UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-Q

|X| QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the Quarter ended June 30, 2002

OR

|_| TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 0-19551

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

Delaware	47-072886
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

19 Estate Thomas/Havensight
P.O. Box 12030
St. Thomas, U.S. Virgin Islands 00801
(340) 777-8000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ____ As of June 30, 2002, the registrant had outstanding 4,995,559 shares of its common stock ($.01 par value).

ATLANTIC TELE-NETWORK, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED BALANCE SHEETS

(Columnar Amounts in Thousands)

	December 31, 2001	June 30, 2002
		(Unaudited)
ASSETS		
Current assets:		
Cash and cash equivalents	$17,536	$28,862
Marketable securities	6,385	-
Accounts receivable, net	16,561	9,018
Materials and supplies	4,498	4,338
Prepayments and other current assets	2,784	5,424
Total current assets	47,764	47,642
Fixed assets:		
Property, plant and equipment	107,603	115,182
Less accumulated depreciation	(25,651)	(30,811)
Total fixed assets, net	81,952	84,371
Investment in and advances to Bermuda Digital Communications, Ltd.	6,700	3,969
Other assets	5,590	3,842
Total assets	$142,006	$139,824
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$7,876	$5,932
Accrued taxes	4,082	5,169
Advance payments and deposits	1,800	3,106
Other current liabilities	4,147	1,474
Current portion of long-term debt	2,402	2,207
Total current liabilities	20,307	17,888
Deferred income taxes	5,953	6,868

Long-term debt, excluding current portion	5,582	4,537
Total liabilities	31,842	29,293
Minority interests	21,221	19,409
Contingencies and commitments (Notes 7 and 8)		
Stockholders' equity:		
Preferred stock, par value $.01 per share; 10,000,000 shares authorized; none issued and outstanding	-	-
Common stock, par value $.01 per share; 20,000,000 shares authorized; 5,151,424 shares issued 4,995,559 outstanding	52	52
Treasury stock, at cost	(1,501)	(1,477)
Paid-in capital	55,787	55,787
Retained earnings	34,571	36,760
Unrealized gain on marketable securities	34	-
Total stockholders' equity	88,943	91,122
Total liabilities and stockholders' equity	$142,006	$139,824

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

ATLANTIC TELE-NETWORK, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
THREE AND SIX MONTHS ENDED JUNE 30, 2001 AND 2002
(Columnar Amounts in Thousands, except per share data)

	Three months		Six months	
	2001	2002	2001	2002
		(Unaudited)		(Unaudited)
Telephone operations				
Revenues:				
International long-distance revenues	$16,381	$9,261	$30,468	$17,779
Local exchange service revenues	4,388	6,502	7,930	12,660
Other revenues	670	783	1,413	1,419
Total revenues	21,439	16,546	39,811	31,858
Operating expenses:				
International long-distance expenses	4,220	2,417	8,193	5,085
Telephone operating expenses	6,920	6,868	13,014	13,236
General and administrative expenses	1,579	1,125	2,882	2,268
Total operating expenses	12,719	10,410	24,089	20,589
Income from telephone operations	8,720	6,136	15,722	11,269
Other operations:				
Revenues of other operations	1,129	860	2,267	1,945
Expenses of other operations	1,831	2,124	3,684	4,030
Loss from other operations	(702)	(1,264)	(1,417)	(2,085)
Other income (expense):				
Interest expense	(167)	(131)	(346)	(286)
Interest income	368	350	925	651
Equity in earnings of Bermuda Digital Com., Ltd.	408	498	587	848
Other income (expense), net	(412)	229	(314)	408
Other income (expense), net:	197	946	852	1,621
Income before income taxes and minority interests	8,215	5,818	15,157	10,805
Income taxes	4,301	3,136	7,849	5,683
Income before minority interests	3,914	2,682	7,308	5,122
Minority interests	(809)	(510)	(1,437)	(933)
Net income	$3,105	$2,172	$5,871	$4,189
Net income per share:				
Basic	$0.62	$0.43	$1.18	$0.84
Diluted	$0.62	$0.43	$1.17	$0.83
Weighted average common stock outstanding:				
Basic	4,987	4,995	4,987	4,995
Diluted	5,025	5,066	5,010	5,066

