
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 September 30, 1996

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
(State or other jurisdiction of
incorporation or organization)

47-072886
(I.R.S. Employer
Identification Number)

Chase Financial Center
P.O. Box 1730
St. Croix, U.S. Virgin Islands 00821
(809) 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 September 30, 1996, the registrant had outstanding 12,272,500 shares of its common stock (\$.01 par value).

ATLANTIC TELE-NETWORK, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED BALANCE SHEETS
(Columnar Amounts in Thousands)

December 31, September 30,
1995 1996
(Unaudited)

	December 31, 1995	September 30, 1996 (Unaudited)
ASSETS		
Current assets:		
Cash	\$ 18,822	\$ 9,002
Accounts receivable, net	63,353	66,573
Materials and supplies	8,656	9,669
Prepayments and other current assets	5,781	6,908
	-----	-----
Total current assets	96,612	92,152

Fixed assets:		
Property, plant and equipment	286,856	320,371
Less accumulated depreciation	(101,729)	(112,408)
Franchise rights and cost in excess of underlying book value, less accumulated amortization of \$9,769,000 and \$10,819,000	41,533	40,483
Net fixed assets	226,660	248,446
Property costs recoverable from future revenues	20,000	22,245
Uncollected authorized rate increases	4,339	3,234
Other assets	16,263	14,659
	-----	-----
	\$363,874	\$380,736
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Notes payable	6,969	17,502
Accounts payable	19,568	20,421
Accrued taxes	6,177	7,754
Advance payments and deposits	2,719	2,686
Other current liabilities	8,815	10,912
Current portion of long-term debt	17,872	13,436
	-----	-----
Total current liabilities	62,120	72,711
Deferred income taxes and tax credits	28,188	27,400
Long-term debt, excluding current portion	120,297	112,839
Pension and other long-term liabilities	9,457	9,011
Minority interest	12,856	14,716
Contingencies and commitments (Note C)		
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; 12,272,500 shares issued and outstanding	123	123
Paid-in capital	81,852	81,852
Retained earnings	48,981	62,084
	-----	-----
Total stockholders' equity	130,956	144,059
	-----	-----
	\$363,874	\$380,736
	=====	=====

See notes to consolidated condensed financial statements.

ATLANTIC TELE-NETWORK, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS

(Columnar Amounts in Thousands, Except Per Share Data)

	(Unaudited) Three Months Ended September 30,		(Unaudited) Nine Months Ended September 30,	
	1995	1996	1995	1996
Telephone Operations:				
Revenues:				
Local exchange service	\$ 6,074	\$ 6,317	\$ 18,490	\$ 18,906
Access charges	3,337	4,542	10,386	11,618
International long-distance rev.	35,651	38,786	89,972	112,259
Universal Service Fund	3,018	2,802	9,192	8,406
Billing and other revenues	1,073	1,418	3,291	3,722
Directory advertising	678	645	2,102	1,938
Total revenues	49,831	54,510	133,433	156,849
Expenses:				
Plant specific operations	3,145	4,614	9,501	12,483
Plant nonspecific operations	5,350	6,013	15,809	16,148
Customer operations	1,364	1,612	4,247	4,836
Corporate operations	3,110	2,823	9,649	8,950
International long-distance exp.	22,736	25,503	52,547	71,797
Taxes other than income	776	778	2,343	2,406
Total expenses	36,481	41,343	94,096	116,620
Income from telephone operations	13,350	13,167	39,337	40,229
Other Operations:				
Revenues:				
Cellular services	1,127	1,238	3,450	4,457
Product sales and rentals	1,159	1,287	3,515	3,931
Total revenues	2,286	2,525	6,965	8,388
Expenses of other operation	1,891	1,907	5,526	6,084
Income from other operations	395	618	1,439	2,304
Non-operating Revenues and Expenses:				
Interest expense	(3,112)	(2,807)	(9,471)	(8,537)
Interest income	262	25	716	252
Other revenues and expenses	(2,691)	(1,895)	(8,591)	(8,801)
Non-operating revenues and exp., net	(5,541)	(4,677)	(17,346)	(17,086)
Income before income taxes and minority interest	8,204	9,108	23,430	25,447
Income taxes	3,467	3,608	9,837	10,484
Income before minority interest	4,737	5,500	13,593	14,963
Minority interest	(594)	(588)	(1,688)	(1,860)
Net income	\$ 4,143	\$ 4,912	\$ 11,905	\$ 13,103
Net income per share	\$ 0.34	\$ 0.40	\$ 0.97	\$ 1.07
Weighted average shares outstanding	12,273	12,273	12,273	12,273

