

Atlantic Tele-Network

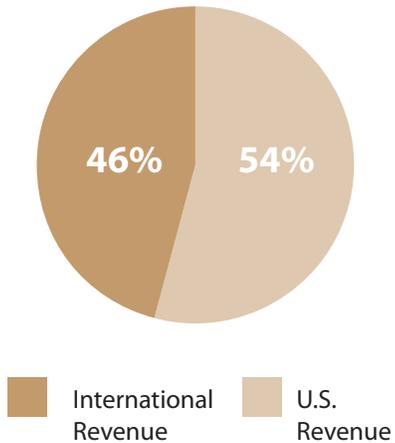
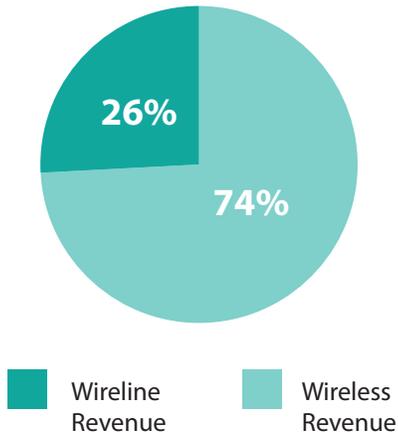
2014 Annual Report



Investments for the long-term

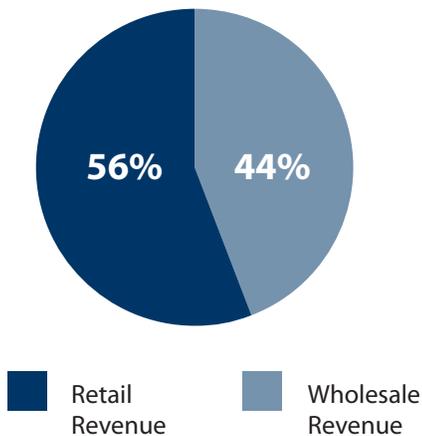
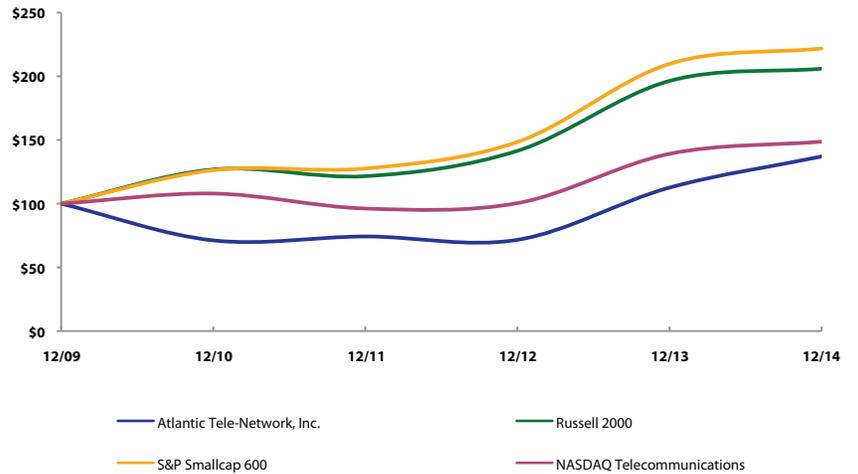
Atlantic Tele-Network, Inc. (ATN) provides telecommunications services to rural, niche and other under-served markets and geographies in the United States, Bermuda and the Caribbean and owns and operates solar power systems in select locations in the United States. Through our operating subsidiaries, we provide both wireless and wireline connectivity to residential and business customers, including a range of mobile wireless solutions, local exchange services and broadband internet services. We also provide distributed solar electric power to corporate, utility and municipal customers and are the owner and operator of terrestrial and submarine fiber optic transport systems. We are proud of our track record of delivering strong financial results, and consistently paying dividends, while at the same time growing both our business and shareholder value.

Financial Highlights



Comparison of 5 Year Cumulative Total Return¹

Among Atlantic Tele-Network, Inc., the Russell 2000 Index, the S&P Smallcap 600 Index, and the NASDAQ Telecommunications Index



¹ \$100 invested on 12/31/09 in stock or index, including reinvestment of dividends. Fiscal year ending December 31.

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FELLOW STOCKHOLDERS

We are pleased to be sharing the results of yet another strong year for your Company. Revenues for 2014 increased 15% to \$336.3 million, and Adjusted EBITDA¹ increased 22% to \$139.8 million, significant growth compared to 2013 results. Net income from continuing operations was \$58.0 million, a 23% increase from 2013 after eliminating \$10.4 million of one-off costs incurred in 2013 arising from the prepayment of debt. We finished the year with an extremely strong balance sheet with over \$370 million of cash and a substantial amount of borrowing capacity.

