GT&T's traffic with these countries consists of personal calls between Guyanese expatriates and their friends and family in Guyana and that the average income of most Guyanese residents is substantially lower than that of their Guyanese expatriate friends or relatives in these countries. There can be no assurance that, as GT&T expands and improves its local telephone facilities and changes occur in the Guyanese economy, inbound international traffic will continue to be as significant a part of GT&T's total revenues.

The U.S. FCC has issued an order which has the effect of prohibiting U.S. carriers from paying a settlement rate in excess of 23 cents per minute to GT&T after January 1, 2002, effective December 31, 1999, GT&T's operating agreement and circuits with AT&T terminated as a result of AT&T's insistence that GT&T agree to a substantial reduction in the settlement rate for traffic between the U.S. and Guyana prior to January 1, 2002. See "Business--Regulation." Any decrease in the net margin of inbound over outbound traffic or in the accounting rate applicable to traffic between Guyana and the United States is likely to have an adverse effect on GT&T's earnings unless GT&T is able to achieve a compensating increase in its regulated rates for local and outbound international service.

A significant portion of GT&T's international traffic arises from the provision by GT&T of telecommunications services to audiotext providers in a number of foreign countries, although the volume of such traffic has been declining in the past three years. Management attributes the continuing decline in audiotext traffic to increased competition from other terminating country carriers, from domestic audiotext traffic and from the internet. As a result of the decline in audiotext traffic revenues and profitability, on December 31, 1997, GT&T filed an application to the PUC for a substantial increase in rates from local service and outbound international calls and was awarded a significant temporary increase in these rates effective February 1, 1998. GT&T filed an amended application in October 1998. Proceedings for a permanent increase in these rates are still pending. See "Business -- Regulation".

Audiotext providers offer telephone information services comparable to those available in the United States on an area code 900 basis. By making a telephone call, the caller can obtain information (generally in the form of a recorded message) on subjects such as weather, sports, business news or material of a sexual nature. Some audiotext providers also establish "chat lines" on which the callers can talk to one another. Audiotext traffic utilizes only excess capacity on GT&T's international circuits and GT&T's main switch in Georgetown. No use of GT&T's local network within Guyana is involved, and none of the telephone numbers assigned to audiotext providers by GT&T can be accessed by a normal telephone call made in Guyana.

At the present time, in the United States and many other countries audiotext calls to GT&T or another foreign telecommunications carrier are treated as ordinary international traffic and are not subject to the regulations applicable to domestic audiotext traffic. However, the U.S. Federal Trade Commission has issued for comments a proposed rule which could change this. See "Business Regulation". GT&T's agreements with audiotext providers obligate such providers to comply with applicable regulations in the countries in which they advertise their services and to refrain from using obscene or indecent material. From time to time a country's regulatory authorities or national telecommunications carrier have taken steps to restrict or eliminate international audiotext traffic.

Domestic Service. At December 31, 1999, GT&T had approximately 64,000 subscriber access lines in service. This number of access lines represents approximately 8 lines per 100 inhabitants. Of all lines in service, 85% were in the largest urban areas, consisting of Georgetown, Linden, New Amsterdam, Diamond and Beterverwagting. During 1999, GT&T extended service to a number of small communities. However, most rural areas still do not have telephone service.

In the past, GT&T's revenues from local telephone and other services have not been significant (e.g. in 1997 local service revenues amounted to approximately \$2.9 million). In December 1997 and October 1998, GT&T applied for rate increases to enable it to earn a 15% rate of return on its rate base. In response to GT&T's December 1997 application, the PUC granted GT&T a temporary rate increase in January 1998, which was subsequently reduced by the PUC in March 1998, pending a final decision on GT&T's application. As a result of the temporary rates for local service in effect throughout most of 1998 and all of 1999, GT&T's local service revenues increased to approximately \$9.4 million in 1998 and \$8.7 million in 1999.

GT&T's revenues for local service are derived from installation charges for new lines, monthly line rental charges, monthly measured service charges based on the number and duration of calls and other charges for maintenance and other customer services. For each category of revenues, rates differ for residential and commercial customers. Residential and commercial customers have contributed approximately equally to GT&T's revenues from local service. As of the end of 1999, GT&T's basic monthly charge per access line was approximately \$1.40 for residential customers and approximately \$5.55 for business customers, and the average monthly bill for residential and business service (excluding charges for international calls and cellular service) was \$7.13 and \$15.06, respectively.

GT&T currently provides mobile cellular telephone service in the Georgetown area and along a portion of Guyana's coastal plain. GT&T plans to complete cellular coverage of the coastal plain in 2000. Cellular subscribers are offered various calling plans and are charged a monthly fee plus airtime based on the selected plan. GT&T's current average monthly charge per cellular subscriber is approximately \$63.99, including monthly rental and airtime charges. As of December 31, 1999, GT&T had approximately 2,900 active mobile cellular subscribers.

Expansion. Since the Company acquired its interest in GT&T in January 1991, GT&T has significantly expanded and rebuilt its telecommunications network. The number of access lines has increased from approximately 13,000 working lines in January 1991 to approximately 64,000 lines at December 31, 1999. Substantially all of GT&T's access lines are now digitally switched lines. The Intelsat B earth station, which provides the principal link with Guyana and the rest of the world, was upgraded and digitalized to increase the number of available circuits from 75 in January 1991 to 1,266 currently. In 1997, GT&T installed a second Standard B earth station, which is currently used to provide service through an Intelsat satellite to a number of localities in the interior of Guyana. This earth station and the Intelsat satellite may also be used in the future to provide a second satellite link from Guyana for international traffic.

In the second quarter of 1997, GT&T completed a test installation of a Northern Telecom Proximity I fixed wireless network in a rural area about 60 kilometers west of Georgetown. GT&T currently utilizes this technology to provide wireless telephone service to about 1,800 subscribers in this area. The installation of these services began in December 1999 and will continue through the first quarter of 2000. The normal rates for land line telephones apply to GT&T's fixed cellular and fixed wireless network services.

GT&T has installed over 400 public telephones in locations across the country providing telecommunications for both local and international calls in areas that had not previously enjoyed service. Currently, in addition to the public telephones, GT&T maintains three public "telephone centers" at which the public can, upon payment of the charges in cash to GT&T personnel who staff these centers, use an ordinary residential-type telephone to make international and domestic calls.

GT&T has purchased capacity in two international fiber optic cables - the Americas I cable, which runs from Brazil to Trinidad, the United States Virgin Islands and the United States mainland, and the Columbus II cable, which runs from the Caribbean region to the Azores and Spain. The Company is presently participating with other international carriers to build a third cable, Americas II, that would provide a leg to Guyana, Suriname and French Guyana. Americas II is planned to be operational by May 2000.

If and when GT&T's current regulatory and tax issues are resolved, the Company anticipates that GT&T will further significantly expand its facilities. GT&T is currently involved in a proceeding with regard to delays in completing its original expansion program (the "Expansion Plan") and is subject to a PUC order requiring additional expansion of services that GT&T has not met. See "Business -- Regulation".

Other Services. GT&T is also licensed to provide various telephone-related services that extend beyond basic telephone service, including yellow pages and other directory services, and it has an exclusive license to sell, lease or service various kinds of telecommunications equipment. Under its license from the Government of Guyana (the "License"), GT&T's rates for most of these services must be specified in a tariff approved by the PUC. See "Business--Regulation."

Significant Revenue Sources

Revenues from the following carriers of international traffic to Guyana constituted the following percentages of GT&T's revenues in the past three years:

	1997	1998	1999
AT&T.....	31%	27%	24%
MCI.....	11%	11%	18%
British Telecom.....	9%	9%	8%
Teleglobe (Canada).....	18%	18%	14%

A significant portion of GT&T's international long distance revenue discussed above is generated by certain of GT&T's audiotext providers which operate as service bureaus or intermediaries for a number of audiotext information providers. The following service bureaus accounted for more than 10% of GT&T's total revenues in the years indicated below:

	1997	1998	1999
Beylen Telecommunications, Ltd.	33%	20%	14%
Islands Telephone Company Limited	15%	11%	6%

No other revenue source accounted for more than 10% of GT&T's total revenues in 1997, 1998 or 1999.

Competition

Pursuant to its franchise from the government of Guyana, GT&T has the exclusive right to provide, and is the sole provider of, local, domestic long-distance and international telephone service in Guyana, except for cellular radio telephone service. One other company began providing local, mobile cellular service near the end of 1998. Another company has been seeking a license to provide fixed wireless service as well as mobile service and to provide wireless international services. GT&T has been opposing this application to the extent it goes beyond local, mobile wireless service on the grounds that the other services are within the exclusive rights granted GT&T in its franchise.

GT&T has the exclusive franchise to provide telephone directories and directory advertising and to supply a wide variety of telecommunications equipment in Guyana. GT&T's revenues from directory advertising and the sale of telecommunications equipment have not been significant to the Company.

The provision of telecommunication services to international audiotext providers is highly competitive. GT&T competes with many telephone companies around the world that provide telecommunications services to international audiotext providers. GT&T's contracts with audiotext providers are all terminable on short notice, and such providers can quickly shift their traffic to another foreign telecommunications carrier which offers higher compensation or better services merely by changing the telephone numbers in their advertisements. . Regulation

GT&T is subject to regulation in Guyana under the provisions of its License and under the Guyana Public Utilities Commission Act of 1999 ("PUCLaw") and the Guyana Telecommunications Act 1990 ("Telecommunications Law"). GT&T also has certain significant rights and obligations under the agreement (the "GT&T Agreement") pursuant to which the Company acquired its interest in GT&T in 1991.

License. The License, which was issued on December 19, 1990, grants GT&T an exclusive franchise to provide in Guyana (i) for a period of 20 years (renewable for an additional 20 years at the option of GT&T), public telephone, radio telephone (except private radio telephone systems which do not interconnect with GT&T's network) and pay station telephone services and national and international voice and data transmission, sale of advertising in any directories of telephone subscribers and switched or non-switched private line service; and (ii) for a period of 10 years (renewable for an additional 10 years on a non-exclusive basis at the option of GT&T) supply of terminal and customer premises equipment and telefax, telex and telegraph service and telefax network service (without prejudice to the right of any other person to undertake any of the following activities: (a) sale of telefax or teleprinter machines, (b) maintenance of telefax or teleprinter equipment, or (c) operation of any facility for the sending or receiving of telefax copies or teleprinter messages). In addition, GT&T was granted a non-exclusive license to provide, for a period of 20 years (renewable for an additional 20 years at the option of GT&T), cellular radio telephone service.

GT&T Agreement. Under the GT&T Agreement GT&T undertook to complete a substantial Expansion Plan by a date which, after giving effect to certain agreed upon extensions, was February 28, 1995, and GT&T was entitled to a specified minimum return. Subject to certain limitations applicable to the years 1991-1994, GT&T is entitled, pursuant to the GT&T Agreement, to a minimum return of 15% per annum on its capital dedicated to public use ("rate base"). Absent mutual agreement by the government of Guyana and the Company (and there has been no such agreement) on a rate of return methodology, rates are to be calculated on the basis of GT&T's entire property, plant and equipment pursuant to a rate of return methodology consistent with the practices and procedures of the United States Federal Communications Commission. GT&T believes that its rate base at December 31, 1999 was approximately \$108.8 million, although the PUC in various orders or staff reports has thrown out or challenged several million dollars of franchise rights and working capital which are included in the foregoing figure. GT&T believes that its 15% per annum minimum return is to be calculated after all of GT&T's operating expenses (including income taxes) other than interest expense. However, the PUC has disallowed as an expense for rate making purposes management fees equal to 6% of GT&T's revenues which GT&T pays to the Company pursuant to an agreement approved by representatives of the government at the time of the Company's acquisition of its interest in GT&T.

Under the GT&T Agreement, upon non-renewal or termination of the License, the government of Guyana will be entitled to purchase the Company's interest in GT&T or the assets of GT&T upon such terms as may be agreed to by the Company and the government or, absent such agreement, as may be determined by arbitration before the International Center for the Settlement of Investment Disputes.

PUC Law and Telecommunications Law. The PUC Law and the Telecommunications Law provide the general framework for the regulation of telecommunications services in Guyana. The Public Utilities Commission of Guyana ("PUC") is an independent statutory body with the principal responsibility for regulating telecommunications services in Guyana. The PUC has authority to set rates and has broad powers to monitor GT&T's compliance with the License and to require GT&T to supply it with such technical, administrative and financial information as it may request. The PUC also has broad authority to review and amend any GT&T program for development and expansion of facilities or services.

Although, under the current PUC Law and predecessor statutes which have been in effect since 1990, the PUC is obligated to honor the provisions of the GT&T Agreement on rates, in the Company's opinion, the PUC has consistently failed to do so:

- o In April 1991, GT&T sought a 184% rate increase to which it was entitled under the GT&T Agreement to compensate for a devaluation of the Guyana currency. The PUC delayed its decision until November 1991 when it awarded only a part of the increase sought, and then further delayed authorizing GT&T to collect various portions of the increased rates until 1995. A small portion of the increased rates awarded in November 1991 was never authorized for collection.

- o In May 1995, GT&T applied to the PUC for a substantial increase in all of its local rates to enable it to earn the minimum 15% return specified in the GT&T Agreement. In October 1995, the PUC rejected GT&T's application and substantially reduced rates in an order ultimately voided by the Guyana High Court on grounds that the PUC's hearing procedures violated "principles of natural justice."

- o On December 31, 1997, GT&T again applied to the PUC for a significant increase in rates so as to enable GT&T to earn a 15% return on its rate base. The PUC first awarded GT&T on a temporary basis a substantial increase in rates and then without holding any hearings, as are required under the PUC Law, some ten weeks later, ordered a substantial reduction in the interim rate increase.

- o On October 27, 1998 to reflect changed conditions since December 31, 1997, GT&T filed for an additional rate increase designed to generate \$19.0 million in additional revenues over and above the interim rates currently in effect. GT&T's two applications for a permanent rate increase are still pending before the PUC.

- o In January 1999, the chairman of the PUC held a press conference which dealt extensively with the rate issues under consideration by the PUC. GT&T applied to the Guyana High Court for an order prohibiting the chairman from further participation in the rate case on the grounds that this press conference and his statements at the press conference revealed a predetermination and bias by the chairman against GT&T on the pending issues. In response to this application, the Guyana High Court issued an order directing the chairman and the PUC to show cause why such an order of prohibition should not be issued. In the Company's opinion, the Guyana High Court's order had the legal effect of barring the chairman, but not the other members of the PUC, from further participation in the rate case pending a determination by the Guyana High Court of the merits of GT&T's application. The PUC, however, took the position that all of its members were barred from further participation in the rate case during the pendency of the High Court's order to show cause, and the PUC declined to schedule any further hearings in the rate case. On March 28, 2000, the High Court found that the chairman's statements at the press conference provided a reasonable basis to suspect the chairman of having a bias against GT&T, and the Court barred the chairman of the PUC from further rate case proceedings.

In addition to the two pending rate cases, GT&T has a number of other significant matters pending before the PUC:

o Since March 1995 the PUC has had pending a proceeding initiated by the minister of telecommunications of Guyana, with regard to the noncompletion of the Expansion Plan by its scheduled completion date of February 28, 1995. It is GT&T's position that its failure to receive timely rate increases, to which GT&T was entitled, to compensate for the devaluation in Guyana currency which occurred in 1991 provides legal justification for GT&T's delay in completing the Expansion Plan. If the PUC concludes that GT&T failed or refused to complete the Expansion Plan in a timely manner without legal justification, it may impose a fine, which could range from \$56 (G \$10,000) up to the cost of completing the portion of the Expansion Plan which was unfinished on February 28, 1995 (which GT&T estimates to be no more than \$5 million). The PUC could also recommend to the government that it cancel the License. The Guyana government is not bound to act on a PUC recommendation. GT&T will have the right of appeal to the Guyana courts from any adverse ruling of the PUC.

o In October 1997, the PUC ordered GT&T to increase the number of telephone lines in service to a total of 69,278 lines by the end of 1998, 89,054 lines by the end of 1999 and 102,126 by the end of the year 2000, to allocate and connect an additional 9,331 telephone lines before the end of 1998 and to provide to subscribers who request them facilities for call diversion, call waiting, reminder call and three-way calling by the end of the year 1998. In issuing this order, the PUC did not hear evidence or make any findings on the cost of providing these lines and services, the adjustment in telephone rates which may be necessary to give GT&T a fair return on its investment or the ways and means of financing the requirements of the PUC's order as required by the PUC Law then in effect. GT&T has filed a motion against the PUC's order in the Guyana High Court and has appealed the order on different grounds to the Guyana Court of Appeal. No stay currently exists against this order, and the PUC has recently scheduled a hearing to inquire into GT&T's compliance or noncompliance with this order.

o In July 1998, the PUC gave notice that it would hold a public hearing on August 25, 1998 in respect of the following matters; (i) "the validity of the grant of monopoly rights to any owner or provider of services in the public utility sector, having regard to the laws in force in Guyana at the relevant time;" and (ii) "whether the Commission has power to request the Government to issue a license to a new provider of services in the public utility sector, where the existing provider in that sector fails to refuse to meet reasonable demands for service in that public utility sector." While the PUC's notice did not name GT&T as the service provider in question, the Company believes that GT&T is the service provider which will be the subject of the hearing. This intended hearing has been stayed by an order issued by the Guyana High Court on an application by GT&T pending a hearing on the merits of GT&T's application.

o In 1997 after the Guyana High Court voided a PUC order of October 1995 reducing GT&T's rates for outbound long distance calls to various countries, GT&T put into effect a surcharge to recover the approximately \$9.5 million of lost revenues from the period of October 1995 to the date of the High Court's order. The Guyana Consumer Advisory Bureau, a non-governmental group, instituted a suit challenging GT&T's rights to institute this surcharge without PUC approval, and in the fourth quarter of 1999, the Guyana High Court ruled that GT&T should have first obtained PUC's permission for such surcharge. Substantially all of the \$9.5 million of lost revenues were collected prior to the court's ruling, and it is unclear whether GT&T will be required to make any refund since the High Court did not rule on GT&T's contention that it was entitled to recover these lost revenues.

o In February 2000 GT&T received notices of five separate hearings from the PUC relating to various issues, including GT&T's failure to comply with the October 1997 order to increase the number of lines in service, and information requests on the amount of surcharges collected by GT&T as a result of the High Court's voiding of the PUC's October 1995 rate reduction order. GT&T has filed with the Guyana High Court a petition to bar the Chairman of the PUC on the grounds of bias from participating in any matters involving GT&T.

At the date of this report, the fixed term of office of all of the members of the PUC has expired, and the government of Guyana has the authority to replace any or all of the members.

FTC Matters. On October 30, 1998, the U.S. Federal Trade Commission ("FTC") issued for comment a proposed rule which would expand the definition of "pay-per-call" services to include international audiotext services such as those which GT&T terminates in Guyana. If adopted in its present form the FTC's proposed rule would require, among other things, that a caller must receive a short preamble at the beginning of the call advising the caller of the cost of the call and permitting the caller to terminate the call without charge if terminated immediately. Although GT&T has not completed its study of the ways and means of possibly complying with this requirement, it may be technically impossible for recipients of international audiotext traffic, such as GT&T, to separate audiotext traffic from other incoming international traffic and permit a free preamble for audiotext calls. The FTC's proposed rule would have the effect of prohibiting a local telephone company from disconnecting a subscriber's telephone service for failure to pay charges for an international audiotext call. This requirement currently applies to area code 900 domestic audiotext. The proposed rule would also include several requirements which, if adopted, could make it more difficult to bill and collect for international audiotext calls. If the proposed regulations are adopted, they may have a significant adverse impact on international audiotext traffic from the United States to Guyana and other non-U.S. termination points.

FCC Matters. The U.S. Federal Communications Commission ("FCC") has issued a Report and Order in a rule making proceeding in which it adopted mandatory international accounting and settlement rate benchmarks for many countries. The FCC adopted a mandatory settlement rate benchmark of \$.23 per minute for low-income countries such as Guyana and required that settlement rates between the U.S. and low-income countries be reduced to \$.23 per minute by January 1, 2002. The current settlement rate is \$.85 per minute. The FCC stated in the Report and Order that it expects U.S. licensed carriers to negotiate proportionate annual reductions prior to 2002.

In accordance with this FCC policy, AT&T sought a reduction in the settlement rate for traffic between Guyana and the United States, GT&T declined to agree to such a reduction, and effective December 31, 1999 GT&T's operating agreement and all direct circuits with AT&T were terminated. In anticipation of the termination of the AT&T agreement, GT&T has sought to bring on circuits with other carriers to handle the traffic previously received from AT&T and to restructure its operating agreements with carriers around the world so that GT&T will receive approximately \$.85 per minute as a termination fee for international traffic from all countries, with the exception of Canada and certain Caribbean countries which will continue to be able to send normal volumes of traffic to GT&T at the lower rates which traditionally have been in effect with these countries.

It is likely that international settlement rates between Guyana and the United States and other countries around the world will decline significantly on or prior to January 1, 2002. Any significant reduction in the settlement rates for U.S. - Guyana traffic could have a significant adverse impact on GT&T's earnings. While such an event would provide GT&T with basis to seek a rate increase from the PUC so as to permit GT&T to earn its contractually provided 15% rate of return, there can be no assurances as to when or whether GT&T would receive such a rate increase.

Taxation - United States

As a U.S. corporation, the Company is subject to U.S. federal income tax on its worldwide net income, currently at rates up to 35%. GT&T is a controlled foreign corporation ("CFC") for purposes of the Subpart F provisions of the Internal Revenue Code of 1986, as amended (the "Code"). Under those provisions, the Company may be required to include in income certain earnings and profits ("E&P") of a CFC subsidiary at the time such E&P are earned by the subsidiary, or at certain other times prior to their being distributed to the Company. At present, no material amount of such subsidiary E&P is includible in the U.S. taxable income of the Company before being distributed to it. Pursuant to the foreign tax credit provisions of the Code, and subject to complex limitations contained in those provisions, the Company would be entitled to credit foreign withholding taxes on dividends or interest received, and foreign corporate income taxes of its subsidiaries paid with respect to income distributed as dividends or deemed distributed under Subpart F from such subsidiaries, against the Company's U.S. federal income tax.

A U.S. corporation is classified as a Personal Holding Company ("PHC") if (a) more than 50% of its capital stock is owned directly or indirectly by or for five or fewer individuals (or pension plans); and (b) at least 60% of its adjusted ordinary gross income consists of certain types of income (principally passive income, including interest and dividends) included in the Code definition of "PHC Income." For any taxable year that a corporation is a PHC, the "undistributed personal holding company income" of such corporation for that year (i.e., the net income of the corporation as reflected on its U.S. corporate income tax return, with certain adjustments, minus, in general, federal income tax and dividends distributed or deemed distributed for this purpose) would be subject to an additional PHC tax of 39.6%. The Company currently satisfies the above ownership criterion but the Company believes that it does not satisfy the income criterion for classification as a PHC.