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

ATLANTIC TELE-NETWORK, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2001 AND 2002
(Columnar Amounts in Thousands)

	Six months ended June 30, 2001	Six months ended June 30, 2002
		(Unaudited)
Net cash flows provided by operating activities:	$5,596	$15,436
Cash flows from investing activities:		
Sale (purchase) of Marketable securities	(5,743)	6,385
Capital expenditures	(8,957)	(7,579)
Advances to Bermuda Digital Communications, Ltd.	113	3,387
Investment in Lightrade Inc.	(5,000)	(320)
Net cash flows (used in) provided by investing activities	(19,587)	1,873
Cash flows from financing activities:		
Repayment of long-term debt	(936)	1,245)
Purchase of common stock	-	24
Dividends paid on common stock	(1,870)	(2,012)
Dividend to minority stockholder in GT&T	(2,550)	(2,750)
Net cash flows used in financing activities	(5,356)	(5,983)
Net change in cash and cash equivalents	(19,347)	11,326
Cash and cash equivalents, beginning of period	24,495	17,536
Cash and cash equivalents, end of period	$5,148	$28,862
Supplemental cash flow information:		
Interest paid	$200	$0
Income taxes paid	$7,622	$0
Supplemental non cash information:		
Depreciation and Amortization Expense	$4,160	$0

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

Notes to Consolidated Condensed
Financial Statements
Three and Six Months Ended June 30, 2001 and 2002

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 wholly owns Choice Communications, LLC ("Choice Communications"), formerly Wireless World, LLC, which holds Multichannel Multipoint Distribution Service ("MMDS") and Local Multipoint Distribution Service ("LMDS") licenses for the U.S. Virgin Islands and is engaged in the U.S. Virgin Islands in the internet service provider, specialized mobile radio and paging businesses and the wireless cable television business. The Company owns an 80% interest in ATN (Haiti) S.A. ("ATN (Haiti)") and an 80% interest in Transnet, S.A. ("Transnet"), Haitian corporations which have been principally engaged in dispatch radio, mobile telecommunications, paging, and internet access and data services in Haiti and which the company is in the process of liquidating or selling. Atlantic Tele-Center, Inc., a wholly owned subsidiary of ATN, is currently developing a Web-enabled outsourcing call center in Guyana to provide customer support to companies serving the U.S. and other markets. The Company owns a 44% interest in Bermuda Digital Communications, Ltd. ("BDC"), which provides cellular telephone services in Bermuda under the name "Cellular One." ATN provides management, technical, financial, regulatory, and marketing services for its subsidiaries and affiliates for a management fee equal to 6% of their revenues.

2. BASIS OF PRESENTATION

The consolidated condensed balance sheet of ATN and subsidiaries at December 31, 2001 has been taken from the audited financial statements at that date. All of the other accompanying consolidated condensed financial statements are unaudited. These consolidated condensed financial statements have been prepared by the management of ATN in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"). Accordingly, certain information and footnote disclosures usually found in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. In the opinion of the management of the Company, all adjustments (consisting only of normal recurring adjustments) considered necessary for fair presentation of the consolidated condensed financial statements have been included, and the accompanying condensed consolidated financial statements present fairly the financial position and the results of operations for the interim periods presented. The consolidated condensed financial statements should be read in conjunction with the consolidated financial statements and related footnotes included in the Company's 2001 Annual Report on Form 10-K, as filed with the SEC.

3. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

4. NET INCOME PER SHARE

In accordance with Statement of Financial Accounting Standard 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.

