Fellow Stockholders:

This past year featured several challenging business developments. The challenges were significant and justifiably received the market's attention, but we also made real progress in executing the company's strategy, and we believe that the opportunities to grow over the long term will overcome the challenges to growth we face in the short term.

The most visible challenge to arise in 2017 was the impact of two category five hurricanes that caused tremendous damage to the US Virgin Islands in September and extensively damaged our wireline and wireless networks. While we had hoped to be farther along in the restoral at this point, we would like to commend the hard work and dedication of our employees, partners and contractors, including, the Viya leadership team, who have worked tirelessly on the restoration and rebuilding efforts that remain ongoing in the Virgin Islands.

Given the investments made in 2016 in the International Telecom and Renewable Energy segments, management anticipated greater growth in revenue and operating income and the impact of the hurricanes was the biggest factor in missing those goals. Our results were also affected by a slower pace on our solar power expansion in India and some of the communications network expansion projects. Even so, we saw overall revenue increase by 5% from $457 million in 2016 to $481.1 million in 2017. Adjusted EBITDA increased by 1% over the prior year and operating income increased by nearly $6 million from $49.8 million in 2016 to $55.5 million in 2017. Net income for the full year attributable to ATN stockholders was $31.5 million or $1.94 per diluted share, as compared to the prior year $12.1 million and $0.75 per diluted share. Cash flow from operating activities was $145.7 million compared to $111.7 million for 2016.

On the positive side, we note first that despite the hurricanes and under-performance in certain areas, the consolidated results still held up and even showed some modest growth. Those results reflect the strength of our model of investment in recurring revenue infrastructure businesses and the benefit of a diversified portfolio. There were also some areas of performance improvement within the business segments, with more to come, and some smaller but positive developments on the investment side.

US Telecom

Several factors impacted ATN's US Telecom business in 2017 and will further impact results for 2018. These include the sale of our Northeastern U.S. wireline business, the previously disclosed revision of our wholesale roaming pricing and the pending sale of a portion of the network and coverage area in early 2018. To address this current and future decrease in revenue, management has been active in restructuring and re-pointing the business to ensure healthy cash flow and develop prospects for the long term. The results of this hard but important work were already evident in 2017 financial performance for the segment with only a $3.5 million reduction in Adjusted EBITDA and a nearly $11 million reduction in capital expenditures when measured against a backdrop of a year-over-year $22 million decline in revenue. Of course, 2018 will see an even bigger decline in revenue from this segment for the reasons noted above, but we appreciate our team's ability to react quickly to change.

In the longer term, we remain strong proponents of shared infrastructure solutions for the communications industry. Many carriers are under pressure because of the heavy capital and operating costs associated with an ever growing need for high quality data capacity, speed and coverage without a corresponding increase in revenue. In the short term, these dynamics have put pressure on our US Telecom business but we think it presents a longer term opportunity. Our team believes that one solution to those pressures is to reduce costs in the commoditized, non-strategic areas of carrier infrastructure.

International Telecom

In 2017 we were looking forward to seeing the first full-year impact of our 2016 investments in Viya and One Communications, alongside the fruit of operational improvements and network expansion at GT&T. Indeed, results for the International Telecom segment in the first half of the year showed good signs. Unfortunately, due to the hurricanes, and to a lesser extent integration and network improvement delays in Bermuda, results were not what we had hoped. Revenue for this segment rose compared to 2016, but was well below expectations, and Adjusted EBITDA fell. Prior to the hurricanes, we did see positive trends with respect to the number of high-speed data subscribers, growth in ARPU and significant progress in upgrades to television system offerings. Off-setting these positive operational indicators were declines in video subscribers and voice or access lines, but the mix of the trends was positive overall.

These operations are all in relatively small markets, but within the segment we see differences in growth potential and strategies for deriving strong cash returns. In markets like Cayman and Guyana, the economies are growing and there is still an opportunity to make growth investments. The Virgin Island's economy was more mature pre-hurricanes but still with an opportunity to grow through wireless and broadband expansion and improvements. Post-hurricanes there will be the growth of restoring wireline customers. It will take time, however, to attain pre-disaster revenue levels even after full network restoration because of the lingering economic impacts of the storms and the potential for cord cutting. Bermuda is a mature market with little opportunity to grow at present.

Renewable Energy

While entry into a new market in India proved even more challenging than we expected, we remain excited about the potential for growth in the region, as well as the pipeline of potential development of additional renewable energy facilities. Our Vibrant Energy subsidiary made slow progress in executing its plan in 2017, and, while the major delay was regulatory, that in turn delayed its ability to secure local debt to support expansion, and internal execution could have been better. That is not to say that there have not been positive achievements. The team completed four major solar power plants and has attracted interest from potential partners given that progress in a difficult operating environment. We expect 2018 to be a critical year to enhance value and determine if Vibrant can achieve the scale and success in the market that we originally contemplated.