Taxation - Guyana

GT&T's worldwide income is subject to Guyanese tax at an overall rate of 45%. The GT&T Agreement provides that the repatriation of dividends to the Company and the payment of interest on GT&T debt denominated in foreign currency are not subject to withholding taxes. It also provides that fees payable by GT&T to the Company or any of its subsidiaries for management services they are engaged to render shall be payable in foreign currency and that their repatriation to the United States shall not be subject to currency restrictions or withholding or other Guyana taxes.

In May 1997, GT&T received a letter from the Guyana Commissioner of Inland Revenue indicating that GT&T's tax returns for 1992 through 1996 had been selected for an audit under the direct supervision of the Trade Minister with particular focus on the withholding tax on payments to international audiotext providers. In March and April 1997, the Guyanese Trade Minister publicly announced that he had appointed a task force to probe whether GT&T should pay withholding taxes on fees paid by GT&T to international audiotext providers. The Minister announced that if GT&T were found guilty of tax evasion it could owe as much as \$40 million in back taxes. In July 1997, GT&T applied to the Guyana High Court for an order prohibiting this audit on the grounds that the decision of the Minister of Trade to set up this task force and to control and direct its investigation was beyond his authority, violated the provisions of the Guyanese Income Tax Act, interfered with the independence of the Commissioner of Inland Revenue and was done in bad faith, and the court issued an order effectively staying the audit pending a determination by the court of the merits of GT&T's application.

In June 1997, GT&T received an assessment of the current equivalent of approximately \$3 million from the Guyana Commissioner of Inland Revenue for taxes for 1996 based on the disallowance as a deduction for income tax purposes of five-sixths of the advisory fees payable by GT&T to the Company and for the timing of the taxation on certain surcharges to be billed by GT&T. The deductibility of these advisory fees and the deferral of these surcharges until they are actually billed had been upheld for an earlier year in a decision of the High Court in August 1995. In July 1997, GT&T applied to the High Court for an order prohibiting the Commissioner of Inland Revenue from further proceeding with this assessment on the grounds that the assessment was arbitrary and unreasonable and capriciously contrary to the August 1995 decision of the Guyana High Court, and GT&T obtained an order of the High Court effectively prohibiting any action on the assessment pending the determination by the court of the merits of GT&T's application.

In November 1997, GT&T received assessments totaling the current equivalent of approximately \$11 million from the Guyana Commissioner of Inland Revenue for taxes for the years 1991 through 1996. It is GT&T's understanding that these assessments stem from the same audit commenced in May 1997 which the Guyana High Court stayed in its July 1997 order referred to above. Apparently because the audit was cut short as a result of the Court's July 1997 order, GT&T did not receive notice of and an opportunity to respond to the proposed assessments as is the customary practice in Guyana, and substantially all of the issues raised in the assessments appear to be based on mistaken facts. GT&T has applied to the Guyana High Court for an order prohibiting the Commissioner of Inland Revenue from enforcing the assessments on the grounds that the origin of the audit with the Minister of Trade and the failure to give GT&T notice of and opportunity to respond to the proposed assessment violated Guyana law. The Guyana High Court has issued an order effectively prohibiting any action on the assessment pending the determination by the Court of the merits of GT&T's application.

There can be no assurance as to the ultimate outcome of any of the above described pending tax issues.

Employees

As of December 31, 1999, GT&T employed approximately 670 persons of whom approximately 499 are represented by the Guyana Postal and Telecommunications Workers Union. GT&T's current contract with this union expires on September 30, 2000. The Company considers its employee relations to be satisfactory.

Item 2. Properties

At December 31, 1999, GT&T utilized approximately 254,000 square feet of building space on approximately 41 acres of land in various locations throughout Guyana, all of which is owned by GT&T. In addition, GT&T leases approximately 3,000 square feet of office space in Georgetown, Guyana. For additional information, see "Business--GT&T--Expansion". GT&T carries insurance against damage to equipment and buildings, but not to outside plant.

Item 3. Legal Proceedings

GT&T is involved in various regulatory and court proceedings in Guyana which are discussed in Item 1. "Business -- Regulation" and "Business -- Taxation Guyana."

The Company is involved in various other litigation, the ultimate disposition of which, in the opinion of the Company's management, will not have a material adverse effect on the financial position or operations of the Company.

Item 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of security holders during the fourth quarter of 1999.

Executive Officers of the Registrant

Set forth below are the executive officers of the Company as of the date hereof:

Name	Age	Position
Cornelius B. Prior, Jr.	66	Chief Executive Officer, Chairman of the Board and Secretary of the Company; Chairman of the Board of GT&T
Lewis A. Stern	65	Vice President - Finance and Chief Financial Officer
Steven M. Ross	40	Treasurer and Chief Accounting Officer
Lawrence M. Fuccella	36	Vice President - Special Projects
Richard A. Hanscom	58	Vice President - Technology and Engineering
Sonita Jagan	34	General Manager - GT&T

Cornelius B. Prior, Jr. has been Chief Executive Officer and Chairman of the Board of the Company since December 30, 1997. From June 30, 1987 to December 1997 he was Co-Chief Executive Officer and President of the Company. He was Chairman of the Board of Virgin Islands Telephone Corporation from June 1987 to March 1997 and became Chairman of the Board of GT&T in April 1997. From 1980 until June 1987, Mr. Prior was a managing director and stockholder of Kidder, Peabody & Co. Incorporated, where he directed the Telecommunications Finance Group.

Lewis A. Stern joined the Company in March 2000 and was appointed as Vice President - Finance and Chief Financial Officer on March 10, 2000. For more than five years prior to his joining the Company Mr. Stern was a partner through a professional corporation in the law firm of Fried Frank, Harris, Shriver and Jacobson.

Steven M. Ross joined the Company in August 1993 as assistant controller. He was appointed Acting Chief Financial Officer, Chief Accounting Officer and Controller in July 1999. Mr. Ross was appointed Treasurer on March 10, 2000. Mr. Ross graduated from West Virginia University in 1981 receiving a B.S.B.A., majoring in accounting, and holds a Master of Professional Accountancy from West Virginia University.

Lawrence M. Fuccella became a Vice President of the Company in 1998. Mr. Fuccella joined GT&T as assistant finance controller in July 1992 after receiving his MBA from Virginia Commonwealth University. He became finance controller of GT&T in 1993. Since 1994 he has been Special Projects Director with responsibility for managing the Company's audiotext operations and its relationships with foreign telecommunications administrations.

Richard A. Hanscom, Sr. was appointed as Vice President - Technology and Engineering of the Company in March 2000. He has 39 years of experience in the telecommunications industry. He joined ITT in 1974, and was working at Vitelco when the Company acquired it in 1987 and has held various management positions with the company since that time. He has a degree in Electrical Engineering from Rochester Institute of Technology.

Sonita Jagan was appointed General Manager of GT&T on February 24, 2000. Ms. Jagan joined GT&T in March 1993 as Assistant Financial Controller, she was promoted to Financial Controller in 1994 and was further promoted to General Manager - Internal Affairs in June 1999. Ms. Jagan received a Bachelor of Arts in Administration and Commerce from the University of Western Ontario, Canada.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

The Company's Common Stock, \$.01 par value, is listed on the American Stock Exchange ("AMEX") under the symbol "ANK". The following table sets forth quarterly market price ranges for the Company's Common Stock in 1998 and 1999:

1998 Quarters	High	Low
1st.....	151/2	75/8
2nd	161/4	107/8
3rd	141/8	63/4
4th	121/2	73/8

1999 Quarters	High	Low
1st.....	1111/16	8
2nd	105/8	81/4
3rd	103/4	95/16
4th	101/2	77/8

The approximate number of holders of record of Common Stock as of March 27, 2000 was 68.

Dividends

On December 15, 1998 the Board of Directors of the Company adopted a policy of paying quarterly dividends at the rate of \$0.15 per share on the Company's Common Stock and declared a dividend at that rate payable in January 1999. Dividends at this rate were declared in and paid for the four quarters of 1999. On March 10, 2000 the Board of Directors of the Company modified the policy to increase the quarterly dividend payments to the rate of \$0.175 per share on the Company's Common Stock, and declared a dividend at that rate payable in April 2000.

The declaration and payment of dividends on the Common Stock is at the discretion of the Board of Directors of the Company. The continuation or modification of the Company's current dividend policy will be dependent upon future results of operations, financial condition, capital requirements, contractual restrictions, regulatory actions, and profitability of the Company and its subsidiaries and other factors deemed relevant at that time by the Board of Directors.

Item 6. Selected Financial Data

SELECTED HISTORICAL FINANCIAL DATA

The following selected historical financial data have been derived from and are qualified by reference to, the audited combined and consolidated financial statements of the Company. The selected historical combined and consolidated financial data should be read in conjunction with the audited combined and consolidated financial statements and related notes thereto of the Company for the years ended December 31, 1997, 1998 and 1999. All dollar amounts are in thousands, except per share data.

	Years Ended December 31,				
	1995	1996	1997	1998	1999
	Combined		Consolidated		
Statement of Operations Data:					
Telephone operations					
Revenues:					
International long-distance revenues	128,939	145,080	113,865	84,028	73,737
Local exchange service revenues	\$1,631	\$2,463	\$2,933	\$9,444	\$8,692
Other revenues	600	710	817	1,172	1,602
Total revenue	131,170	148,253	117,615	94,644	84,031
Total operating expenses	99,879	121,469	99,473	63,095	60,165
Income from telephone operations	31,291	26,784	18,142	31,549	23,866
Loss from other operations	-	-	-	(373)	(599)
Other income (expense), net	(2,544)	(1,502)	(1,117)	2,930	(28)
Income from operations before income taxes and minority interest	28,747	25,282	17,025	34,106	23,239
Income taxes	13,619	10,824	7,718	15,913	11,898
Income from operations before minority interest	15,128	14,458	9,307	18,193	11,341
Minority interest	(2,390)	(2,096)	(1,372)	(2,281)	(1,676)
Income from operations	\$12,738	\$12,362	\$7,935	\$15,912	\$9,665
Basic net income per share				\$3.25	\$2.05
Diluted net income per share				\$3.23	\$2.05
Pro Forma Net Income Per Share			\$1.69		

	Years Ended December 31,				
	1995	1996	1997	1998	1999
	Combined		Consolidated		
Balance Sheet Data:					
Fixed Assets, net	\$92,102	\$97,780	\$36,042	\$46,431	\$56,451
Total assets	185,481	194,493	108,049	126,260	131,448
Short-term debt (including current portion of long-term debt)	15,626	11,047	3,298	3,403	3,410
Long-term debt, net	25,969	20,398	14,536	11,394	7,969
Stockholders' equity	98,264	110,626	54,244	68,874	74,934

Historical income per share amounts for 1997 and earlier years have not been presented, as this information is not considered meaningful.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward Looking Statements and Analysts' Reports

This report contains forward looking statements within the meaning of the federal securities laws, including statements concerning future rates, revenues, costs, capital expenditures, and financing needs and availability and statements of management's expectations and beliefs. Actual results could differ materially from these statements as a result of many factors, including future economic and political conditions in Guyana, the matters discussed in the "Business -- Regulation" section of this Report and in Notes 11 and 12 to the Financial Statements included in this Report.

Investors should also be aware that while the Company does, from time to time, communicate with securities analysts, it is against the Company's policy to disclose to them any material non-public information or other confidential information. Accordingly, shareholders should not assume that the Company agrees with any statement or report issued by an analyst irrespective of the content of the statement or report. Furthermore, the Company has a policy against issuing or confirming financial forecasts or projections issued by others. Thus, to the extent that reports issued by securities analysts contain any projections, forecasts or opinions, such reports are not the responsibility of the Company.

Introduction

The Company's revenues and income from operations are derived principally from the operations of its telephone subsidiary, GT&T. GT&T derives almost all of its revenues from international telephone services. In June 1998, the Company acquired a 75% interest (increased to 80% in December 1999) in Digicom S.A., a Haitian corporation principally engaged in dispatch radio, mobile telecommunications and paging, for \$1.7 million in cash. In July 1998, the Company acquired for \$1.0 million in cash a 30% interest, with certain options to increase that interest to 40%, in Bermuda Digital Communications, Ltd., a Bermuda corporation which operates under the name "Cellular One" and is the sole cellular and PCS competitor in Bermuda to the Bermuda Telephone Company. The Company also provided a loan to Bermuda Digital Communications, Ltd. of \$3.0 million at Citibank prime, which was 8.5% at December 31, 1999, plus 3%. During 1999, the Company organized a wholly owned subsidiary, Wireless World, LLC., and Wireless World, LLC. acquired VI Access the largest internet service provider in the U.S. Virgin Islands. In December 1999, Wireless World, LLC. agreed to acquire Antilles Wireless Cable T.V. Company, which holds MMDS and LMDS licenses for the U.S. Virgin Islands and provides wireless cable television services there. The Company has signed advisory fee contracts with Bermuda Digital Communications Ltd. and each of its operating subsidiaries compensating it at 6% of gross revenues for management services provided. The assets, liabilities, and operations of Digicom S.A., Bermuda Digital Communications, Ltd., Wireless World, LLC. and Antilles Wireless Cable T.V. Company, individually and in the aggregate, are not currently material to the assets, liabilities, and operations of the Company on a consolidated basis.

The principal components of operating expenses for the Company's telephone operations are plant specific operations expenses, plant non-specific operations expenses, customer operations expenses, corporate operations expenses, international long-distance expenses, taxes other than income taxes and general and administrative expenses. These categories are consistent with FCC accounting practices. Plant specific operations expenses relate to support and maintenance of telephone plant and equipment and include vehicle expense, land and building expense, central office switching expense and cable and wire expense. Plant non-specific operations expenses consist of depreciation charges for telephone plant and equipment and expenses related to telephone plant and network administration, engineering, power, materials and supplies, provisioning and plant network testing. Customer operations expenses relate to marketing, providing operator services for call completion and directory assistance, and establishing and servicing customer accounts. Corporate operations expenses include GT&T's expenses for executive management and administration, corporate planning, accounting and finance, external relations, personnel, labor relations, data processing, legal services, procurement and general insurance. International long-distance expenses consist principally of charges from international carriers for outbound international calls from Guyana and payments to audiotext providers from whom GT&T derives international audiotext traffic. Taxes other than income taxes include gross receipts taxes, property taxes, and other miscellaneous taxes. General and administrative expenses consist principally of parent company overheads and amortization.

For accounting purposes, the December 1997 split up transaction of the Company into two separate publicly held companies (the Company and the Emerging Communications, Inc.) has been treated as a non pro rata split off of a business in which the split off entity is to be accounted for at fair value. The Company was considered to be the split off entity since Emerging

Communications, Inc. had the greater market capitalization and greater asset value immediately after the transaction, retained more of the pre-transaction top management of the Company and had greater net income in 1997. Accordingly, the balance sheet of the Company at December 31, 1997 was adjusted to fair value as evidenced by the market capitalization of the Company immediately after the consummation of the transaction. This adjustment included an approximately \$60 million reduction in the Company's consolidated net fixed assets, and an approximately \$45 million reduction in the Company's consolidated stockholders' equity. The fair value adjustment reduced the carrying value on the Company's consolidated financial statements of its fixed assets significantly below their historical cost and replacement value. Therefore, depreciation expense for periods after December 31, 1997 is not a reliable indicator of the Company's cost of replenishing its assets.

The combined financial statements included in this report are the separate financial statements relating to Atlantic Tele-Network, Inc.'s business and operations in Guyana including its majority owned subsidiary, GT&T, and ATN's activities as the parent company of all of its subsidiaries during the year ended December 31, 1997. These combined financial statements do not reflect the fair valuation adjustment arising from the split up transaction. Moreover, the combined statement of operations includes interest income from indebtedness of subsidiaries which were transferred with such indebtedness to Emerging Communications, Inc. in the split up transaction and certain expenses for the period from May 1, 1997 to December 31, 1997 which were reimbursed by Emerging Communications, Inc. as part of the split up transaction.

As a result of the decline in 1997 in GT&T revenues and profits from audiotext traffic, on December 31, 1997 GT&T filed an application with the PUC for a significant increase in rates for local and outbound international long-distance service so as to enable GT&T to earn a 15% return on its rate base. Effective February 1, 1998, GT&T was awarded an interim increase in rates. Subsequently on March 27, 1998, the PUC reduced its interim rate increase effective in part on April 1, 1998 and in part on May 1, 1998. The reduced rates represented a substantial increase over the rates in effect during 1997 and earlier years. On October 27, 1998, to reflect changed conditions since December 31, 1997, GT&T filed for an additional rate increase designed to generate \$19.0 million in additional revenues over and above the interim rates currently in effect. GT&T's two applications for a permanent rate increase are still pending before the PUC. No assurance can be given as to what permanent rates the PUC will award GT&T or as to what changes the PUC may make in the current interim rates. In January 1999, the Chairman of the PUC held a press conference which dealt extensively with the rate issues under consideration by the PUC. GT&T then applied to the Guyana High Court for an order prohibiting the Chairman from further participating in the rate case on the grounds that this press conference and his statements at the press conference revealed a predetermination and bias by the Chairman against GT&T on the pending issues. In response to this application, the Guyana High Court issued an order directing the Chairman and the PUC to show cause why such an order of prohibition should not be issued. The Guyana High Court's order has the legal effect of barring the Chairman from further participation in the rate case pending a determination by the Guyana High Court of the merits of GT&T's application and, thus, is likely to further delay a decision by the PUC on GT&T's pending applications.

RESULTS OF OPERATIONS

Years Ended December 31, 1998 and 1999

Telephone operating revenues for the year ended December 31, 1999 were \$84.0 million as compared to \$94.6 million for 1998. Net income for 1999 was \$9.7 million, or \$2.05 per share, as compared to \$15.9 million, or \$3.25 per share, for 1998.

Operating results for fourth quarter 1999 includes \$710,000 of revenue recognized from the settlement of a dispute with an international telecommunications carrier resulting in a net gain of \$293,000, or \$.06 per share.

Operating results for 1998 include a fourth-quarter net gain to ATN of \$1.0 million arising from the devaluation during 1998 of the Guyana dollar, \$4.5 million of revenues recognized in the third quarter as a result of a settlement with a foreign telecommunications carrier of a claim for the interruption of international long-distance dial service to Guyana during 1995, and approximately \$3.8 million in other non-operating income in the first quarter of 1998 as a result of the settlement of a claim arising from the cancellation of an insurance policy. After excluding these unusual items, the Company's core operating revenues and earnings for 1998 were \$90.1 million and \$10.6 million, respectively, or \$2.16 per share.

Excluding the one-time items in 1999 and 1998 discussed above, core revenues in 1999 decreased by \$6.8 million or 7.6%. This decrease in revenues was attributable primarily to the continued decline in audiotext traffic through 1999. In the four quarters of 1998, audiotext traffic averaged approximately 5.3 million, 5.0 million, 4.5 million, and 3.9 million minutes per month, respectively. In the four quarters of 1999, audiotext traffic averaged 3.9 million, 3.5 million, 2.7 million and 3.7 million minutes per month, respectively. The decline in revenues in the second and third quarters of 1999 was due in part to an increase in the "refiling" or mislabeling of traffic from the United States and United Kingdom to Guyana. Offsetting the decrease in audiotext traffic, regular inbound international minutes increased from 49.8 million in 1998 to 59.5 million in 1999. The Company expects that audiotext traffic volumes will continue to decline, although the Company is unable to predict future audiotext revenues and traffic volumes with any degree of certainty.

Local exchange service revenues decreased by \$752,000 or 8% during 1999 as a result of the currency devaluation in the Guyana dollar in 1998. During 1998 the Guyana dollar declined from 142:1 US dollar to 180:1 US dollar and local revenues for 1998 were accounted for on a weighted average of these currency rates. For 1999 local revenues were calculated at the rate of 180:1. This decrease in exchange rate which affected the local exchange service revenues was partially offset by increased lines in service which rose to 64,000 at December 31, 1999 from 60,000 lines in service at December 31, 1998, an increase of 4,000 lines or 7%.

International long-distance inbound revenues other than audiotext increased to \$37.2 million in 1999 from \$31 million in 1998. Excluding the \$710,000 of revenue recognized from the settlement mentioned above, this represents an increase of \$5.5 million or 18% and correlates to an increase in inbound minutes of traffic from 49.8 million in 1998 to 59.5 million in 1999, an increase of 9.7 million minutes or 20%. Management believes that this increase in inbound telephone traffic other than audiotext is indirectly the result of the increase in temporary rates for outbound long-distance traffic granted by the PUC in early 1998. Because a substantial portion of GT&T's international traffic, other than audiotext, consists of personal calls between Guyanese expatriates and their friends and families in Guyana, management believes that an increase in rates for outbound calls results not only in a decrease in the volume of outbound calls but an increase in the volume of inbound calls.

As is noted elsewhere in this report (see "Business -- Regulation"), the FCC has adopted mandatory international settlement rate benchmarks for payments by U.S. telecommunications carriers to telecommunications carriers in other countries including Guyana, and GT&T's operating agreement and circuits with AT&T were terminate effective December 31, 1999. Any significant reduction in the volume of inbound traffic from the United States to Guyana or in the settlement rate for this traffic could have a significant adverse impact on GT&T's earnings. Any of these events would provide GT&T with a basis to seek an increase in rates for local and outbound international service so as to permit GT&T to earn its contractually provided 15% rate of return. However, there can be no assurance as to when or whether GT&T would receive such a rate increase.

International long-distance outbound revenues decreased from \$15.1 million in 1998 to \$12.7 million in 1999, a decrease of \$2.4 million or 16%. This decrease in international long-distance outbound revenues is primarily related to the decrease in the Guyanese dollar exchange rate from 142:1 US dollar to 180:1 US dollar discussed above, as the volume of outbound international long-distance traffic declined only slightly from 16.4 million minutes during 1998 to 16.1 million for 1999, a decline of approximately 2%.

Telephone operating expenses were \$60.2 million for 1999 as compared to \$63.1 million for 1998. After eliminating the 1998 gain of \$3 million from the devaluation of the Guyana dollar (which reduced operating expenses) core telephone operating expenses were \$66.1 million in 1998. This represents a decrease of \$5.9 million or 9% in core telephone operating expense. This decrease was due principally to a decrease in audiotext traffic expense at GT&T of \$5.4 million due to decreased traffic volumes. Core telephone operating expenses were approximately 72% of core telephone operating revenues in 1999 as compared to approximately 73% of core telephone operating revenues in 1998 (excluding from core operating revenues in each year and from core operating expenses in 1998 the effects of the one-time items discussed above).

Other operations revenues and expenses represent the operations of Digicom S.A. and Wireless World, LLC. and are not material. The Company acquired a 75% interest in Digicom on June 2, 1998 and an additional 5% in December of 1999. Wireless World, LLC. commenced operations with the acquisition of VI Access on October 5, 1999.

Income from operations before interest expense, income taxes and minority interest for 1999 was \$23.2 million as compared to \$31.1 million for 1998. This represents a decrease of \$7.9 million or 25% and is principally a result of the factors affecting revenues and operating expenses discussed above.

