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April 27, 2018

VIA ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Re: *Notice of ex parte presentation*
Hurricane relief item (WC Docket No. 10-90)

Dear Ms. Dortch:

On April 26, 2018, ATN International, Inc. (“ATN”), parent company of Virgin Islands Telephone Company dba Viya, Viya Wireless, and Choice Communications, LLC, met with staff from the Wireline Competition Bureau and Wireless Telecommunications Bureau to discuss the proposed item to provide additional universal service support to companies affected by Hurricanes Irma and Maria. In the meetings, ATN was represented by Justin Benincasa, Chief Financial Officer; Douglas Minster, Vice President, Government and Regulatory Affairs; Rohan Ranaraja, Director, Regulatory Affairs, and myself. Messrs. Benincasa, Minster, and Ranaraja attended via teleconference. Present from the Wireline Competition Bureau were Sue McNeil, Alexander Minard, and Christian Hoefly. Present from the Wireless Telecommunications Bureau were Charles Mathias and Aalok Mehta.

Our presentation followed the attached slides, which were distributed to the meeting attendees. We also distributed ATN’s First Quarter 2018 Earnings Report, also attached.

Sincerely,

/s/
L. Charles Keller

Attachments

Marlene H. Dortch, Secretary
April 27, 2018
Page 2

cc: Sue McNeil
Charles Mathias
Alexander Minard
Aalok Mehta
Christian Hoefly

Viya

U.S. Virgin Islands

Universal Service Hurricane Relief

April 26, 2018



Viya



INTERNET



MOBILE



CABLE TV



PHONE

The vibe that connects us.

Additional Support Is Urgently Needed

- *The need for additional support is now critical*
 - Two things depend on the amount of USF support and when it becomes available:
 - The timing of full restoration of service, and
 - The resiliency of the network that is built
 - The 2018 hurricane season is about to begin
- **Current status**
 - Wireline service restored to 1/3 of residential customers, 1/2 of business customers by end of 1Q18
 - Wireless service available in over 90% of sites serving the Territory, but
 - Network is still fragile in many places
 - Not all wireless carriers are equally restored, leading to roaming burdens

Additional Support Is Urgently Needed

- **Sufficient capital for reconstruction and hardening is becoming a barrier**
 - Advanced wireline support must be “returned” starting in May, absent FCC action
 - ATN reported 1Q18 earnings today:
 - \$5.6M net loss (35c/sh), largely as a result of hurricane recovery; but for hurricane recovery, ATN would have been profitable
 - Updated estimate of network reconstruction cost from \$35-45M to \$60-65M
 - Advanced support and insurance proceeds already spent on restoration
 - USVI received no advanced support for wireless reconstruction (unlike PR)
 - *This should be addressed in the additional round of immediate support*
 - As a privately owned company, Viya has not had access to the disaster recovery resources available to public utilities

Accountability – Use of short-term support

- **Covered Expenditures**

- Restoration and hardening of equipment and network facilities for fixed or wireless voice and/or broadband services affected by Hurricanes Irma, Maria, or both
- Including but not limited to purchase, installation, repair, and operation of cabling, poles, conduit, trenching, transmission towers, network nodes, electric generators, and appropriate expenses directly associated with network and service recovery efforts
- Incurred since the date of the Presidential disaster declaration

- **Support may not be used for**

- Other purposes, such as the retirement of company debt unrelated to Covered Expenditures or other expenses not directly related to hurricane recovery

Accountability – Demonstration Options

- **Certification of compliance**
 - Require senior officer / public company
- **Demonstration of Covered Expenditures**
 - Receipts for purchase of equipment or payments to contractors for Covered Expenditures
 - Sufficient business records to demonstrate internal Covered Expenditures
 - Records submitted should be certified by senior officer
- **Letter of Credit** (if support is advanced before demonstration)
- **Auditing**
 - Could be FCC audits (for cause or across the board), or recipient-funded audits by third-party auditors
- ***The scope of the needed restoration is so large that the proposed immediate-term support will be quickly deployed in the effort***



April 25, 2018

ATN Reports First Quarter 2018 Results

First Quarter Financial Highlights:

- | Revenues: \$104.5 million
- | Adjusted EBITDA¹: \$26.3 million
- | Operating income of \$4.2 million
- | Net loss attributable to ATN stockholders: \$5.6 million, or a \$0.35 loss per share
- | Cash flow from operating activities for first quarter of 2018 was \$22.5 million

BEVERLY, Mass., April 25, 2018 (GLOBE NEWSWIRE) -- ATN (NASDAQ:ATNI) today reported results for the first quarter ended March 31, 2018. Unless otherwise indicated, the discussion of the Company's results is in comparison to the same period in the prior year.