A reconciliation of basic net income per share to diluted net income per share for the three and six month periods ended June 30, 2002 and June 30, 2001 is as follows (in thousands, except per share data):

	Three Months Ended					
	June 30, 2001			June 30, 2002		
	Net Income	Weighted Average Shares	Net Income Per Share	Net Income	Weighted Average Shares	Net Income Per Share
Basic net income	$3,105	4,987	$0.62	$2,172	4,993	$0.44
Dilutive Securities:						
Stock Options	$0	38	$0.00	$0	71	$0.01
Diluted net income	$3,105	5,025	$0.62	$2,172	5,064	$0.43

	Six Months Ended					
	June 30, 2001			June 30, 2002		
	Net Income	Weighted Average Shares	Net Income Per Share	Net Income	Weighted Average Shares	Net Income Per Share
Basic net income	$5,871	4,987	$1.18	$4,189	4,993	$0.84
Dilutive Securities:						
Stock Options	$0	23	$0.01	$0	71	$0.01
Diluted net income	$5,871	5,010	$1.17	$4,189	5,064	$0.83

5. SEGMENT REPORTING

The Company manages and evaluates its operations in four operating segments: Telephone Operations which relates to GT&T; Internet and Wireless Cable which relates to Choice Communications; Radio and Paging which primarily relates to ATN (Haiti) and Choice Communications; and Call Center which relates to Atlantic Tele-Center, Inc. The operating segments are managed separately because each offers different products and serves different markets. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. All of the revenues for GT&T were generated in Guyana and are shown in the accompanying consolidated statements of operations as total operating revenues. Total assets for GT&T were $134.0 million and $145.4 million at June 30, 2002 and December 31, 2001, respectively. For the three and six month periods ended June 30, 2001 and June 30, 2002, the Internet and Wireless Cable segment, the Radio and Paging segment and the Call Center segment are not material for separate disclosure under SFAS No. 131, "Disclosure About Segments of an Enterprise and Related Information," and are reported as other operations in the accompanying condensed consolidated statements of operations.

6. COMPREHENSIVE INCOME

Comprehensive income represents the change in equity of a business during a period, except for investments by owners and distributions to owners. Comprehensive income includes net income and other comprehensive income. Other comprehensive income is classified separately into foreign currency items and unrealized gains and losses on certain investments in marketable securities. There was no difference between the Company's net income and comprehensive income for the three and six month periods ended June 30, 2001 and 2002, respectively.

7. NEW ACCOUNTING PRONOUNCEMENTS

In April 2002, the FASB issued SFAS No. 145, "Rescission of SFAS Nos. 4, 44 and 64, Amendment of SFAS No. 13, and Technical Corrections." SFAS No. 145 rescinds both SFAS No. 4, "Reporting Gains and Losses from Extinguishment of Debt," and the amendment of SFAS No. 4, SFAS No. 64, "Extinguishments of Debt Made to Satisfy Sinking-Fund Requirements". This statement amends SFAS No. 13, "Accounting for Leases", to eliminate an inconsistency between the accounting for sale-leaseback transactions and the accounting for certain lease modifications that have economic effects that are similar to sale-leaseback transactions. This statement also amends other existing authoritative pronouncements to make various technical corrections, clarify meanings, or describe their applicability under changed conditions. The provisions of this statement are applicable for fiscal years beginning after, transaction entered into after and financial statements issued on or subsequent to May 15, 2002. The Company will adopt this statement as required and does not expect it to have a material impact on its consolidated financial statements.

In June of 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." This statement requires that a liability for a cost that is associated with an exit or disposal activity be recognized when the liability is incurred. It nullifies the guidance of EITF Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." Under EITF Issue No. 94-3, an entity recognized a liability for an exit cost on the date that the entity committed itself to an exit plan. In this statement, the Board acknowledges that an entity's commitment to a plan does not, by itself, create a present obligation to other parties that meets the definition of a liability. This statement also establishes that fair value is the objective for the initial measurement of the liability. The provisions of this statement will be effective for exit or disposal activities that are initiated after December 31, 2002. We will adopt this statement as required and do not expect it to have a material impact on our financial statements.