The Company's effective tax rate for the year ended December 31, 1999 was 51.2% as compared to 46.7% for 1998. The minority interest in earnings consists primarily of the Guyana government's 20% interest in GT&T.

Years Ended December 31, 1997 and 1998

Telephone operating revenues for the year ended December 31, 1998 were \$94.6 million as compared to \$117.6 million for 1997. Consolidated net income for 1998 was \$15.9 million or \$3.25 per share (\$3.23 per share on a fully diluted basis). Pro forma net income for 1997 was \$8.3 million or \$1.69 per share. The 1997 pro forma results give effect to the December 30, 1997 split-off transaction as if it had been completed at the beginning of 1997.

Operating results for 1998 include a fourth-quarter net gain to ATN of \$1.0 million arising from the devaluation during 1998 of the Guyana dollar, \$4.5 million of revenues recognized in the third quarter as a result of a settlement with a foreign telecommunications carrier of a claim for the interruption of international long-distance dial service to Guyana during 1995, and approximately \$3.8 million in other non-operating income in the first quarter of 1998 as a result of the settlement of a claim arising from the cancellation of an insurance policy. After excluding these unusual items, the Company's core operating revenues and earnings for 1998 were \$90.1 million and \$10.6 million respectively or \$2.16 per share.

The Company's revenues and pro forma net income for 1997 included the recognition of \$9.5 million of outbound international long-distance revenues by GT&T for the period from October 1995 to January 1997 as a result of a Guyana High Court decision in 1997. After excluding this unusual item, the Company's core operating revenues and pro forma net income for 1997 were \$108.1 million and \$4.0 million or \$0.81 per share.

Excluding the one-time items in 1998 and 1997 discussed above, core revenues in 1998 decreased by \$18.0 million or 17%. This decrease was due primarily to the expected decline in audiotext revenues at GT&T. GT&T's volume of audiotext traffic fluctuated between 8 and 9 million minutes per month in the first three quarters of 1997. In the fourth quarter of 1997, the volume of audiotext traffic declined to approximately 6.6 million minutes per month. In the four quarters of 1998, audiotext traffic further declined to an average of approximately 5.3 million, 5.0 million, 4.5 million, and 3.9 million minutes per month, respectively.

The decrease in audiotext revenues was partially offset by an increase in local exchange services, which increased from \$2.9 million in 1997 to \$9.4 million in 1998, an increase of \$6.5 million or 222%. This increase in local exchange service revenues was primarily the result of the temporary rates granted by the PUC in response to a rate increase application filed by GT&T with the PUC on December 31, 1997. The increase is also partially attributable to an increase in lines in service to 60,000 at December 31, 1998 from approximately 55,000 at December 31, 1997, an increase of 5,000 lines or 9%.

International long-distance inbound revenues other than audiotext increased to \$31.0 million as compared to \$25.1 million in 1997. This represents an increase in \$5.9 million or 24% and correlates to an increase in inbound minutes of traffic from 44.5 million in 1997 to 49.8 million in 1998; an increase of 5.4 million minutes or 12%. The balance of the increase is due to changes in traffic mix and other factors. Management believes that this increase in inbound telephone traffic other than audiotext is indirectly the result of the increase in temporary rates for outbound long-distance traffic granted by the PUC in early 1998. Because a substantial portion of GT&T's international traffic, other than audiotext, consists of personal calls between Guyanese expatriates and their friends and families in Guyana, management believes that an increase in rates for outbound calls results not only in a decrease in the volume of outbound calls, but that decrease in outbound calls in turn stimulates an increase in the volume of inbound calls.

Excluding the one-time accrual of \$9.5 million of revenue in 1997 discussed above, international long-distance outbound revenues decreased from \$17.1 million in 1997 to \$15.1 million in 1998, a decrease of \$2.0 million or 12%. This decrease in core international long-distance outbound revenues is primarily related to the increased rates awarded by the PUC, as the volume of outbound international long-distance traffic declined approximately 32% in 1998.

After eliminating a \$3 million gain from devaluation of the Guyana dollar (which after Guyana tax expense arising from the devaluation and minority interest results in the net gain to the Company of \$1 million previously mentioned), core telephone operating expenses were \$66.1 million in 1998 compared to \$99.5 million in 1997. This represents a decrease of \$33.4 million or 34%. This decrease was due principally to a decrease in audiotext and outbound traffic expense at GT&T of \$31.4 million due to decreased traffic volumes. Core telephone operating expenses were approximately 73% of core telephone operating revenues in 1998 as compared to approximately 92% of core telephone operating revenues in 1997 (excluding from core operating revenues in each year and from core operating expenses in 1998 the effects of the one-time items discussed above). The decrease in core operating expense as a percentage of core operating revenues from 1997 to 1998 is due primarily to the decline in audiotext revenues, the decline in outbound traffic and associated international long-distance expenses, and the increases in local revenues as a result of the temporary rate increase awarded by the PUC.

Other operations, revenues and expenses represent the operations of Digicom S.A. and are not material. The Company acquired a 75% interest in Digicom on June 2, 1998.

Income from operations before interest expense, income taxes and minority interest for 1998 was \$31.1 million as compared to \$18.1 million for 1997. This represents an increase of \$13 million or 72% and is principally a result of the factors affecting revenues and operating expenses discussed above.

The Company's effective tax rate for the year ended December 31, 1998 was 46.7% as compared to 45.3% for 1997. The minority interest in earnings consists primarily of the Guyana government's 20% interest in GT&T.

Regulatory and Tax Issues

The Company is involved in a number of regulatory and tax proceedings. See Notes 11 and 12 to the Company's Combined and Consolidated Financial Statements included in this Report. A material and adverse outcome in one or more of these proceedings could have a material adverse impact on the Company's financial condition and future operations.

Liquidity and Capital Resources

The Company believes its existing liquidity and capital resources are adequate to meet current operating and capital needs. The Company's current primary source of funds at the parent company level is advisory fees from GT&T. If and when the tax and regulatory issues discussed in Notes 11 and 12 to the Combined and Consolidated Financial Statement included in this Report are resolved, the Company anticipates that GT&T may begin paying dividends to its stockholders, the Company and the Government of Guyana. These tax and regulatory issues could have a material adverse impact on the Company's liquidity. GT&T is not subject to any contractual restrictions on the payment of dividends.

If and when the Company settles outstanding tax and regulatory issues with the Guyana government and the PUC, GT&T may require additional external financing to enable GT&T to further expand its telecommunications facilities. The Company has not estimated the cost to comply with the October 1997 PUC order to increase the number of telephone lines in service, but believes such a project would require significant capital expenditures that would require external financing. There can be no assurance that the Company will be able to obtain any such financing.

The continued expansion of GT&T's network is dependent upon the ability of GT&T to purchase equipment with U.S. dollars. A portion of GT&T's taxes in Guyana may be payable in U.S. dollars or other hard currencies. The Company believes that the majority of GT&T's revenues will continue to be denominated in U.S. dollars or other hard currencies. However, as a result of the rate increases recently awarded to and currently sought by GT&T and the efforts of the U.S. FCC, AT&T and carriers in other countries to reduce international accounting rates, it is likely that an increasing portion of the Company's revenues will be earned in Guyana currency. While there are no legal restrictions on the conversion of Guyana currency into U.S. dollars or other hard currencies, or on the expatriation of Guyana currency or foreign currency from Guyana, there is little liquidity in the foreign currency markets in Guyana. While the Company believes that it has, and will continue to have, adequate cash flows denominated in hard currency to meet its current operating, debt service and capital requirements, there can be no assurance that GT&T will be able to convert its Guyana currency earnings into hard currency to meet such obligations. At December 31, 1999, approximately \$6.2 million of the Company's total cash balances consisted of balances denominated in Guyana dollars.

The Company is currently exploring several opportunities to acquire communications properties or licenses in the Caribbean and elsewhere. Such acquisitions may require external financing. There can be no assurance as to whether, when or on what terms the Company will be able to acquire any of the businesses or licenses it is currently seeking.

Impact of Devaluation and Inflation

Although the majority of GT&T's revenues and expenditures are transacted in U.S. dollars or other hard currencies, the results of operations nevertheless may be affected by changes in the value of the Guyana dollar. From February 1991 until early 1994, the Guyana dollar remained relatively stable at the rate of approximately 125 to the U.S. dollar. In 1994, the Guyana dollar declined in value to approximately 142 to the U.S. dollar. It remained relatively stable at approximately that rate through 1997. From December 31, 1997, through December 31, 1998 the Guyana dollar further declined in value to approximately 180 to the U.S. dollar. Through December 31, 1999 the value of the Guyana dollar has remained stable at approximately 180 to the U.S. dollar.

The effect of devaluation and inflation on the Company's financial results has not been significant in the periods presented, except that, as is previously discussed in the comparisons of 1999, 1998, and 1997 operating results, the Company recognized a net gain of \$1.0 million in 1998 as a result of the devaluation of the Guyana dollar during 1998.

Item 8. Financial Statements and Supplementary Data

Combined and consolidated financial statements of the Company and its subsidiaries are submitted as a separate section of this Annual Report. See Index to Financial Statements and Schedules which appears on page F-1 hereof.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None not previously reported.

PART III

Item 10. Directors and Executive Officers of the Registrant

The information required by this item will be included in the Company's definitive proxy statement for its 2000 Annual Meeting of Stockholders (the "Proxy Statement"), or by an amendment to this report to be filed on or before April 30, 2000, and such information is incorporated herein by reference, except that the information regarding the Company's executive officers called for by this item is included in Part I under the heading "Executive Officers of the Registrant."

Item 11. Executive Compensation

The information required by this item will be included in the Proxy Statement, and such information is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information required by this item will be included in the Proxy Statement, and such information is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions

The information required by this item will be included in the Proxy Statement, and such information is incorporated herein by reference.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a) 1. Financial Statements

Combined and consolidated financial statements of the Company and its subsidiaries are submitted as a separate section of this Annual Report. See Index to Financial Statements and Schedules which appears on page F-1 hereof.

2. Financial Statement Schedules

Financial statement schedules for the Company and its subsidiaries are submitted as a separate section of this Annual Report. See Index to Financial Statements and Schedules which appears on page F-1 hereof.

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the last quarter of 1999.

(c) Exhibits

Exhibit No.	Description
3. (a)	Restated Certificate of Incorporation of the Company. 3
(b)	By-Laws of the Company. 3
4. (a)	Specimen Form of Company's Common Stock Certificate. 1
10.	Material contracts:
(a)	Subscription Agreement, dated as of August 11, 1997, between the Company and Emerging Communications, Inc. 4
(b)	Repurchase and Recapitalization Agreement, dated as of August 11, 1997, among the Company, Cornelius B. Prior, Jr., individually and as trustee of the 1994 Prior Charitable Remainder Trust, and Jeffrey J. Prosser. 4
(c)	Agreement and Plan of Merger, dated as of August 11, 1997, between ATN Merger Co, and the Company. 4
(d)	Technical Assistance Agreement, dated as of December 30, 1997, among Atlantic Tele-Network, Inc., Atlantic Tele-Network Co., Virgin Islands Telephone Corporation and Vitelcom Cellular Inc. 4
(e)	Non-Competition Agreement, dated as of December 30, 1997, among Emerging Communications, Inc., Atlantic Tele-Network, Inc., and Jeffery J. Prosser. 4
(f)	Indemnity Agreement, dated as of December 30, 1997, among Atlantic Tele-Network, Inc., Emerging Communications, Inc., Cornelius B. Prior, Jr. and Jeffrey J. Prosser. 4
(g)	Employee Benefits Agreements, dated as of December 30, 1997, between Emerging Communications, Inc. and Atlantic Tele-Network, Inc. 4
(h)	Tax Sharing and Indemnification Agreement, dated as of December 30, 1997, among Atlantic Tele-Network, Inc., Emerging Communications, Inc., Cornelius B. Prior, Jr. and Jeffrey J. Prosser. 4

Exhibit No.	Description
(i)	Equipment Financing Agreement, dated as of January 28, 1991, among Guyana Telephone and Telegraph Company Limited, Atlantic Tele-Network, Inc. and Northern Telecom International Finance B.V. (excluding exhibits). 1
(j)	First Amendment to Equipment Financing Agreement, dated as of January 28, 1991, among Guyana Telephone and Telegraph Company Limited, Atlantic Tele-Network, Inc. and Northern Telecom International Finance B.V. 1
(k)	Second Amendment to Equipment Financing Agreement, dated as of November 21, 1991, among Guyana Telephone and Telegraph Company Limited, Atlantic Tele-Network, Inc. and Northern Telecom International Finance B.V. 2
(l)	1998 Stock Option Plan
(m)	Amendments adopted March 10, 2000 to 1998 Stock Option Plan
(n)	Plan and Agreement of Reorganization for the Acquisition of Antilles Wireless Cable T.V. Company dated January 24, 2000 by and among Antilles Wireless Cable T.V., Inc., Calypso-Com Ltd., Wireless World, LLC., Cornelius B. Prior, Jr. and Atlantic Tele-Network, Inc.
(o)	Directors' Remuneration Plan

21. Subsidiaries of the Company.

1. Filed as an exhibit to the Company's Registration Statement (File No. 33-43012) and incorporated herein by reference.
2. Filed as an exhibit to the Company's Annual Report on Form 10K for 1991 and incorporated herein by reference.
3. Filed as an exhibit on Form 8-K dated February 16, 1996 and incorporated herein by reference.
4. Filed as an exhibit to the Company's Annual Report on Form 10K for 1998 and incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ATLANTIC TELE-NETWORK, INC.

March 25, 2000

By: /s/ Cornelius B. Prior, Jr.

Cornelius B. Prior, Jr.
Chief Executive Officer, Chairman of the
Board and Secretary

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
----- /s/ Cornelius B. Prior, Jr. ----- Cornelius B. Prior, Jr.	Chief Executive Officer, Chairman of the Board and Secretary	March 25, 2000 -----
----- /s/ Lewis A. Stern ----- Lewis A. Stern	Vice President - Finance and Chief Financial Officer	March 25, 2000 -----
----- /s/ Steven M. Ross ----- Steven M. Ross	Treasurer and Chief Accounting Officer	March 25, 2000 -----
----- /s/ James B. Ellis ----- James B. Ellis	Director	March 25, 2000 -----
----- /s/ Ernst Burri ----- Ernst Burri	Director	March 25, 2000 -----
----- /s/ Henry Wheatley ----- Henry Wheatley	Director	March 25, 2000 -----

Atlantic Tele-Network, Inc. and Subsidiaries

Combined and Consolidated Financial Statements
and Financial Statement Schedules
for the years ended December 31, 1997, 1998, and 1999
Together With the Audit Report

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Atlantic Tele-Network, Inc.:

We have audited the accompanying consolidated balance sheets of ATLANTIC TELE-NETWORK, INC. (a Delaware corporation) AND SUBSIDIARIES as of December 31, 1998 and 1999 and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the two years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Atlantic Tele-Network, Inc. and subsidiaries as of December 31, 1998 and 1999 and the results of their operations and their cash flows for each of the two years then ended in conformity with accounting principles generally accepted in the United States.

/s/ARTHUR ANDERSEN LLP
ARTHUR ANDERSEN LLP

Atlanta, Georgia
February 28, 2000

INDEPENDENT AUDITORS' REPORT

Board of Directors and Stockholders
Atlantic Tele-Network, Inc. and Subsidiary

We have audited the accompanying combined statements of operations, stockholders' equity and cash flows for the year ended December 31, 1997. Our audit also included the financial statement schedules listed in the Index on Item 14 for this period. These financial statements are the responsibility of Atlantic Tele-Network, Inc. and subsidiary's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such combined financial statements present fairly, in all material respects, the results of operations of Atlantic Tele-Network, Inc. and subsidiary and their cash flows for the year ended December 31, 1997, in conformity with generally accepted accounting principles. Also, in our opinion, such financial statement schedules, when considered in relation to the basic financial statements as a whole, present fairly, in all material respects, the information set forth therein.

DELOITTE & TOUCHE LLP

Omaha, Nebraska
March 20, 1998

Atlantic Tele-Network, Inc. and Subsidiaries

Consolidated Balance sheets

December 31, 1998 and 1999

(Columnar Amounts in Thousands)

	1998	1999
	----	----
Assets		
Current assets:		
Cash and cash equivalents	\$ 35,116	\$ 31,463
Accounts receivable, net	24,448	20,512
Materials and supplies	4,988	4,853
Prepayments and other current assets	1,861	4,285
	-----	-----
Total current assets	66,413	61,113
Fixed assets:		
Property, plant, and equipment	51,126	66,739
Less accumulated depreciation	(4,695)	(10,288)
	-----	-----
Net fixed assets	46,431	56,451
Uncollected surcharges, net of current portion	1,802	1,428
Investment in and advances to bermuda digital communications, ltd.	3,944	4,710
Other assets	7,670	7,746
	-----	-----
Total assets	\$126,260	\$131,448
	=====	=====
 Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 11,863	\$ 7,905
Accrued taxes	8,636	7,823
Advance payments and deposits	969	1,353
Other current liabilities	1,924	4,651
Current portion of long-term debt	3,403	3,410
	-----	-----
Total current liabilities	26,795	25,142
Deferred income taxes	502	3,032
Long-term debt, excluding current portion	11,394	7,969
Total liabilities	38,691	36,143
Minority interests	18,695	20,371
Contingencies and commitments (Notes 11 and 12)		
Stockholders' equity:		
Preferred stock, \$.01 par value per share; 10,000,000 shares authorized, none issued and outstanding	0	0
Common stock, \$.01 par value per share; 20,000,000 shares authorized; 4,909,000 shares issued and 4,847,400 and 4,756,700 shares outstanding in 1998 and 1999, respectively	49	49
Treasury stock, at cost	(555)	(1,418)
Additional paid-in capital	54,195	54,263
Retained earnings	15,185	22,040
	-----	-----
Total stockholders' equity	68,874	74,934
	-----	-----
Total liabilities and stockholders' equity	\$126,260	\$131,448
	=====	=====

The accompanying notes are an integral part of these consolidated balance sheets.

Atlantic Tele-Network, Inc. and Subsidiaries

Combined and Consolidated statements of operations

for the years ended December 31, 1997, 1998, and 1999

(Columnar Amounts in Thousands, Except Per Share Data)

	1997 ----- (Combined)	1998 ----- (Consolidated)	1999 -----
Telephone operations:			
Operating revenues:			
International long-distance revenues	\$113,865	\$84,028	\$73,737
Local exchange service revenues	2,933	9,444	8,692
Other revenues	817	1,172	1,602
	-----	-----	-----
Total operating revenues	117,615	94,644	84,031
Operating expenses:			
International long-distance expenses	70,094	38,689	33,319
Plant-specific operations	5,707	6,450	5,099
Plant-nonspecific operations	7,099	6,377	7,211
Customer operations	2,538	2,799	2,705
Corporate operations	6,061	2,753	4,857
Taxes other than income taxes	657	941	836
General and administrative expenses	7,317	5,086	6,138
	-----	-----	-----
Total operating expenses	99,473	63,095	60,165
Income from telephone operations	18,142	31,549	23,866
Other operations:			
Revenues of other operations	0	1,011	1,741
Expenses of other operations	0	1,384	2,340
	-----	-----	-----
Loss from other operations	0	(373)	(599)
Other income (expense):			
Interest expense	(3,794)	(2,290)	(1,875)
Interest income	2,677	1,643	2,321
Other income (expense), net	0	3,577	(474)
	-----	-----	-----
Other income (expense), net	(1,117)	2,930	(28)
Income before income taxes and minority interests	17,025	34,106	23,239
Income taxes	7,718	15,913	11,898
Income before minority interests	9,307	18,193	11,341
	-----	-----	-----
Minority interests	(1,372)	(2,281)	(1,676)
	-----	-----	-----
Net income	\$7,935	\$15,912	\$ 9,665
	=====	=====	=====
Net income per share:			
Basic		\$3.25	\$2.05
		=====	=====
Diluted		\$3.23	\$2.05
		=====	=====
Weighted average common stock outstanding:			
Basic		4,901	4,705
		=====	=====
Diluted		4,923	4,715
		=====	=====

The accompanying notes are an integral part of these combined and consolidated financial statements.

Atlantic Tele-Network, Inc. and Subsidiaries

Combined and Consolidated statements of stockholders' equity

for the years ended December 31, 1997, 1998 and 1999

(Columnar Amounts in Thousands)

	Common Stock	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Total Stockholders' Equity
	-----	-----	-----	-----	-----
Combined balance, December 31, 1996	\$123 =====	0 =	\$81,852 =====	\$28,651 =====	\$110,626 =====
Purchase and cancellation of 765,562 shares of company common stock	(8)	0	0	(17,392)	(17,400)
Split-off of subsidiaries and fair valuation of net assets	(66)	0	(27,657)	(19,194)	(46,917)
Net income	0	0	0	7,935	7,935
	-	-	-	-----	-----
Consolidated balance, December 31, 1997	49 ==	0 =	54,195 =====	0 =	54,244 =====
Purchase of 61,600 shares of common stock	0	(555)	0	0	(555)
Dividends on common stock	0	0	0	(727)	(727)
Net income	0	0	0	15,912	15,912
	-	-	-	-----	-----
Consolidated balance, December 31, 1998	49 ==	(555) =====	54,195 =====	15,185 =====	68,874 =====
Purchase of 190,700 shares of common stock	0	(1,795)	0	0	(1,795)
Reissuance of 100,000 shares of common stock for acquisition	0	932	68	0	1,000
Dividends on common stock	0	0	0	(2,810)	(2,810)
Net income	0	0	0	9,665	9,665
	-	-	-	-----	-----
Consolidated BALANCE, December 31, 1999	\$ 49 =====	\$(1,418) =====	\$54,263 =====	\$22,040 =====	\$74,934 =====

The accompanying notes are an integral part of these combined and consolidated financial statements.