Business Review and Outlook

"First quarter 2018 results were in line with our expectations but below those of 2017 due to previously-disclosed factors, namely: the impact of the September hurricanes on our network in the US Virgin Islands, the sale of our US wireline business and lower negotiated rates in our domestic wireless business," said Michael Prior, the Company's Chief Executive Officer. "On a sequential basis, our International Telecom segment revenues increased at a mid-single digit rate, reflecting continued growth in fixed line data revenue in multiple markets. We are pleased that our investment over the last two years in these networks is producing results, and that the local management teams continue to improve the customer experience and realize additional operating efficiencies.

"In the U.S. Virgin Islands, the team is working diligently to rebuild our wireline network following the extensive damage caused by the 2017 hurricanes, but they have faced formidable logistical issues and progress has been slower than we originally expected. While we expect to see continuous improvement in our results from that market as we move through 2018, it is likely to take us until late summer to have most of our customers reconnected and receiving bills again. We are also awaiting FCC action on FCC Chairman Pai's proposed financial relief and support for restoration and expansion of a faster and more resilient network. The U.S. Virgin Islands network buildout timeline, coupled with lower revenues in U.S. Telecom, is likely to result in lower year-on-year comparisons for the next few quarters, particularly in the second quarter.

"In U.S. Telecom, Adjusted EBITDA declined from year-ago and fourth quarter levels, reflecting lower contractual rates and caps in our domestic wholesale business. We were able to partially mitigate cash flow impacts by reducing capital expenditures for this segment, but we are concerned there could be additional softness in the near term before any longer term projects provide the potential for growth. In the Renewable Energy segment we did see improvement over 2017 thanks to the commencement of power production for customers from four completed solar power plants in India. We expect to see further gains here throughout 2018, though overall revenue contributions will remain modest as we continue to modify the original business strategy to better support third party capital investment and adapt to a fast moving and changing market," Mr. Prior concluded.

First Quarter 2018 Financial Results

First quarter 2018 revenues were \$104.5 million, an 18% decrease from the \$128.1 million reported for the first quarter of 2017. Revenue decreases for the quarter included approximately \$12.2 million in reductions due to the destruction of much of our U.S. Virgin Islands wireline network from the 2017 hurricanes, a \$1.1 million decline due to the sale of the British Virgin Islands business in late 2017, a \$10.3 million reduction in U.S. wireless revenues and a decline of \$5.0 million in U.S. wireline revenues due mostly to the sale of the Northeastern U.S. wireline business. These reductions were partially offset by aggregate revenue increases of \$4.2 million in mostly wireless and broadband revenues in our International Telecom markets of Bermuda and Guyana, and an increase of \$0.8 million in our Renewable Energy segment primarily from the ramping up of revenue generation from our solar business in India. Adjusted EBITDA¹ for the first quarter of 2018 was \$26.3 million, or 37% below the prior year period, primarily because of the noted revenue decreases. Operating income for the first quarter was \$4.2 million, down from the prior year's \$17.8 million, and net loss attributable to ATN's stockholders for

the first quarter was \$5.6 million or a \$0.35 loss per share compared to the prior year period's net income attributable to ATN stockholders of \$6.9 million or \$0.42 per diluted share.

First Quarter 2018 Operating Highlights

The Company has three reportable segments: (i) U.S. Telecom; (ii) International Telecom; and (iii) Renewable Energy.

U.S. Telecom

U.S. Telecom revenues consist mainly of wireless revenues from our voice and data wholesale roaming operations and our smaller retail operations in the Southwestern United States, as well as enterprise and wholesale wireline revenues. Total U.S. Telecom segment revenues were \$28.5 million in the first quarter of 2018, a 35% decrease from the \$43.8 million reported in the first quarter of 2017. U.S. wireless revenues decreased 27% to \$27.4 million compared with \$37.7 million in the prior year quarter due to the impact of new contracted revenue rates and caps with our wholesale wireless carriers. U.S. wireline revenues decreased to \$1.1 million from \$6.1 million in the prior year quarter primarily as a result of the sale of our Northeastern U.S. wireline business in early March 2017. The Company expects the previously announced sale of a portion of its wholesale wireless network to close some time in the second quarter of 2018.

