

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D. C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **October 28, 2010**

ATLANTIC TELE-NETWORK, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other
jurisdiction of incorporation)

001-12593
(Commission File Number)

47-0728886
(IRS Employer
Identification No.)

600 Cummings Center
Beverly, MA 01915
(Address of principal executive offices and zip code)

(978) 619-1300
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On October 28, 2010, Atlantic Tele-Network, Inc. (the "Company") issued a press release announcing financial results for the three and nine months ended September 30, 2010. A copy of the press release is furnished herewith as Exhibit 99.1.

Exhibit 99.1 is furnished and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing made by the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 Press Release of the Company, dated October 28, 2010.

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ATLANTIC TELE-NETWORK, INC.

By: /s/ Justin D. Benincasa
Justin D. Benincasa
Chief Financial Officer

Dated: October 28, 2010

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EXHIBIT INDEX

Exhibit Number	Description of Exhibit
99.1	Press Release of the Company, dated October 28, 2010.

4



NEWS RELEASE

FOR IMMEDIATE RELEASE

Thursday, October 28, 2010

CONTACT:

Michael T. Prior
Chief Executive Officer
978-619-1300

Justin D. Benincasa
Chief Financial Officer
978-619-1300

Atlantic Tele-Network Reports Third Quarter 2010 Results

- Total revenues were \$205.0 million, up 210% from last year
- Wireless service revenues were \$173.0 million, or 84% of total revenues
- Adjusted EBITDA was \$37.8 million
- Operating income was \$13.8 million
- Includes first full quarter of Alltel Wireless operations

Beverly, MA (October 28, 2010) – Atlantic Tele-Network, Inc. (NASDAQ: ATNI), today reported results for the third quarter and nine months ended September 30, 2010.

Third Quarter 2010 Financial Results

Total revenues for the third quarter were \$205.0 million, of which total wireless service revenues represented \$173.0 million, or 84%. This significant increase over last year's third quarter total revenues of \$66.1 million resulted from the Company's acquisition of certain former Alltel Wireless retail markets, licenses and network assets, which closed on April 26, 2010. U.S. wireless service revenues totaled \$158.8 million, or 77% of total revenues, for the quarter. The Company ended the quarter with approximately 1.1 million wireless subscribers across all markets.

Adjusted EBITDA(1) for the 2010 third quarter was \$37.8 million as compared to \$35.0 million in the third quarter of 2009, an increase of \$2.8 million, or 8%. The results for the third quarter of 2010 were impacted by significant costs associated with the transition of the recently acquired Alltel Wireless assets. Specifically, sales and marketing costs in our U.S. Wireless segment included approximately \$10.0 million of additional expenses primarily related to an accelerated pace of customer contract renewals and extensions.

Total operating income for the third quarter of 2010 was \$13.8 million. Operating income in last year's third quarter was \$23.1 million, which included \$2.1 million in acquisition-related charges. The decrease in operating income resulted from a \$14.2 million increase in depreciation and amortization expenses primarily associated with the acquisition of the Alltel assets, partially offset by the increased operating margin generated by the acquired Alltel properties.

Net income attributable to ATN's stockholders was \$6.4 million, or \$0.41 per diluted share, as compared to \$11.9 million, or \$0.78 per diluted share, in the third quarter of 2009.

Commenting on third quarter results, Michael T. Prior, Chief Executive Officer said, "The integration of the Alltel asset acquisition is moving ahead as planned, and we continue to make progress in many areas, while refining our value proposition in the new markets. Revenue and subscriber numbers are broadly in line with our expectations to date, although expenses were at the high end of those expectations for this quarter. As anticipated, previously-discussed transition initiatives and expenses are causing net attrition as well as higher costs. We expect margins to remain tight and net subscriber losses, particularly prepaid, to continue over the next few quarters. Our ability to drive subscriber additions, control churn and optimize our offerings is constrained by our limited billing and point of sale capabilities during this transition period.

(1) See Table 5 for reconciliation of Net Income to Adjusted EBITDA.

By the middle of 2011, however, when we should have much greater ability to tailor our offerings and no longer be burdened by the additional costs and overlaps caused by the transition services agreement that is currently in force, we expect to report more normalized EBITDA margins, net subscriber additions and churn."