In other areas of renewable energy, such as in our US operating market, Ahana has not found many opportunities recently to expand for the types of prospective returns we target given risks and our own cost of capital. Markets are not static, however, and we continue to be bullish over the longer term on the investment potential of this sector. We will continue to evaluate opportunities with that discipline and view in mind.

Investments; Dividends and Related Developments

A few months ago, in early 2018, we announced the formation of our corporate venture capital arm, ATN Ventures. The focus of ATN Ventures is to consider investments in technology companies that bring strategic value to ATN and positively impact our operating businesses. Communications network technologies and the developers and vendors of those technologies are changing rapidly. Management believed that the company's visibility into these changes was not what it should be given our reliance on the larger, traditional telecom equipment vendors. We think that the creation of ATN Ventures, and the bringing on board a small, proven team to run it, would be helpful in addressing this concern in a manner consistent with ATN's overall structure. This approach is also consistent with a growing interest in considering selected minority investments. In the past, ATN rarely made minority investments without a path to control. In 2017, however, we made our second recent minority investment under those circumstances in an Australian-based communications infrastructure company with an impressive management team, board and co-investors. While we will continue to be quite selective, we think such minority investments can work well within our larger strategy of building a broad enough portfolio to support an attractive cost of capital and a deal flow that can lead to better opportunities.

A related development towards a more comprehensive capital allocation approach was the board of directors' decision in September 2017 to cut ATN's quarterly cash dividend in half to $0.17 per share after twenty years of annual increases. There has long been a healthy debate in the company's board room about the ideal mix of current returns to stockholders and investments for growth. Historically, your board of directors has used dividends as the primary means to directly return capital to stockholders, but balanced the level of dividends against known and potential investment needs and opportunities. With this decision, the board decided to shift the line more towards opportunistic, non-programmatic uses of excess cash flows through either further investments or the re-purchase of shares of common stock of the company, without entirely abandoning the use of regular cash dividends to provide some current income. In 2017, ATN repurchased roughly 202,000 shares of its common stock on the market at an average price of $52.67.

Proposed Changes to the Board

In the accompanying proxy statement, you will notice that ATN's board of directors has proposed some major additions and changes to its roster. There are two new nominees to the board: Richard (Rick) Ganong and John (Jack) Kennedy. Given the growth over time of the company through investment in a broad portfolio of operating assets, as well as the occasional sale or disposition of assets, and the emphasis on capital allocation and investment generally, both the board and management considered it important to expand and update the transactional and investment experience of the board. ATN board meetings frequently feature discussions and consideration of potential investments and other strategic transactions. Further, the communications side of the portfolio faces more rapid technological change with major capital decisions and the convergence of technologies and solutions both within and without the industry.

Rick Ganong has had a long career investing in, and advising, companies in the technology sector, including time with Tudor Investment Corporation, and has a wealth of board experience in earlier stage companies and the non-profit sector. Like Rick, Jack Kennedy has a strong transactional background, but largely from the management perspective. He was a key executive in a number of large, acquisitive companies, including Qualcomm and Fox Interactive Media, and he has also helped found and lead technology businesses, and is doing so today with a company in transportation technology. We encourage you to read more about Rick and Jack in the proxy statement and to support their candidacies for the board.

The Prior family, whose senior member co-founded ATN in 1987, comes to this 2017 letter to all stockholders with a message that perhaps you have been anticipating for several years now. The simple message is that, at age 84, and at a time of great and rapid change to the communications industry, Neil has reluctantly concluded that it makes sense for him to step down from the board. I trust you join the senior management and your entire board of directors in our appreciation for the many years of leadership, collegial support and valuable perspective that Neil, a founder of the company, brought to the role, and we intend to stay very much in touch with him following the end of his tenure. It is proposed as well that Michael Prior, the other co-author of this letter, become Chairman, in addition to his role as Chief Executive Officer in order to ensure continuity of leadership, and that Liane Pelletier take on the newly created role of Lead Independent Director. The other members of the board determined that as a former chief executive officer, as well as a regional leader of the National Association of Corporate Directors, Liane has the right mix of understanding of the management and independent director perspective to serve in this role as the primary spokesperson for the outside directors.

Conclusion

In summary, in 2017 we were disappointed by the operating results, which were caused both by major external events like the hurricanes and, to a lesser extent, execution behind plan. Management at the parent and subsidiary levels have made some changes to improve efficiencies and execution, while at the same time pursuing a number of longer term growth initiatives. Given the ongoing impact of the hurricanes and the projected decline in US Telecom revenue, we expect the company to continue to deliver quarterly results that are below the prior year's results, but we do expect to see progressive sequential improvement in 2018. On the other hand, we believe our recent investments, and the prospect for additional investments, will eventually lead to the strong returns to which long time stockholders of the company are more accustomed.

In the meantime, the company's solid balance sheet and spread of business should provide some comfort and security while management and your board of directors consider opportunities and strategies for improvement.

Michael T. Prior
President and
Chief Executive Officer

Cornelius B. Prior, Jr.
Chairman of the Board

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