U.S. Telecom Adjusted EBITDA¹ of \$12.0 million in the first quarter of 2018 decreased 48% compared to the prior year period's \$23.2 million. The decrease was mostly due to the reduction in wireless revenues.

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

International Telecom

International Telecom consists of a broad range of information and communications services including wireline and wireless data, internet, voice and video service revenues from our operations in Bermuda and the Caribbean including the U.S. Virgin Islands. International Telecom revenues were \$70.1 million in the first quarter of 2018, a 12% decrease from the \$79.3 million reported in the first quarter of 2017. As expected, the extensive network damage in the U.S. Virgin Islands resulted in a \$12.2 million revenue decline. Additionally, revenues were down \$1.1 million due to the sale of our British Virgin Islands business in late 2017. These reductions were partially offset by an aggregate increase in revenues of \$4.2 million in mostly wireless and broadband revenues in our Bermuda and Guyana markets. We expect revenues in the second quarter to continue to be negatively impacted by the storm-related service outages and to begin to recover in the third quarter of 2018, though the level of damage to the U.S. Virgin Islands economy and our customer base may mean it is some time before we see a return to pre-storm levels in that market. We are carefully evaluating the scope and other aspects of our investments in rebuilding the network in light of the situation, including potential government support.

International Telecom Adjusted EBITDA¹ of \$17.8 million in the first quarter decreased 22% from \$22.9 million in the prior year period. The decrease is primarily the result of the revenue impact from service outages resulting from the hurricanes in the U.S. Virgin Islands.

Renewable Energy

Renewable Energy segment revenues are generated principally by the generation and sale of energy and solar renewable energy credits from our commercial solar projects in the United States and India. For the first quarter of 2018, revenues from our renewable energy business were \$5.8 million, and increased 16% from the \$5.0 million in the prior year due mainly to the commencement of revenue generation from newly completed solar power plants in India. The growth in India power production revenue drove an increase in Adjusted EBITDA¹ for the Renewable Energy segment to \$3.7 million in the first quarter, up \$0.8 million from the prior year's quarter.

Balance Sheet and Cash Flow Highlights

Total cash at March 31, 2018 was \$217.2 million. Additionally, the Company ended the first quarter with \$2.2 million in short-term investments. Net cash provided by operating activities was \$22.5 million for the first quarter of 2018, compared with \$32.1 million for the prior year period. The decrease in net cash provided by operating activities is largely due to the revenue reductions in the U.S. Telecom wireless business and the wireline business in the U.S. Virgin Islands, offset partially by changes in working capital. During the first quarter of 2018, the Company used cash of \$25.2 million for investing and financing activities. This included \$30.9 million of capital expenditures in the U.S. Virgin Islands as part of the storm damaged network rebuild offset by \$34.6 million in insurance proceeds, \$21.0 million in other capital expenditures and \$12.4 million in partner distributions. Due to the extent of damage and unanticipated logistical issues, we currently estimate

the cost of rebuilding hurricane damaged services in the U.S. Virgin Islands to be between \$60.0 and \$65.0 million, exclusive of insurance receipts and governmental support. Through the end of the first quarter of 2018, approximately \$41.0 million of the total estimate has been spent.

Conference Call Information

ATN will host a conference call on Thursday, April 26, 2018 at 9:30 a.m. Eastern Time (ET) to discuss its first quarter 2018 results. The call will be hosted by Michael Prior, President and Chief Executive Officer, and Justin Benincasa, Chief Financial Officer. The dial-in numbers are US/Canada: (877) 734-4582 and International: (678) 905-9376, conference ID 1079571. A replay of the call will be available at ir.atni.com beginning at 1:00 p.m. (ET) on April 26, 2018.

About ATN

ATN International, Inc. (Nasdaq:ATNI), headquartered in Beverly, Massachusetts, provides telecommunications services to rural, niche and other under-served markets and geographies in the United States, Bermuda and the Caribbean and owns and operates solar power systems in various locations in the United States and India. Through our operating subsidiaries, we (i) provide both wireless and wireline connectivity to residential and business customers, including a range of mobile wireless solutions, high speed internet services, video services and local exchange services, (ii) provide distributed solar electric power to corporate and municipal customers and (iii) are the owner and operator of terrestrial and submarine fiber optic transport systems. For more information, please visit www.atni.com.

