



# CEOCFO

## Interviews & News!

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### A Continued Execution On Their Strategy To Bring Telecommunications Infrastructure To Underserved Areas Has Resulted In Revenue, Net Income And Cash Flow Growth For Atlantic Tele-Network



# ATN

Atlantic Tele-Network

Technology  
Telecom Services - Foreign  
(ATNI-NASDAQ)

Atlantic Tel-Network, Inc.

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**Michael T. Prior, President and CEO**

**BIO:** Michael T. Prior is currently the President and Chief Executive Officer of

Atlantic Tele-Network, Inc., after joining the Company as Chief Financial Officer and Treasurer in 2003. Atlantic Tele-Network, Inc., is a NASDAQ-listed telecommunications company with assets in the Caribbean and the United States. Prior to joining Atlantic Tele-Network, Mr. Prior was a Partner with Q Advisors LLC, a Denver-based investment banking and financial advisory firm focused on the telecommunications sector. Before that, he headed corporate development for LighTrade, Inc., a telecommunications infrastructure provider and was a member of ComSpace Development LLC, a seed investment concern in the communications industry. Mr. Prior spent a number of years as a corporate lawyer focused on the capital markets in the London and New York offices of Cleary Gottlieb Steen & Hamilton, as well as the Seattle office of Perkins Coie LLP. Mr. Prior received a J.D. *summa cum laude* from Brooklyn Law School and received a B.A. from Vassar College. Mr. Prior was named Entrepreneur of 2008 for the Greater New England Region by Ernst & Young.

#### **Additional Information:**

Mr. Prior is a member of the Board of Trustees of the Essex County Community Foundation and was formerly a trustee of Brooklyn Law School. In addition, Mr. Prior sits on the boards of Bermuda Digital Communications Ltd., the largest mobile operator in Bermuda, and Guyana Telephone & Telegraph Ltd. (and is a member of the audit committee), the largest fixed and mobile operator in Guyana, both of which are affiliates of Atlantic Tele-Network, Inc.

**Company Profile:** Atlantic Tele-Network, Inc. (NASDAQ:ATNI) is a

telecommunications company headquartered in Salem, Massachusetts. Its principal subsidiaries include: Guyana Telephone and Telegraph Company, Limited, which is the national telephone service provider for all local, long-distance and international service, as well as a wireless service provider, in Guyana; Commnet Wireless, LLC, which provides voice and data wireless roaming services for U.S. and international carriers in rural areas throughout the United States; Bermuda Digital Communications Ltd., which, under the Cellular One name, is the leading provider of wireless voice and data services in Bermuda; Sovernet, Inc., which provides wireline voice and data services to businesses and homes in New England; and Choice Communications, LLC, which provides wireless television and wireless broadband services in the U.S. Virgin Islands.

**Interview conducted by:**  
**Lynn Fosse, Senior Editor**  
**CEOCFOinterviews.com**

**CEOCFO:** Mr. Prior, how has Atlantic Tele-Network changed under your leadership?

**Mr. Prior:** “We’ve grown quite a bit. The company has grown revenues, net income and cash flows. We’ve expanded by adding a number of additional markets that we are in but I don’t think the overall strategy has really changed under my leadership, just really some areas of the execution of the strategy.”

**CEOCFO:** Where are you today geographically?

**Mr. Prior:** “Geographically we are in the western US, mid-western US, and twelve states but primarily in the southwest. We operate a different business in northern

New England and Upstate New York. We are also in Bermuda, the US Virgin Islands and have a large operation in Guyana which is a Caribbean nation on the tip of South America.”

**CEOCFO:** Is it a strategy being in so many diversified locations, or is it just opportunity?

**Mr. Prior:** “It’s a bit more of the latter and it is also somewhat the outcome of the strategy. We look for smaller under-served markets that don’t have the sort of hyper competition that you see in some telecom markets and what that means is to grow over time, you often need to go into new markets. Therefore, new opportunities won’t necessarily be geographically proximate to our existing markets.”

**CEOCFO:** What types of services are you providing, and do you see a change in the service?

**Mr. Prior:** “If you look across all the markets we are in, we provide all the telecommunications services you can think of, including mobile wireless service, both voice and data. This includes the so-called 3G very high-speed mobile data. In the islands, we provide what some people call a Wi-Max, which is technically not Wi-Max; but is a high-speed portable data technology. We provide traditional landline voice, traditional DSL, international voice and data and we provide sophisticated, integrated voice and data packages to businesses. We also provide our services to both businesses and consumers and residential areas, so we’re really all over the place and even provide some data center services. Our services are always changing but the most significant change today is the overall shift from voice-dominated services to data-dominated services and from fixed services to mobile or portable services.”

**CEOCFO:** Where is the most revenue coming from?

**Mr. Prior:** “Mobile wireless is the biggest revenue stream and that is the largest pieces in the US, our rural Wireless business. The next biggest business is in Bermuda, and then wireless in Guyana is

part of an integrated telephone company there that we own. The next biggest bucket of revenue, which we call local telephone and data, merges traditional land line telephone services for people and businesses with data services of all types other than mobile, but typically high speed internet. These services are provided in Guyana, Northern New England, New York and the US Virgin Islands.”