See notes to consolidated condensed financial statements.

ATLANTIC TELE-NETWORK, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Columnar Amounts in Thousands)

	(Unaudited) Nine Months Ended September 30,	
	----- 1995	1996 -----
Net cash flows provided by operating activities	\$ 17,133	\$ 25,056
Cash flows from investing activities:		
Capital expenditures	(9,771)	(33,515)
Net cash used in investing activities	----- (9,771)	----- (33,515)
Cash flows from financing activities:		
Repayment of long-term debt	(9,215)	(13,229)
Issuance of long-term debt	4,750	1,335
Net borrowings (repayments) on notes payable	2,343	10,533
Net cash flows provided (used) by financing activities	----- (2,122)	----- (1,361)
Net increase (decrease) in cash	5,240	(9,820)
Cash, Beginning of Period	17,515	18,822
Cash, End of Period	----- \$22,755 =====	----- \$9,002 =====
Supplemental cash flow information:		
Interest paid	\$9,530	\$8,542
Income taxes paid	----- \$5,013 =====	----- \$9,621 =====
Depreciation and Amortization Expense	\$ 14,580	\$ 14,518
	----- =====	----- =====

See notes to consolidated condensed financial statements.

Atlantic Tele-Network, Inc. and Subsidiaries

Notes to Consolidated Condensed
Financial Statements
Three and Nine Months Ended September 30, 1995 and 1996

(Columnar Amounts in Thousands)

A. GENERAL

SIGNIFICANT ACCOUNTING POLICIES

The consolidated balance sheet of Atlantic Tele-Network, Inc. and subsidiaries (the "Company") at December 31, 1995 has been taken from audited financial statements at that date. All other consolidated condensed financial statements contained herein have been prepared by the Company and are unaudited. The consolidated condensed financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 1995.

The unaudited interim consolidated condensed financial statements furnished herein reflect all adjustments, which are, in the opinion of management, necessary to fairly present the financial results for the interim periods presented. The results for the three and nine months ended September 30, 1995 and 1996 are not necessarily indicative of the operating results for the full year not yet completed.

B. PROPERTY COSTS RECOVERABLE FROM FUTURE REVENUES

On September 15, 1995, Hurricane Marilyn struck the Virgin Islands causing extensive damage to the outside telephone plant of Vitelco. None of the damage was covered by insurance. Vitelco's estimate of the historical cost of the facilities damaged or destroyed by Hurricane Marilyn is approximately \$27 million with associated accumulated depreciation of approximately \$9 million. These costs have been removed from the property accounts and along with certain excess maintenance costs and costs of removal which are estimated at \$5.7 million as of September 30, 1996 have been classified as property costs recoverable from future revenues because the Company anticipates that future revenue in an amount at least equal to the capitalized cost will result from inclusion of these costs in allowable costs for rate making purposes. Due to uncertainties in this estimation process, it is reasonably possible that estimated costs of damaged or destroyed property as well as excess maintenance costs and costs of removal will be revised in the near term. The Company has received approval from the Federal Communications Commission to include the interstate portion of these costs in its rate base and amortize them over a five year period. However, the treatment by the Public Services Commission for the intrastate telecommunications plant has not yet been determined. In order to minimize the intrastate rate increases which might be required to enable Vitelco to recover these costs, on May 6, 1996, Vitelco applied to the Industrial Development Commission of the Virgin Islands for a 5-year exemption from 90% of Virgin Islands income taxes and 100% of Virgin Islands gross receipts and certain other taxes. This application is still pending, and its ultimate outcome cannot be determined by management at this time.