Cautionary Language Concerning Forward Looking Statements

This press release contains forward-looking statements relating to, among other matters, our future financial performance and results of operations; the estimated timeline for the rebuilding of our operations and revenues from our customers in the U.S. Virgin Islands following the hurricanes; our estimates of total losses due to hurricanes and our estimated costs of restoring hurricane-damaged services; our ability to receive financial support from the government for our rebuild in the U.S. Virgin Islands and the timing of such support; the competitive environment in our key markets, demand for our services and industry trends; the pace of expansion and improvement of our telecommunications network and renewable energy operations including our level of estimated future capital expenditures and our realization of the benefits of these investments; the anticipated timing of our build schedule and the commencement of energy production of our India renewable energy projects; anticipated effects of recent U.S. tax changes; the timing of the sale of a portion of our wholesale wireless network and management's plans and strategy for the future. These forward-looking statements are based on estimates, projections, beliefs, and assumptions and are not guarantees of future events or results. Actual future events and results could differ materially from the events and results indicated in these statements as a result of many factors, including, among others, (1) our ability to restore our networks and services to our customers in the U.S. Virgin Islands in an efficient and timely manner and to obtain governmental or other support necessary to fully restore services in the U.S. Virgin Islands; (2) our ability to execute planned network expansions and upgrades in our various markets; (3) the general performance of our operations, including operating margins, revenues, capital expenditures, and the future growth and retention of our major customers and subscriber base and consumer demand for solar power; (4) government regulation of our businesses, which may impact our FCC and other telecommunications licenses or our renewables business; (5) economic, political and other risks facing our operations; (6) our ability to maintain favorable roaming arrangements and satisfy the needs and demands of our major wireless customers; (7) our ability to efficiently and cost-effectively upgrade our networks and IT platforms to address rapid and significant technological changes in the telecommunications industry; (8) the loss of or an inability to recruit skilled personnel in our various jurisdictions, including key members of management; (9) our ability to find investment or acquisition or disposition opportunities that fit the strategic goals of the Company; (10) increased competition; (11) our ability to expand our renewable energy business; (12) our reliance on a limited number of key suppliers and vendors for timely supply of equipment and services relating to our network infrastructure; (13) the adequacy and expansion capabilities of our network capacity and customer service system to support our customer growth; (14) the occurrence of weather events and natural catastrophes; (15) our continued access to capital and credit markets; (16) the risk of currency fluctuation for those markets in which we operate; (17) satisfaction of the conditions to closing the sale of a portion of our wholesale wireless network; and (18) our ability to realize the value that we believe exists in our businesses. These and other additional factors that may cause actual future events and results to differ materially from the events and results indicated in the forward-looking statements above are set forth more fully under Item 1A "Risk Factors" of the Company's Annual Report on Form 10-K for the year ended December 31, 2017, filed with the SEC on March 1, 2018 and the other reports we file from time to time with the SEC. The Company undertakes no obligation and has no intention to update these forward-looking statements to reflect actual results, changes in assumptions or changes in other factors that may affect such forward-looking statements.

Use of Non-GAAP Financial Measures

In addition to financial measures prepared in accordance with generally accepted accounting principles (GAAP), this press release also contains non-GAAP financial measures. Specifically, ATN has presented the following measures in this release

and in the tables included herein: Adjusted EBITDA; Operating Income excluding hurricane charges and insurance recoveries; Net income (loss) attributable to ATN's stockholders excluding hurricane charges and insurance recoveries and; Net income (loss) per share attributable to ATN stockholders excluding hurricane charges and insurance recoveries. Adjusted EBITDA is defined as net income attributable to ATN stockholders before bargain purchase gain, impairment of long-lived assets, restructuring charges, interest, taxes, depreciation and amortization, transaction-related charges, other income or expense, loss on damaged assets and other hurricane charges, net of insurance recovery and net income attributable to non-controlling interests. Operating Income excluding hurricane charges and insurance recoveries is defined as Operating Income (Loss) adjusted for loss on damaged assets and other hurricane related charges, net of insurance recovery. Net income (loss) attributable to ATN stockholders excluding hurricane charges and insurance recoveries is defined as Net income (loss) attributable to ATN stockholders adjusted for loss on damaged assets and other hurricane related charges net of insurance recovery. Net income (loss) per share attributable to ATN stockholders excluding hurricane charges and insurance recoveries is defined as net income (loss) per share attributable to ATN stockholders adjusted for loss on damaged assets and other hurricane related charges, net of insurance recovery. The Company believes that the inclusion of these non-GAAP financial measures helps investors gain a meaningful understanding of the Company's core operating results and enhances comparing such performance with prior periods. ATN's management uses these non-GAAP measures, in addition to GAAP financial measures, as the basis for measuring our core operating performance and comparing such performance to that of prior periods. The non-GAAP financial measures included in this press release are not meant to be considered superior to or a substitute for results of operations prepared in accordance with GAAP. Reconciliations of these non-GAAP financial measures used in this press release to the most directly comparable GAAP financial measure is set forth in the text of, and the accompanying tables to, this press release.