On January 1, 2002 the Company adopted, SFAS No. 142 "Goodwill and Other Intangible Assets," which establishes new accounting and reporting standards for acquired goodwill and other intangible assets and supersedes APB Opinion No. 17. It addresses how intangible assets that are acquired individually or with a group of other assets (but not those acquired in a business combination) should be accounted for upon acquisition and on an ongoing basis. Goodwill and intangible assets that have indefinite useful lives will not be amortized but rather will be tested at least annually for impairment. Intangible assets that have finite useful lives (whether or not acquired in a business combination) will continue to be amortized over their useful lives.

The Company recorded amortization expense related to goodwill arising from business combinations (which had an indefinite useful life) of approximately $66,000 and $120,000 for the three and six month periods ended June 30, 2001, respectively. The adoption of the provisions of SFAS No. 142 has eliminated the amortization of goodwill during 2002 and has not had a material impact on the Company's condensed consolidated financial statements.

In accordance with the requirements of FAS 142, the Company has performed the first of the required impairment tests of goodwill existing as of January 1, 2002 and has determined that goodwill is not impaired.

Additionally in June 2001, the FASB issued SFAS No. 143, "Asset Retirement Obligations," which establishes new accounting and reporting standards for legal obligations associated with retiring assets. The fair value of a liability for an asset retirement obligation must be recorded in the period in which it is incurred, with the cost capitalized as part of the related long-lived assets and depreciated over the asset's useful life. Changes in the liability resulting from the passage of time will be recognized as operating expenses. SFAS No. 143 must be adopted by 2003 and is not expected to have a material impact on the Company's results of operations or financial position.

On January 1, 2002, the Company adopted SFAS No. 144, "Accounting for Impairment or Disposal of Long-Lived Assets," which establishes a single accounting method for long-lived assets to be disposed of by sale and broadens the presentation of discontinued operations. The adoption of this statement did not have a material impact on the Company's results of operations or financial position.

8. CONTINGENCIES AND COMMITMENTS

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 and the Guyana Telecommunications Act of 1990. 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, and because of the large volume of traffic which GT&T has with the United States, GT&T can be significantly affected by orders of U.S. regulatory agencies.

In 1997 the Federal Communications Commission (the "FCC") 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 from $.85 to $.23 per minute by January 1, 2002. The $.85 per minute provided a significant subsidy to GT&T operations and network expansion activities. In 2001, the Company made an application to the staff of the FCC for relief from the FCC's order, and that application was denied by the FCC staff. The Company has appealed the staff's determination to the full Commission.

In 2001, the Government of Guyana announced its intention to introduce competition into Guyana's telecommunications sector. The changes under consideration include terminating the monopoly provisions of GT&T's license with appropriate compensation to GT&T, rebalancing rates so that the rates for each service represent the real economic cost of such services, and shifting from rate of return regulation to incentive rate-cap regulation. In February 2002, GT&T began negotiations with the Government on these issues and all other outstanding issues between GT&T and the Government.

In July 2002 an individual sued the Attorney General of Guyana in the Guyana courts asking, among other things, for a declaration that the section of the Company's 1990 contract with the Government of Guyana granting to GT&T an exclusive right to operate a telecommunications system in Guyana was null and void as contrary to law and to the Constitution of Guyana. GT&T plans to seek permission to join the action in order to defeat these claims.

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 annual revenues over and above the interim rates then in effect. This was further updated on August 31, 2000 to reflect additional proposed revenues of $8.5 million per year. On December 21, 2001 the PUC issued an order denying GT&T any further rate increase and confirming as permanent the interim rates then in effect. GT&T has appealed this PUC decision to the Guyana Court of Appeal. The PUC also scheduled further hearings to assess the need to adjust GT&T local rates in light of the FCC-mandated reduction in international settlement rates for US-Guyana traffic from $.85 to $.23 per minute which was scheduled to come into effect on January 1, 2002.