Atlantic Tele-Network, Inc. and Subsidiaries

Combined and Consolidated statements of cash flows
for the years ended December 31, 1997, 1998, and 1999
(Columnar Amounts in Thousands)

	1997	1998	1999
	----- (Combined)	----- (Consolidated)	
Cash flows from operating activities:			
Net income	\$ 7,935	\$15,912	\$ 9,665
Adjustments to reconcile net income to net cash flows provided by operating activities (excluding the effects of acquisitions):			
Depreciation and amortization	5,289	4,307	5,731
Deferred income taxes	2,961	(2,897)	2,530
Minority interests	1,372	2,281	1,676
Equity in losses of Bermuda Digital Communications, Ltd.	0	209	454
Changes in operating assets and liabilities:			
Accounts receivable, net	11,187	11,556	3,936
Materials and supplies, prepayments, and other current assets	(894)	(1,293)	(2,337)
Uncollected surcharges	(2,822)	6,327	3,646
Accounts payable and accrued liabilities	(4,038)	1,352	(3,187)
Accrued taxes	1,970	5,210	(813)
Other	2,200	(2,279)	1,569
	-----	-----	-----
Net cash flows provided by operating activities	25,160	40,685	22,870
	=====	=====	=====
Cash flows from investing activities:			
Capital expenditures	(7,633)	(9,994)	(14,807)
Acquisitions, net of cash received	0	(1,842)	(875)
Investment in and advances to Bermuda Digital Communications, Ltd.	0	(4,153)	(750)
Split-off transaction costs	(4,509)	0	0
Change in affiliate borrowings	19,918	0	0
Other investments	0	(750)	(2,068)
	-----	-----	-----
Net cash flows provided by (used in) investing activities	7,776	(16,739)	(18,500)
	=====	=====	=====
Cash flows from financing activities:			
Repayment of long-term debt	(7,693)	(3,351)	(3,418)
Repayments on notes	(222)	0	0
Purchase of common stock	(17,400)	(555)	(1,795)
Dividends declared on common stock	0	(727)	(2,810)
Net cash flows used in financing activities	(25,315)	(4,633)	(8,023)
	-----	-----	-----
Net change in cash and cash equivalents	7,621	19,313	(3,653)
	=====	=====	=====
Cash and cash equivalents, beginning of year	8,182	15,803	35,116
	=====	=====	=====
Cash and cash equivalents, end of year	\$15,803	\$35,116	\$31,463
	=====	=====	=====
Supplemental cash flow information:			
Interest paid	\$ 3,035	\$ 1,747	\$ 1,860
	=====	=====	=====
Income taxes paid	\$ 4,093	\$ 7,784	\$10,593
	=====	=====	=====
Noncash activities:			
Split-off of subsidiaries and fair valuation of net assets	\$42,408	0	0
	=====	=	=
Issuance of common stock--VI Access acquisition	0	0	\$ 1,000
	=	=	=====

The accompanying notes are an integral part of these combined and consolidated financial statements.

Atlantic Tele-Network, Inc. and Subsidiaries

Notes to Combined and Consolidated Financial Statements

December 31, 1997, 1998, and 1999

1. ORGANIZATION AND BUSINESS OPERATIONS

Atlantic Tele-Network, Inc. (the "Company" or "ATN"), a Delaware corporation, is engaged principally through its 80%-owned subsidiary, Guyana Telephone & Telegraph Company, Limited ("GT&T"), in providing telecommunications services, including local telephone service, long-distance services, and cellular service in the Cooperative Republic of Guyana ("Guyana") and international telecommunications service to and from Guyana. The Company's wholly-owned subsidiary, Wireless World, LLC ("Wireless World") began operations in October 1999 when it acquired VI Access, Inc. which is an internet service provider in the U.S. Virgin Islands. The Company also owns an 80% interest in Digicom S.A. ("Digicom"), a Haitian corporation principally engaged in dispatch radio, mobile telecommunications, and paging, and a 30% interest in Bermuda Digital Communications, Ltd. ("BDC"), a Bermuda corporation which operates under the name "Cellular One" and is the sole cellular and PCS competitor in Bermuda to the Bermuda Telephone Company. ATN provides management, technical, financial, regulatory, and marketing services for GT&T, Digicom, BDC, and Wireless World for a management fee equal to 6% of gross revenues.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Effective December 30, 1997, ATN split off into two separate public companies (the "Transaction"). One, Emerging Communications, Inc. ("ECI"), contained all of the operations of the Company and its subsidiaries in the U.S. Virgin Islands. The other, ATN, continued the business and operations of the Company in Guyana, including ownership of its 80%-owned subsidiary, GT&T. The financial statements of ATN for the year ended December 31, 1997 are the separate financial statements relating to ATN's business and operations in Guyana, including its 80%-owned subsidiary GT&T, and ATN's activities as the parent company of all of its subsidiaries. ATN's investment in subsidiaries other than GT&T and operations of these other subsidiaries have been carved out of these financial statements.

The Transaction was accounted for as a non-pro rata split-off of ATN from the consolidated Company as it previously existed. Accordingly, ATN assets and liabilities at December 31, 1997 have been accounted for in accordance with Accounting Principles Board ("APB") Opinion No. 29, "Accounting for Nonmonetary Transactions," and Emerging Issues Task Force ("EITF") 96-4, "Accounting for Reorganizations Involving a Non-Pro Rata Split-Off of Certain Nonmonetary Assets to Owners," at values as determined by market capitalization of ATN subsequent to the Transaction. The excess of original cost over fair value was allocated to reduce the values assigned to long-term assets, primarily property, plant, and equipment and intangibles.

The accompanying combined financial statements of ATN present the results of operations and cash flows for the year ended December 31, 1997 as if the business, operations, and activities were conducted by a separate entity. The accompanying consolidated balance sheets as of December 31, 1998 and 1999 and the results of operations and cash flows for the two years then ended include the accounts of the Company and its majority-owned subsidiaries, GT&T and Digicom, and its wholly-owned subsidiary, Wireless World. All material intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Company considers all investments with a maturity at acquisition of three months or less to be cash equivalents.

Materials and Supplies

Materials and supplies are carried in inventory principally at weighted average cost.

Fixed Assets

The cost of fixed assets in service and under construction includes an allocation of indirect costs applicable to construction. The Company provides for depreciation using the straight-line method. This has resulted in a composite annualized rate of 4.5%, 9.2%, and 9.5% for GT&T for the years ended December 31, 1997, 1998, and 1999, respectively. With respect to GT&T, the cost of depreciable property retired, together with removal cost less any salvage realized, is charged to accumulated depreciation. No gain or loss is recognized in connection with ordinary retirements of depreciable property. Repairs and replacements of minor items of property are charged to maintenance expense. At January 1, 1998, GT&T adopted new and generally shorter lives in connection with a tariff application filed on December 31, 1997 with the Guyana Public Utilities Commission ("PUC"). The lives adopted have neither been approved nor disapproved by the PUC as of the date of this report.

Long-Lived Assets

In accordance with Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," the Company evaluates the carrying value of property, plant, and equipment and intangibles in relation to the operating performance and future undiscounted cash flows of the underlying business. The Company adjusts the net book value of the underlying assets if the sum of expected future cash flows is less than book value. Management believes that long-lived assets in the accompanying consolidated balance sheets are appropriately valued.

Revenue Recognition

Local exchange service and international long-distance revenues are recognized when earned, regardless of the period in which they are billed. In determining revenue, the Company estimates the country of origin of traffic it receives from foreign carriers to determine the appropriate rate to apply to minutes of long-distance traffic carried by the Company. Additionally, the Company establishes reserves for possible unreported or uncollectible minutes from foreign carriers and doubtful accounts from customers. The amounts the Company will ultimately realize upon settlement could differ significantly in the near term from the amounts assumed in estimating these revenues and the related accounts receivable.

Income Taxes

The Company utilizes the liability method of accounting for income taxes. Under the liability method, deferred taxes are determined based on the difference between the financial and tax bases of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse.

Credit Concentrations and Significant Customers

Revenues from AT&T, MCI WorldCom, and Teleglobe, consisting of international long-distance revenues, comprised approximately 31%, 11%, and 18%, respectively, of total revenues for 1997, 27%, 11%, and 18%, respectively, of total revenues for 1998, and 24%, 18%, and 14%, respectively, of total revenues for 1999. No other customers accounted for more than 10% of total revenues. The majority of the connecting companies' accounts receivable are due from these companies.

A significant portion of the Company's international long-distance revenue discussed above is generated by GT&T's audiotext providers, which operate as service bureaus or intermediaries for a number of audiotext information providers. One such audiotext provider accounted for \$39 million, \$19 million, and \$12 million of these revenues for the years ended December 31, 1997, 1998, and 1999, respectively, and another audiotext provider accounted for \$18 million, \$10 million, and \$5 million of these revenues for the years ended December 31, 1997, 1998, and 1999, respectively.

Foreign Currency Gains and Losses

With regard to GT&T operations, for which the U.S. dollar is the functional currency, foreign currency transaction gains and losses are included in determining net income for the period in which the transaction is settled. At each balance sheet date, balances denominated in foreign currency are adjusted to reflect the current exchange rate. For the years ended December 31, 1997 and 1999, foreign currency losses related primarily to settlements with foreign carriers and approximated \$1.5 million and \$30,000, respectively. In the year ended December 31, 1998, foreign currency gains and losses arose primarily from the devaluation of the Guyana dollar during 1998 and amounted to a net gain of approximately \$1 million. All of the foregoing gains and losses are included in the accompanying combined and consolidated statements of operations.

Regulatory Accounting

GT&T accounts for costs in accordance with the accounting principles for regulated enterprises prescribed by SFAS No. 71, "Accounting for the Effects of Certain Types of Regulation." This accounting recognizes the economic effects of rate regulation by recording cost and a return on investment, as such amounts are recovered through rates authorized by regulatory authorities. Accordingly, under SFAS No. 71, plant and equipment are depreciated over lives approved by regulators, and certain costs and obligations are deferred based on approvals received from regulators to permit recovery of such amounts in future years. GT&T's audiotext revenues are not subject to regulation but are taken into account by the regulator in setting regulated rates which permit the recovery of GT&T's costs and a return on investment. These unregulated revenues and any costs which pertain solely to these unregulated revenues are not accounted for under SFAS No. 71 principles.

Business Segment Information

The Company and its subsidiaries operate primarily in three reportable segments. The three segments are the telephone operations segment which relates to GT&T, the internet segment which relates to Wireless World, and the radio and paging segment which relates to Digicom. For 1998 and 1999, the radio and paging segment and internet segment are not material for separate disclosure under SFAS No. 131, "Disclosure About Segments of an Enterprise and Related Information."

Fair Value of Financial Instruments

The Company's financial instruments include cash and cash equivalents, debt, and other short-term assets and liabilities. The fair value of long-term debt is established using a discounted cash flow analysis. As of December 31, 1998 and 1999, the estimated fair value of the Company's financial instruments approximates their carrying value.

Pro Forma Net Income Per Share

Historical income per share is not presented in the financial statements for the year ended December 31, 1997, as the information is not considered meaningful. Unaudited pro forma net income per share as if the Transaction had occurred on January 1, 1997 is calculated as follows (in thousands, except per share data)(unaudited):

	1997 (Unaudited) -----
Net income as reported	\$7,935
Reduction in depreciation	2,712
Elimination of interest income from subsidiary, net of interest expense on debt transferred to ECI	(1,716)
Tax effect	(637)

Pro forma net income	\$8,294 =====
Pro forma net income per share	\$1.69 =====
Pro forma shares outstanding	4,909 =====

Net Income Per Share

Net income per share is computed in accordance with SFAS No. 128, "Earnings Per Share." Basic net income per share is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding during the period and does not include any other potentially dilutive securities. Diluted net income per share gives effect to all potentially dilutive securities. The Company's stock options are potentially dilutive securities. In the years ended December 31, 1998 and 1999, potentially dilutive securities were dilutive and, therefore, are included in diluted net income per share. A reconciliation of basic net income per share to diluted net income per share for the years ended December 31, 1998 and 1999 is as follows (in thousands, except per share data):

	1998			1999		
	Net Income	Weighted Average Shares	Net Income Per Share	Net Net Income	Weighted Average Shares	Net Income Per Share
Basic net income	\$15,912	4,901	\$3.25	\$9,665	4,705	\$2.05
Dilutive securities:						
Stock options	0	22	(0.02)	0	10	(0.00)
Diluted net income	\$15,912	4,923	\$3.23	\$9,665	4,715	\$2.05

New Accounting Pronouncements

The Financial Accounting Standards Board has issued SFAS No. 133 and SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities," which must be adopted by January 2001. These statements establish accounting and reporting standards for derivative instruments including certain derivative instruments embedded in other contracts and for hedging activities. SFAS No. 133 and SFAS No. 137 are not to be applied retroactively to financial statements of prior periods. The Company expects no material impact to its financial position upon adoption of SFAS No. 133 and SFAS No. 137.

3. ACQUISITIONS

Bermuda Digital Communications, Ltd.

On July 17, 1998, the Company acquired a 30% equity interest, plus warrants which would enable the Company to increase its investment up to 40% under certain circumstances, in BDC for \$1 million in cash. The Company also provided a loan to BDC of \$3 million at Citibank prime plus 3% (11.5% at December 31, 1999). During 1999, the Company provided additional loans to BDC amounting to \$750,000. The Company has an advisory fee contract with BDC compensating it at 6% of gross revenues for management services provided, effective from the acquisition date. This investment is accounted for under the equity method of accounting. For the years ended December 31, 1998 and 1999, the Company recorded equity in losses of BDC of \$209,000 and \$454,000, respectively, which are included in the accompanying consolidated statements of operations as other income (expense), net.

Wireless World, LLC

On October 4, 1999, Wireless World acquired the internet service provider business and certain other assets of VI Access from Ackley Caribbean Enterprises, Inc. for a purchase price of \$875,000 in cash and 100,000 shares of ATN common stock. The acquisition has been accounted for as a purchase in accordance with APB Opinion No. 16. The purchase price allocation for this acquisition is preliminary and further refinements are likely to be made based on the completion of final valuation studies. The excess of the cost over the estimated fair value of the net tangible assets acquired amounts to approximately \$1.4 million and has been included in other assets in the accompanying consolidated balance sheets and is being amortized on a straight-line basis over ten years. The Company also contracted to acquire the specialized mobile radio business and the paging business of VI Access for \$625,000 in cash, subject to certain regulatory approvals.

Digicom S.A.

Effective June 2, 1998, the Company acquired a 75% interest in Digicom, a Haitian corporation for \$1.8 million in cash and a commitment to issue in the future 15,873 shares of ATN common stock. During 1999, the Company determined that issuance of 15,873 shares of ATN common stock was not warranted and accordingly adjusted the original purchase price allocation. The acquisition has been accounted for as a purchase in accordance with APB Opinion No. 16. Accordingly, the purchase price has been allocated to the assets acquired based on the estimated fair values as of the acquisition date. The excess of the cost over the estimated fair value of the net tangible assets acquired amounts to approximately \$668,000 and has been included in other assets in the accompanying consolidated balance sheets and is being amortized on a straight-line basis over 15 years.

During October 1999, the Company acquired an additional 5% interest in Digicom in settlement of claims under the acquisition agreement.

The following unaudited pro forma consolidated results of operations for the years ended December 31, 1998 and 1999 assume that the acquisitions of VI Access and Digicom completed during 1998 and 1999, which were accounted for as purchases, occurred as of January 1, 1998 (in thousands, except per share data).

	1998 ----	1999 ----
Revenues (telephone and other operations)	\$97,497	\$87,012
Net income	15,762	9,749
Basic net income per share	\$3.22	\$2.07
Diluted net income per share	3.20	2.07

4. ACCOUNTS RECEIVABLE

As of December 31, 1998 and 1999, accounts receivable consist of the following (columnar amounts in thousands):

	1998 ----	1999 ----
Subscribers, net of allowance for doubtful accounts of \$651,000 and \$640,000 in 1998 and 1999, respectively	\$ 2,878	\$ 3,136
Connecting companies, net of allowance for doubtful accounts of \$2,000,000 and \$2,875,000 in 1998 and 1999, respectively	17,884	16,799
Uncollected surcharges--current portion	3,291	19
Other	395	558
	---	---
Total accounts receivable, net	\$24,448 =====	\$20,512 =====

5. FIXED ASSETS

As of December 31, 1998 and 1999, property, plant, and equipment consist of the following (in thousands):

	1998 ----	1999 ----
Outside plant	\$19,914	\$24,494
Central office equipment	22,025	26,639
Land and building	4,428	4,476
Station equipment	1,715	2,074
Furniture and office equipment	899	2,214
Construction in progress	983	2,998
Other	1,162	3,844
	-----	-----
Total property, plant, and equipment	\$51,126 =====	\$66,739 =====

As a result of the valuation of net assets in the split-off Transaction in accordance with APB Opinion No. 29 and EITF 96-4, net property values at December 31, 1997 were reduced by approximately \$49.2 million from their previous carrying value, which was based primarily on historical cost. The reduced carrying value of property, plant, and equipment is significantly below replacement value.

6. OTHER ASSETS

As of December 31, 1998 and 1999, other assets consist of the following (columnar amounts in thousands):

	1998 ----	1999 ----
Debt service reserve fund and escrow account	\$3,900	\$3,900
Goodwill, net of accumulated amortization of \$34,000 and \$,000 respectively	840	1,719
Prepaid pension	497	767
Other	2,433	1,360
	-----	-----
Total other assets	\$7,670	\$7,746
	=====	=====

7. LONG-TERM DEBT

As of December 31, 1998 and 1999, long-term debt consists of the following (columnar amounts in thousands):

	1998 ----	1999 ----
Notes payable to Northern Telecom International Finance B.V. by GT&T under a \$34 million equipment financing agreement (the "GT&T Equipment Loan")	\$14,536	\$11,237
Other	261	142
	---	---
	14,797	11,379
Less current portion	3,403	3,410
	-----	-----
Total long-term debt	\$11,394	\$ 7,969
	=====	=====

The GT&T Equipment Loan requires monthly principal payments totaling \$275,000 plus interest with all outstanding balances maturing in 2004. The interest rates on the GT&T Equipment Loan are at fixed rates ranging from 9.17% to 11.29% as of December 31, 1998 and 1999, respectively.

The GT&T Equipment Loan is guaranteed by ATN and secured by a pledge of all the GT&T stock owned by ATN and a security interest in all net toll revenues due to GT&T from significant carriers. GT&T is also required to maintain a debt service reserve fund under this loan agreement. The balance of this fund, included in other assets in the accompanying consolidated balance sheets, was \$3.9 million at December 31, 1998 and 1999.

Future maturities of the long-term debt at December 31, 1999 are as follows (in thousands):

2000	\$ 3,410
2001	3,272
2002	2,742
2003	1,496
2004	459
----	---
	\$11,379
	=====

8. EQUITY

Common Stock

In December 1998 and March, June, September, and December 1999, the board of directors of the Company declared quarterly dividends of \$.15 per share. The declared dividend in December 1998 and 1999 are included in accounts payable and accrued liabilities in the accompanying consolidated balance sheets as of December 31, 1998 and 1999.

Treasury Stock

In September 1998, the Company's board of directors authorized the repurchase of up to 250,000 shares of the Company's common stock for use in the Company's 1998 Stock Option Plan (the "Option Plan"). In 1998 and 1999, the Company repurchased 61,600 and 188,400 shares, respectively, of its common stock pursuant to this authorization at an aggregate cost of approximately \$555,000, or an average price of \$9.01 per share in 1998 and at an aggregate cost of approximately \$1,776,000, or an average price of \$9.43 per share in 1999. The Company completed these stock repurchases in February 1999.

In October 1999, the Company used 100,000 of these shares in connection with Wireless World's acquisition of VI Access, and in November 1999, the board of directors authorized additional repurchases to restore the number of shares of treasury stock to 250,000.

During November and December 1999, the Company repurchased an additional 2,300 shares of its common stock at an aggregate cost of \$19,000 or an average price of \$8.26 per share.

Stock Options

In 1998, the board of directors of the Company adopted the 1998 Stock Option Plan for the Company, reserved 250,000 shares of common stock for options to be granted under the plan, and granted options to employees to purchase 130,000 shares of the Company's common stock at an exercise price of \$9.625 per share (the estimated fair value per share of the common stock at the date of grant). The options have terms of ten years and vest ratably over a period of four years.

In 1995, the Financial Accounting Standards Board issued SFAS No. 123, "Accounting for Stock-Based Compensation," which defines a fair value-based method of accounting for employee stock options or similar equity instruments and encourages all entities to adopt that method of accounting for all of their employee stock compensation plans. However, it also allows an entity to continue to measure compensation cost for those plans using the method of accounting prescribed by APB Opinion No. 25, "Accounting for Stock Issued to Employees." Entities electing to remain with the accounting methodology required by APB Opinion No. 25 must make pro forma disclosures of net income and earnings per share as if the fair value-based method of accounting defined in SFAS No. 123 was used.

The Company has elected to continue to account for its Option Plan under APB Opinion No. 25, under which the Company has recognized no compensation cost. However, the Company has computed, for pro forma disclosure purposes, the estimated fair value of all options for shares of the Company's common stock granted to employees during the years ended December 31, 1998 and 1999 using the Black-Scholes option pricing model, as allowed under SFAS No. 123 and based on the following assumptions:

	1998	1999
Risk-free interest rate	4.49%	4.49%
Expected dividend yield	6%	6%
Expected lives	Five years	Four years
Expected volatility	72%	72%

The following table summarizes the transactions under the Plan:

	Number of Options
Outstanding at December 31, 1997	0
Granted	130,000
Outstanding at December 31, 1998	130,000
Forfeited	120,000
Outstanding at December 31, 1999	10,000

At December 31, 1998 and 1999, there were 130,000 and 10,000 options outstanding, respectively, with a weighted average remaining contractual life of 9.8 and 9 years, respectively, and a weighted average exercise price of \$9.625 per share. The weighted average fair value of options granted during the year ended December 31, 1998 was \$3.95 per share subject to option, or \$514,000 in aggregate. During 1999, 120,000 options were forfeited due to certain employees leaving the company. If the Company had accounted for the outstanding options in accordance with SFAS No. 123, the Company would have amortized this fair value over the vesting period of the options resulting in \$9,000 and \$7,000 compensation expense for the years ended December 31, 1998 and 1999, respectively. The Company's reported net income and net income per share for the year ended December 31, 1998 and 1999 would have been as follows (in thousands, except per share data):

	1998	1999
Net income:		
As reported--basic and diluted	\$15,912	\$9,665
Pro forma--basic and diluted	\$15,903	\$9,658
Earnings per share:		
As reported and pro forma--basic	\$3.25	\$2.05
As reported and pro forma--diluted	\$3.23	\$2.05

9. INCOME TAXES

The following is a reconciliation from the tax computed at statutory income tax rates to the Company's income tax expense for the years ended December 31, 1997, 1998, and 1999 (in thousands):

	1997 ----	1998 ----	1999 ----
Tax computed at statutory U.S. federal income tax rates	\$5,959	\$11,937	\$ 8,134
Foreign income taxes in excess of statutory U.S. rates	1,314	2,914	2,217
Other, net	445	1,062	1,547
	---	----	----
Income tax expense	\$7,718 =====	\$15,913 =====	\$11,898 =====

The components of income tax expense are comprised of the following for the years ended December 31, 1997, 1998, and 1999 (in thousands):

	1997 ----	1998 ----	1999 ----
Current:			
United States	\$1,445	\$ 2,087	\$ 345
Foreign	3,312	12,142	9,649
Deferred	2,961	1,684	1,904
	-----	-----	-----
	\$7,718 =====	\$15,913 =====	\$11,898 =====

The significant components of deferred tax assets and liabilities are as follows as of December 31, 1998 and 1999 (in thousands):

	1998 ----	1999 ----
Deferred tax assets:		
Differences between book and tax basis of property	\$ 308	\$ -
Nondeductible expense	1,534	1,878
	-----	-----
	1,842 =====	1,878 =====
Deferred tax liabilities:		
Differences between book and tax basis of property	-	2,388
Revenues not recognized for tax purposes	1,035	867
	-----	---
	1,035 =====	3,255 =====
Net deferred tax assets (liabilities)	807	(1,377)
Portion included in current assets	1,309	1,655
	-----	-----
Noncurrent deferred tax liabilities	\$ (502) =====	\$(3,032) =====

At December 31, 1998 and 1999, unremitted earnings of foreign subsidiaries were approximately \$57 million and \$64.3 million, respectively. Since it is the Company's intention to indefinitely reinvest these earnings, no U.S. taxes have been provided for. The determination of the amount of U.S. tax which would be payable if such unremitted foreign earnings were repatriated through dividend remittances is not practicable in that any U.S. taxes payable on such dividends would be significantly offset by foreign tax credits. Pursuant to the terms of the purchase agreement with the government of Guyana, there are no withholding taxes applicable to distributions from GT&T.