Table 1

ATN International, Inc.
Unaudited Condensed Consolidated Balance Sheets
(in Thousands)

| | March 31, <u>2018</u> | December 31, <u>2017</u> |
|---|--------------------------|-----------------------------|
| Assets: | | |
| Cash and cash equivalents | \$ 204,181 | \$ 207,956 |
| Restricted cash | 1,071 | 833 |
| Short-term investments | 2,228 | 7,076 |
| Other current assets | 95,875 | 127,063 |
| Total current assets | <u>303,355</u> | <u>342,928</u> |
| Long-term restricted cash | 11,944 | 11,101 |
| Property, plant and equipment, net | 673,488 | 643,146 |
| Goodwill and other intangible assets, net | 170,970 | 171,656 |
| Other assets | 37,061 | 36,774 |
| Total assets | <u>\$ 1,196,818</u> | <u>\$ 1,205,605</u> |
| Liabilities and Stockholders' Equity: | | |
| Current portion of long-term debt | \$ 14,192 | \$ 10,919 |
| Taxes payable | 12,067 | 6,751 |
| Other current liabilities | 142,631 | 144,035 |
| Total current liabilities | <u>168,890</u> | <u>161,705</u> |
| Long-term debt, net of current portion | \$ 140,703 | \$ 144,873 |
| Deferred income taxes | 30,945 | 31,732 |
| Other long-term liabilities | 42,265 | 37,072 |
| Total long-term liabilities | <u>213,913</u> | <u>213,677</u> |
| Total liabilities | <u>382,803</u> | <u>375,382</u> |

| | | |
|--|---------------------|---------------------|
| Total ATN International, Inc.'s stockholders' equity | 681,754 | 688,727 |
| Non-controlling interests | 132,261 | 141,496 |
| Total equity | <u>814,015</u> | <u>830,223</u> |
| Total liabilities and stockholders' equity | <u>\$ 1,196,818</u> | <u>\$ 1,205,605</u> |

ATN International, Inc.
Unaudited Condensed Consolidated Statements of Operations
(in Thousands, Except per Share Data)

Table 2

| | Three Months Ended March 31, | |
|--|---------------------------------|-----------------|
| | <u>2018</u> | <u>2017</u> |
| Revenues: | | |
| Wireless | \$ 50,548 | \$ 58,925 |
| Wireline | 48,096 | 64,159 |
| Renewable energy | 5,831 | 5,031 |
| Total revenue | <u>104,475</u> | <u>128,115</u> |
| Operating expenses: | | |
| Termination and access fees | 25,914 | 33,003 |
| Engineering and operations | 18,152 | 19,683 |
| Sales, marketing and customer service | 8,562 | 9,035 |
| General and administrative | 25,540 | 24,356 |
| Transaction-related charges | 27 | 677 |
| Depreciation and amortization | 21,305 | 22,494 |
| Loss on disposition of long-lived assets | 284 | 1,111 |
| Loss on damaged assets and other hurricane related charges, net of insurance recovery | 482 | - |
| Total operating expenses | <u>100,266</u> | <u>110,359</u> |
| Operating income | 4,209 | 17,756 |
| Other income (expense): | | |
| Interest expense, net | (1,838) | (2,030) |
| Loss on deconsolidation of subsidiary | - | (529) |
| Other income (expense) | (753) | (485) |
| Other expense, net | <u>(2,591)</u> | <u>(3,044)</u> |
| Income before income taxes | 1,618 | 14,712 |
| Income tax expense | <u>3,921</u> | <u>3,128</u> |
| Net Income (Loss) | (2,303) | 11,584 |
| Net income attributable to non-controlling interests, net | <u>(3,252)</u> | <u>(4,725)</u> |
| Net Income (Loss) attributable to ATN International, Inc. stockholders | <u>\$ (5,555)</u> | <u>\$ 6,859</u> |