Other business highlights in the third quarter included:

- The launch of the Company's new wireless voice and data service in the U.S. Virgin Islands as part of the Island Wireless segment.
- The activation of the Company's new undersea cable to Guyana, which will help to provide high-speed data and internet services to that country, resulting in expected growth in data and internet revenue for the International Integrated Telephony segment.

Third Quarter 2010 Operating Highlights**U.S. Wireless Service Revenues**

U.S. wireless service revenues include voice and data services revenues from the Company's prepaid and postpaid retail operations as well as its wholesale roaming operations. Total service revenues from the U.S. wireless businesses amounted to \$158.8 million in the third quarter of 2010, compared to \$31.8 million in the third quarter of 2009. Total service revenues from the acquired Alltel properties for the quarter were \$129.7 million, or the entirety of this increase.

Retail wireless service revenues were \$108.8 million for the quarter ended September 30, 2010. The Company did not have a U.S. retail wireless business in the third quarter of 2009. At the end of the 2010 third quarter, the Company had approximately 767,000 U.S. retail subscribers, of which approximately 550,000 were postpaid subscribers and approximately 217,000 were prepaid subscribers. Additional operating data on our U.S. retail wireless business can be found in Table 4.

Wholesale wireless revenues were \$50.0 million, an increase of 57% over the \$31.8 million reported in the third quarter of 2009. Wholesale revenues from the acquired Alltel properties were \$20.9 million, or the entirety of this increase. Data revenues accounted for 27% of wholesale wireless revenues for the quarter, compared to 19% a year earlier.

International Wireless Revenues

International wireless revenues include retail and wholesale voice and data wireless revenues from international operations in Bermuda and the Caribbean. Total revenues from international wireless (which includes revenues from fixed wireless data services) amounted to \$14.2 million in the third quarter of 2010, an increase of \$2.5 million, or 21%, over \$11.7 million reported in the third quarter of 2009. This increase primarily resulted from growth in the number of wireless subscribers in Guyana and expansion in the Caribbean.

Wireline Revenues

Wireline revenues are generated by the Company's wireline operations in Guyana, including international telephone calls into and out of that country, its integrated voice and data operations in New England and its wholesale transport operations in New York State. Total revenues from wireline amounted to \$20.8 million in the third quarter of 2010, a decrease of \$1.2 million or 5% from \$22.0 million reported in the third quarter of 2009. The decline resulted from a \$1.7 million decrease in international long distance revenues in Guyana, partially offset by increased data revenue in that country and increased revenues generated by U.S. wireline operations.

Reportable Operating Segments

The Company has four reportable segments: i) U.S. Wireless, ii) International Integrated Telephony, which generates its revenues and has its assets located in Guyana, iii) U.S. Wireline and iv) Island Wireless, which generates its revenues and has its assets located in Bermuda and the Caribbean.

Financial data on our reportable operating segments for the three months ended September 30, 2010 are as follows:

	<u>U.S Wireless</u>	<u>International Integrated Telephony</u>	<u>U.S. Wireline</u>	<u>Island Wireless</u>	<u>Reconciling Items</u>	<u>Total</u>
Total Revenue	\$ 169,456	\$ 22,136	\$ 5,021	\$ 8,347	\$ —	\$ 204,960
Adjusted EBITDA	30,997	10,991	747	(604)	(4,284)	37,847
Operating Income (Loss)	13,985	6,416	1	(2,126)	(4,450)	13,826

Balance Sheet and Cash Flow Highlights

Cash and cash equivalents at September 30, 2010 were \$61.8 million. Long term debt was \$250.8 million. For the nine months ended September 30, 2010, net cash provided by operating activities was \$100.3 million and capital expenditures were \$91.6 million. The Company expects full year 2010 capital expenditures to be approximately \$130 to \$140 million, of which \$85 to \$95 million is expected to be incurred by the U.S. Wireless segment.

In the third quarter, the Company increased the available borrowings under its existing credit facility by \$75 million, bringing the total credit facility to \$375 million, which will allow the Company to fund planned capital expenditures and growth initiatives.

