Fellow Stockholders:

We made a number of strategic decisions in 2018 that are likely to have a significant impact on the course of your company over the next five years. These decisions include the sale of the US solar portfolio of Ahana Renewables, the investment in a full re-build of our Virgin Islands subsidiary's wireline network, the investments in fiber optic networks elsewhere in the International Telecom segment, and the launch of ATN Ventures and funding of its first investments, including some ambitious new business platforms.

I will cover each of those actions in more detail below, but, before I do, let us briefly review the Company's financial results and stock price performance for the past year. Consolidated revenues of $451 million were down 6% from 2017, largely because of a decline in wholesale wireless revenues in US Telecom and a reduction in subscriber revenues following the September 2017 hurricanes in the US Virgin Islands. The same factors, together with the sale of the US solar facilities, the completion year of a federal expense reimbursement program for building rural wireless facilities, the impact of multiple major network builds, and the cost of funding operating losses for several earlier stage businesses, led to a 10% increase in operating income and a decline in Adjusted EBITDA* of 16%. Some of these factors were known and anticipated or the result of affirmative actions on our part, and some were not. However, on the whole I feel better about ATN's portfolio of operating businesses and investments today than I did one year ago, and I believe that we have good opportunities to increase the value of your company in 2019.

There were some unusual items affecting results in each of 2017 and 2018, including income recorded from hurricane insurance proceeds in 2017 and the gain on the solar sale in 2018. The net result was an increase in operating income in 2018. On the other hand, earnings per diluted share of $1.24 were well below 2017's mark of $1.94 per diluted share. Operating cash flows fell to $116 million from $146 million in 2017; while total capital expenditures rose from $114 million to $186 million, including roughly $80 million of post-hurricane network re-build (against $8 million in 2017). Despite these results, your board of directors did not change the quarterly dividend in 2018, electing to keep it at 17 cents per share, consistent with its 2017 longer term decision to change its dividend policy.

The price of a share of the Company's common stock increased 29% from 2017 year end. However, after we reported 4th quarter results in February 2019 the stock price declined by 26% in just one week, erasing nearly all the gains of 2018. Even within 2018, the stock price had some major ups and downs, with a low closing price of $50.08 in June and a high closing price of $88.15 in November. While we have had fairly wide trading ranges for a number of years, this level of volatility is unusual for us, and surprising to me and the rest of the management team. We rarely know what is causing a particular price movement, but we think it possible that the high percentage of the float (shares owned by non-insiders) held by index funds and other passive or programmatic traders, has accentuated the severity of the ups and downs and perhaps the frequency of larger moves as well. As long time stockholders know, we tend not to attach much importance to short-term movements in the Company's stock price, but this higher level of volatility does catch our eye in the context of what it might mean for the Company's longer-term cost of capital and finance strategy.

In the meantime, we will continue to focus on the Company's businesses and assets and the operational and strategic actions we can take to try to increase the value of your company.

International Telecom

We made good progress in the International Telecom segment in 2018—both overall and within every major market. Segment revenue for the year totaled $314 million against $305 million for 2017, despite substantially lower subscriber revenue from the US Virgin Islands in 2018 as a result of the September 2017 hurricanes. Operating income for 2018 was $45 million, 59% higher than 2017. At $94 million for the year, segment Adjusted EBITDA* rose at a healthy rate — 13% above 2017's mark. Revenue, operating income and Adjusted EBITDA* benefitted from short-term hurricane relief of more than $15 million funded by the FCC, though there was good organic growth and margin expansion in multiple markets.

We continued to expand the reach of our fiber networks and substantially completed the network re-build and upgrade in the Virgin Islands. We also made some progress on cost controls and productivity improvements in many of the individual businesses in this segment, though there is much more to do and this is likely to remain a major area of focus for the leadership and operating teams for the next year or two.

That is not to say that all went according to plan in 2018. We could have moved faster and smarter, and perhaps spent a little less, in the hurricane recovery. The operating conditions were very difficult and the team worked hard, but we learned some lessons for future projects of this sort. In any event, we are where we are, and I think that is actually a good place for our International Telecom companies. We continue to serve critical communications needs that are in high demand, and our investments have put us in a strong position to cater to those demands. We are an integrated provider of connectivity to consumers, government and business in each of our markets, and we are continually improving our offerings and our customers' experience. We were happy to see customer satisfaction scores improve in 2018, though there are still many opportunities to do better.

We have had very large capital expenditures in this segment over the past two years--$81 million in 2017 and $160 million in 2018. Even without the hurricane related costs, we believe this spending level is well above the natural capital intensity (capital spending as a percentage of revenues) of this collection of businesses. The major categories of spending over this period were: 1) the post-hurricanes network re-build; 2) speed, capacity and reliability upgrades to wireline facilities, including upgrades to core equipment and extending fiber deeper into the existing copper and coaxial plant in several markets; 3) pure fiber builds into new service territory; 4) capacity, coverage and quality upgrades to mobile data networks; and 5) investments in additional subsea capacity. These investments have already begun to benefit our operating results.