Net income(loss) per weighted average share attributable to ATN International, Inc. stockholders:

| | | |
|---|------------------|----------------|
| Basic Net Income | <u>\$ (0.35)</u> | <u>\$ 0.42</u> |
| Diluted Net Income | <u>\$ (0.35)</u> | <u>\$ 0.42</u> |
| Weighted average common shares outstanding: | | |
| Basic | 16,019 | 16,157 |
| Diluted | 16,019 | 16,246 |

Table 3

ATN International, Inc.
Unaudited Condensed Consolidated Cash Flow Statement
(in Thousands)

| | Three Months Ended March 31, | |
|--|------------------------------|-----------------|
| | <u>2018</u> | <u>2017</u> |
| Net income (loss) | \$ (2,303) | \$ 11,584 |
| Depreciation and amortization | 21,305 | 22,494 |
| Loss on disposition of long-lived assets | 284 | 1,111 |
| Loss on deconsolidation of subsidiary | - | 529 |
| Stock-based compensation | 1,576 | 1,666 |
| Deferred income taxes | (1,089) | - |
| Change in prepaid and accrued income taxes | 3,292 | 5,336 |
| Change in other operating assets and liabilities | (1,963) | (11,973) |
| Other non-cash activity | 1,442 | 1,342 |
| Net cash provided by operating activities | <u>22,544</u> | <u>32,089</u> |
| Capital expenditures | (21,041) | (45,702) |
| Hurricane rebuild capital expenditures | (30,851) | - |
| Hurricane insurance proceeds | 34,606 | - |
| Sale of business, net of transferred cash of \$2.1 million | - | 22,597 |
| Proceeds from sale of investments | 4,809 | 483 |
| Government grants | 5,400 | - |
| Net cash used in investing activities | <u>(7,077)</u> | <u>(22,622)</u> |
| Dividends paid on common stock | (2,724) | (5,487) |
| Distributions to non-controlling interests | (12,424) | (2,828) |
| Principal repayments of term loan | (938) | (4,442) |
| Proceeds from new borrowings | - | - |
| Purchases of common stock | (2,041) | (2,121) |
| Investments made by minority shareholders in consolidated affiliates | - | - |
| Other | (3) | (750) |
| Net cash used in financing activities | <u>(18,130)</u> | <u>(15,628)</u> |
| Effect of foreign currency exchange rates on total cash | (31) | 207 |
| Net change in total cash | (2,694) | (5,954) |

| | | |
|---------------------------------|-------------------|-------------------|
| Total cash, beginning of period | 219,890 | 288,358 |
| Total cash, end of period | <u>\$ 217,196</u> | <u>\$ 282,404</u> |

Table 4

**ATN International, Inc.
Selected Segment Financial Information
(In Thousands)**

For the three months ended March 31, 2018 is as follows:

| | U.S. Telecom | International Telecom | Renewable Energy | Corporate and Other * | Total |
|---|-------------------------|----------------------------------|-----------------------------|----------------------------------|-------------------|
| Statement of Operations Data: | | | | | |
| Revenue | | | | | |
| Wireless | \$ 27,401 | \$ 23,147 | \$ - | \$ - | \$ 50,548 |
| Wireline | 1,098 | 46,998 | - | - | 48,096 |
| Renewable Energy | - | - | 5,831 | - | 5,831 |
| Total Revenue | <u>\$ 28,499</u> | <u>\$ 70,145</u> | <u>\$ 5,831</u> | <u>\$ -</u> | <u>\$ 104,475</u> |
| Operating Income (Loss) | \$ 5,224 | \$ 5,640 | \$ 1,936 | \$ (8,591) | \$ 4,209 |
| Non-controlling interest (net income or (loss)) | \$ (683) | \$ (2,269) | \$ (300) | \$ - | \$ (3,252) |
| Non GAAP measure: | | | | | |
| Adjusted EBITDA | \$ 11,992 | \$ 17,793 | \$ 3,739 | \$ (7,217) | \$ 26,307 |
| Balance Sheet Data (at March 31, 2018): | | | | | |
| Cash, cash equivalents and investments | \$ 14,605 | \$ 65,438 | \$ 13,047 | \$ 113,319 | \$ 206,409 |
| Total current assets | 40,105 | 115,348 | 18,600 | 129,302 | 303,355 |
| Fixed assets, net | 96,961 | 402,093 | 156,266 | 18,168 | 673,488 |
| Total assets | 196,814 | 588,713 | 191,078 | 220,213 | 1,196,818 |
| Total current liabilities | 40,848 | 95,655 | 17,311 | 15,076 | 168,890 |
| Total debt | - | 93,676 | 61,219 | - | 154,895 |