Atlantic Tele-Network, Inc. and Subsidiaries

Notes to Consolidated Condensed
Financial Statements
Three and Nine Months Ended September 30, 1995 and 1996

(Columnar Amounts in Thousands)

C. CONTINGENCIES AND COMMITMENTS

The Company presently has no insurance coverage for its outside plant for damages caused by wind storms. The Company is exploring alternatives to enable it to insure this risk in whole or in part, but believes that such insurance for outside plant is currently not available at reasonable rates.

On October 11, 1995, the Guyana Public Utilities Commission ("PUC") issued an order that rejected the request of GT&T for substantial increases in all telephone rates and temporarily reduced rates for outbound long-distance calls to 87 countries. The order reduces these rates by 10%, and during off-peak hours, by an additional 50% of the reduced rate. In most cases, the existing rates are already less than GT&T's payment obligations to foreign carriers. The rate reduction was implemented by GT&T effective October 22, 1995. The order also calls for GT&T to deposit 15% of gross revenues into an escrow account that would be earmarked for capital expenditures for a new telecommunications expansion plan in Guyana to be developed by the PUC. The Company is unable to determine whether the escrow payments will be a pretax charge to GT&T's income or an increase in GT&T's rate base. GT&T has filed an appeal from the PUC order to the High Court in Guyana. On December 1, 1995, the High Court issued an order which effectively provides a stay on the requirement of depositing 15% of gross revenues into the escrow account. This matter is still pending before the courts and its ultimate outcome cannot be determined by management at this time.

Upon the acquisition of GT&T in January 1991, GT&T entered into an agreement with the government of Guyana to expand significantly 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). At GT&T's request and with the consent of the government of Guyana, the Plan was modified in certain respects and the date for completion of the Plan was extended first to August 28, 1994 and then to February 28, 1995. The government of Guyana has to date not accepted a request made by the Company and GT&T in December 1994 to modify certain other aspects of the Plan. The government has referred to the PUC the failure of GT&T to complete the Plan by February 28, 1995. However, hearings on this subject before the PUC are currently stayed pending GT&T's appeal from the PUC's October 11, 1995 order discussed above. Failure to timely fulfill the terms of the Plan could result in monetary penalties, cancellation of the License, or other action by the PUC or the government which could have a material adverse affect on the Company's business and prospects.

Atlantic Tele-Network, Inc. and Subsidiaries

Notes to Consolidated Condensed
Financial Statements
Three and Nine Months Ended September 30, 1995 and 1996

(Columnar Amounts in Thousands)

D. LITIGATION SETTLEMENT

On February 7, 1996, the two principal shareholders and Co-Chief Executive Officers of the Company entered into a Global Settlement Agreement and Release pursuant to which they agreed to settle all then pending litigation between them concerning the management of ATN and related matters. As part of the settlement, the Company agreed to indemnify the officers over a period of time for a portion (approximately \$2,800,000 in the aggregate) of the fees and expenses incurred by them in connection with the management dispute and related litigation. The company has accrued \$2.8 million for this indemnification obligation in the first quarter of 1996. In addition, and as contemplated by the settlement, the Board of Directors of the Company has determined to explore possible means of enhancing stockholder value for ATN, including a possible business combination involving ATN.

Atlantic Tele-Network, Inc. and Subsidiaries

Management Discussion And Analysis Of Financial
Conditions and Results of Operations

Introduction

The Company's revenues and income from continuing operations are derived principally from the operations of its telephone subsidiaries, Vitelco and GT&T. Vitelco derives most of its revenues from local telephone and long-distance access services. GT&T derives almost all of its revenues from international telephone services. Other operations in the Company's Consolidated Statements of Operations include: VitelCellular, which provides cellular telephone service in the U.S. Virgin Islands; and Vitelcom, which supplies customer premises equipment in the U.S. Virgin Islands.