This strong performance in the first full year of operations following the sale of our Alltel business exceeded our internal expectations and reflected the capability of our legacy asset portfolio to produce solid, sustainable results. The primary cause of this good news was clear: the exceptional performance of our U.S. wireless business. U.S. wireless revenues increased to \$153 million in 2014, up almost 42% from last year, thanks in large part to the \$128 million in capital investments we have made over the last two years to add capacity, coverage and advanced technologies to our rural wireless network. In 2014 alone, we added nearly 175 base stations and approximately 115 new sites, and we upgraded more than 75 sites to more advanced mobile data technologies.

It is always rewarding to see investments pay off as forecast, but there was a lot of hard work behind that success and we are grateful for the efforts of our team and the trust placed in us by customers. Looking forward, the usage growth on existing sites in our domestic wholesale wireless business is expected to be more than offset by declining rates, as we have adjusted prices in order to keep costs reasonable for our carrier customers. This is a positive development

and when coupled with longer term contracts and other strategic considerations, one that we hope will more clearly position us as a long-term alternative network provider akin to a provider of backhaul, tower or datacenter services. This is a work in progress so stockholders will have a better sense of whether this strategy is successful after 2015 is behind us.



Choice Wireless employees participate in canned goods donation.

The strong year in the U.S. wireless business more than compensated for more mixed results from our international wireless and U.S. wireline businesses, although there were still some bright spots there as well. In Bermuda, the team followed up excellent 2013 achievements with results that solidified those gains and gained a modest increase in market share. That is all the more impressive amid a local macro-economic situation that remains challenging and a new regulatory environment.

¹ Adjusted EBITDA is defined as net income attributable to ATN stockholders before income from discontinued operations, gain on disposal of discontinued operations, interest, taxes, depreciation and amortization, transaction-related charges, impairment of intangible assets, gain on disposition of long-lived assets, other income or expense, and net income attributable to non-controlling interests. Management believes that the inclusion of this non-GAAP financial measure helps investors to gain a meaningful understanding of the Company's core operating results and enhances comparing such performance with prior periods. ATN's management uses this non-GAAP measure, in addition to GAAP financial measures, as the basis for measuring our core operating performance and comparing such performance to that of prior periods. See ir.atni.com for reconciliations of the non-GAAP financial measure used in this annual report to the most directly comparable GAAP financial measure.



Kaieteur Falls, Kaieteur National Park, Essequibo Territory, Guyana

Overall, the Island Wireless business segment to which Bermuda belongs had good subscriber growth of 6.4%, but we would have liked to see profitability grow faster. Within this segment, certain of our smaller businesses have struggled to achieve the necessary economies of scale and market share to earn positive returns on our investments. With this in mind, we agreed to sell our business in Turks and Caicos in 2014, despite the resulting loss of much of our investment. The market was simply too small for three providers, particularly after the large population decline that followed a hard recession. In Guyana, results suffered again in 2014. While wireline revenues were boosted by an almost 15% increase in broadband subscribers, the illegal bypass of our network for long distance traffic and poor competitive performance in wireless cost us. We've made both changes to our consumer offerings and further investments in technologies and human resources in an effort to turn around those elements of the business that are under our control.

Back in the United States, the Company's wireline operations completed major fiber builds in 2014, and have had some great early successes signing up customers and expanding this "on-network" business. There is much more to do, however, to scale this business and ensure an attractive long-term cash flow profile. This past year was one of rapid growth and expansion for one of our smaller businesses — our remaining U.S. retail wireless business, which primarily serves retail customers who live in the areas covered by our wholesale network where there is no viable national carrier option. This is a small market as there are few permanent residents in such remote areas. We are offering these services as extensions to our existing wholesale business, particularly in tribal lands where residents have for too long been subjected to limited options, antiquated technologies and high prices.

As long-time stockholders will know, we pride ourselves on taking a patient, disciplined approach to our investment decisions — willing to forego short term benefits for consistent, long-lasting



CellOne sponsors basketball tournament.

cash on cash returns. At times, this has meant investing in infrastructure in some of the less sought after markets within the telecommunications industry. On occasion, the Company has looked to new geographic or business segments where we can find attractive entry points and opportunities that meet our investment goals. This year, we went farther afield than in the past when we entered into a new area of infrastructure investment with our acquisition of 46 megawatts of U.S.-based photovoltaic production facilities owned and operated by Green Lake Capital.

We believe that the renewable energy sector offers exciting prospects for growth. The Company acquired solar generation assets and customer relationships that we believe to be of high quality, and was able to retain the Green Lake management team, now operating as our Ahana Renewables subsidiary. ATN has had good success in the past providing capital and other resources to talented teams looking to build out and acquire new infrastructure in underbuilt areas. We see solar and the renewables space and the Ahana group as an opportunity to do this again and provide us with an ongoing source of investment opportunities, much like we continue to do with our U.S. wireless operations that we originally acquired nearly ten years ago.