10. retirement plans

The Company has a noncontributory defined benefit pension plan for eligible employees of GT&T who meet certain age and employment criteria. Contributions are intended to provide not only for benefits attributed for service to date but also for those expected to be earned in the future. The Company's funding policy is to contribute to the plan such amounts as are actuarially determined to meet funding requirements. The benefits are based on the participants' average salary or hourly wages during the last three years of employment and credited service years. In 1998, the Company adopted SFAS No. 132, "Employers' Disclosure About Pensions and Other Postretirement Benefits," which revises employers' disclosures about pension and other postretirement benefit plans. It does not change the measurement or recognition of those plans.

The weighted average rates assumed in the actuarial calculations for the pension plan are as follows as of December 31, 1998 and 1999:

	1998 ----	1999 ----
Discount	10.50%	12.50%
Annual salary increase	7.50	7.50
Expected long-term return on plan assets	9.25	9.25

Changes during the year in the projected benefit obligations and in the fair value of plan assets are as follows as of December 31, 1998 and 1999 (in thousands):

	1998 ----	1999 ----
Projected benefit obligations:		
Balance at beginning of year	\$2,266	\$1,267
Adjustments at the beginning of the year	(240)	0
Service cost	294	185
Interest cost	146	142
Benefits paid	(59)	(13)
Foreign currency exchange rate changes	(459)	0
Actuarial (gain) loss	(681)	(359)
	-----	-----
Balance at end of year	\$1,267	\$1,222
	=====	=====
Plan assets:		
Balance at beginning of year	\$1,328	\$1,580
Actual return on plan assets	126	99
Company contributions	603	443
Benefits paid	(66)	(13)
Foreign currency exchange rate changes	(411)	0
	-----	-----
Balance at end of year	\$1,580	\$2,109
	=====	=====

The prepaid pension costs recognized in the accompanying consolidated balance sheets as other assets are as follows as of December 31, 1998 and 1999 (in thousands):

	1998	1999
	----	----
Funded status	\$313	\$887
Unrecognized prior service cost	168	155
Unrecognized net actuarial loss	16	(275)
	--	----
Prepaid asset recognized in the accompanying consolidated balance sheets	\$497	\$767
	====	====

Components of the plan's net periodic pension cost are as follows for the years ended December 31, 1997, 1998, and 1999 (in thousands):

	1997	1998	1999
	----	----	----
Service cost	\$168	\$294	\$185
Interest cost	131	146	142
Expected return on plan assets	(62)	(131)	(166)
Net amortization	17	45	13
	--	--	--
Net periodic pension cost	\$254	\$354	\$174
	====	====	====

11. REGULATORY MATTERS

GT&T is subject to regulation in Guyana under the provisions of its License and under the Guyana Public Utilities Commission Act of 1999 ("PUC law") and the Guyana Telecommunications Act of 1990 ("Telecommunications Law"). GT&T also has certain significant rights and obligations under the agreement pursuant to which the Company acquired its interest in GT&T in 1991.

On December 31, 1997, GT&T applied to the PUC for a significant increase in rates for local and outbound international long-distance service so as to enable GT&T to earn a 15% return on its rate base. Effective February 1, 1998, GT&T was awarded an interim increase in rates which represented a substantial increase over the rates in effect during 1997 and earlier years. Subsequently, on March 27, 1998, the PUC reduced the interim rate increase effective in part on April 1, 1998 and in part on May 1, 1998. On October 27, 1998, to reflect changed conditions since December 31, 1997, GT&T filed for an additional rate increase designed to generate \$19 million in additional revenues over and above the interim rates currently in effect. GT&T's two applications for a permanent rate increase are still pending before the PUC.

In January 1999, after the chairman of the PUC held a press conference which dealt extensively with the rate issues under consideration by the PUC, GT&T applied to the Guyana High Court for an order prohibiting the chairman from further participation in the rate case on the grounds that this press conference and his statements at the press conference revealed a predetermination and bias by the chairman against GT&T on the pending issues. In response to this application, the Guyana High Court issued an order directing the chairman and the PUC to show cause why such an order of prohibition should not be issued. The Guyana High Court's order has the legal effect of barring the chairman from further participation in the rate case pending a determination by the Guyana High Court of the merits of GT&T's application and, thus, is likely to further delay a decision by the PUC on GT&T's pending applications. In April 1999, the PUC furnished to GT&T a preliminary report of the PUC's staff to the Commissioners for a response by GT&T. In this report, the staff challenged GT&T's computation of rate base and expense in several respects and concluded with a recommendation that the temporary rates currently in effect for local service should be reduced by approximately \$2.7 million, rather than being increased as GT&T is seeking. GT&T has filed a response to the PUC disputing the staff's conclusions. GT&T and the Company are also involved in discussions with officials at the highest levels in the Guyana government seeking to resolve all outstanding PUC and Guyana tax issues affecting GT&T. There can be no assurance as to how or when any or all of these issues will be resolved.

In 1997, after the Guyana High Court voided a PUC order of October 1995 reducing GT&T's rates for outbound long distance calls to various countries, GT&T put into effect a surcharge to recover the approximately \$9.5 million of lost revenues from the period of October 1995 to the date of the High Court's order. The Guyana Consumer Advisory Bureau, a non-governmental group, instituted a suit challenging GT&T's rights to institute this surcharge without PUC approval, and in the fourth quarter of 1999, the Guyana High Court ruled that GT&T should have first obtained PUC's permission for such surcharge. Substantially all of the \$9.5 million of lost revenues were collected prior to the court's ruling, and it is unclear whether GT&T will be required to make any refund since the High Court did not rule on GT&T's contention that it was entitled to recover these lost revenues.

In October 1997, the PUC ordered GT&T to increase the number of telephone lines in service to a total of 69,278 lines by the end of 1998, 89,054 lines by the end of 1999, and 102,126 by the end of the year 2000 to allocate and connect an additional 9,331 telephone lines before the end of 1998 and to provide to subscribers who request them facilities for call diversion, call waiting, reminder call, and three-way calling by the end of the year 1998. In issuing this order, the PUC did not hear evidence or make any findings on the cost of providing these lines and services, the adjustment in telephone rates which may be necessary to give GT&T a fair return on its investment, or the ways and means of financing the requirements of the PUC's order. GT&T has filed a motion against the PUC's order in the Guyana High Court and has appealed the order on different grounds to the Guyana Court of Appeal. No stay currently exists against this order.

In February 2000, GT&T received notices of five separate hearings from the PUC relating to various issues, including GT&T's failure to comply with the October 1997 order to increase the number of lines in service and information requests on the amount of surcharges collected by GT&T as a result of the High Court's voiding of the PUC's October 1995 rate reduction order. GT&T has filed with the Guyana High Court a petition to bar the Chairman of the PUC on the grounds of bias from participating in any matters involving GT&T.

In July 1998, the PUC gave notice that it would hold a public hearing on August 25, 1998 in respect of the following matters: (i) "the validity of the grant of monopoly rights to any owner or provider of services in the public utility sector, having regard to the laws in force in Guyana at the relevant time" and (ii) "whether the Commission has power to request the Government to issue a license to a new provider of services in the public utility sector, where the existing provider in that sector fails to refuse to meet reasonable demands for service in that public utility sector." While the PUC's notice did not name GT&T as the service provider in question, the Company believes that GT&T is the service provider which will be the subject of the hearing. This intended hearing has been stayed by an order issued by the Guyana High Court on an application by GT&T pending a hearing on the merits of GT&T's application.

On October 30, 1998, the U.S. Federal Trade Commission ("FTC") issued for comment a proposed rule which would expand the definition of "pay per call" services to include audiotext services, such as those which GT&T terminates in Guyana. If adopted in its present form, the FTC's proposed rule would require, among other things, that a caller must receive a short preamble at the beginning of the call advising the caller of the cost of the call and permitting the caller to terminate the call without charge if terminated immediately. Although GT&T has not completed its study of the ways and means of possibly complying with this requirement, it may be technically impossible for recipients of international audiotext traffic, such as GT&T, to separate audiotext traffic from other incoming international traffic and permit a free preamble for audiotext calls. The FTC's proposed rule would have the effect of prohibiting a local telephone company from disconnecting a subscriber's telephone service for failure to pay charges for an international audiotext call. This requirement currently applies to area code 900 domestic audiotext, but not to international audiotext, and provides a collection advantage for international audiotext over domestic audiotext. The proposed rule would also include several requirements which, if adopted, could make it more difficult to bill and collect for international audiotext calls. If the proposed regulations are adopted, the provisions described above may have a significant adverse impact on international audiotext traffic from the United States to Guyana and other non-U.S. termination points.

The Federal Communication Commission (the "FCC") has issued a Report and Order in a rule making proceeding in which it adopted mandatory international accounting and settlement rate benchmarks for many countries. The FCC adopted a mandatory settlement rate benchmark of \$.23 per minute for low-income countries such as Guyana and required that settlement rates between the U.S. and low-income countries be reduced to \$.23 per minute by January 1, 2002. The current settlement rate is \$.85 per minute. The FCC stated in the Report and Order that it expects U.S. licensed carriers to negotiate proportionate annual reductions prior to 2002. In accordance with this FCC policy, AT&T sought a reduction in the settlement rate for traffic between Guyana and the United States. GT&T declined to agree to such a reduction, and effective December 31, 1999, GT&T's operating agreement and all direct circuits with AT&T were terminated. In anticipation of the termination of the AT&T agreement, GT&T has sought to bring on circuits with other carriers to handle the traffic previously received from AT&T and to restructure its operating agreements with carriers around the world so that GT&T will receive approximately \$.85 per minute as a termination fee for international traffic from all countries, with the exception of Canada and certain Caribbean countries which will continue to be able to send normal volumes of traffic to GT&T at the lower rates which traditionally have been in effect with these countries. It is likely, however, that international settlement rates between Guyana and the United States and other countries around the world will decline significantly on or prior to January 1, 2002. Any significant reduction in the settlement rates for the United States--Guyana traffic could have a significant adverse impact on GT&T's earnings. While such an event would provide GT&T with basis to seek a rate increase from the PUC so as to permit GT&T to earn its contractually provided 15% rate of return, there can be no assurances as to when or whether GT&T would receive such a rate increase.

12. CONTINGENCIES AND COMMITMENTS

The Company is subject to lawsuits and claims which arise out of the normal course of business, some of which involve claims for damages and taxes that are substantial in amount. The Company believes, except for the items discussed below for which the Company is currently unable to predict the outcome, the disposition of claims currently pending will not have a material adverse effect on the Company's financial position or results of operations.

Upon the acquisition of GT&T in January 1991, ATN entered into an agreement with the government of Guyana to significantly expand GT&T's existing facilities and telecommunications operations and to improve service within a three-year period pursuant to an expansion and service improvement plan (the "Plan"). The government agreed to permit rate increases in the event of currency devaluation within the three-year period, but GT&T was unable to get timely increases when the Guyana currency suffered a sharp decline in March 1991. The Plan was modified in certain respects, and the date for completion of the Plan was extended to February 1995. Since 1995, the PUC has had pending a proceeding initiated by the Minister of Telecommunications of Guyana with regard to the failure of GT&T to complete the Plan by February 1995. It is GT&T's position that its failure to receive timely rate increases, to which GT&T was entitled to compensate for the devaluation of currency which occurred in 1991, provides legal justification for GT&T's delay in completing the Plan. The PUC is currently holding hearings on this matter. If the PUC were to find that GT&T was not excused from fulfilling the terms of the Plan by February 1995, GT&T could be subject to monetary penalties, cancellation of the license, or other action by the PUC or the government which could have a material adverse effect on the Company's business and prospects. The requirements of the Plan have now been substantially completed.

In May 1997, GT&T received a letter from the Commissioner of Inland Revenue indicating that GT&T's tax returns for 1992 through 1996 had been selected for an audit under the direct supervision of the Trade Minister with particular focus on the withholding tax on payments to international audiotext providers. In March and April 1997, the Guyanese Trade Minister publicly announced that he had appointed a task force to probe whether GT&T should pay withholding taxes on fees paid by GT&T to international audiotext providers. The Minister announced that if GT&T were found guilty of tax evasion, it could owe as much as \$40 million in back taxes. In July 1997, GT&T applied to the Guyana High Court for an order prohibiting this audit on the grounds that the decision of the Minister of Trade to set up this task force and to control and direct its investigation was beyond his authority, violated the provisions of the Guyanese Income Tax Act, interfered with the independence of the Commissioner of Inland Revenue, and was done in bad faith. The court issued an order effectively staying the audit pending a determination by the court of the merits of GT&T's application.

In June 1997, GT&T received an assessment of the current equivalent of approximately \$3 million from the Commissioner of Inland Revenue for taxes for 1996 based on the disallowance as a deduction for income tax purposes of five-sixths of the advisory fees payable by GT&T to the Company and for the timing of the taxation on certain surcharges to be billed by GT&T. The deductibility of these advisory fees and the deferral of these surcharges until they are actually billed had been upheld for an earlier year in a decision of the High Court in August 1995. In July 1997, GT&T applied to the High Court for an order prohibiting the Commissioner of Inland Revenue from further proceeding with this assessment on the grounds that the assessment was arbitrary and unreasonable and capriciously contrary to the August 1995 decision of the Guyana High Court, and GT&T obtained an order of the High Court effectively prohibiting any action on the assessment pending the determination by the Court of the merits of GT&T's application.

In November 1997, GT&T received assessments of the current equivalent of approximately \$11 million from the Commissioner of Inland Revenue for taxes for the years 1991 through 1996. It is GT&T's understanding that these assessments stem from the same audit commenced in May 1997 which the Guyana High Court stayed in its July 1997 order referred to above. Apparently because the audit was cut short as a result of the High Court's July 1997 order, GT&T did not receive notice of and an opportunity to respond to the proposed assessments as is the customary practice in Guyana, and substantially all of the issues raised in the assessments appear to be based on mistaken facts. GT&T has applied to the Guyana High Court for an order prohibiting the Commissioner of Inland Revenue from enforcing the assessments on the grounds that the origin of the audit with the Minister of Trade and the failure to give GT&T notice of and opportunity to respond to the proposed assessments violated Guyana law. The Guyana High Court has issued an order effectively prohibiting any action on the assessments pending the determination by the Court of the merits of GT&T's application.

13. RELATED-PARTY TRANSACTIONS

Prior to December 30, 1997, the Company previously shared certain general and administrative costs with its former affiliate, Atlantic Tele-Network Co. These shared costs were allocated in approximately the same proportion as operating revenues of the affiliate bore to total operating revenues of the Company. Management believes the allocation methods used were reasonable. However, such allocation was not necessarily indicative of the costs that would have been incurred if the companies had been operated as unaffiliated entities. It is not practical to estimate these costs on a stand-alone basis.

During the year ended December 31, 1997, the Company retired interest bearing notes receivable from its former affiliates of approximately \$25.1 million. Interest income for the year ended December 31, 1997 was approximately \$2.2 million. Interest was not charged on certain other notes receivable from affiliates.

In December 1999, Wireless World agreed to acquire the assets and business of Antilles Wireless Cable T.V. Company ("Antilles Wireless") for consideration of 242,424 shares of ATN common stock and approximately \$1.5 million in cash. Antilles Wireless holds LMDS and MMDS license for the U.S. Virgin Islands and provides wireless cable T.V. services there. The entire equity interest in Antilles Wireless is owned by an officer of the Company.

14. QUARTERLY FINANCIAL DATA (UNAUDITED)

Following is a summary of the Company's quarterly results of operations for the years ended December 31, 1998 and 1999 (in thousands):

	1998 Consolidated			
	March 31	for the Three Months Ended		
		June 30	September 30	
Revenues	\$22,362	\$23,742	\$27,308	\$21,232
Operating expenses	16,797	17,232	17,336	11,730
Income from telephone operations	5,565	6,510	9,972	9,502
Loss from other operations	0	0	(77)	(296)
Other income (expense), net	3,407	(112)	(147)	(218)
Income before income taxes and minority interests	8,972	6,398	9,748	8,988
Income taxes	3,690	2,842	4,445	4,936
Income before minority interests	5,282	3,556	5,303	4,052
Minority interests	(411)	(461)	(856)	(553)
Net income	\$ 4,871	\$ 3,095	\$ 4,447	\$ 3,499

	1999 Consolidated			
	March 31	for the Three Months Ended		
		June 30	September 30	
Revenues	\$20,741	\$18,301	\$18,753	\$26,236
Operating expenses	15,868	14,461	13,518	16,318
Income from telephone operations	4,873	3,840	5,235	9,918
Loss from other operations	(128)	(91)	(161)	(219)
Other income (expense), net	(35)	(97)	18	86
Income before income taxes and minority interests	4,710	3,652	5,092	9,785
Income taxes	2,418	1,996	2,649	4,835
Income before minority interests	2,292	1,656	2,443	4,950
Minority interests	(279)	(195)	(325)	(877)
Net income	\$ 2,013	\$ 1,461	\$ 2,118	\$ 4,073

15. SUBSEQUENT EVENTS (UNAUDITED)

During the period subsequent to December 31, 1999, the Company repurchased 57,000 shares of its common stock at an aggregate cost of approximately \$530,000, or an average price of \$9.30 per share, under a stock repurchase program authorized by the board of directors in November 1999.

During March, 2000, Wireless World completed the acquisition of the specialized mobile radio business and the paging business of VI Access for \$625,000 in cash.

On March 10, 2000, the Company announced a 16.7% increase in its quarterly dividend to \$0.175 per share and its board of directors declared a quarterly dividend on its common stock in that amount payable on April 7, 2000 to shareholders of record as of March 31, 2000.

VALUATION AND QUALIFYING ACCOUNTS
(Amounts in Thousands)

	Balance at Beginning of Period	Charged to Costs and Expenses	Net Charge Offs	Balance at End of Period
YEAR ENDED DECEMBER 31, 1997:				
Description:				
Allowance for doubtful accounts	\$ 557	\$ 159	\$ 214	\$ 502
YEAR ENDED DECEMBER 31, 1998:				
Description:				
Allowance for doubtful accounts	\$ 502	\$ 2,291	\$ 142	\$ 2,651
YEAR ENDED DECEMBER 31, 1999:				
Description:				
Allowance for doubtful accounts	\$ 2,651	\$ 1,072	\$ 208	\$ 3,515

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS AS TO SCHEDULES

We have audited in accordance with auditing standards generally accepted in the United States, the consolidated financial statements of Atlantic Tele-Network, Inc. and subsidiaries included in this Form 10-K and have issued our report thereon dated February 28, 2000. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule listed in the index is the responsibility of the Company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and are not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Atlanta, Georgia
February 28, 2000

ATLANTIC TELE-NETWORK, INC.

1998 STOCK OPTION PLAN

As adopted by the Board of Directors

on October 30, 1998

ATLANTIC TELE-NETWORK, INC.

1998 STOCK OPTION PLAN

1. Purpose.

The purpose of this Plan is to strengthen ATLANTIC TELE-NETWORK, INC., a Delaware corporation (the "Company"), by providing an incentive to its employees, officers, consultants and directors and thereby encouraging them to devote their abilities and industry to the success of the Company's business enterprise. It is intended that this purpose be achieved by extending to employees (including future employees who have received a formal written offer of employment), officers, consultants and directors of the Company and its Subsidiaries an added long-term incentive for high levels of performance and extraordinary efforts through the grant of Incentive Stock Options and Nonqualified Stock Options (as each term is herein defined).

2 Definitions.

For purposes of the Plan:

2.1 "Affiliate" means any entity, directly or indirectly, controlled by, controlling or under common control with the Company or any corporation or other entity acquiring, directly or indirectly, all or substantially all the assets and business of the Company, whether by operation of law or otherwise.

2.2 "Agreement" means the written agreement between the Company and an Optionee evidencing the grant of an Option and setting forth the terms and conditions thereof.

2.3 "Board" means the Board of Directors of the Company.

2.4 "Cause" means:

(a) in the case of an Optionee whose employment with the Company or a Subsidiary is subject to the terms of an employment agreement between such Optionee and the Company or Subsidiary, which employment agreement includes a definition of "Cause", the term "Cause" as used in the Plan or any Agreement shall have the meaning set forth in such employment agreement during the period that such employment agreement remains in effect; and

(b) in all other cases, (i) intentional failure to perform reasonably assigned duties, (ii) dishonesty or willful misconduct in the performance of duties, (iii) involvement in a transaction in connection with the performance of duties to the Company or any of its Subsidiaries which transaction is adverse to the interests of the Company or any of its Subsidiaries and which is engaged in for personal profit or (iv) willful violation of any law, rule or regulation in connection with the performance of duties (other than traffic violations or similar offenses).

2.5 "Change in Capitalization" means any increase or reduction in the number of Shares, or any change (including, but not limited to, in the case of a spin-off, dividend or other distribution in respect of Shares, a change in value) in the Shares or exchange of Shares for a different number or kind of shares or other securities of the Company or another corporation, by reason of a reclassification, recapitalization, merger, consolidation, reorganization, spin-off, split-up, issuance of warrants or rights or debentures, stock dividend, stock split or reverse stock split, cash dividend, property dividend, combination or exchange of shares, repurchase of shares, change in corporate structure or otherwise.

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2.6 "Code" means the Internal Revenue Code of 1986, as amended.

2.7 "Committee" means a committee, as described in Section 3.1, appointed by the Board from time to time to administer the Plan and to perform the functions set forth herein.

2.8 "Company" means ATLANTIC TELE-NETWORK, INC., a Delaware corporation.

2.9 "Consultant" means any consultant or advisor that qualifies as an "employee" within the meaning of rules applicable to Form S-8, as in effect from time to time, of the Securities Act of 1933, as amended.

2.10 "Director" means a director of the Company.

2.11 "Disability" means:

(a) in the case of an Optionee whose employment with the Company or a Subsidiary is subject to the terms of an employment agreement between such Optionee and the Company or Subsidiary, which employment agreement includes a definition of "Disability", the term "Disability" as used in the Plan or any Agreement shall have the meaning set forth in such employment agreement during the period that such employment agreement remains in effect; and

(b) in all other cases, the term "Disability" as used in the Plan or any Agreement shall mean a physical or mental infirmity which impairs the Optionee's ability to perform substantially his or her duties for a period of one hundred eighty (180) consecutive days.

2.12 "Division" means any of the operating units or divisions of the Company designated as a Division by the Committee.

2.13 "Eligible Individual" means any of the following individuals: (a) any director, officer or employee of the Company or a Subsidiary, (b) any individual to whom the Company or a Subsidiary has extended a formal, written offer of employment, or (c) any Consultant.