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

RESULTS OF OPERATIONS

Three and Nine Months ended September 30, 1995 and 1996

Revenues from telephone operations for the three months ended September 30, 1996 were \$54.5 million as compared to \$49.8 million for the corresponding period of the prior year, an increase of \$4.7 million (9%). Revenues from telephone operations for the nine months ended September 30, 1996 were \$156.8 million as compared to \$133.4 million for the corresponding period of the prior year, an increase of \$23.4 million (17%). The increases were principally due to a \$2.6 and \$23 million increase in audiotext traffic revenues at GT&T for the three and nine months ended September 30, 1996 respectively. GT&T's audiotext traffic increased sharply in the first 8 months of 1995 hitting a peak of 11.7 million minutes for the month of August. Since then audiotext traffic has held relatively steady at about 10 million minutes per month. Audiotext is a highly competitive business, and GT&T may experience significant increases or decreases in the volume and profit margins of its audiotext traffic during the remainder of 1996.

Atlantic Tele-Network, Inc. and Subsidiaries

Management Discussion And Analysis Of Financial
Conditions and Results of Operations

Vitelco's telephone operations revenues increased \$1.4 million and \$240,000 for the three and nine months ended September 30, 1996, respectively. These increases in revenues over prior periods were due principally as a result of Hurricane Marilyn which put approximately 37,800 of Vitelco's approximately 60,000 access lines out of service on September 15, 1995. Service was substantially restored by May 1996. At September 30, 1996 Vitelco had 58,431 lines in service.

Consolidated telephone operating expenses increased \$4.9 million (13%) and \$22.5 (24%) for the three and nine months ended September 30, 1996. This increase was due principally to increases in audiotext and outbound traffic expenses at GT&T of \$2.8 million, and \$19.2 million for the three and nine months ended September 30, 1996 respectively due to increased traffic volume. As a result of a rate decrease ordered by the Guyana PUC on October 11, 1995, GT&T's outbound international traffic has increased by approximately 45% during the first nine months of 1996 resulting in an approximately \$500,000 per month increase in outbound traffic expenses. An additional factor contributing to the increase in consolidated telephone operating expenses was plant specific expense which increased as a result of increased plant in service, although certain expenses at Vitelco were reduced in the first quarter of 1996 as Vitelco's work force was shifted from maintenance activities to repairing the damage caused by Hurricane Marilyn.

Income from telephone operations decreased \$183,000 for the three months ended September 30, 1996 but was up \$892,000 (2%) for the nine months ended September 30, 1996. These changes occurred principally as a result of factors affecting revenues from telephone operations and consolidated telephone operating expenses discussed above. GT&T's contribution to income from telephone operations decreased by \$114,000 (1%) for the three months ended September 30, 1996 but was up \$1.9 million (7%) for the nine months ended September 30, 1996 while Vitelco's contribution to income from telephone operations decreased by \$69,000 and \$998,000 for the same periods.

Income before minority interest increased \$763,000 and \$1.4 million for the three and nine months ended September 30, 1996 respectively. The significant factors that contributed to these increases were:

- (i) the \$183,000 decrease and \$892,000 million increase in income from telephone operations discussed above;
- (ii) \$223,000 and \$865,000 increases in income from other operations from increased cellular operations;
- (iii) \$68,000 and \$470,000 decreases in net interest expense due to reduced average debt;
- (iv) a \$796,000 decrease for the three months and a \$210,000 increase for the nine months in other non operating revenues and expenses. This was principally due to decrease of certain corporate expenses in the second and third quarters of 1996 and a non-recurring charge of \$2.8 million in the first three months of 1996 for the companies obligation to reimburse its two Co-Chief Executive Officers for certain litigation expenses in connection with a management dispute settled in February 1996.

The Company's effective tax rate for the three and nine months ended September 30, 1996 was 39.6% and 41.2% as compared to 42.3% and 42% for the corresponding periods of the prior year.