**ATN International, Inc.
Selected Segment Financial Information
(In Thousands)**

For the three months ended March 31, 2017 is as follows:

| | U.S. Telecom | International Telecom | Renewable Energy | Corporate and Other * | Total |
|---|-------------------------|----------------------------------|-----------------------------|----------------------------------|-------------------|
| Statement of Operations Data: | | | | | |
| Revenue | | | | | |
| Wireless | \$ 37,702 | \$ 21,223 | \$ - | \$ - | \$ 58,925 |
| Wireline | 6,091 | 58,068 | - | - | 64,159 |
| Renewable Energy | - | - | 5,031 | - | 5,031 |
| Total Revenue | <u>\$ 43,793</u> | <u>\$ 79,291</u> | <u>\$ 5,031</u> | <u>\$ -</u> | <u>\$ 128,115</u> |
| Operating Income (Loss) | \$ 16,617 | \$ 9,926 | \$ 1,443 | \$ (10,230) | \$ 17,756 |
| Non-controlling interest (net income or (loss)) | \$ (2,397) | \$ (2,009) | \$ (319) | \$ - | \$ (4,725) |

Non GAAP measure:

| | | | | | | | | | | |
|-----------------|----|--------|----|--------|----|-------|----|---------|----|--------|
| Adjusted EBITDA | \$ | 23,168 | \$ | 22,923 | \$ | 2,897 | \$ | (6,950) | \$ | 42,038 |
|-----------------|----|--------|----|--------|----|-------|----|---------|----|--------|

* Corporate and Other refer to corporate overhead expenses and consolidating adjustments

ATN International, Inc.
Selected Segment Financial Information
(In Thousands)

For the year ended December 31, 2017 is as follows:

| | U.S. Telecom | International Telecom | Renewable Energy | Corporate and Other * | Total |
|---|-------------------------|----------------------------------|-----------------------------|----------------------------------|--------------|
| Balance Sheet Data (at December 31, 2017): | | | | | |
| Cash, cash equivalents and investments | \$ 19,585 | \$ 110,700 | \$ 8,120 | \$ 76,627 | \$ 215,032 |
| Total current assets | 40,975 | 190,396 | 18,060 | 93,497 | 342,928 |
| Fixed assets, net | 99,462 | 367,485 | 158,447 | 17,752 | 643,146 |
| Total assets | 200,142 | 629,007 | 192,406 | 184,050 | 1,205,605 |
| Total current liabilities | 41,248 | 91,887 | 14,754 | 13,816 | 161,705 |
| Total debt | - | 94,577 | 61,215 | - | 155,792 |

* Corporate and Other refer to corporate overhead expenses and consolidating adjustments

ATN International, Inc.
Selected Segment Operational Data

| | Quarter ended | | | | |
|--|-----------------------------|----------------------------|-------------------------------------|------------------------------|---------------------------|
| | March 31, 2017 * | June 30, 2017 * | September 30, 2017 * | December 31, 2017 | March 31, 2018 |
| U.S. Telecom Operational Data: | | | | | |
| Wireless - Total Domestic Base Stations | 1,019 | 1,041 | 1,061 | 1,100 | 1,122 |
| International Telecom Operational Data: | | | | | |
| Wireline - Voice / Access lines | 176,900 | 174,600 | 172,300 | 171,200 | 169,500 |
| Wireline - Data Subscribers | 99,900 | 101,700 | 102,400 | 104,900 | 105,900 |
| Wireline - Video Subscribers | 47,900 | 47,200 | 46,700 | 45,700 | 44,500 |
| Wireless - Subscribers | 302,900 | 302,900 | 302,000 | 307,200 | 310,800 |

* Adjusted subscriber counts for the sales of St Maarten and British Virgin Islands, and the transfer of ownership of Aruba business

Table 5

ATN International, Inc.
Reconciliation of Non-GAAP Measures
(In Thousands)

