Fellow Stockholders:

In last year's letter to stockholders, we left you with the promise that 2015 had great potential for enhancing value. Looking back a year later, we believe that 2015 lived up to that potential with two sizable, synergistic telecom transactions negotiated and signed and much progress made on understanding the fast moving solar investment landscape, culminating in another signed deal early in 2016.

On the other hand, financial results for the year were not so full of promise, with several of the company's bigger businesses experiencing declining operating income and the sale of a smaller, unprofitable wireless operation resulting in the booking of a nearly $20 million loss on deconsolidation. Net income for the year was about $17 million, a stark decline from the near record $48 million in 2014. Diluted earnings per share were $1.05 compared to $3.03 per share for the year prior.

While much of these results were foreseen and purposeful, that doesn't change the fact that they were disappointing. The good news is revenue did increase on the year, by 5.6%, and therefore there is clear opportunity to lift profits and that underlying strength was also manifest in the very high cash flow from operations of approximately $140 million, compared to $87 million in 2014. The better news is that we made progress on investing the balance sheet to increase profits and cash flow potential and improve the strategic positioning of your company.

Over the year, investors recognized this growth, as reflected in an almost 14% increase in the market price in our shares to $78.23 per share on December 31, 2015. Your Board of Directors was similarly pleased by the Company's progress in 2015 and approved a 10% increase in the dividend to the current rate of $1.28 annually, continuing a consecutive seventeen-year track record of increasing our quarterly dividend.

Let's take a closer look at the developments over the year and how it has fit into the company's strategy. For these purposes, we will avoid recitation and analysis of operating results since that is covered in a detailed and comprehensive way in our annual and quarterly reports filed with the Securities and Exchange Commission and readily available on the company's website.

In 2015, we made progress on a number of key strategic objectives with regard to our existing businesses. Most important, we took steps to secure the long term value of the domestic wireless business by working to migrate our large wholesale customers to more cost effective rate plans, with long-term benefits for the company that help compensate for the initial revenue and margin reduction those plans imply. Work on this initiative continues in 2016 and our goal is to establish a more strategic, beneficial relationship with all four US national carriers. We think our value proposition is strong, but we have work still to do to convince all of the large carriers to effectively outsource more of their rural, non-strategic coverage to us.

If we are fully successful in this effort, we will achieve two important goals: 1) reducing the risk of overbuild or other reduction in usage by our main customers and 2) creating a platform for future growth as we expand our shared infrastructure solution to lower our customers' costs, free up their capital for more strategic uses and create economies of scale. In turn, those economies of scale should feed back to enhance the value to those customers and at the same time ensures we have healthy and sustainable risk-adjusted operating margins and returns for a very capital intensive business.

Getting there will not be easy as these are very big companies and we are proposing something that at least on the surface is new and different. It will also be painful in the short term. As our pricing falls and margins contract, and after a year over year decline on both fronts in 2015, we have taken the unusual step for us of offering guidance as to the level of further decline we expect in 2016. Our investment here has been an extraordinarily successful one to date, but we still believe there is significant value remaining and this latest evolution of the business model is critical to realizing that value.

In 2015, we also took action to optimize our international wireless portfolio by divesting an unprofitable operation, reducing costs in another market and investing cash flows to solidify the long term prospects of another. The sale of our Turks and Caicos operations in March was a difficult decision, but we concluded that we could not achieve the necessary economies of scale and market share to earn positive returns on our investment there. Ideally, we would have lost less along the way or exited sooner. We are pleased with the team's accomplishment in improving profitability in the US Virgin Islands wireless business as we considered whether to exit or expand in that market, culminating with the agreement announced in October 2015 to acquire the Innovative group of companies, the incumbent telephone and cable television operations in the territory. Lastly, the management of our Guyana subsidiary, supported by parent company personnel, took a number of steps to invest in the future of that business and improve branding and competitive positioning. Much remains to be done, however, and uncertainty and delay over government actions remains an unfortunate feature of that market.