Exploring Opportunities

There are risks with any investment; and those risks are higher when we enter into a market or segment with which we are initially unfamiliar. The renewables sector is no exception; however, we were able to enter this newly developing infrastructure sector with a modest cash investment of approximately \$64 million and with excellent downside protection by acquiring diverse contracts with commercial and industrial customers of high credit standing and an immediate return on investment of over 10%. We also were able to retain operators and advisers with extensive experience in the sector and the talent and the discipline to improve our chances of long-term success. There will be ups and downs in this nascent industry, but we think it is here to stay and we are fans of investing in infrastructure technology with both proven elements and a potential for growth if technological advances continue. We think they will — though not on a straight line up — and we believe that distributed generation solar will be part of a diversified energy production infrastructure for a long time.

We know shareholders focus on the market performance of the Company's stock and its dividend policy. We are pleased to note that investors have recognized our progress in 2014 as well as our future growth prospects, resulting in a 19.4% increase in the market

price in our shares to \$67.59 per share on December 31, 2014. Your Board of Directors was similarly pleased by the Company's progress in 2014 and approved an 8% increase in the dividend to the current rate of \$1.16 annually, continuing a consecutive sixteen-year track record of increasing our quarterly dividend.

While growth rates in some operations are expected to recede, we see 2015 as a year with great potential for enhancing value, through improving profitability in underperforming or early stage operations and in enhancing the long-term prospects and strategic value of others. Furthermore, we look forward to investing more of your Company's substantial balance sheet capacity in opportunities that we believe have a good chance of delivering attractive risk-adjusted returns on invested capital. Lastly, we would like to offer a final word of appreciation and thanks to all of the management and staff in the broader ATN family of companies. Even in businesses where the operating results and investment returns in 2014 were not attractive, there was a good deal of hard, smart and passionate work. We are lucky to have so many people who are dedicated to providing a good experience to customers, a productive work environment for their colleagues and a good return for the Company's investors. We can ask no more.



Michael T. Prior
President and
Chief Executive Officer



Cornelius B. Prior, Jr.
Chairman of the Board



On December 24, 2014, we acquired a provider of distributed generation solar power services in the United States, namely Massachusetts, California and New Jersey. Our newly formed subsidiary, Ahana Renewables, owns and operates 28 commercial solar projects at 59 sites with an aggregate 47 megawatts DC ("MWs") of electricity generating capacity. Customers benefitting from the energy produced by these photovoltaic projects include primary schools, community colleges, private entities, municipalities, water treatment facilities, and military installations. The acquisition provides growth potential as well as the opportunity to generate attractive returns for investors. Similar to our initial investments in wholesale wireless and fiber operations, Ahana Renewables represents a high-quality infrastructure-based business with solid cash flows from long-term Power Purchase Agreements (PPAs) with high-credit quality counterparties and offers the potential for expansion through additional investments or acquisition opportunities. Our results of operations will feature the results of the Ahana Renewables business in our new "Renewable Energy" segment.

Executive Officers

Michael T. Prior

*President &
Chief Executive Officer*

Justin D. Benincasa

*Chief Financial Officer &
Treasurer*

William F. Kreisher

*Senior Vice President,
Corporate Development*

Leonard Q. Slap

*Senior Vice President &
General Counsel*

Barry C. Fougere

*Senior Vice President,
Business Operations*

Shareholder Information

Headquarters

Atlantic Tele-Network, Inc.
600 Cummings Center, Beverly, MA 01915
Phone: 978.619.1300
Email: ir@atni.com
www.atni.com

Independent Auditors

PricewaterhouseCoopers LLP
125 High Street
Boston, MA 02110

Registrar and Transfer Agent

The transfer agent is responsible, among other things, for handling stockholder questions regarding lost stock certificates, address changes, including duplicate mailings, and changes in ownership or name in which shares are held. These requests may be directed to the transfer agent at the following address:

Computershare Investor Services
PO Box 30170
College Station, TX 77842

Or by Overnight:
211 Quality Circle, Suite 210
College Station, TX 77842

Phone: 866.230.2916
www.investorcentre.com

Directors

Cornelius B. Prior, Jr., Chairman

Martin L. Budd

Michael T. Flynn

Liane J. Pelletier

Michael T. Prior

Charles J. Roesslein

Stock Listing

The common stock of the Company is traded on the NASDAQ Global Select Market under the symbol ATNI.

Annual Meeting

The Annual Meeting of Stockholders will be held at 9:00 a.m. on Thursday, June 11, 2015 at:

The Wylie Inn & Conference Center
295 Hale Street
Beverly, MA 01915

SEC Form 10-K

A copy of ATN's Annual Report on Form 10-K filed with the Securities and Exchange Commission can be obtained free of charge upon request by calling us at 978.619.1300, emailing us at ir@atni.com or by writing to us at:

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