Reconciliation of Net Income to Adjusted EBITDA for the Three Months Ended March 31, 2018 and 2017

| <i>Three Months Ended March 31, 2018</i> | | | | | |
|---|--------------------------------|---|------------------------------------|---|---------------------|
| | <i>U.S. Telecom</i> | <i>International Telecom</i> | <i>Renewable Energy</i> | <i>Corporate and Other *</i> | <i>Total</i> |
| Net loss attributable to ATN International, Inc. stockholders | | | | | \$ (5,555) |
| Net income attributable to non-controlling interests, net of tax | | | | | 3,252 |
| Income tax expense | | | | | 3,921 |
| Other (income) expense, net | | | | | 753 |
| Interest expense, net | | | | | 1,838 |
| Operating income | \$ 5,224 | \$ 5,640 | \$ 1,936 | \$ (8,591) | \$ 4,209 |
| Depreciation and amortization | 6,513 | 11,671 | 1,774 | 1,347 | 21,305 |
| Loss on disposition of long-lived assets | 255 | - | 29 | - | 284 |
| Loss on damaged assets and other hurricane related charges, net of insurance recovery | - | 482 | - | - | 482 |
| Transaction-related charges | - | - | - | 27 | 27 |
| Adjusted EBITDA | \$ 11,992 | \$ 17,793 | \$ 3,739 | \$ (7,217) | \$ 26,307 |

| <i>Three Months Ended March 31, 2017</i> | | | | | |
|--|--------------------------------|---|------------------------------------|---|---------------------|
| | <i>U.S. Telecom</i> | <i>International Telecom</i> | <i>Renewable Energy</i> | <i>Corporate and Other *</i> | <i>Total</i> |
| Net Income attributable to ATN International, Inc. stockholders | | | | | \$ 6,859 |
| Net income attributable to non-controlling interests, net of tax | | | | | 4,725 |
| Income tax expense | | | | | 3,128 |
| Other (income) expense, net | | | | | 485 |
| Loss on deconsolidation of subsidiary | | | | | 529 |
| Interest expense, net | | | | | 2,030 |
| Operating income | \$ 16,617 | \$ 9,926 | \$ 1,443 | \$ (10,230) | \$ 17,756 |
| Depreciation and amortization | 6,551 | 13,117 | 1,454 | 1,372 | 22,494 |
| Loss on disposition of long-lived assets | - | (120) | - | 1,231 | 1,111 |
| Transaction-related charges | - | - | - | 677 | 677 |
| Adjusted EBITDA | \$ 23,168 | \$ 22,923 | \$ 2,897 | \$ (6,950) | \$ 42,038 |

* Corporate and Other refer to corporate overhead expenses and consolidating adjustments

Table 6

ATN International, Inc.
(In Thousands)
Reconciliation of GAAP measures to Non-GAAP measures

Reconciliation of Operating Income (Loss) to Operating Income excluding hurricane charges and insurance recoveries, Net Income (Loss) attributable to ATN stockholders to Net Income (Loss) attributable to ATN stockholders excluding hurricane charges and insurance recoveries and Net Income (Loss) per share attributable to ATN stockholders to Net Income (Loss) per share attributable to ATN stockholders excluding hurricane charges and insurance recoveries

For the Three Months Ended March 31, 2018 is as follows:

| | Operating Income (Loss) | Net Income (Loss) Attributable to ATN Stockholders | Net Income (Loss) per share Attributable to ATN Stockholders |
|---|------------------------------------|---|---|
| GAAP - As reported | \$ 4,209 | \$ (5,555) | \$ (0.35) |
| Adjust for: Loss on damaged assets and other hurricane related charges, net of insurance recovery | 482 | 482 | 0.03 |
| Tax effect | - | - | - |
| Non-GAAP | <u>\$ 4,691</u> | <u>\$ (5,073)</u> | <u>\$ (0.32)</u> |

For the Three Months Ended March 31, 2017 is as follows:

| | Operating Income (Loss) | Net Income (Loss) Attributable to ATN Stockholders | Net Income (Loss) per share Attributable to ATN Stockholders |
|---|------------------------------------|---|---|
| GAAP - As reported | \$ 17,756 | \$ 6,859 | \$ 0.42 |
| Adjust for: Loss on damaged assets and other hurricane related charges, net of insurance recovery | - | - | - |
| Tax effect | - | - | - |
| Non-GAAP | <u>\$ 17,756</u> | <u>\$ 6,859</u> | <u>\$ 0.42</u> |

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