There are always more projects planned, but overall we expect capital expenditures to be at much lower levels for some time moving forward and, consequently, we anticipate free cash flow from this operating segment to expand substantially in 2019. We also see an opportunity to build on recent growth improvements, in part because we expect strong macro-economic growth in several markets, increasing both commercial and consumer demand for higher speed and reliable data services. Risks remain, but we like the fundamentals and strategic positioning of this part of the portfolio.

US Telecom

Revenue and profit fell again for the US Telecom segment in 2018. Revenue declined by 26% from 2017 and operating income and Adjusted EBITDA* fell by 33% and 45%, respectively. Our largest business in this segment, Commnet Wireless, has been a great contributor to the Company's growth since 2005. While it is still a profitable and quality company, and the aforementioned reductions were in part due to the sale of some assets and the final stages of a successful multi-year federal subsidy award, Commnet's revenues and profits have been decreasing since the high water mark of 2014, with especially steep decline in 2018. Commnet's main source of revenue and cash flows is the wholesale wireless business, and growth has historically been achieved by investing in geographic expansion of the network and expansion of the network capabilities and capacity—particularly mobile data capacity.

However, the pricing caps we implemented for our carrier customers in 2016 mean that regardless of network investment there is a maximum we will earn, and the customer will pay, per base station or geographical unit of coverage. At the same time, there have been relatively few opportunities to expand the coverage area and, indeed, some reduction. These factors, including the closing of the sale of 100 sites to a customer pursuant to an agreement made at the time of the initial network build some five years earlier, were the primary cause for a downward move in the revenues of this business in 2018. We have some work to do, and uncertainty to face, in dealing with the changes to this important legacy business. At the same time, there are some positive trends—and some interesting opportunities—in this operating segment.

The Commnet team won a significant award in 2018 from the federal Connect America Fund II through a reverse auction process. Under this program, we expect to receive $79 million over the next 10 years for providing qualified broadband services to a number of very rural communities in or near our historic operating area in the Western United States. This was a good win. These subsidies help create what we see as an attractive business case for providing consumer broadband solutions in the Commnet markets. Further, we have been working to improve our critical mass and scale economies by using our existing and augmented network and operating capabilities to provide a broader range of connectivity and data solutions to local businesses and governmental customers. Revenues are starting from a small base but the progress made in 2018 gives us reason to be optimistic about the growth potential – and our ability to serve rural America with a broader set of connectivity options.

The US Telecom operating segment also contains some earlier stage businesses that we acquired and began funding in mid-2018. One, Geoverse, is focused on developing and operating in-building, carrier-grade, wireless solutions. We have taken the talent and business and technical capabilities of the founding team and used our existing operational, technical and financial resources to give them the ability to accelerate the roll out of their business model. They have created some very creative and elegant technical solutions and I think they are in a good position to be a leader in this nascent sector of the communications market. We think most large property owners—whether in the commercial, office, industrial, or retail space—understand the need to have a high quality, robust and secure wireless solution in their buildings. Such a platform will present opportunities for them to drive additional economic value out of the portfolio and will eventually be every bit as required as power and HVAC. As a long time provider of shared communications infrastructure, we think we are well positioned to be a trusted partner for these owners as they upgrade their facilities. We expect that this will be a large industry segment and that it will grow quickly over the next few years. The "5G" related technical developments—such as network slicing (essentially, the ability to prioritize different uses of the radio signal) and the ability to have many more low latency, high capacity connections per network node—coupled with the FCC's creative approach to licensing the CBRS spectrum band, are accelerating the activity in this space, and we think the demand will rise quickly behind that. We are aiming to be at the front of the pack.

Another new business model we started pursuing in 2018 is shared-infrastructure builds of select inter-city fiber networks in the United States. We have backed a team, Deploycom, with a good track record in the industry and a plan to satisfy this need. We see more demand on some routes than the traditional providers have the resources to satisfy, and, moreover, as has been true in the past, we think the overall costs drive naturally towards shared and neutral-maintained architectures. Time will tell whether we are right on either of these new investments, but we think they are worthwhile bets with a small portion of our resources.

Renewable Energy

Our renewable energy business looked much different at year end 2018. As noted, we sold our entire US solar power portfolio, and we also underwent a significant re-structuring and re-pointing in India.

The sale of all of our US solar power plants can be best characterized as an example of our practice of not fighting markets. We had difficulty finding attractive new investment opportunities in the US solar sector. In some cases the projected returns were too low for us when compared with our cost of capital. In others the projected returns were too low in light of our view of the risks involved. Both outcomes are due in part to the amount of capital and number of investors looking to invest in the sector. Given those dynamics, we decided to auction our portfolio. Our team and its advisors did an excellent job and we were pleased to see a great deal of interest, and, ultimately, a good price. We did not have any immediate need for the liquidity but that was not our primary consideration for the sale. The sale presented us with an opportunity to realize an excellent return on our original investment in December 2014, and given our view of the current market, we thought it made sense to dispose of these assets.