Conference Call Information

Atlantic Tele-Network will host a conference call tomorrow, Friday, October 29, 2010 at 11:00 a.m. Eastern Time (ET) to discuss its third quarter results for 2010. The call will be hosted by Michael Prior, President and Chief Executive Officer, and Justin Benincasa, Chief Financial Officer. The dial-in numbers are US/Canada: 877-734-4582 and International: 678-905-9376, conference ID 20293601. A replay of the call will be available from 3:00 p.m. (ET) October 29, 2010 until 11:59 p.m. (ET) November 5, 2010. The replay dial-in numbers are US/Canada: 800-642-1687 and International: 706-645-9291, access code 20293601.

About Atlantic Tele-Network

Atlantic Tele-Network, Inc. (NASDAQ:ATNI), headquartered in Beverly, Massachusetts, provides telecommunications services to rural, niche and other under-served markets and geographies in the United States, Bermuda and the Caribbean. 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 and are the owner and operator of terrestrial and submarine fiber optic transport systems. For more information, please visit www.atni.com.

Cautionary Language Concerning Forward Looking Statements

This press release contains forward-looking statements relating to, among other matters, our future financial performance and results of operations; the competitive environment in our key markets, demand for our services and industry trends; the outcome of regulatory matters; our continued access to the

credit and capital markets; the pace of our network expansion and improvement, including our level of estimated future capital expenditures and our realization of the benefits of these investments; and management's plans and strategy for the future. These forward-looking statements are based on estimates, projections, beliefs, and assumptions and are not guarantees of future events or results. Actual future events and results could differ materially from the events and results indicated in these statements as a result of many factors, including, among others, (1) our ability to operate a large scale

retail wireless business in the United States and integrate these operations into our existing operations; (2) the general performance of our U.S. operations, including operating margins, and the future retention and turnover of the our subscriber base; (3) our ability to maintain favorable roaming arrangements; (4) increased competition; (5) economic, political and other risks facing our foreign operations; (6) the loss of certain FCC and other licenses and other regulatory changes affecting our businesses; (7) rapid and significant technological changes in the telecommunications industry; (8) any loss of any key members of management; (9) our reliance on a limited number of key suppliers and vendors for timely supply of equipment and services relating to our network infrastructure and retail wireless business; (10) the adequacy and expansion capabilities of our network capacity and customer service system to support our customer growth; (11) the occurrence of severe weather and natural catastrophes; (12) the current difficult global economic environment, along with difficult and volatile conditions in the capital and credit markets; and (13) our ability to realize the value that we believe exists in businesses that we may or have acquired. These and other additional factors that may cause actual future events and results to differ materially from the events and results indicated in the forward-looking statements above are set forth more fully under Item 1A "Risk Factors" of the Company's Annual Report on Form 10-K for the year ended December 31, 2009, filed with the SEC on March 16, 2010, and the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010, filed with the SEC on May 10, 2010. The Company undertakes no obligation to update these forward-looking statements to reflect actual results, changes in assumptions or changes in other factors that may affect such forward-looking statements.

Use of Non-GAAP Financial Measures

In addition to financial measures prepared in accordance with generally accepted accounting principles (GAAP), this news release also contains non-GAAP financial measures. Specifically, ATN has presented Adjusted EBITDA and ARPU measures. Adjusted EBITDA is defined as net income attributable to ATN, Inc. stockholders before interest, taxes, depreciation and amortization, acquisition related charges, other income, bargain purchase gain, net income attributable to non-controlling interests, and equity in earnings of unconsolidated affiliates. ARPU, or monthly average revenue per subscriber/unit, is computed by dividing total retail service revenues per period by the weighted average number of subscribers with service during that period, and then dividing that result by the number of months in the period. The Company believes that the inclusion of these non-GAAP financial measures helps investors to gain a meaningful understanding of the Company's core operating results and enhance comparing such performance with prior periods, without the distortion of the recent increased expenses associated with the Alltel transaction. ATN's management uses these non-GAAP measures, in addition to GAAP financial measures, as the basis for measuring our core operating performance and comparing such performance to that of prior periods. The non-GAAP financial measures included in this news release are not meant to be considered superior to or a substitute for results of operations prepared in accordance with GAAP. Reconciliations of the non-GAAP financial measures used in this news release to the most directly comparable GAAP financial measures are set forth in the text of, and the accompanying tables to, this news release.