On December 31, 2001 GT&T filed an application with the PUC seeking $24.7 million of additional local revenues per year in light of the reduction in international settlement rates for US-Guyana traffic. In connection with its application, GT&T proposed that it receive a temporary rate increase designed to generate $16.1 million per year of additional local revenues. On February 18, 2002, the PUC issued an order awarding GT&T interim rates designed to produce $2.7 million per year of additional local revenues. The PUC indicated that it would continue to hold hearings on the appropriate permanent increase in rates with the objective of establishing permanent rates by June 2002, but as of the date of this report no such rates have been established.

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 $9.5 million of lost revenues from the period from October 1995 to the date of the High Court's order. The Guyana Consumers Advisory Bureau 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. GT&T has appealed this decision to the Guyana Court of Appeal and that appeal is currently pending. 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 even if the High Court is upheld by the Court of Appeals 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 lines by the end of 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 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 appealed the PUC's order to the Guyana Court of Appeal; and that appeal is still pending. No stay currently exists against this order.

Litigation

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 that, 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 Guyanese 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. The PUC last held hearings on this matter in 1998. 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. 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 its 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 were substantially completed more than three years ago.

GT&T is contesting income tax assessments in the current equivalent of approximately $8.3 million which it has received from the commissioner of Inland Revenue for the years 1991 - 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. The deductibility of these advisory fees was upheld for one of these years by a decision of the High Court in August 1995. The Guyana Commission of Inland Revenue has appealed the High Court's decision to the Guyana Court of Appeals, and the assessments for the other years are being held in abeyance pending the Court of Appeals decision on that appeal. Subsequent to December 31, 2001, GT&T received assessments for the years 1997 - - 2000 in the aggregate amount of approximately $7.4 million raising the same issues. GT&T expects that proceedings on these assessments will also be held in abeyance pending the Court of Appeals' decision.

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 an audit which the Guyana High Court stayed before it was completed. Apparently, because the audit was cut short as a result of the High Court's 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 Trade Minister and the failure to give GT&T notice of, and opportunity to respond to, the proposed assessments violated Guyanese law. The Guyana High Court has issued an order effectively prohibiting any action on the assessments pending the determination by the High Court of the merits of GT&T's application. Negotiations have begun with the Revenue Authorities on the possible settlement of the issues involved.

Should GT&T be held liable for any of the above tax liabilities the Company believes that the government of Guyana, would be obligated to reimburse GT&T for any amounts that would reduce GT&T's return on investment to less than 15% per annum.

In early 2000, Inet Communications, Inc., an internet service provider in Guyana, and the Guyana Consumers Association filed a suit in the high court against the Attorney General of Guyana and GT&T. The suit claims that GT&T is not entitled to rate increases based on the agreement between the Government of Guyana and ATN and that the Civil Law of Guyana prohibits what is referred to as GT&T's monopoly. As of the date of this report this suit is still pending.

Management Discussion and Analysis of Financial Conditions and Results of Operations

Introduction

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 wholly owns Choice Communications, LLC ("Choice Communications") formerly Wireless World, LLC, which holds Multichannel Multipoint Distribution Service ("MMDS") and Local Multipoint Distribution Service ("LMDS") licenses for the U.S. Virgin Islands and is engaged in the U.S. Virgin Islands in the internet service provider, specialized mobile radio and paging businesses and the wireless cable television business. The Company owns an 80% interest in ATN (Haiti) S.A. ("ATN (Haiti)") and an 80% interest in Transnet, S.A. ("Transnet"), Haitian corporations which have been principally engaged in dispatch radio, mobile telecommunications, paging, and internet access and data services in Haiti and which the company is in the process of liquidating or selling. Atlantic Tele-Center, Inc., a wholly owned subsidiary of ATN, is currently developing a Web-enabled outsourcing call center in Guyana to provide customer support to companies serving the U.S. and other markets. The Company owns a 44% interest in Bermuda Digital Communications, Ltd. ("BDC"), which provides cellular telephone services in Bermuda under the name "Cellular One." ATN provides management, technical, financial, regulatory, and marketing services for its subsidiaries and affiliates for a management fee equal to 6% of their revenues.