2.14 "Exchange Act" means the Securities Exchange Act of 1934, as amended.

2.15 "Fair Market Value" on any date means the closing sales prices of the Shares on such date on the principal national securities exchange on which such Shares are listed or admitted to trading, or, if such Shares are not so listed or admitted to trading, the average of the per Share closing bid price and per Share closing asked price on such date as quoted on the National Association of Securities Dealers Automated Quotation System or such other market in which such prices are regularly quoted, or, if there have been no published bid or asked quotations with respect to Shares on such date, the Fair Market Value shall be the value established by the Board in good faith and, in the case of an Incentive Stock Option, in accordance with Section 422 of the Code.

2.16 "Incentive Stock Option" means an Option satisfying the requirements of Section 422 of the Code and designated by the Committee as an Incentive Stock Option.

2.17 "Nonemployee Director" means a director of the Company who is a "nonemployee director" within the meaning of Rule 16b-3 promulgated under the Exchange Act.

2.18 "Nonqualified Stock Option" means an Option which is not an Incentive Stock Option.

2.19 "Option" means a Nonqualified Stock Option or an Incentive Stock Option.

2.20 "Optionee" means a person to whom an Option has been granted under the Plan.

2.21 "Outside Director" means a director of the Company who is an "outside director" within the meaning of Section 162(m) of the Code and the regulations promulgated thereunder.

2.22 "Parent" means any corporation which is a parent corporation (within the meaning of Section 424(e) of the Code) with respect to the Company.

2.23 "Performance-Based Compensation" means any Option that is intended to constitute "performance-based compensation" within the meaning of Section 162(m)(4)(C) of the Code and the regulations promulgated thereunder.

2.24 "Permitted Transferee" means an Optionee's immediate family, trusts solely for the benefit of such family members and partnerships in which such family members and/or trusts are the only partners. For this purpose, "immediate family" of an Optionee means the Optionee's spouse, parents, children, stepchildren and grandchildren and the spouses of such parents, children, stepchildren and grandchildren.

2.25 "Plan" means this ATLANTIC TELE-NETWORK, INC. 1998 Stock Option Plan, as amended from time to time.

2.26 "Shares" means the Common Stock, par value \$0.01 per share, of the Company.

2.27 "Subsidiary" means any corporation which is a subsidiary corporation (within the meaning of Section 424(f) of the Code) with respect to the Company.

2.28 "Ten-Percent Stockholder" means an Eligible Individual, who, at the time an Incentive Stock Option is to be granted to him or her, owns (within the meaning of Section 422(b)(6) of the Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company, or of a Parent or a Subsidiary.

3. Administration.

3.1 The Plan shall be administered by the Committee, which shall hold meetings at such times as may be necessary for the proper administration of the Plan. The Committee shall keep minutes of its meetings. A quorum shall consist of not fewer than two (2) members of the Committee and a majority of a quorum may authorize any action. Any decision or determination reduced to writing and signed by a majority of all of the members of the Committee shall be as fully effective as if made by a majority vote at a meeting duly called and held. The Committee shall consist of at least two (2) Directors and may consist of the entire Board; provided, however, that (A) if the Committee consists of less than the entire Board, each member shall be a Nonemployee Director and (B) to the extent necessary for any Option intended to qualify as Performance-Based Compensation to so qualify, each member of the Committee, whether or not it consists of the entire Board, shall be an Outside Director. For purposes of the preceding sentence, if one or more members of the Committee is not a Nonemployee Director and an Outside Director but recuses himself or herself or abstains from voting with respect to a particular action taken by the Committee, then the Committee, with respect to that action, shall be deemed to consist only of the members of the Committee who have not recused themselves or abstained from voting.

3.2 No member of the Committee shall be liable for any action, failure to act, determination or interpretation made in good faith with respect to the Plan or any transaction hereunder. The Company hereby agrees to indemnify each member of the Committee for all costs and expenses and, to the extent permitted by applicable law, any liability incurred in connection with defending against, responding to, negotiating for the settlement of or otherwise dealing with any claim, cause of action or dispute of any kind arising in connection with any actions in administering the Plan or in authorizing or denying authorization to any transaction hereunder.

3.3 Subject to the express terms and conditions set forth herein, the Committee shall have the power from time to time to:

(a) determine those Eligible Individuals to whom Options shall be granted under the Plan and the number of such Options to be granted and to prescribe the terms and conditions (which need not be identical) of each such Option, including the exercise price per Share subject to each Option, and make any amendment or modification to any Agreement consistent with the terms of the Plan;

(b) to construe and interpret the Plan and any Agreements granted hereunder and to establish, amend and revoke rules and regulations for the administration of the Plan, including, but not limited to, correcting any defect or supplying any omission, or reconciling any inconsistency in the Plan or in any Agreement, in the manner and to the extent it shall deem necessary or advisable, including so that the Plan complies with Rule 16b-3 under the Exchange Act, the Code to the extent applicable and other applicable law, and otherwise to make the Plan fully effective. All decisions and determinations by the Committee in the exercise of this power shall be final, binding and conclusive upon the Company, its Subsidiaries, the Optionees, and all other persons having any interest therein;

(c) to determine the duration and purposes for leaves of absence which may be granted to an Optionee on an individual basis without constituting a termination of employment or service for purposes of the Plan;

(d) to exercise its discretion with respect to the powers and rights granted to it as set forth in the Plan; and

(f) generally, to exercise such powers and to perform such acts as are deemed necessary or advisable to promote the best interests of the Company with respect to the Plan.

4. Stock Subject to the Plan; Grant Limitations.

4.1 The maximum number of Shares that may be made the subject of Options granted under the Plan is 250,000. The maximum number of Shares that may be the subject of Options granted to any Eligible Individual during any three (3) consecutive calendar year period may not exceed 100,000 Shares. Upon a Change in Capitalization, the maximum number of Shares referred to in the first two sentences of this Section 4.1 shall be adjusted in number and kind pursuant to Section 7. The Company shall reserve for the purposes of the Plan, out of its authorized but unissued Shares or out of Shares held in the Company's treasury, or partly out of each, such number of Shares as shall be determined by the Board.

4.2 Upon the granting of an Option, the number of Shares available under Section 4.1 for the granting of further Options shall be reduced by the number of Shares in respect of which the Option is granted; provided, however, that if any Option is exercised by tendering Shares, either actually or by attestation, to the Company as full or partial payment of the exercise price, the maximum number of Shares available under Section 4.1 shall be increased by the number of Shares so tendered.

4.3 Whenever any outstanding Option or portion thereof expires, is canceled, is settled in cash (including the settlement of tax withholding obligations using Shares) or is otherwise terminated for any reason without having been exercised or payment having been made in respect of the entire Option, the Shares allocable to the expired, canceled, settled or otherwise terminated portion of the Option may again be the subject of Options granted hereunder.

5. Option Grants for Eligible Individuals.

5.1 Authority of Committee. Subject to the provisions of the Plan, the Committee shall have full and final authority to select those Eligible Individuals who will receive Options, and the terms and conditions of the grant to such Eligible Individuals shall be set forth in an Agreement.

5.2 Exercise Price. The purchase price or the manner in which the exercise price is to be determined for Shares under each Option shall be determined by the Committee and set forth in the Agreement; provided, however, that the exercise price per Share under each Incentive Stock Option shall not be less than 100% of the Fair Market Value of a Share on the date the Option is granted (110% in the case of an Incentive Stock Option granted to a Ten-Percent Stockholder).

5.3 Maximum Duration. Options granted hereunder shall be for such term as the Committee shall determine, provided that an Incentive Stock Option shall not be exercisable after the expiration of ten (10) years from the date it is granted (five (5) years in the case of an Incentive Stock Option granted to a Ten-Percent Stockholder) and a Nonqualified Stock Option shall not be exercisable after the expiration of ten (10) years from the date it is granted; provided, however, that the Committee may provide that an Option (other than an Incentive Stock Option) may, upon the death of the Optionee, be exercised for up to one (1) year following the date of the Optionee's death even if such period extends beyond ten (10) years from the date the Option is granted. The Committee may, subsequent to the granting of any Option, extend the term thereof, but in no event shall the term as so extended exceed the maximum term provided for in the preceding sentence.

5.4 Vesting. Each Option shall become exercisable in such installments (which need not be equal) and at such times as may be designated by the Committee and set forth in the Agreement. To the extent not exercised, installments shall accumulate and be exercisable, in whole or in part, at any time after becoming exercisable, but not later than the date the Option expires. The Committee may accelerate the exercisability of any Option or portion thereof at any time.

5.5 Deferred Delivery of Option Shares. The Committee may, in its discretion, permit Optionees to elect to defer the issuance of Shares upon the exercise of one or more Nonqualified Stock Options granted pursuant to the Plan. The terms and conditions of such deferral shall be determined at the time of the grant of the Option or thereafter and shall be set forth in the Agreement evidencing the grant.

5.6 Limitations on Incentive Stock Options. To the extent that the aggregate Fair Market Value (determined as of the date of the grant) of Shares with respect to which Incentive Stock Options granted under the Plan and "incentive stock options" (within the meaning of Section 422 of the Code) granted under all other plans of the Company or its Subsidiaries (in either case determined without regard to this Section 5.6) are exercisable by an Optionee for the first time during any calendar year exceeds \$100,000, such Incentive Stock Options shall be treated as Nonqualified Stock Options. In applying the limitation in the preceding sentence in the case of multiple Option grants, Options which were intended to be Incentive Stock Options shall be treated as Nonqualified Stock Options according to the order in which they were granted such that the most recently granted Options are first treated as Nonqualified Stock Options.

5.7 Non-Transferability. No Option shall be transferable by the Optionee otherwise than by will or by the laws of descent and distribution or, in the case of an Option other than an Incentive Stock Option, pursuant to a domestic relations order (within the meaning of Rule 16a-12 promulgated under the Exchange Act), and an Option shall be exercisable during the lifetime of such Optionee only by the Optionee or his or her guardian or legal representative. Notwithstanding the foregoing, the Committee may set forth in the Agreement evidencing an Option (other than an Incentive Stock Option) at the time of grant or thereafter, that the Option may be transferred to a Permitted Transferee, and for purposes of the Plan, such Permitted Transferee shall be deemed to be the Optionee. The terms of an Option shall be final, binding and conclusive upon the beneficiaries, executors, administrators, heirs and successors of the Optionee.

5.8 Method of Exercise. The exercise of an Option shall be made only by a written notice delivered in person or by mail to the Secretary of the Company at the Company's principal executive office, specifying the number of Shares to be exercised and, to the extent applicable, accompanied by payment therefor and otherwise in accordance with the Agreement pursuant to which the Option was granted. The exercise price for any Shares purchased pursuant to the exercise of an Option shall be paid, as determined by the Committee in its discretion, in either of the following forms (or any combination thereof): (a) cash or (b) the transfer, either actually or by attestation, to the Company of Shares upon such terms and conditions as determined by the Committee. In addition, Options may be exercised through a registered broker-dealer pursuant to such cashless exercise procedures which are, from time to time, deemed acceptable by the Committee. Any Shares transferred to the Company (or withheld upon exercise) as payment of the exercise price under an Option shall be valued at their Fair Market Value on the day preceding the date of exercise of such Option. If requested by the Committee, the Optionee shall deliver the Agreement evidencing the Option to the Secretary of the Company who shall endorse thereon a notation of such exercise and return such Agreement to the Optionee. No fractional Shares (or cash in lieu thereof) shall be issued upon exercise of an Option and the number of Shares that may be purchased upon exercise shall be rounded to the nearest number of whole Shares.

5.9 Rights of Optionees. No Optionee shall be deemed for any purpose to be the owner of any Shares subject to any Option unless and until (a) the Option shall have been exercised pursuant to the terms thereof, (b) the Company shall have issued and delivered Shares to the Optionee, and (c) the Optionee's name shall have been entered as a stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such Shares, subject to such terms and conditions as may be set forth in the applicable Agreement.

6. Effect of a Termination of Employment.

The Agreement evidencing the grant of each Option shall set forth the terms and conditions applicable to such Option upon a termination or change in the status of the employment of the Optionee by the Company or a Subsidiary or a Division (including a termination or change by reason of the sale of a Subsidiary or a Division), which shall be as the Committee may, in its discretion, determine at the time the Option is granted or thereafter.

7. Adjustments.

7.1 In the event of a Change in Capitalization, the liquidation or dissolution of the Company or a merger or consolidation of the Company, the Committee shall conclusively determine the appropriate adjustments, if any, to (i) the maximum number and class of Shares or other stock or securities with respect to which Options may be granted under the Plan, (ii) the maximum number and class of Shares or other stock or securities with respect to which Options may be granted to any Eligible Individual during any three (3) consecutive calendar year period and (iii) the number and class of Shares or other stock or securities which are subject to outstanding Options granted under the Plan and the exercise price therefor, if applicable.

7.2 Any such adjustment in the Shares or other stock or securities subject to outstanding Incentive Stock Options (including any adjustments in the exercise price) shall be made in such manner as not to constitute a modification as defined by Section 424(h)(3) of the Code and only to the extent otherwise permitted by Sections 422 and 424 of the Code.

7.3 If, by reason of a Change in Capitalization, an Optionee shall be entitled to exercise an Option with respect to new, additional or different shares of stock or securities, such new, additional or different shares shall thereupon be subject to all of the conditions, restrictions and performance criteria which were applicable to the Shares subject to the Option prior to such Change in Capitalization.

8. Interpretation.

8.1 The Plan is intended to comply with Rule 16b-3 promulgated under the Exchange Act and the Committee shall interpret and administer the provisions of the Plan or any Agreement in a manner consistent therewith. Any provisions inconsistent with such rule shall be inoperative and shall not affect the validity of the Plan.

9. Termination and Amendment of the Plan or Modification of Options.

9.1 Plan Amendment or Termination. The Plan shall terminate on the day preceding the tenth anniversary of the date of its adoption by the Board and no Option may be granted thereafter. The Board may sooner terminate the Plan and the Board may at any time and from time to time amend, modify or suspend the Plan; provided, however, that:

(a) no such amendment, modification, suspension or termination shall impair or adversely alter any Options theretofore granted under the Plan, except with the consent of the Optionee, nor shall any amendment, modification, suspension or termination deprive any Optionee of any Shares which he or she may have acquired through or as a result of the Plan; and

(b) to the extent necessary under any applicable law, regulation or exchange requirement, no amendment shall be effective unless approved by the stockholders of the Company in accordance with applicable law, regulation or exchange requirement.

9.2 Modification of Options. No modification of an Option shall adversely alter or impair any rights or obligations under the Option without the consent of the Optionee.

10. Non-Exclusivity of the Plan.

The adoption of the Plan by the Board shall not be construed as amending, modifying or rescinding any previously approved incentive arrangement or as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of stock options otherwise than under the Plan, and such arrangements may be either applicable generally or only in specific cases.

11. Limitation of Liability.

As illustrative of the limitations of liability of the Company, but not intended to be exhaustive thereof, nothing in the Plan shall be construed to:

(a) give any person any right to be granted an Option other than at the sole discretion of the Committee;

(b) give any person any rights whatsoever with respect to Shares except as specifically provided in the Plan;

(c) limit in any way the right of the Company or any Subsidiary to terminate the employment or service of any person at any time; or

(d) be evidence of any agreement or understanding, expressed or implied, that the Company will employ any person at any particular rate of compensation or for any particular period of time.

12. Regulations and Other Approvals; Governing Law.

12.1 Except as to matters of federal law, the Plan and the rights of all persons claiming hereunder shall be construed and determined in accordance with the laws of the State of Delaware without giving effect to conflicts of laws principles thereof.

12.2 The obligation of the Company to sell or deliver Shares with respect to Options granted under the Plan shall be subject to all applicable laws, rules and regulations, including all applicable federal and state securities laws, and the obtaining of all such approvals by governmental agencies as may be deemed necessary or appropriate by the Committee.

12.3 The Board may make such changes as may be necessary or appropriate to comply with the rules and regulations of any government authority, or to obtain for Eligible Individuals granted Incentive Stock Options the tax benefits under the applicable provisions of the Code and regulations promulgated thereunder.

12.4 Each Option is subject to the requirement that, if at any time the Committee determines, in its discretion, that the listing, registration or qualification of Shares issuable pursuant to the Plan is required by any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body is necessary or desirable as a condition of, or in connection with, the grant of an Option or the issuance of Shares, no Options shall be granted or payment made or Shares issued, in whole or in part, unless listing, registration, qualification, consent or approval has been effected or obtained free of any conditions as acceptable to the Committee.

12.5 Notwithstanding anything contained in the Plan or any Agreement to the contrary, in the event that the disposition of Shares acquired pursuant to the Plan is not covered by a then current registration statement under the Securities Act of 1933, as amended (the "Securities Act"), and is not otherwise exempt from such registration, such Shares shall be restricted against transfer to the extent required by the Securities Act and Rule 144 or other regulations thereunder. The Committee may require any individual receiving Shares pursuant to an Option granted under the Plan, as a condition precedent to receipt of such Shares, to represent and warrant to the Company in writing that the Shares acquired by such individual are acquired without a view to any distribution thereof and will not be sold or transferred other than pursuant to an effective registration thereof under said Act or pursuant to an exemption applicable under the Securities Act or the rules and regulations promulgated thereunder. The certificates evidencing any of such Shares shall be appropriately amended to reflect their status as restricted securities as aforesaid.

13. Miscellaneous.

13.1 Multiple Agreements. The terms of each Option may differ from other Options granted under the Plan at the same time, or at some other time. The Committee may also grant more than one Option to a given Eligible Individual during the term of the Plan, either in addition to, or in substitution for, one or more Options previously granted to that Eligible Individual.

13.2 Withholding of Taxes.

(a) At such times as an Optionee recognizes taxable income in connection with the receipt of Shares hereunder (a "Taxable Event"), the Optionee shall pay to the Company an amount equal to the federal, state and local income taxes and other amounts as may be required by law to be withheld by the Company in connection with the Taxable Event (the "Withholding Taxes") prior to the issuance of such Shares. The Company shall have the right to deduct from any payment of cash to an Optionee an amount equal to the Withholding Taxes in satisfaction of the obligation to pay Withholding Taxes. The Committee may provide in the Agreement, at the time of grant or at any time thereafter, that the Optionee, in satisfaction of the obligation to pay Withholding Taxes, may elect to have withheld a portion of the Shares then issuable to him or her having an aggregate Fair Market Value equal to the Withholding Taxes.

(b) If an Optionee makes a disposition, within the meaning of Section 424(c) of the Code and regulations promulgated thereunder, of any Share or Shares issued to such Optionee pursuant to the exercise of an Incentive Stock Option within the two-year period commencing on the day after the date of the grant or within the one-year period commencing on the day after the date of transfer of such Share or Shares to the Optionee pursuant to such exercise, the Optionee shall, within ten (10) days of such disposition, notify the Company thereof, by delivery of written notice to the Company at its principal executive office.

13.3 Stockholder Approval. This Plan and all Options granted under the Plan are subject to the approval of the Plan by the affirmative vote of the holders of a majority of the common stock of the Company present or represented and entitled to vote at a meeting of stockholders duly held in accordance with the applicable laws of the State of Delaware (or by written consent of the holders of a majority of the outstanding common stock of the Company) within twelve (12) months of the adoption of the Plan by the Board.

AMENDMENT TO ATN 1998 STOCK OPTION PLAN

RESOLVED, that Section 2.13 of the 1998 Stock Option Plan be amended to read in its entirety as follows:

2.13 "eligible individual" means any of the following individuals: a) any officer or employee of the Company; b) any director, officer or employee of a Subsidiary, c) any individual to whom the Company or a Subsidiary has extended a formal, written offer of employment; d) any Consultant.

RESOLVED further, that Section 9.1 of the 1998 Stock Option Plan be amended to read in its entirety as follows:

9.1 Plan Amendment or Termination: The Plan shall terminate on the day preceding the tenth anniversary of the date of its adoption by the Board and no Option may be granted thereafter. The Board may sooner terminate the Plan and the Board may at any time and from time to time amend, modify or suspend the Plan; provided, however, that:

a) no such amendment, modification, suspension or termination shall impair or adversely alter any Options theretofore granted under the Plan, except with the consent of the Optionee, nor shall any amendment, modification, suspension or termination deprive any Optionee of any Shares which he or she may have acquired through or as a result of the Plan; and

b) to the extent necessary under any applicable law, regulation or exchange requirement, no amendment shall be effective unless approved by the stockholders of the Company in accordance with applicable law, regulation or exchange requirement; and

provided, further, that any material amendment to the Plan, and all Options granted in reliance on any such material amendment, shall be subject to approval by the affirmative vote of the holders of a majority of the common stock of the Company present or represented and entitled to vote at a meeting of stockholders duly held in accordance with the applicable laws of the state of Delaware (or by written consent of the holders of a majority of the outstanding common stock of the Company) within twelve (12) months of the adoption of such material amendment by the Board.

PLAN AND AGREEMENT OF REORGANIZATION

This Plan and Agreement of Reorganization (this "Plan and Agreement") is made this 24th day of January 2000, by and among Antilles Wireless Cable T.V., Inc., a U.S. Virgin Islands corporation ("AWC, Inc."), Calypso-Com Ltd., a U.S. Virgin Islands corporation ("Calypso-Com"), Wireless World, LLC, a U.S. Virgin Islands limited liability company ("Wireless World"), Atlantic Tele-Network, Inc., a Delaware corporation ("ATN"), and Cornelius B. Prior, Jr., an individual who is a bona fide resident of the U.S. Virgin Islands ("Prior").

Certain other capitalized terms used herein and not otherwise defined shall have the meanings set forth in Section 12.

Whereas, AWC, Inc., Calypso-Com and Hubbard MDS of Virgin Islands, Inc., a U.S. Virgin Islands corporation ("Hubbard"), are the sole partners in Antilles Wireless Cable T.V. Company, a Virgin Islands general partnership ("Antilles Wireless");

Whereas, Calypso-Com has exercised an option to purchase all of Hubbard's interest in Antilles Wireless on or before the Closing Date;

Whereas, ATN is the sole member of Wireless World;

Whereas, Prior is the sole stockholder of AWC, Inc. and Calypso-Com; and

Whereas, the parties hereto desire that (i) AWC, Inc. and Calypso Com transfer their entire partnership interests in Antilles Wireless (including the present partnership interest of Hubbard) to Wireless World on the terms and conditions provided in this Plan and Agreement, (ii) that AWC, Inc. and Calypso-Com shall liquidate on the Closing Date, and (iii) that all of the consideration payable hereunder for the Transfer shall be paid to Prior as and for a liquidating distribution of AWC, Inc. and Calypso-Com.