Atlantic Tele-Network, Inc. and Subsidiaries

Management Discussion And Analysis Of Financial Conditions and Results of Operations

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

Regulatory Considerations

On October 11, 1995 the Guyana PUC issued an order which temporarily reduced GT&T's rates for outbound international calls and required GT&T to deposit 15% of its gross revenues into an escrow account that would be earmarked for capital expenditures for a new telecommunications expansion plan in Guyana. The temporary rate changes ordered by the PUC have been put into effect, although GT&T has obtained a court order staying the escrow payment obligations. These rate changes have resulted in an increase of approximately 45% in GT&T's unprofitable outbound traffic which in turn has resulted in an increase in GT&T's outbound traffic expenses of approximately \$500,000 per month while at the same time revenue declined approximately \$200,000 per month during the first nine months of 1996. If the PUC's escrow payment order had been in effect for the first nine months of 1996 it would have required payments of approximately \$17.2 million. The Company is unable to determine whether the escrow payments would be a pretax charge to GT&T's income or an increase in GT&T's rate base.

Upon the acquisition of GT&T in January 1991, GT&T entered into an agreement with the government of Guyana to expand significantly 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"). At GT&T's request and with the consent of the government of Guyana, the Plan was modified in certain respects and the date for completion of the Plan was extended first to August 28, 1994 and then to February 28, 1995. The government of Guyana has to date not accepted a request made by the Company and GT&T in December 1994 to modify certain other aspects of the Plan. The government has referred to the PUC the failure of GT&T to complete the Expansion Plan by February 28, 1995. However hearings on this subject before the PUC are currently stayed pending GT&T's appeal from the PUC's October 11, 1995 order discussed above. Failure to timely fulfill the terms of the Expansion Plan could result in monetary penalties, cancellation of the License, or other action by the PUC or the government which could have a material adverse affect on the Company's business and prospects.

Liquidity and Capital Resources

The Company depends upon funds received from subsidiaries to meet its capital needs, including servicing existing debt and its ongoing program of seeking to acquire telecommunications licenses and businesses. The major source of funds for the Company has been advisory fees received from GT&T, and interest income from advances to subsidiaries of the Company.

Other potential sources of funds to the Company are from repayment of loans to subsidiaries or dividends from GT&T or ATN - VI. However, the RTFC Loan limits the payment of dividends by ATN - VI unless ATN - VI meets certain financial ratios (which were not met at September 30, 1996). Consequently ATN - VI was restricted from paying dividends at that date. At September 30, 1996, the Company also holds a note of ATN - VI in the amount of approximately \$23 million which may be repaid by ATN - VI in whole or in part without regard to the limit on the payment of dividends by ATN - VI.

Atlantic Tele-Network, Inc. and Subsidiaries

Management Discussion And Analysis Of Financial
Conditions and Results of Operations

ATN - VI's ability to obtain funds to repay its note is dependent upon dividends from Vitelco, and Vitelco is subject to restrictions on payment of dividends under its loan agreement with the Rural Utility Service ("RUS") and its 1989 and 1991 Settlement Agreements with the Public Service Commission (PSC). Under Vitelco's Settlement Agreements with the PSC, which are currently more restrictive than the RUS Loans, dividends by Vitelco are generally limited to 60% of its net income, although additional amounts are permitted to be paid for the sole purpose of servicing ATN - VI's debt to RTFC. At September 30, 1996, Vitelco was restricted from paying any dividends.

The RTFC Loan and RUS Loan agreements also require, among other things, maintenance of minimum debt service and times interest earned coverage and restrictions on issuance of additional long-term debt. As of September 30, 1996, the Company was in compliance with all covenants contained in its long-term debt agreements.