The main story in our newly characterized International Telecom segment for 2015 was of course the two transactions that were announced in early October. We mentioned the Virgin Islands transaction briefly but let's add some more color. This is really a classic investment for us and one we think enhances our strategic value. The main business we agreed to acquire is the wireline business in the US Virgin Islands. That business came through a bankruptcy several years ago with the bank that acquired it investing significant time and money upgrading the network and improving systems, processes and other aspects of the operations. Our wireless business in that market struggled for years as sub-scale and we think that the pending combination has great potential not only to add to shareholder value but to allow us to make major improvements in the quality, breadth, availability and affordability of communications services in the territory. In small markets like the Virgin Islands, we like the local efficiencies of being able to offer the full range of services—from mobile to broadband to video and high end enterprise offerings.

The other big transaction in 2015 involved Bermuda. We agreed to a combination with KeyTech Limited, our partner in our CellOne business and the holding company for a Bermuda cable television and data business and a similar business in the Cayman Islands. The main feature of the combination is for CellOne to become a wholly owned subsidiary of KeyTech and for ATN to invest additional capital and become the holder of the majority of shares of KeyTech, a public company in Bermuda. As of the date of this writing, this deal has just closed and we are on to the next stage of integration and investment. The combined company will be able to offer customers better value through consolidated operations, and we expect that beyond the capital used to fund the transaction, our further investment to improve the ongoing wireline fiber expansion will help to improve the competitive positioning and long term sustainability of this business. Our transaction follows the acquisition of the incumbent telephone company in Bermuda by our wireless competitor and we expect robust competition in the residential and business data and video business in that market. We will need to execute well to maintain and enhance value as competition intensifies. If we maintain a longer term focus and run an efficient operation, we think this transaction has the potential to generate healthy returns and strategic value.

Another priority for 2015 was the integration and assimilation of our newly acquired renewables business, Ahana Renewables, which serves both as an owner and operator of our current solar portfolio as well as a platform for further expansion into the renewables sector. Parent company management spent a great deal of time working with the incoming team at Ahana. Part of the focus was on the integration into the ATN group of companies, but even more time was spent on reviewing opportunities for growth and strategic expansion. The combined team looked at many transactions both domestically and internationally and ultimately focused on an opportunity to invest in India's solar market. This led to the investment in early 2016 in a development pipeline focused on commercial and industrial customers in southern India. We will have more to say on that in next year's letter and our quarterly filings, but it is worth touching on the process and thinking that led to that investment, which was largely a 2015 exercise as evidenced by the particularly high transaction expenses in the fourth quarter. We also looked at a number of potential investments in the US and European solar markets. We considered some interesting opportunities but in most cases could not see attractive risk-adjusted returns after careful review. With the Company's background in emerging market telecom, it was only natural that our team began to examine more emerging market opportunities in renewables. We are keenly aware of, and comfortable with, the riskier nature of infrastructure investments in those markets but we also think returns are potentially higher and the strategic value greater where you are adding infrastructure in a market with a critical need for it, not just a current policy directive.

Time will tell of course whether these investment decisions prove to be wise ones. This activity though does help make our short term priorities easy to determine. The focus for 2016 is fairly clear: close and integrate the pending telecom transactions, improve cost controls and margins and reduce risk in our maturing businesses and leverage the India investment to grow the solar renewables business and shareholder returns.

Following with the inflection point we reached at the beginning of the current year, we began reviewing our financial performance in a different way, resulting in our consolidation to three reportable segments: U.S. Telecom, International Telecom, and Renewable Energy. The U.S. Telecom segment consists of our U.S. wireless and U.S. wireline business activities; the International Telecom segment consists of our international wireless and wireline business activities, which currently operate in Guyana, Bermuda, U.S. Virgin Islands, and Aruba and our Renewable Energy segment consists of the Company's renewable energy business activities.

These segments more accurately reflect how we view the business going forward, and will give investors better insight into the shared expenses and strategic decision making that we apply to our investments.

In line with our expanded operations, we welcomed Dr. Bernard Bulkin to our Board of Directors earlier this year. Bernie brings to our Board expertise in the field of renewables and the broader energy sector. He will be instrumental in the Board's role going forward in shaping this new line of business. Finally, to further illustrate the Company's expansion beyond traditional telecom, we will be re-naming the Company "ATN International, Inc." We think the new name, which will be accompanied by a refreshed logo and "ATN" brand, signals what we believe will be a new path forward for both our telecommunications and renewables businesses.

Michael T. Prior
President and
Chief Executive Officer

Cornelius B. Prior, Jr.
Chairman of the Board