The principal components of operating expenses for the Company are international long-distance expenses, telephone operating expenses, and general and administrative expenses. International long-distance expenses consist principally of charges from international carriers for outbound international calls from Guyana. Telephone operating expenses consist of plant specific operations, plant non-specific (which includes depreciation and amortization), customer operations, corporate operations expenses of GT&T, and taxes other than income taxes. General and administrative expenses consist principally of expenses of the parent company.

Last year the government of Guyana announced its intention to introduce competition into Guyana's telecommunications sector. The changes under consideration include terminating the monopoly provisions of GT&T's license with appropriate compensation to GT&T, rebalancing rates so that the rates for each service represent the real economic cost of such services, and shifting from rate of return regulation to incentive rate-cap regulation. GT&T entered into negotiations with the Guyana government on these and related issues in April of this year. The Company is unable at this time to assess the impact of the government's proposals on the future financial position or results of operations of the Company. See note 8 to the Consolidated Condensed Financial Statements included in this Report.

On June 25, 2002, the Company initiated an action in the U.S. District Court for the District of Columbia seeking an order directing the U.S. Executive Director of the Inter-American Development Bank ("IADB") to vote against a proposed $18 million loan to the Government of Guyana. This proposed loan would be used in significant part to create a telecommunications system in Guyana to compete with GT&T's existing system, thus violating the exclusivity provisions of the license granted to GT&T by the Government of Guyana in 1991 for 20 years, with an option to renew for an additional 20 years. The basis for this action is a provision of U.S. law which requires the U.S. Executive Director to vote against a loan to any country that has, among other things, nullified contractual rights of a U.S. investor. The Company alleged in its District Court filing that the government of Guyana had breached its 1990 Investment Agreement with ATN consistently since 1997 by failing to provide ATN with a 15% return on its investment and was acting contrary to that Agreement by announcing its intention to introduce competition and furthering that intention with the proposed loan from the IADB. The Government of Guyana sought leave to file an Amicus brief in the District Court action, but the court refused the request and suggested that the Company amend its complaint to include the Government of Guyana. Accordingly, ATN filed an amended complaint on July 25, 2002 adding a claim for damages against Guyana for the prior breaches of the 1990 Investment Agreement.

From the period from inception of GT&T's operations through June 30, 2002, the majority of GT&T's cash receipts and expenditures have been in U.S. dollars or other hard currencies. Accordingly, the U.S. dollar has been GT&T's functional currency. With the decline in international settlement rates, the expansion of GT&T's cellular business and the increases that GT&T has received and hopes to receive in its rates for local service, the Guyana dollar may become GT&T's functional currency in the future. If this were to occur, a decline in value of the Guyana dollar in relation to the U.S. dollar might give rise to an adverse impact on the Company's reported consolidated results of operations.

RESULTS OF OPERATIONS

Three and Six months ended June 30, 2001 and 2002

The Company had earnings of $2.2 million, or $0.43 basic and diluted per share, for the quarter ended June 30, 2002. This compares to earnings of $3.1 million, or $0.62 basic and diluted per share, for the quarter ended June 30, 2001. For the six months ended June 30, 2002 the Company had net income of $4.2 million as compared to $5.9 million in the first six months of last year. Per share earnings were $.84 basic and $.83 diluted for the six months ended June 30, 2002 and $1.18 basic and $1.17 diluted for the first six months of 2001.