Vitelco estimates that the total cost of repairing damage to its telephone plant caused by Hurricane Marilyn will be approximately \$42 million, of which approximately \$38.5 million was expended through September 30, 1996. Vitelco financed these expenditures from its cash balances (which were \$21.4 million as of September 1, 1995), from cash flows from its operating activities, from \$5 million of borrowings under a preexisting line of credit with RTFC and an additional \$6 million of borrowings under a new \$15 million line of credit from RTFC which Vitelco obtained after the hurricane. Vitelco has also applied to the RUS for \$35.1 million of long term financing. Borrowings under Vitelco's preexisting line of credit are required to be repaid within 12 months of the date of the borrowing, but may be repaid from the proceeds of borrowings under the new \$15 million line of credit. Borrowings under Vitelco's \$15 million line of credit will mature on March 31, 1997, at which date, if long-term loan funds from RUS have not yet been made available to Vitelco, Vitelco will have the option of rolling the outstanding amount borrowed under that line of credit into a 15-year term loan from RTFC having terms substantially similar to those contained in Vitelco's existing long-term loan from RTFC.

GT&T is not subject to any contractual restrictions on payment of dividends. However, the capital needs of GT&T's Expansion Plan, the working capital required for GT&T's rapid growth in audiotext traffic in 1995 and GT&T's own debt service obligations have precluded GT&T from paying any significant funds to the Company other than the advisory fees mentioned above. Because the Company pays fees owing to audiotext traffic providers on a more rapid schedule than it collects on its audiotext traffic, the Company had to invest increasing amounts in the working capital related to its audiotext traffic during the period that this traffic was growing at a rapid rate. The rate of growth in the required working capital for this traffic decreased shortly after August, 1995 when the volume of audio text traffic peaked and then leveled off. As a result of the reduced need by GT&T's audio text business for increasing amounts of working capital, GT&T has been contributing significantly to the Company's liquidity.

Atlantic Tele-Network, Inc. and Subsidiaries

Management Discussion And Analysis Of Financial
Conditions and Results of Operations

If and when the Company settles outstanding issues with the Guyana Government and the PUC with regard to GT&T's Expansion Plan and its rates for service, GT&T may require additional external financing to enable GT&T to further expand its telecommunications facilities. If that portion of the PUC's October 11, 1995 order which requires GT&T to make escrow payments equal to 15% of its revenues comes into effect, GT&T will most likely require external financing to enable it to make such payments, and there can be no assurance that the Company will be able to obtain any such financing.

The Company's short term bank credit facility, under which the Company has \$5.5 million of loans outstanding, expired on October 1, 1996. The bank has verbally agreed to renew this facility until October 1, 1997 and waive the prohibition on borrowing under the facility during the first thirty days of the renewal period.

The continued expansion of GT&T's network is dependent upon the ability of GT&T to purchase equipment with U.S. dollars. A portion of GT&T's taxes in Guyana may be payable in U.S. dollars or other hard currencies. The Company anticipates that GT&T's foreign currency earnings will enable GT&T to service its debt and pay its hard currency tax obligations. There are no Guyana legal restrictions on the conversion of Guyana's currency into U.S. dollars or on the expatriation of foreign currency from Guyana.

Impact of Devaluation and Inflation

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

The effect of inflation on the Company's financial results of telephone operations in the U.S. Virgin Islands has not been significant in recent years. The effect of inflation on the cost of providing telephone service in the U.S. Virgin Islands has generally been offset (without any increase in local subscribers' rates) by increased revenues resulting from growth in the number of subscribers and from regulatory cost recovery practices in determining access revenues.

Atlantic Tele-Network, Inc. and Subsidiaries

Part II- 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

Not applicable.

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: November 12, 1996

/s/ Craig A. Knock

Craig A. Knock

Chief Financial Officer and Vice-President
signing both in his capacity as Vice-
President on behalf of the Registrant and as
Chief Financial Officer of the Registrant

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

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

9-MOS	DEC-31-1996	SEP-30-1996
		9,002
	0	
	66,573	
	0	
	9,669	
	92,152	
		360,854
	112,408	
	380,736	
72,711		112,839
0		
	0	
	123	
	143,936	
380,736		165,237
	165,237	
		122,704
	122,704	
	8,801	
	0	
	8,537	
	25,447	
		10,484
13,103		
	0	
	0	
		0
	13,103	
	1.07	
	1.07	