Table 1

ATLANTIC TELE-NETWORK, INC.
Unaudited Condensed Consolidated Balance Sheets
(in Thousands)

	<u>September 30, 2010</u>	<u>December 31, 2009</u>
Assets:		
Cash and Cash Equivalents	\$ 61,810	\$ 90,247
Other Current Assets	98,486	46,268
Total Current Assets	160,296	136,515
Fixed Assets, net	441,182	217,015
Goodwill and Other Intangible Assets, net	188,868	77,039
Other Assets	22,868	15,985
Total Assets	\$ 813,214	\$ 446,554
Liabilities and Stockholders' Equity:		
Current Liabilities	\$ 150,928	\$ 56,887
Long Term Debt, Net of Current Portion	250,807	69,551
Other Liabilities	83,518	37,683
Total Liabilities	485,253	164,121
Stockholders' Equity	327,961	282,433
Total Liabilities and Stockholders' Equity	\$ 813,214	\$ 446,554

Table 2

ATLANTIC TELE-NETWORK, INC.
Unaudited Condensed Consolidated Statements of Operations
(in Thousands, Except per Share Data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009 (a)	2010 (a)	2009 (a)
Revenues:				
U.S. Wireless Services:				
Retail	\$ 108,828	\$ —	\$ 190,331	\$ —
Wholesale	49,952	31,837	112,437	79,276
International Wireless	14,220	11,684	37,712	33,725
Wireline	20,829	21,969	64,580	66,634
Equipment and Other	11,131	602	19,420	2,982
Total Revenue	204,960	66,092	424,480	182,617
Operating Expenses:				
Termination and Access Fees	53,076	11,830	109,186	34,702
Engineering and Operations	21,747	6,519	46,288	21,010
Sales, Marketing and Customer Services	50,411	3,454	86,310	9,769
Equipment Expense	12,700	615	22,321	1,697
General and Administrative	29,179	8,690	62,887	26,166
Acquisition-Related Charges	47	2,072	15,881	2,479
Depreciation and Amortization	23,974	9,763	52,585	28,756
Total Operating Expenses	191,134	42,943	395,458	124,579
Operating Income	13,826	23,149	29,022	58,038
Other Income (Expense):				
Interest Income (Expense), net	(3,112)	(874)	(6,527)	(2,519)
Other Income	204	13	434	48
Equity in Earnings of Unconsolidated Affiliates	166	—	456	—
Bargain Purchase Gain, net of taxes of \$18,016	—	—	27,024	—
Other Income (Expense), net	(2,742)	(861)	21,387	(2,471)
Income Before Income Taxes	11,084	22,288	50,409	55,567
Income Taxes	5,022	9,919	15,447	24,217
Net Income	6,062	12,369	34,962	31,350
Net Loss (Income) Attributable to Non-Controlling Interests, net of tax	303	(433)	212	(976)
Net Income Attributable to Atlantic Tele-Network, Inc.				
Stockholders	<u>\$ 6,365</u>	<u>\$ 11,936</u>	<u>\$ 35,174</u>	<u>\$ 30,374</u>
Net Income Per Weighted Average Share Attributable to Atlantic Tele-Network, Inc. Stockholders:				
Basic	\$ 0.41	\$ 0.78	\$ 2.30	\$ 1.99
Diluted	\$ 0.41	\$ 0.78	\$ 2.27	\$ 1.98
Weighted Average Common Shares Outstanding:				
Basic	15,349	15,237	15,303	15,233
Diluted	15,502	15,398	15,476	15,304

a) Certain reclassifications have been made to prior period amounts to conform to the current presentation

Table 3

ATLANTIC TELE-NETWORK, INC.
Unaudited Condensed Consolidated Cash Flow Statement
(in Thousands)

	Nine Months Ended September 30,	
	2010	2009
Net Income	\$ 34,962	\$ 31,350
Gain on Bargain Purchase, Net of Tax	(27,024)	—
Depreciation and Amortization	52,585	28,756

Change in Working Capital	20,978	7,588
Other	18,845	3,107
Net Cash Provided by Operating Activities	100,346	70,801
Capital Expenditures	(91,632)	(40,273)
Acquisitions of Businesses, Net of Cash Acquired	(225,498)	(24)
Other	4,725	(647)
Net Cash Used by Investing Activities	(312,405)	(40,944)
Borrowings Under Credit Facility	240,000	—
Principal Repayments of Long Term Debt	(46,520)	(564)
Debt Issuance Costs	(4,322)	—
Dividends Paid on Common Stock	(9,186)	(8,224)
Distributions to Non-Controlling Interests	(1,239)	(5,543)
Other	4,889	251
Net Cash Used by Financing Activities	183,622	(14,080)
Net Change in Cash and Cash Equivalents	(28,437)	15,777
Cash and Cash Equivalents, Beginning of Period	90,247	79,665
Cash and Cash Equivalents, End of Period	<u>\$ 61,810</u>	<u>\$ 95,442</u>