Telephone operating revenues for the quarter ending June 30, 2002 were $16.5 million as compared to $21.4 million for the same period of 2001, a decrease of $4.9 million, or 23%. Telephone operating revenues were $31.9 million for the six months ended June 30, 2002 as compared to $39.8 million for the six months ended June 30, 2001, a decrease of $7.9 million, or 20%. These decreases in telephone operating revenues are due to decreases in international long distance revenues of $7.1 million, or 43% and $12.7 million, or 42% for the three and six months ended June 30, 2002, respectively. This decrease was attributable in part to a decrease in inbound international traffic which decreased by $6.6 million, or 53%, and $12.1 million, or 53%, for the three and six months ended June 30, 2002 as a result of the FCC mandated reduction in settlement rates for US-Guyana traffic from $.85 to $.23 per minute. Offsetting these decreases were increases of $2.1 million, or 48%, and $4.7 million, or 60%, in local exchange revenues due to additional lines in service and increased cellular telephone operations as fixed access lines increased from 75,136 to 82,043 from June 30, 2001 to June 30, 2002 and cellular access lines increased from 18,412 to 57,048 for the same period.

Telephone operating expenses were $10.4 million and $20.6 million for the three and six months ended June 30, 2002 as compared to $12.7 million and $24.1 million for the corresponding periods of 2001 resulting in decreases of $2.3 million, or 18% and $3.5 million, or 15%. These decreases were due primarily to reductions in outbound international traffic expenses for traffic from Guyana to the U.S. as a result of the reduced settlement rate for this traffic. Additionally telephone operating expenses were lower due to additional legal expenses in the first six months of 2001 relating to efforts by the Company to become a Competitive Local Exchange Carrier in the U.S. Virgin Islands. Telephone operating expenses were approximately 63% and 65% of telephone operating revenues for the three and six months ended June 30, 2002, respectively, as compared to 59% and 61% for the same periods of the prior year. This percentage increase is principally the result of decreased inbound international traffic revenues (which have no direct operating expenses) discussed above.

Income from telephone operations was $6.1 and $11.3 million for the three and six months ended June 30, 2002 as compared to $8.7 million and $15.7 million for the corresponding periods of 2001. This represents decreases of $2.6 million, or 30%, and $4.4 million, or 28%, for the three and six months ended June 30, 2002 over the corresponding periods of the prior year. These changes are principally a result of the factors affecting revenues and operating expenses discussed above.

Other operations revenues and expenses represent the operations of Choice Communications and Atlantic Tele-Center, Inc., for the three and six months ended June 30, 2002. Other operations revenues and expenses also include the operations of ATN (Haiti) for the three and six months ended June 30, 2001. Revenues of these operations were $860,000 and $1.9 million for the three and six months ended June 30, 2002 as compared to $1.1 million and $2.3 million for the same periods in 2001. These decreases were the result of the decreased activity of ATN (Haiti) at December 31, 2001 and to a slight decrease in revenues at Choice Communications.

Expenses of other operations were $2.1 million and $4.0 million for the three and six months ended June 30, 2002 as compared to $1.8 million and $3.7 million for the same periods of 2001. These increases were due principally to increased expenses at Choice Communications of $230,000 and $768,000 for the three and six months ended June 30, 2002.

Equity in earnings of Bermuda Digital Cellular was $498,000 and $848,000 for the three and six months ended June 30, 2002 as compared to $408,000 and $587,000 for the corresponding periods of 2001, representing increases of $90,000, or 22% and $261,000, or 44%. This increase is due primarily to the increase in cellular subscribers which climbed from 7,923 at June 30, 2001 to 15,008 at June 30, 2002, an increase of 89%.

The U.S. Guyana settlement rate reduction appears to be costing GT&T about $1.7 million per month in reduced operating profits at current traffic volumes. The February 2002 interim rate increase granted by the PUC was designed to increase GT&T's operating profits by about $2.7 million a year. The Company expects that during the year 2002 as the reduced settlement rate is reflected in lower consumer prices in the U.S., increased volumes of international traffic between the U.S. and Guyana along with the increased rates for local services should enable GT&T to recover about half of these lost operating profits.