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NOW, THEREFORE, intending to be legally bound hereby, the parties agree as follows:

1. The Transfer.

1.1. Effectiveness; Consideration. On the Closing Date AWC, Inc. and Calypso-Com shall sell, assign and transfer their entire partnership interests in Antilles Wireless (including the present partnership interest of Hubbard) to Wireless World (the "Transfer"), in exchange for the payment to Prior of \$1,500,000 in cash and 242,424 shares of ATN common stock (which shares have a value of \$2,000,000 based on the closing price of a share of ATN common stock on the American Stock Exchange on October 31, 1999); provided, however, that if \$1,500,000 shall be more than 55% of the total consideration payable to Prior under this Section 1.1 (with the shares of ATN common stock issuable hereunder being valued at the closing price of ATN common stock on the American Stock Exchange on the last day prior to the Closing Date that such stock shall have traded on such exchange (the "Closing Date Value")), then the cash consideration payable under this Section 1.1 shall be reduced, and the number of shares of ATN common stock shall be increased (at the rate of one share for each \$8.25 reduction in the cash consideration) so that the cash consideration payable to Prior under this Section is equal to 55% of the total such consideration when the shares of common stock issuable hereunder are valued at the Closing Date Value.

1.2 Certain Indebtedness. At October 31, 1999, Antilles Wireless was indebted to ATN in the amount of \$ 237,897, including accrued interest, which indebtedness, together with interest on the principal amount thereof at the rate of 8.0% per annum from October 31, 1999 until the date of payment has been repaid to ATN. Antilles Wireless has required and will require additional cash for its operations from October 31, 1999 to the Closing Date (as defined in Section 2). If ATN shall make any advances to Antilles Wireless after October 31, 1999, such advances shall bear interest at the rate of 8.0% per annum, shall be repayable by Prior to ATN upon demand if this Plan and Agreement shall terminate without the Transfer occurring, and shall not be subtracted from the amounts payable hereunder to Prior if the Transfer shall occur. Any amounts advanced by Prior to Antilles Wireless, AWC, Inc. or Calypso-Com after October 31, 1999 shall bear interest at the rate of 8.0% per annum and shall be repaid by ATN to Prior, together with accrued interest, on the effectiveness of the Transfer.

1.3 Gross Profit Adjustment. If, after giving effect to the Transfer, the various businesses of Antilles Wireless and Wireless World conducted through use of the Licenses (as defined in Section 2) (including, without limitation, wireless distribution of TV programming, wireless internet access and wireless data transmission and telephony businesses) shall generate an aggregate Gross Profit (as defined below) of less than \$6,000,000 for the Measurement Period (as defined below), then Prior shall return to ATN cash equal to (a) one-fourth of the deficiency in such Gross Profit up to a maximum repayment of \$1,500,000 (ie, in the event of an aggregate Gross Profit of zero or less) plus (b) interest on such 25% of the deficiency amount at the Prime Rate for the period from the Closing Date to the date of return of such cash to ATN. At the Closing Prior shall pledge to ATN 242,424 shares of ATN common stock as collateral security for his obligations pursuant to this Section 1.3 and

Section 8.2 hereof. If, after giving effect to the Transfer, the various businesses of Antilles Wireless and Wireless World conducted through use of the Licenses shall generate an aggregate Gross Profit in excess of \$12,000,000 for the Measurement Period, then ATN shall issue to Prior additional shares of ATN common stock having a value (determined in accordance with Section 1.3.4 hereof) equal to (a) one-fourth of the amount of such excess Gross Profit up to a maximum additional payment of \$1,500,000 (ie, in the event of an aggregate Gross Profit of \$18,000,000 or more) plus (b) interest on such 25% of the excess amount at the Prime Rate for the period from the Closing Date to the date of issuance of such additional ATN common stock to Prior. For purposes of this Section 1.3:

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1.3.1 "Gross Profit" shall mean (a) after giving effect to the Transfer, the revenues of Antilles Wireless and Wireless World from the conduct of any business through the use of the Licenses, including, without limitation, wireless distribution of TV programming, wireless internet access and wireless data transmission and telephony businesses, minus (b) (i) in the case of the distribution of TV programming, internet access and data transmission businesses, all programming costs, T-1 costs, access charges, and gateway costs for providing such services, and (ii) in the case of telephony or other businesses conducted through the use of the Licenses, all costs of sales, all determined in accordance with United States generally accepted accounting principles ("GAAP") on a basis consistent with the determination of gross profit reported in the Financial Statements (as defined in Section 3.3).

1.3.2 the "Measurement Period" shall mean the calendar years 2000, 2001 and 2002; provided that if the business operations of Wireless World shall be significantly interrupted by reason of a hurricane or other act of God, the Measurement Period shall be extended for a period equal to the period of such significant interruption.

1.3.3 the "Prime Rate" shall mean a variable rate per annum equivalent at all times to the prime rate then in effect of the Chase Manhattan Bank, N.A., which rate shall change whenever the prime rate of said bank changes.

1.3.4 for purposes of issuing additional shares of ATN common stock to Prior under this Section 1.3. such additional shall be valued at the average closing price of ATN common stock on the American Stock Exchange (or if not then listed on the American Stock Exchange, on the principal securities market on which it is then listed or traded) for the last ten trading days in the Measurement Period.

2. Closing. The closing of the transaction herein contemplated shall take place at the offices of ATN in St. Thomas, U.S. Virgin Islands, within 5 business days after ATN and Calypso-Com shall have obtained the approval of the Federal Communications Commission (the "FCC") to the transfer from Hubbard to Wireless World of the MMDS and LMDS licenses currently held by Antilles Wireless (the "Licenses"). Prior shall bear all costs and expenses (including, without limitation reasonable attorneys' fees and filing fees) related to such transfer of the Licenses. The date on which the closing occurs is herein referred to as the Closing Date.

3. Representations and Warranties of Prior. Prior represents and warrants to Wireless World and ATN as follows:

3.1 Organization and Ownership. Antilles Wireless is a partnership duly formed, validly existing and in good standing under the laws of the U.S. Virgin Islands. Antilles Wireless has the legal power to own its properties and to carry on its business as now being conducted and is duly qualified to do business and is in good standing as a partnership in each jurisdiction in the which the failure to be so qualified would not have a Material Adverse Effect. For purposes of this Plan and Agreement, the term "Material Adverse Effect" means any change, event or effect that would reasonably be likely to have a material adverse effect on the business, assets (including intangible assets), financial condition, future prospects or results of operations of Antilles Wireless. Each of AWC, Inc. and Calypso-Com is a corporation duly organized and existing and in good standing under the laws of the U.S. Virgin Islands. Prior is the owner of all of the outstanding capital stock of AWC, Inc. and Calypso-Com. AWC, Inc., Calypso-Com and Hubbard are the sole partners in Antilles Wireless, and Calypso-Com has exercised an option to purchase all of Hubbard's interest in Antilles Wireless on or before the Closing Date for \$40,000 (payable in cash or ATN common stock).

3.2 Authorization. This Plan and Agreement and the transactions contemplated herein have been duly authorized by all necessary partnership action on the part of AWC, Inc., Calypso-Com and Hubbard, as the sole partners of Antilles Wireless, and corporate action on the part of the board of directors and stockholders of AWC, Inc. and Calypso-Com.

3.3 Financial Statements. Prior has furnished ATN unaudited financial statements of Antilles Wireless as at October 31, 1999 and for the ten months then ended (the "Financial Statements"). Said financial statements fairly present the financial position of Antilles Wireless at said date and its results of operations for the nine months then ended in accordance with GAAP, subject to normal audit adjustments which would not result in any material adverse change in said financial condition or results of operations. Except (i) as reflected in such Financial Statements or (ii) incurred since October 31, 1999, in the ordinary course of business consistent with past practice (none of which are material), Antilles Wireless has no liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) which individually or in the aggregate are reasonably likely to have a Material Adverse Effect. AWC, Inc. and Calypso-Com have, and on the Closing Date will have, no assets or liabilities, contingent or otherwise, except for their respective interests in Antilles Wireless and except for the obligation of Calypso-Com to acquire Hubbard's interest in Antilles Wireless for \$40,000 payable in cash or by delivery of ATN common stock.

3.4 No Changes. Since October 31, 1999, Antilles Wireless' business has been conducted in the ordinary course consistent with past practice and Antilles Wireless has made no distributions to its partners and there has been no action, event, occurrence, development, change in method of doing business or state of circumstances or facts that, individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect.

3.5 Restrictions on Business Activities. There is no agreement (non-compete or otherwise), commitment, judgment, injunction, order or decree to which Antilles Wireless, AWC, Inc. or Calypso-Com is a party or otherwise binding upon any of them which has the effect of prohibiting any business practice, any acquisition of property (tangible or intangible) by Antilles Wireless or the conduct of Antilles Wireless' business as currently conducted or proposed to be conducted which would have a Material Adverse Effect.

3.6 Title; Sufficiency of Assets. On the effectiveness of the Transfer Wireless World will acquire good and valid title to the Licenses and all of the assets and properties of Antilles Wireless, free and clear of all mortgages, conditional sales agreements, charges, liens or encumbrances. The assets to be acquired by Wireless World pursuant to the Transfer constitute all of the assets of Prior and his Affiliates and Hubbard which are used in connection with the business of Antilles Wireless.

3.7 Litigation. There are no legal or administrative proceedings of any kind now pending or to the knowledge of Prior threatened which in any manner involve Antilles Wireless or any of its assets or properties.

3.8 Contracts. Except as set forth in Schedule 3.8 hereto, Antilles Wireless is not a party to any written or oral (i) contract with any labor union representing persons who perform services for or in connection with Antilles Wireless, (ii) bonus, pension, profit sharing retirement, share purchase, stock option, hospitalization, insurance or other plan providing employee benefits to persons who performed services for or in connection with Antilles Wireless, (iii) lease, whether as lessor or as lessee, with respect to any real property or personal property used or useful in connection with Antilles Wireless, (iv) commitment of or pertaining to Antilles Wireless involving more than \$20,000, (v) employment contract with any person who performs services for or in connection with Antilles Wireless which contract cannot be terminated in 30 days or less without cost, or (vi) contract pertaining to Antilles Wireless which is not made in the ordinary course of business of Antilles Wireless.

3.9 Compliance with Laws; Permits. To the best of the knowledge and belief of Prior, Antilles Wireless has complied with and is in compliance with all laws, regulations and Orders applicable to it, and is not in default in any respect under any contract to which it is a party pertaining to it. Other than the Licenses, Antilles Wireless holds all permits, licenses, variances, orders and approvals from any Governmental Body which are material to the operation of its business as presently conducted or proposed to be conducted following the Closing Date.

3.10 Consents and Approvals; No Conflicts. Except as set forth in Schedule 3.10 hereto (the "Required Consents"), neither the execution, delivery and performance of this Plan and Agreement by Prior or AWC, Inc. or Calypso-Com, nor the consummation of the transactions contemplated hereby, (i) requires Prior or AWC, Inc. or Calypso-Com to obtain any consent, approval, permit or action of or waiver from, or make any filing with, or give any notice to, any Governmental Body or any other Person, (ii) violates, conflicts with or results in a breach or default under (after the giving of notice, with the passage of time, or both), or permits the termination of, any contract, right or other obligation or restriction relating to or which affects Antilles Wireless to which Prior or AWC, Inc. or Calypso-Com or Antilles Wireless is a party or by which any of them may be bound or subject, or results in the creation of any lien upon any of the assets of Antilles Wireless, (iii) violates or conflicts with any Order against, or binding upon, Prior or AWC, Inc. or Calypso-Com or Antilles Wireless or upon any of the assets of Antilles Wireless, or (iv) violates or results in the revocation or suspension of any License. 3.11 Year 2000. Antilles Wireless is Year 2000 Compliant and, to the best of Prior's knowledge, its respective suppliers are or will be Year 2000 Compliant at January 1, 2000, except in each case, for such failures to be Year 2000 Compliant that individually or in the aggregate are not reasonably likely to have a Material Adverse Effect. For purposes of this Plan and Agreement, the term "Year 2000 Compliant," with respect to a computer system or software program, means that such computer system or program: (A) is capable of recognizing, processing, managing, representing, interpreting and manipulating correctly date-related data for dates earlier and later than January 1, 2000; (B) has the ability to provide date recognition for any data element without limitations; (C) has the ability to function automatically into and beyond the Year 2000 without human intervention and without any change in operations associated with the advent of the Year 2000; (D) has the ability to interpret data, dates and time correctly into and beyond the Year 2000; (E) has the ability not to produce noncompliance in existing data, not otherwise corrupt such data, into and beyond the Year 2000; (F) has the ability to process correctly after January 1, 2000, data containing dates and times before that date; and (G) has the ability to recognize all "leap year" dates, including February 29, 2000.

3.12 Brokers. No broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission, or the reimbursement of expenses, in connection with the transactions contemplated by this Plan and Agreement.

3.13 Taxes. Antilles Wireless has filed or has caused to be filed all tax returns and reports required to be filed by it and such returns and reports are complete and correct in all material respects. Antilles Wireless has paid or caused to be paid all taxes due and owing through the date hereof.

3.14 Investment Representations.

(a) Prior understands that the shares of ATN common stock to be issued to Prior under this Plan and Agreement are intended to be exempt from registration under the Securities Act of 1933, as amended (the "Act") by virtue of Section 4(2) of the Act and that he may not sell, transfer, assign, pledge, dispose of, grant a security interest, mortgage, hypothecate, encumber or permit or suffer any encumbrance on all or any portion of such common stock (collectively, a "Transfer") unless such common stock is registered under the Act or an exemption from such registration is available. Prior also understands that the Transfer of such ATN common stock is also restricted by State securities laws.

(b) Prior is acquiring the ATN common stock to be issued to him hereunder for his own account as principal for investment and not with a view to resale or distribution in whole or in part, and he has no present agreement, understanding or arrangement to sell, assign or otherwise dispose of all or any part of such shares of ATN common stock.

3.15 Tax Status. AWC, Inc. and Calypso-Com have been sub-chapter S corporations pursuant to the Internal Revenue Code as amended, as applicable in the U.S. Virgin Islands, based on timely filed elections of such status with the Virgin Islands Bureau of Internal Revenue with effect from their respective dates of incorporation.

4. Representations and Warranties of ATN.

4.1 Organization and stock ownership. Wireless World is a limited liability company duly organized and existing and in good standing under the laws of the U.S. Virgin Islands. All of the equity interests in Wireless World are owned by ATN. ATN is a corporation duly organized and existing and in good standing under the laws of the state of Delaware.

4.2 Due Authorization. This Plan and Agreement and the transactions contemplated herein have been duly authorized by all necessary corporate action on the part of Wireless World and ATN.

4.3 ATN Common Stock. The shares of ATN common stock to be issued to Prior pursuant to this Plan and Agreement will, when issued, be duly authorized, validly issued, fully paid and nonassessable shares of common stock of ATN.

4.4 No Conflicts. Neither the execution, delivery and performance of this Plan and Agreement by Wireless World or ATN, nor the consummation of the transactions contemplated hereby, (i) requires Wireless World or ATN to obtain any consent, approval, permit or action of or waiver from, or make any filing with, or give any notice to, any Governmental Body, or any other Person except for FCC approval with regard to transfer of the Licenses and the listing on the American Stock Exchange of the shares of ATN common stock to be issued to Prior hereunder, (ii) violates, conflicts with or results in a breach or default under (after the giving of notice, with the passage of time, or both), or permits the termination of, any contract, right or other obligation or restriction to which Wireless World or ATN is a party, or (iii) violates or conflicts with any Order of any Governmental Body against, or binding upon, Wireless World or ATN.

5. Covenants of AWC, Inc., Calypso-Com and Prior Pending the Closing. AWC, Inc., Calypso-Com and Prior, jointly and severally, covenant that, during the period from the date of this Plan and Agreement to the Closing Date:

5.1 they will not permit Antilles Wireless to engage in any transaction or make any commitment or expenditure (except as otherwise expressly contemplated herein) other than in the ordinary course of business consistent with past practice or to make any distributions to its partners;

5.2 they will not permit Antilles Wireless to take any action which would cause any of the representations and warranties contained in Section 3 hereof not to be true and correct as of the Closing Date as if such representations and warranties were restated as of such Date;

5.3 they will afford Wireless World and ATN and their representatives, agents and employees access at all reasonable times to the properties, books and records of Antilles Wireless.

6. Conditions Precedent to the Obligations of Wireless World and ATN.

6.1 The obligations of Wireless World and ATN to consummate the Transfer are subject to the fulfillment, or waiver by ATN, of the following conditions precedent at or before the Closing Date:

6.1.1 Representations and Warranties. The representations and warranties of Prior contained in this Plan and Agreement that are qualified as to materiality shall be true and correct, and those that are not so qualified or contained in any certificate or other writing delivered pursuant hereto shall be true and correct in all material respects when made and again at and as of the Closing Date as if made at and as of such Date. ATN and Wireless World shall have received a certificate signed by Prior to such effect.

6.1.2 Performance. AWC, Inc., Calypso-Com and Prior shall have performed and complied with all agreements, obligations and covenants required by this Plan and Agreement to be performed or complied with by them on or prior to the Closing Date. ATN and Wireless World shall have received a certificate signed by Prior to such effect.

6.1.3 No Adverse Change. During the period from October 31, 1999 to the Closing Date, there shall not have been any material adverse change in the financial condition or results of operations of Antilles Wireless or any material damage, destruction, casualty or other change to or affecting the assets of Antilles Wireless.

6.1.4 Required Consents and License Transfers. Prior shall have delivered written evidence to ATN that all Required Consents shall have been obtained and that the Licenses have been validly transferred to Wireless.

6.1.5 No Injunction or Litigation. No provision of any applicable law and no Order shall prohibit the consummation of the transaction herein provided for, and no litigation shall have been instituted against Antilles Wireless or any of the parties hereto, which seeks to restrain, prevent, change or delay in any material respect the transactions herein provided for or seeks to challenge any of the material terms or provisions of this Plan and Agreement or seeks material damages in connection with such transactions.

6.1.6 Purchase of Hubbard Interest. Calypso-Com shall have completed the purchase of Hubbard's interest in Antilles Wireless with consideration supplied by Prior or paid out of the consideration otherwise payable to Prior hereunder on the Closing Date.

6.1.7 Financial Condition. Prior shall have delivered written evidence to ATN that at and as of the Closing Date (x) Antilles Wireless' total partners' equity shall not have declined during the period from October 31, 1999 to the Closing Date by more than \$70,000 per month, and (y) Antilles Wireless' working capital shall not have declined during the period from October 31, 1999 to the Closing Date by more than (i) \$40,000 per month plus (ii) the aggregate amount of capital expenditures made by Antilles Wireless during such period with the approval of a majority of the Board of Directors of ATN. Each of the foregoing shall be determined in accordance with GAAP on a basis consistent with the Financial Statements.

6.1.8 Legal Opinions. ATN shall have received the opinion or opinions of Marjorie Rawls Roberts, Esq., Fried, Frank, Harris, Shriver & Jacobson or Donelan, Cleary, Wood & Maser, counsel to Antilles Wireless, Prior, AWC, Inc. and Calypso-Com, which opinion shall be satisfactory to ATN in its reasonable discretion, to the effect that at the Closing Date: (i) Antilles Wireless is a partnership duly formed, validly existing and in good standing under the laws of the U.S. Virgin Islands, (ii) to the knowledge of such counsel, AWC, Inc. and Calypso-Com are the sole partners of Antilles Wireless; (iii) each of AWC, Inc. and Calypso-Com has all requisite power and authority to enter into this Plan and Agreement and perform its obligations hereunder, and the execution, delivery and performance of this Plan and Agreement by each of them has been duly and validly authorized by all requisite legal action and this Plan and Agreement has been duly executed and delivered by each of them; (iv) this Plan and Agreement is valid and binding upon each of Prior, AWC, Inc. and Calypso-Com and is enforceable against each of them in accordance with its terms; (v) following the Transfer, Wireless World will have all FCC and U.S. Virgin Islands Governmental Body Permits (including Licenses) necessary to conduct the business heretofore conducted by Antilles Wireless; and (vi) the Transfer will vest in Wireless World title to all assets of Antilles Wireless.

6.1.9 Pledge. Prior shall have executed and delivered to ATN a security and pledge agreement, in form and substance reasonably satisfactory to ATN, pursuant to which 242,424 shares of ATN common stock are pledged as collateral security for Prior's obligations under Sections 1.3 and 8.2 hereof, which shares will be returned to Prior promptly after final determination of the Measurement Period Gross Profit unless a proper unsatisfied claim has theretofore been made by ATN under Section 1.3 or 8.2 hereof.

6.1.10 Tax Comfort. ATN shall have obtained reasonably satisfactory assurance that the Transfer will not have significant adverse tax consequences to either ATN or Wireless World.

7. Conditions Precedent to Obligations of AWC, Inc., Calypso-Com and Prior. The obligations of AWC, Inc., Calypso-Com and Prior to consummate the Transfer are subject to the fulfillment, or waiver by Prior, of the following conditions precedent at or before the Closing Date:

7.1 Representations and Warranties. The representations and warranties of Wireless World and ATN contained in this Agreement or in any certificate or other writing delivered pursuant hereto shall be true and correct in all material respects when made and again at and as of the Closing Date as if made at and as of such Date. AWC, Inc., Calypso-Com and Prior shall have received a certificate signed on ATN's behalf by an executive officer thereof to such effect.

7.2 Performance. Wireless World and ATN shall have performed and complied with all agreements, obligations and covenants required by this Plan and Agreement to be performed or complied with by them on or prior to the Closing Date. AWC, Inc., Calypso-Com and Prior shall have received a certificate signed on ATN's behalf by an executive officer thereof to such effect.

7.3 No Injunction or Litigation. No provision of any applicable law and no Order shall prohibit the consummation of the transaction herein provided for, and no litigation shall have been instituted or pending against Antilles Wireless or any of the parties hereto which seeks to restrain, prevent, change or delay in any material respect the transactions herein provided for or seeks to challenge any of the material terms or provisions of this Plan and Agreement or seeks material damages in connection with such transactions.

7.4 Tax Ruling. Prior shall have received a ruling letter from the Bureau of Internal Revenue of the U.S. Virgin Islands, in form and substance reasonably satisfactory to Prior, to the effect that neither Prior nor AWC, Inc. nor Calypso-Com will recognize any taxable income on consummation of the transactions contemplated by this Plan and Agreement except that Prior will recognize capital gain in an amount equal to the lesser of (i) the cash received by him pursuant to Section 1.1 hereof and (ii) the amount by which the value of the total consideration received by Prior pursuant to Section 1.1 hereof exceeds his basis for his total investment in AWC, Inc. and Calypso-Com.

8. Indemnification

8.1 Survival of Representations and Warranties. The representations and warranties of Prior contained in this Plan and Agreement or in any certificate or other writing delivered pursuant hereto shall survive the Closing hereunder and any investigation of the affairs of AWC, Inc., Calypso-Com or Antilles Wireless and any knowledge of facts determined or determinable by Wireless World or ATN until the end of the Measurement Period, except for the representations and warranties set forth in Sections 3.1, 3.2, 3.4. and 3.6 (including all indemnification obligations related to such sections) which shall survive until, and all claims with respect thereto shall be made within, 60 days after expiration of the applicable statute of limitations.