**CEOCFO:** What are the particular challenges of being in places like Guyana?

**Mr. Prior:** “There are two challenges. One is you know when you are a big operator - - particularly a utility operator in a small country - - you deal a lot with governmental and political issues, as ap-

**“We would like to be remembered for two things above all. One is bringing critical infrastructure in telecommunications to many areas that were under-served. We’re very proud of our record in that regard. I think the second thing is that—from an investor’s standpoint—we are an absolute return-oriented company, long-term focused, with high inside ownership and a management team very focused on investor returns.”**

**- Michael T. Prior**

posed to in our wireless businesses and other markets where we rarely feel any of those issues directly. Even in our business in Northern New England, these issues are minimal. So that’s one challenge and it’s not just about motivating your team, providing quality service to your customers and focusing on your services. You also have to take the political equation into account. The second challenge is that you really need to understand that it is its own unique market and you can’t try to make major decisions from an office in Massachusetts or try to run it from afar. To solve that, we had to have a really good, strong, local management team, and we do.”

**CEOCFO:** In general, how do you handle the fact that you are so geographically diverse?

**Mr. Prior:** “It really goes back to the last thing I said; you have to have strong local management and if you want accountability and performance, you have to give them responsibility and authority. Therefore, at the headquarter level we try to act more as advisors than supervisors. There are of course major items that can become more formalized and go through normal checks and balances. However, day-to-day, we try to function as advisors in technical, regulatory, marketing ways and any way we can help, rather than direct the daily and weekly tasks.”

**CEOCFO:** What is new in the telecom market?

**Mr. Prior:** “Telecom is always new. It’s a dynamic market because of where our world is today with the information economy. Telecom is how it gets delivered. So, there’s a lot that’s new. Most people I guess would answer that by pointing to technology but, in my view, most of the technology hasn’t changed radically.

Although the technology is continually improving and the pace of innovation is high, the underlying technology is not changing dramatically or fundamentally. Things going faster, coming in smaller packages, and radiowaves, light-waves and electrical waves all getting sliced and diced in ever more efficient ways. What’s more interesting is whether there is a paradigm shift: do telecom communications become more like electric power and very basic commodities? Still very valuable, but the focus becomes on the applications on top of it? I’m not sure we will go quite there - - to “dumb pipes” - -, but it’s a very interesting debate in telecom and the outcome and timing will drive the success or failure of many business models.”

**CEOCFO:** You had a good last quarter; what accounts for your success and how do you continue?

**Mr. Prior:** “The success of the last quarter was a combination of a number of things, but the dominant or leader of the pack for that quarter was certainly the

growth in US rural wireless. What accounts for that is we've been aggressive in building out and extending our network. We saw an opportunity about three years ago and invested in a business. We put a lot of capital at work, extended and upgraded our network and improved our operating efficiencies. Therefore, the recent quarters have been really a nice indication of that strategy today as we have been seeing good traffic and revenues generated by the investments we made."

**CEOCFO:** What is ahead?

**Mr. Prior:** "Because we are in these small markets you have to be nimble, so we don't necessarily have the solid five year plan of some companies. But we are planning on a significant growth in data demand, even in poorer or more rural markets. I think we're going to see more mobile data, even in places where price and cost have been limiting factors to date, and we have to be ready to for that in the wireless network. We are looking to expand our rural wireless footprint and our network capabilities. We also see opportunity providing wholesale capacity to these markets that have lagged the more dense and developed markets in the availability of advanced data services. As a small example of this, our New England subsidiary, Sovernet, led an investment in a rural fiber network connecting most of rural upstate New York to the tier one internet backbone. Our partners in this investment are the incumbent rural telephone companies and they are eager to improve the availability of advanced data services and applications in their markets. Lastly, we still think there are

opportunities in markets in the Caribbean, the U.S. and elsewhere to build telecom infrastructure and deliver attractive long-term returns."

**CEOCFO:** What is the financial picture for the company?

**Mr. Prior:** "We've had many years of growing revenue, cash flow and net income and increasing the dividend, but we still have very little debt on our balance sheet. We actually have a net cash position and we think we have a good team of people. As I said, we're out there looking for other opportunities to go into more underserved markets, and to invest for the long term."

**CEOCFO:** Ernst & Young named you entrepreneur of the year in 2008 for New England; how does that reflect on the company?

**Mr. Prior:** "That's the key, it does reflect more on the company than me. I think it was a great honor but it really is a company honor. I underestimated how much it means to people working here. I am less concerned about personal honors and would get a bigger kick out of seeing the whole company continue to do well and being a part of it. I had not attached a great deal of importance to the prospect of the award when I was nominated but the process was great and I found that it was a very nice sort of morale booster and confirmation of the work everyone has been doing. So, I think it means a lot in that regard and I think it is well-deserved by our company. We've been pretty creative and contrary and tenacious, which

are all hallmarks of the successful entrepreneur."

**CEOCFO:** Why should investors pick Atlantic Tele-Network out of the crowd?

**Mr. Prior:** "I would say that our track record is number one although you should always say that past performance is no guarantee of future performance. We have a long track record with this philosophy and strategy and team. We've done very well and our stock has outperformed all but a handful of telecommunications stocks over any 3, 5 or 10, year period you want to pick. Therefore, I think our strategy has been successful. We can look at these smaller, overlooked markets and find rich rewards for patient investors. The other thing that I think investors miss sometimes for us is that, while we are in these small markets that are individually not so sexy, that produces a great benefit of diversity of earnings and revenues. I think this fact is under appreciated by most investors."

**CEOCFO:** What should people remember most about Atlantic Tele-Network?

**Mr. Prior:** "We would like to be remembered for two things above all. One is bringing critical infrastructure in telecommunications to many areas that were underserved. We're very proud of our record in that regard. I think the second thing is that--from an investor's standpoint--we are an absolute return-oriented company, long-term focused, with high inside ownership and a management team very focused on investor returns."

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