As a result of this transaction, our Ahana Renewables subsidiary and this operating segment are much smaller as we enter 2019. So, where do we plan to go from here? We remain attracted to the sector. We like investments in critical infrastructure and there are many places where renewable energy production is or will be an important part of meeting power demands. Further, we have developed some expertise and key relationships in the industry. That said, we are not currently focused on expanding our renewable energy business beyond India and we will wait for investment opportunities that fit our desired profile of growth and risk.

As to our India business, 2018 was a partial success for our Vibrant Energy unit. The team was able to solidify and strengthen this solar business from an operational and financial perspective—making changes to the operating model and bringing additional plants on line. At the end of the year, we have five plants with a total of nearly 50 megawatts (DC) of production capacity. We also have a much larger pipeline of additional plants to build for which we see strong customer demand. From a strategic and financial standpoint, this business needs to expand, and we are actively engaging with lenders, potential partners and co-investors to help us accomplish that goal.

ATN Ventures

As discussed in last year's letter, we launched ATN Ventures in early 2018 for two main reasons: first, to improve our view of breaking technologies and the potential impact on our existing investments and businesses; and second, to help improve our pipeline of larger investment opportunities. It is early days, but I think the activities of this team over the past year are validating our decision. We have been looking at the small cell and in-building connectivity sectors for some time and hadn't found an entry point that worked for us. The ATN Ventures team sourced and executed on the Geoverse investment and was involved in several other investments in the year as well, including Tarana Wireless, which is developing a fixed wireless access technology that we think has great promise in our markets and beyond.

We learn best by doing, and we have learned this year that we may have been under-valuing the operational expertise and capabilities that we bring to certain business models. We have made, and will continue to make, traditional corporate venture capital minority investments where the target company is looking to us for value-add beyond capital but we are not directly involved in operations in any way and have a non-controlling position. However, we also have found that for the right entrepreneur and business strategy – we can serve as an accelerator for the strategy. We do this by making a larger, controlling investment and using our extensive operational resources to speed the development of the business and allow the core team to focus their initial efforts on perfecting their product or solution and acquiring customers. With ATN's diverse collection of operating businesses in small markets, we are already accustomed to providing varying degrees of operating support along with a very active advisory role. We can provide immediate support and resources in a number of areas, including network engineering, legal, regulatory, accounting, tax, finance, and customer care. We can also test many telecommunications or energy solutions with existing customers and through existing operating platforms. I am optimistic about the potential of this approach to develop new, larger growth opportunities and deliver returns for stockholders.

In summary, I believe 2018 will turn out to have been an important year in your company's history. Thanks to our balance sheet capacity we were able to make the investments necessary to recover from the historic, catastrophic storms in the US Virgin Islands and preserve what we believe is a valuable piece of ATN's portfolio. We also used that capacity elsewhere in International Telecom to set us up well for growth and expanding cash flow. In US Telecom, we were active in the face of declines in the core business. We face continued uncertainty in that business, but I believe we have laid the groundwork for eventual stabilization and growth and that we have been prudent with our capital investments in light of the risks. We also made the return-driven decision to exit from the US solar business, and our focus on that segment is now mainly on our smaller, Indian solar company, Vibrant Energy.

On a final note, you will note in this year's proxy statement that Michael Flynn, a director of ATN since 2010, is not on the slate of nominees. Mike has done a lot for your company in his nearly decade long tenure on the board of directors. As chief executive officer and a fellow board member, I valued his insight, and I can think of many times where he took me aside with some friendly, but very frank and wise advice. Mike has great business instincts and a way of quickly cutting to the critical decisions. The entire board benefited from these attributes and we will miss him. I want to thank him personally, and on behalf of all ATN stockholders, directors and officers, for his years of valued service.

Michael T. Prior
Chairman of the Board and
Chief Executive Officer

* This letter includes references to Adjusted EBITDA, which is a non-GAAP financial measure. For a reconciliation between Adjusted EBITDA and operating income, the nearest GAAP measure, please refer to our press release, dated February 20, 2019 entitled "ATN Reports Fourth Quarter and Full Year 2018 Results" located at ir.atni.com/press-releases. As non-GAAP financial measures are not intended to be considered in isolation or as a substitute for GAAP financial measures, you should carefully read the Form 10-K included in our Annual Report, which includes our consolidated financial statements prepared in accordance with GAAP. Additionally, this letter includes statements that, to the extent they are not recitations of historical fact, constitute forward-looking statements within the meaning of the federal securities laws, and are based on our current expectations and assumptions. For a discussion identifying important factors that could cause actual results to vary materially from those anticipated in the forward-looking statements, see our filings with the SEC, including those included under Item 1A "Risk Factors" in the Form 10-K for the fiscal year ended December 31, 2018, filed with the SEC on February 28, 2019 and other reports we file from time to time with the SEC.