8.2 Obligation of Prior to Indemnify. Prior shall indemnify, defend and hold harmless Wireless World and ATN and their respective directors, officers, managers, employees, Affiliates, successors and assigns from and against any and all claims, losses, liabilities, damages, judgments, settlements, costs of investigation or other expenses (including interest, penalties and reasonable attorneys' fees and disbursements and expenses incurred in enforcing this indemnification or in any litigation between the parties or with third parties) collectively, the "Losses", suffered or incurred by Wireless World or ATN or any of the foregoing persons arising out of any breach of the representations, warranties, covenants and agreements of Prior contained in this Plan and Agreement or in any certificate or other writing delivered pursuant hereto.

8.3 Obligation of Wireless World and ATN to Indemnify. Wireless World and ATN hereby, jointly and severally, agree to indemnify, defend and hold harmless Prior and his successors and assigns from and against any and all Losses, suffered or incurred by Prior or his successors and assigns arising out of any breach of the representation, warranties, covenants and agreements of Wireless World or ATN contained in this Plan and Agreement or in any certificate or other writing pursuant hereto.

8.4 Notice and Opportunity to Defend Third Party Claims.

(i) Promptly after receipt by any party hereto (the "Indemnitee") of notice of any demand, claim, or circumstance which would or might give rise to a claim or the commencement (or threatened commencement) of any action, proceeding or investigation (an "Asserted Liability") that may result in a Loss, the Indemnitee shall give prompt notice thereof (the "Claims Notice") to the party or parties obligated to provide indemnification pursuant to this Section 8 (the "Indemnifying Party"). The Claims Notice shall describe the Asserted Liability in reasonable detail and shall indicate the amount (estimated, if necessary, and to the extent feasible) of the Loss that has been or may be suffered by the Indemnitee.

(ii) The Indemnifying Party may elect to defend, at its own expense and with its own counsel satisfactory to Indemnitee, any Asserted Liability, unless (i) the Asserted Liability seeks an Order, injunction or other equitable or declaratory relief against the Indemnitee, or (ii) the Indemnitee shall have reasonably concluded that (x) there is a conflict of interest between the Indemnitee and the Indemnifying Party in the conduct of such defense, or (y) the Indemnitee shall have one or more defenses not available to the Indemnifying Party; provided, however, that the Indemnifying Party shall not be permitted to make such election if the Indemnifying Party fails to provide Indemnitee with evidence reasonably acceptable to Indemnitee that the Indemnifying Party will have the financial resources to defend against the Asserted Liability and fulfill its indemnification obligations hereunder. If the Indemnifying Party elects to defend such Asserted Liability, it shall within thirty (30) calendar days (or sooner, if the nature of the Asserted Liability so requires) notify the Indemnitee of its intent to do so, and the Indemnitee shall cooperate, at the expense of the Indemnifying Party, in the defense of such Asserted Liability. If the Indemnifying Party assumes the defense against any Asserted Liability it will be conclusively established for purposes of this Agreement that such Asserted Liability is within the scope of, and subject to, indemnification. If the Indemnifying Party elects not to defend the Asserted Liability, is not permitted to defend the Asserted Liability by reason of the first sentence of this Section 8.4(ii), fails to notify the Indemnitee of its election as herein provided or contests its obligation to indemnify under this Agreement with respect to such Asserted Liability, the Indemnitee may pay, compromise or defend such Asserted Liability at the sole cost and expense of the Indemnifying Party. Notwithstanding the foregoing, neither the Indemnifying Party nor the Indemnitee may settle or compromise any claim over the reasonable written objection of the other, provided, however, that the Indemnitee may settle or compromise any claim as to which the Indemnifying Party has failed to notify the Indemnitee of its election as herein provided or is contesting its indemnification obligations hereunder. In any event, the Indemnitee and the Indemnifying Party may participate, at their own expense, in the defense of such Asserted Liability. If the Indemnifying Party chooses to defend any Asserted Liability, the Indemnitee shall make available to the Indemnifying Party any books, records or other documents within its Control that are necessary or appropriate for such defense. Any expenses of any Indemnitee for which indemnification is available hereunder shall be paid upon written demand therefor.

9. Expenses. Whether or not the transactions herein provided for shall be consummated at the Closing, each of the parties hereto shall bear its own expenses in connection with the negotiation, execution, delivery and performance of this Agreement except as otherwise expressly provided herein; provided, however, that Prior shall be responsible for the expenses of Antilles Wireless, AWC, Inc. and Calypso-Com which he shall pay in full on or before the Closing Date.

10. Entire Agreement; No Third-Party Beneficiaries. This Agreement contains the entire agreement among the parties hereto with respect to the subject matter hereof and supercedes all prior agreements, written or oral with respect thereto and is not intended to confer upon any Person other than the parties hereto any rights or remedies. This Agreement may be modified, superceded, canceled, renewed or extended only by a written instrument signed by the parties hereto. The provisions of this Agreement may be waived only by a writing signed by the party making such waiver. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any such right, power or privilege preclude any further exercise thereof or the exercise of any other such right, power or privilege.

11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the U.S. Virgin Islands applicable to agreements made and to be performed entirely within such territory, without regard to the conflict of laws and rules thereof.

12. Definitions. The following terms, as used herein, have the following definitions:

"Affiliate" of any Person means any other Person directly or indirectly through one or more Intermediary Persons, Controlling, Controlled by or under common Control with such person.

"Control" with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, by or through stock ownership, agency or otherwise.

"Governmental Body" means any Federal, state, territorial, local, or foreign government, any Court, administrative, regulatory or other governmental agency, commission or authority or any nongovernmental self-regulatory agency, commission or authority.

"Order" means any permanent or temporary order, injunction, judgement, or decree of any Governmental Body.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity, including a government or political subdivision or an agency or instrumentality thereof.

13. Headings. The descriptive headings contained in this Plan and Agreement are included for convenience of reference only and shall not in any way affect the meaning or interpretation of this Agreement.

14. Counterparts. This Plan and Agreement may be executed in one or more counterparts, all of which shall be considered one and the same plan and agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

15. Assignment. Neither this Agreement nor any of the rights, interests or obligations under this Plan and Agreement shall be assigned, in whole or in part, by operation of law or otherwise by any of the parties hereto without the prior written consent of the other party, except that each of ATN and/or Wireless World may assign all or any of its rights, interests or obligations hereunder to any Affiliate of such party.

16. Termination provision. This Plan and Agreement may be terminated any time prior to the Closing Date:

(a) by mutual written consent of Prior and ATN;

(b) by ATN or Prior if the Transfer shall not have been consummated by February 29, 2000; provided, however, that the right to terminate this Plan and Agreement shall not be available to any party whose failure to perform any of its obligations under this Plan and Agreement results in the failure of the Transfer to be consummated by such time;

(c) by ATN, if either Prior, AWC, Inc. or Calypso-Com shall have breached or failed to perform in any material respect any of their respective representations, warranties, covenants or other agreements contained in this Plan and Agreement, which breach or failure to perform (i) would give rise to the failure of a condition set forth in Section 6 and (ii) has not been or is incapable of being cured by Prior without 20 calendar days after his receipt of written notice from ATN;

(d) by Prior, if ATN shall have breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in this Plan and Agreement, which breach or failure to perform (i) would give rise to the failure of a condition set forth in Section 7 and (ii) has not been or is incapable of being cured by ATN without 20 calendar days after its receipt of written notice from Prior.

17. Effect of Termination. In the event of termination of this Plan and Agreement by either ATN or Prior as provided in Section 16, this Plan and Agreement shall forthwith become void and there shall be no liability or obligation on the part of ATN, Prior, AWC, Inc. or Calypso-Com, provided that each party shall remain liable for any intentional or willful breaches of such party's representations, warranties, covenants or other agreements contained in this Plan and Agreement prior to its termination; provided, further, that the provisions of Section 9 shall remain in full force and effect and survive any termination of this Plan and Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

Antilles Wireless Cable T.V., Inc.

Wireless World, LLC

By: /s/ Cornelius B. Prior, Jr.

By: /s/ Steven M. Ross

Steven M. Ross
Chief Financial Officer

Calypso-Com Ltd.

Atlantic TeleNetwork, Inc.

By: /s/ Cornelius B. Prior, Jr.

By: /s/ Steven M. Ross

Cornelius B. Prior, Jr.

Steven M. Ross
Chief Financial Officer

ATLANTIC TELE-NETWORK, INC.
DIRECTORS' REMUNERATION PLAN

ARTICLE 1
PURPOSE

The purpose of this Plan is to increase the equity ownership in the Company of non-employee members of the Board in order to align further their interests with those of the Company's stockholders and thereby incentivize such members to utilize their maximum efforts in performing services on behalf of the Company.

ARTICLE 2
DEFINITIONS

For purposes of the Plan, the following terms shall have the following meanings:

"Annual Retainer" shall mean the annual retainer payable to a member of the Board for a Plan Year.

"Board" shall mean the Board of Directors of the Company.

"Change in Control" shall mean the occurrence of any of the following:

(a) The acquisition by any individual, entity or group (within the meaning of Sections 13(d) (3) or 14(d) (2) of the Exchange Act) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of either (i) the then outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change in Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (iv) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) below; or

(b) Individuals who, as of the effective date of this Plan, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

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(c) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding voting shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

"Common Stock" shall mean the common stock, par value \$ 0.01 per share, of the Company.

"Company" shall mean Atlantic Tele-Network, Inc., a Delaware corporation, and any successor thereto.

"Deferral Amount" with respect to a Deferral Election shall mean the amount of the Annual Retainer which an Eligible Director elects to defer pursuant to such election.

"Deferral Election" shall mean an Eligible Director's election pursuant to Article 4 hereof.

"Deferral Percentage" shall have the meaning set forth in paragraph 4.1 of Article 4 hereof.

"Disability" shall mean a condition as a result of which an individual would qualify for permanent disability benefits under the Company's long-term disability plan if the individual were a participant in such plan, as determined by the Plan Administrator.

"Election Form" shall mean a form prescribed by the Plan Administrator that an Eligible Director must complete and submit to the Plan Administrator in order to make a Deferral Election.

"Eligible Director" shall mean a member of the Board who is not an employee of the Company.

"Fair Market Value" on any date shall mean the mean between the high and low sales price of the Common Stock based on composite transactions reported for such date or, if the Common Stock did not have any reported sales on such date, then on the last preceding date on which such stock had reported sales.

"Lapse Date" shall have the meaning set forth in paragraph 3.3 of Article 3 hereof.

"Participant" shall mean any Eligible Director who makes a Deferral Election pursuant to paragraph 4.1 of Article 4 hereof.

"Plan" shall mean this Atlantic Tele-Network, Inc. Directors' Remuneration Plan, as such Plan may be amended from time to time.

"Plan Administrator" shall mean the individual or committee appointed or designated by the Board to administer the Plan in accordance with Article 7 hereof.

"Plan Year" shall mean the period of time commencing on the day following the date of an annual meeting of the Company's stockholders and ending on the date of the next succeeding such annual meeting.

"Restricted Stock" shall have the meaning set forth in paragraph 3.1 of Article 3 hereof.

"Stock Unit Account" shall mean a memorandum account established on the books of the Company on behalf of a Participant to which is credited a number of Stock Units pursuant to Article 4 hereof.

"Stock Units" shall mean the units credited to a Participant's Stock Unit Account.

"Substantial Hardship" shall mean an unanticipated emergency or necessity that is caused by events outside of the control of the Participant (or in the event of the Participant's death, his beneficiary) that would result in severe financial hardship to the Participant (or in the event of the Participant's death, his beneficiary), as determined in the sole discretion of the Plan Administrator.

"Transfer Restriction" shall have the meaning set forth in paragraph 3.2 of Article 3 hereof.

ARTICLE 3 RESTRICTED STOCK AWARD

3.1 Restricted Stock Award. Upon the appointment or election to the Board of an Eligible Director who has not previously served on the Board, the Company shall grant to such Eligible Director 1,000 shares of restricted Common Stock (the "Restricted Stock"). An Eligible Director's rights with respect to the shares of the Restricted Stock shall remain forfeitable at all times prior to the Lapse Date with respect thereto.

3.2 Rights of Eligible Director. An Eligible Director shall be entitled to exercise all rights of a stockholder with respect to the Restricted Stock (whether or not the restrictions thereon shall have lapsed), other than with respect to those shares of Restricted Stock which have been forfeited pursuant to paragraph 3.5 of this Article 3, including the right to vote the shares of Restricted Stock and the right to receive dividends thereon. Notwithstanding the foregoing an Eligible Director shall not be entitled to transfer, sell, pledge, hypothecate or otherwise assign the shares of Restricted Stock prior to the Lapse Date with respect thereto (the "Transfer Restriction").

3.3 Lapse of Restrictions. The Transfer Restriction with respect to a share of Restricted Stock shall lapse on the earlier of the following dates (the "Lapse Date"), provided the Eligible Director is on such date a member of the Board:

- (a) the second anniversary of the date of grant of such Restricted Stock;
- (b) the date of the termination of the Eligible Director's service as a member of the Board as a result of his or her death or Disability; or
- (c) the date on which a Change in Control shall occur.

3.4 Company Retention of Restricted Shares. The Restricted Stock awarded to an Eligible Director pursuant to paragraph 3.1 of this Article 3 shall be held by the Company until such time as the Transfer Restriction with respect to such shares shall lapse. The Restricted Stock shall be delivered to an Eligible Director as soon as practicable following the Lapse Date with respect thereto, provided that the Eligible Director has satisfied all applicable tax withholding requirements with respect to such Restricted Stock.

3.5 Forfeiture of Restricted Shares. Upon the termination of the Eligible Director's service as a member of the Board for any reason other than death or Disability, all shares of Restricted Stock in respect of which the Transfer Restriction has not previously lapsed in accordance with paragraph 3.3 of this Article 3 shall be forfeited to the Company at no cost.

ARTICLE 4 ANNUAL RETAINER DEFERRAL ELECTION

4.1 Deferral Election. On or within ninety (90) days prior to the date of the commencement of each Plan Year, each Eligible Director may make an irrevocable election to defer the payment of either (a) fifty percent (50%) of the Annual Retainer for such Plan Year, or (b) one-hundred percent (100%) of the Annual Retainer for such Plan Year (such percentage, the "Deferral Percentage"); provided, however, that each Eligible Director may make such election on or before March 31, 1999 with respect to the unpaid \$15,000 balance of the Annual Retainer for the Plan Year 1998-1999. A Deferral Election for a Plan Year shall be made by submitting an Election Form to the Plan Administrator.

4.2 Stock Unit Account. Upon receipt by the Plan Administrator of a Participant's Election Form, the Company shall establish on its books a memorandum account designated as that Participant's Stock Unit Account with respect to such Election Form and credit to such Stock Unit Account a number of Stock Units equal to the Deferral Amount divided by the Fair Market Value of the Common Stock as of the last business day of the calendar month immediately preceding the date of receipt of the Election Form; provided, however, that in the case of any election for the Plan Year 1998-1999 Stock Units shall be computed on the basis of the Fair Market Value of the Common Stock on March 12, 1999. Each Stock Unit shall represent the right to receive one share of Common Stock at the time or times set forth in the Deferral Election.

4.3 Payment Schedule. The Deferral Election shall specify a schedule for delivery of the Common Stock represented by a Participant's Stock Unit Account with respect to such Election Form. Such schedule may consist of: (a) a date certain, (b) annual installments (not in excess of ten) commencing on a date specified in the Election Form, (c) the date of termination of the Participant's service as a Director; provided, however, that any delivery of Common Stock scheduled to be made with respect to the date of termination of the Participant's service as a Director shall be made within thirty (30) days following such date, or (d) the date of the Participant's death, provided, however, that any delivery of Common Stock scheduled to be made with respect to the Participant's date of death shall be made within thirty (30) days following the date on which the Plan Administrator receives notice of such Participant's death.

4.4 Dividends on Stock Units. In the event a dividend is paid with respect to the Common Stock, whether in cash or other property (other than Common Stock), each Participant shall receive an equivalent dividend for each Stock Unit credited to such Participant's Stock Unit Account as of the record date for the payment of such dividend. Dividends shall not be paid on fractional Stock Units.

4.5 Stock Unit Dividend Equivalents. In the event a dividend consisting of Common Stock is paid with respect to the Common Stock, each Participant's Stock Unit Account shall be credited with a number of Stock Units equal to the number of Stock Units credited to such account on the record date for the payment of such dividend, multiplied by the number of shares of Common Stock paid as a dividend per share. Fractional shares shall be rounded to the nearest whole number of shares.

4.6 Change in Capitalization. In the case of a Change in Capitalization, the Plan Administrator in good faith shall take such action as it deems necessary to preserve the economic value of the Stock Unit Account immediately prior to the Change in Capitalization. For purposes of this paragraph 4.6, "Change in Capitalization" shall mean any increase or reduction in the number of shares of Common Stock, or any change in such shares, or exchange of such shares for a different number or kind of shares or other securities of the Company or another corporation, by reason of a reclassification, recapitalization, merger, consolidation, reorganization, spin-off, split-up, issuance of warrants or rights or debentures, stock dividend, stock split or reverse stock split, cash dividend, property dividend, combination or exchange of shares, repurchase of shares, change in corporate structure or otherwise.

4.7 Vesting. At all times a Participant shall be fully vested in his or her Stock Unit Account.

4.8 Voting Rights. A Participant shall have no voting rights with respect to his or her Stock Units or Stock Unit Account.

ARTICLE 5 PAYMENT OF DEFERRED COMPENSATION

5.1 Form of Payment. All payments to a Participant with respect to a Stock Unit Account shall be made in shares of Common Stock (rounded to the nearest whole number of shares) in accordance with the schedules selected by such Participant in his or her Election Forms. The number of Stock Units in such Participant's Stock Unit Account shall be reduced by the number of shares delivered.

5.2 Acceleration of Payments. Notwithstanding any other provision of this Plan to the contrary, upon a Participant's Substantial Hardship (or in the event of the Participant's death, his beneficiary's Substantial Hardship), and with the consent of the Plan Administrator, a Participant (or in the event of the Participant's death, his beneficiary) may receive shares of Common Stock in respect of such portion of his Stock Unit Account as the Plan Administrator determines is necessary to satisfy the Participant's financial emergency (or in the event of the Participant's death, his beneficiary's financial emergency).

5.3 Taxes. The deliver of shares of Common Stock pursuant to this Plan is conditioned on the Participant's payment to the Company of all applicable withholding taxes.

ARTICLE 6
BENEFICIARY DESIGNATION

6.1 Beneficiary. Each Participant shall designate on the Election Form one or more primary beneficiaries and one or more contingent beneficiaries to receive any payments of Common Stock under this Plan after the death of such Participant.

6.2 Change of Beneficiary. A Participant shall have the right to change his or her beneficiaries upon such form as may be prescribed by the Plan Administrator.

6.3 Acknowledgement. No designation or change in designation of a beneficiary shall be effective until actually received and acknowledged in writing by the Plan Administrator. Upon such receipt and acknowledgment, all prior beneficiary designations of a Participant shall be of no further force and effect. The Plan Administrator shall be entitled to rely on the most recent beneficiary designation in effect prior to a Participant's death.

6.4 No Beneficiary Designation. If a Participant fails to designate a beneficiary as provided in this Article 6, or if all designated beneficiaries who are natural persons shall have predeceased the Participant or die prior to the distribution of the Participant's Common Stock, such Participant's Common Stock shall be paid to his or her surviving spouse or, if the Participant has no surviving spouse, to the Participant's estate.

6.5 Doubt as to Beneficiary. If the Plan Administrator is in doubt as to a Participant's beneficiary, the Plan Administrator may withhold payments under the Plan until the Plan Administrator has resolved its doubts to its satisfaction.

ARTICLE 7
ADMINISTRATION

7.1 Plan Administration. The Plan shall be administered by the Board; provided, however, that the Board in its discretion may appoint a Plan Administrator to administer the Plan. If designated by the Board, the Plan Administrator may be one individual or a committee of two or more persons. Any reference herein to the Plan Administrator which relates to the administration of the Plan shall be considered to refer to the Board if no Plan Administrator has been designated by the Board. The Board may, upon resolution, delegate some or all of its powers with respect to the administration of the Plan to the Plan Administrator. The Plan Administrator shall have only such powers as may be so delegated.

7.2 Amendment or Termination. The Board may amend, suspend or terminate this Plan at any time. Notwithstanding anything to the contrary contained herein, no such amendment, suspension or termination of this Plan shall adversely affect a Participant's rights under this Plan; provided, however, that the Board shall be authorized to terminate this Plan at any time and cause all amounts in respect of the Stock Unit Accounts to be distributed at such time or times as it shall determine.

ARTICLE 8
FUNDING

8.1 Funding. The Company will pay the entire cost of the Plan. It is the intent of the Company to make payments under this Plan as they become payable from the general assets of the Company. The Participants in this Plan shall have the status of general unsecured creditors of the Company with respect to their Stock Unit Accounts. The crediting of Stock Units to a Participant's Stock Unit Account constitutes a mere promise by the Company to make payments in the future. The Company and the Participants intend that the deferral arrangements hereunder be unfunded for tax purposes and for purposes of Title I of the Employee Retirement Income Security Act of 1974 as amended (ERISA).

ARTICLE 9
MISCELLANEOUS

9.1 Assignability. The right to receive benefits under the Plan may not be anticipated, alienated, sold, transferred, assigned, pledged, encumbered or subjected to any garnishment, charge or legal process.

9.2 Expenses. The Company shall bear all expenses incurred in administering this Plan and no part thereof shall be charged against any Participant's Stock Unit Account or any amounts distributable hereunder.

9.3 Taxes. All amounts which are credited to a Stock Unit Account and/or which are payable pursuant to this Plan (including the issuance or vesting of Restricted Stock) shall be subject to all applicable withholding and other employment taxes.

9.4 No Right to Continued Service. Nothing in the Plan shall be deemed to create any obligation on the part of the Board to nominate any Eligible Director for reelection by the Company's shareholders or to limit the rights of the shareholders or the Board to remove any Eligible Director.

9.5 Captions. The captions of the articles, sections and paragraphs of the Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

9.6 Governing Law. All questions pertaining to the construction, validity, interpretation and effect of the Plan shall be determined in accordance with the laws of the United States of America and the State of Delaware.

9.7 Effective Date. This Plan shall be effective on the date of its adoption by the Board.

Subsidiaries of the Company

Jurisdiction of Incorporation

Guyana Telephone and Telegraph Company Limited
ATN (Haiti), Inc.
Digicom S.A.
Wireless World, LLC.

Guyana
Delaware
Haiti
United States Virgin Islands

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE ACCOMPANYING FINANCIAL STATEMENTS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

**** (COLUMNAR AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)****

YEAR	DEC-31-1999	
	DEC-31-1999	
		31,463
		0
	20,512	0
		4,853
	61,113	66,739
		10,288
	131,448	
25,142		7,969
	0	0
		49
131,448		74,885
		85,772
	85,772	
		62,505
	62,505	
	474	
	0	
	1,875	
	23,239	
	11,898	
9,665		
	0	
	0	
		0
	9,665	
	2.05	
	2.05	