Table 4

ATLANTIC TELE-NETWORK, INC.
Operating Data for U.S. Retail Wireless Operations

<u>Three Months Ended:</u>	<u>JUN 2010</u>	<u>SEP 2010</u>
Beginning Subscribers	827,370	807,327
<i>Prepay</i>	242,385	230,334
<i>Postpay</i>	584,985	576,993
Gross Additions	44,208	64,118
<i>Prepay</i>	25,892	37,527
<i>Postpay</i>	18,316	26,591
Net Additions	(20,043)	(40,771)
<i>Prepay</i>	(12,051)	(13,480)
<i>Postpay</i>	(7,992)	(27,291)
Ending Subscribers	807,327	766,556
<i>Prepay</i>	230,334	216,854
<i>Postpay</i>	576,993	549,702

Note: Beginning subscribers for quarter ended June 30, 2010 are as of April 30, 2010 following the close of the Alltel transaction on April 26, 2010.

ATLANTIC TELE-NETWORK, INC.
U.S. Retail Wireless Operations Key Performance Indicators

<u>Three Months Ended:</u>	<u>JUN 2010</u>	<u>SEP 2010</u>
Total Retail Service Revenues for period (000's)	\$ 95,242	\$ 129,744
Average Subscribers (weighted monthly)	821,637	786,295
Monthly Average Revenues per Subscriber/Unit (ARPU)	\$ 53.28	\$ 55.00
Monthly Postpay Subscriber Churn	2.24%	3.16%
Monthly Blended Subscriber Churn	3.85%	4.41%

Table 5

ATLANTIC TELE-NETWORK, INC.
Reconciliation of Non-GAAP Measures

(In Thousands)

Reconciliation of Net Income to Adjusted EBITDA for the Three Months Ended September 30, 2009 and 2010

Three Months Ended September 30, 2009

	<u>U.S. Wireless</u>	<u>International Integrated Telephony</u>	<u>U.S. Wireline</u>	<u>Island Wireless</u>	<u>Reconciling Items</u>	<u>Total</u>
Net Income Attributable to Atlantic Tele- Network, Inc. Stockholders						\$ 11,936
Net Income Attributable to Non- Controlling Interests, net of tax						433
Income Taxes						9,919
Other Income						(13)
Interest Income (Expense), net						874
Operating Income (Loss)	\$ 18,837	\$ 8,590	\$ 84	\$ (100)	\$ (4,262)	\$ 23,149
Depreciation and Amortization	3,812	4,180	567	1,131	73	9,763
Acquisition-Related Charges	—	—	—	—	2,072	2,072
Adjusted EBITDA	<u>\$ 22,649</u>	<u>\$ 12,770</u>	<u>\$ 651</u>	<u>\$ 1,031</u>	<u>\$ (2,117)</u>	<u>\$ 34,984</u>

Three Months Ended September 30, 2010

	<u>U.S. Wireless</u>	<u>International Integrated Telephony</u>	<u>U.S. Wireline</u>	<u>Island Wireless</u>	<u>Reconciling Items</u>	<u>Total</u>
Net Income Attributable to Atlantic Tele- Network, Inc. Stockholders						\$ 6,365
Net Loss Attributable to Non-Controlling Interests, net of tax						(303)
Income Taxes						5,022
Equity in Earnings of Unconsolidated Affiliates						(166)
Other Income						(204)
Interest Income (Expense), net						3,112
Operating Income (Loss)	\$ 13,985	\$ 6,416	\$ 1	\$ (2,126)	\$ (4,450)	\$ 13,826
Depreciation and Amortization	17,012	4,575	746	1,522	119	23,974
Acquisition-Related Charges	—	—	—	—	47	47
Adjusted EBITDA	<u>\$ 30,997</u>	<u>\$ 10,991</u>	<u>\$ 747</u>	<u>\$ (604)</u>	<u>\$ (4,284)</u>	<u>\$ 37,847</u>