The Company's effective tax rate for the three and six months ended June 30, 2002 was 54% and 53%, respectively, as compared to 52% for the three and six months ended June 30, 2001.

The minority interest in earnings consists primarily of the Guyana government's 20% interest in GT&T.

A substantial part of GT&T's international telecommunications traffic during the periods covered by this report consisted of traffic with MCI International, Inc., a subsidiary of WorldCom, Inc. which filed for reorganization under Chapter XI of the US Bankruptcy Code in July 2002. The Company does not think that the bankruptcy of WorldCom and MCI will have any material adverse impact on the Company. WorldCom has announced its intentions to continue its core domestic and international long-distance telephone business. Should it be ultimately unable to do so, the Company believes that the traffic currently carried by MCI will find its way to GT&T through other carriers. At June 30, 2002, the Company's receivable from MCI was less than $1.0 million, net of reserves, and WorldCom and MCI have sought permission of the bankruptcy court to pay in full certain foreign carriers, including GT&T, with which MCI and WorldCom engaged in their international telephone carrier business.

Regulatory and Tax Issues

The Company is involved in a number of regulatory and tax proceedings. See note 11 to the Company's Consolidated Financial Statements included in the Company's 2001 Annual Report on Form 10-K, as filed with the SEC and note 8 to the Consolidated Condensed 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 it has adequate cash and credit facilities to meet current operating and capital needs. The Company's current primary source of funds at the parent company level is advisory fees and dividends from GT&T. The tax and regulatory issues discussed in Note 11 to the Company's Consolidated Financial Statements included in the Company's 2001 Annual Report on Form 10-K and note 8 to the Consolidated Condensed Financial Statements included in this Report 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.

The continued expansion of GT&T's network is dependent upon the ability of GT&T to purchase equipment with U.S. dollars. As a result of the rate increases recently awarded to and currently sought by GT&T, the order of the U.S. FCC which reduced the settlement rate for U.S. - Guyana traffic and the general trend toward lower international settlement 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 currently 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 June 30, 2002, approximately $4.1 million of the Company's total cash balances consisted of balances denominated in Guyana dollars.

On May 21, 2002, Bermuda Digital Communications paid $4.5 million to the Company prepaying in full Bermuda Digital Communications long term debt to the Company.

From time to time the Company explores 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.

Inflation

The effect of devaluation and inflation on the Company's financial results has not been significant in the periods presented.

Atlantic Tele-Network, Inc. and Subsidiaries

Other Information

Item 1. Legal Proceedings

Not applicable.

Item 2. Changes in Securities

Not applicable

Item 3. Defaults Upon Senior Securities

Not applicable.

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

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits and Reports on Form 8-K

(a.) Exhibit 99 Certification of CEO and CFO regarding this report.
(b.) On July 29, 2002 the Company filed a Report on Form 8K with respect to change of accountants.

Atlantic Tele-Network, Inc. and Subsidiaries

Signatures

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

Atlantic Tele-Network, Inc.

Date: August 14, 2002	/s/ Cornelius B. Prior, Jr.
	Cornelius B. Prior, Jr. Chief Executive Officer and Chairman of the Board
Date: August 14, 2002	/s/ Steven M. Ross
	Steven M. Ross Chief Accounting Officer, Treasurer and Acting Chief Financial Officer

Exhibit 99

CEO and CFO Certification

In accordance with Section 906 of the Sarbanes-Oxley Act, the undersigned officers of Atlantic Tele-Network, Inc. (the "Company") hereby certify that the 10-Q Report of the Company being filed today with the SEC fully complies with the requirements with Section 13(a) of the Securities Exchange Act and that the information contained in said report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Atlantic Tele-Network, Inc.

Date: August 14, 2002

/s/ Cornelius B. Prior, Jr.

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

Date: August 14, 2002

/s/ Steven M. Ross

Steven M. Ross
Chief Accounting Officer, Treasurer and Acting Chief Financial Officer