

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

ATLANTIC TELE NETWORK INC /DE

CIK: **879585** | IRS No.: **470728886** | State of Incorpor.: **DE** | Fiscal Year End: **1231**
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SIC: **4813** Telephone communications (no radiotelephone)

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D. C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) April 28, 2004

ATLANTIC TELE-NETWORK, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-19551
Commission File Number

47-0728886
(IRS Employer
Identification No.)

**9719 Estate Thomas Havensight
St. Thomas, U.S. Virgin Islands 00802**
(Address of principal executive offices and zip code)

(340) 777-8000
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report.)

Item 7. Financial Statements and Exhibits.

(c) Exhibits

99.1 Press release of the Company dated April 28, 2004

Item 12. Results of Operations and Financial Condition

On April 28, 2004, Atlantic Tele-Network, Inc. (the “Company”) issued a press release announcing earnings results for the quarter ended March 31, 2004. The full text of the press release issued in connection with the announcement is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information in the report, including the exhibit hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 of the Exchange Act, except as expressly set forth by specific reference in such a filing.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ATLANTIC TELE-NETWORK, INC.

By:

/s/ MICHAEL T. PRIOR

Chief Financial Officer

May 18, 2004

EXHIBIT INDEX

| Exhibit Number | Description of Exhibit | |
|---------------------------|---|-------|
| 99.1 | Press release of the Company dated April 28, 2004 | _____ |

PRESS RELEASE: FOR IMMEDIATE RELEASE

For further information:

Company Contacts:

Cornelius B. Prior, Jr., CEO

(340) 777-8000

Michael T. Prior, CFO

(340) 715-8233

**ATLANTIC TELE-NETWORK, INC.
REPORTS 12% FIRST QUARTER 2004 EARNINGS INCREASE
OVER THE FIRST QUARTER OF 2003**

ST. THOMAS, U.S. VIRGIN ISLANDS (April 28, 2004) Atlantic Tele-Network, Inc. (AMEX:ANK) today reported earnings of \$3.1 million, or \$0.63 per share, for the quarter ended March 31, 2004, compared to earnings of \$2.8 million, or \$0.56 per share, for the quarter ended March 31, 2003, an increase of 12%. The Company's first quarter earnings were down slightly from its fourth quarter 2003 earnings of \$3.2 million or \$0.64 per share due to seasonal revenues earned in the fourth quarter of 2003.

Telephone operating revenues for the quarter ended March 31, 2004 were \$19.4, as compared to \$18.1 million for the first quarter of 2003. The increase in telephone operating revenues is principally attributable to a \$1.5 million or 16% increase in international long distance revenues, reflecting an increased volume of traffic at GT&T although lower revenue per minute. Local exchange service revenues were \$7.8 million for the quarter ended March 31, 2004, a decrease of \$231,000 or 3%. GT&T's cellular subscribers increased by 32% to 122,862 at March 31, 2004 and wireline subscribers (access lines) increased by 7% to 93,520. The increased lines and handsets in service led to the increase in international long distance traffic and revenues, but were not able to overcome the effect of a 14% decline in the value of the Guyana dollar on our local exchange service revenues, which is billed and paid in the local currency.

Income from telephone operations increased to \$8.3 million in the first quarter of 2004, as compared to \$7.4 million for the period ended March 31, 2003, an increase of \$939,000 or 13%. Total telephone operating expenses increased by 3% to \$11.1 million. The large increase in lines and cellular subscribers led to an 11% increase in telephone operating expenses, despite the decline in value of the Guyana dollar. This increased expense was partially offset by a 25% decline in international long distance expenses resulting from lower average outbound termination rates.

Other operations, comprised of Choice Communications and Call Home Telecom in the United States Virgin Islands and Atlantic Tele-Center (ATC) in Guyana, reported a loss of \$1.2 million for the quarter ended March 31, 2004, an increase of \$394,000 over the comparable period of 2003. The widening loss on other operations was primarily due to an increase in expenses at Choice, particularly increased sales expenses and depreciation expense, despite a 29% increase in revenues. Management was able to cut call center expenses at ATC compared to the comparable quarter last year, but the first quarter of 2004 also suffered by comparison due to a reduction in revenue at Call Home Telecom of approximately \$250,000.

Equity in the earnings of Bermuda Digital Communications, our cellular operator in Bermuda, was \$497,000 for the three months ended March 31, 2004, an 8% decline, compared to the three months ended March 31, 2003. The decrease in earnings primarily reflects increased operating costs

associated with the increase in subscribers. Cellular subscribers increased 6% from 16,608 at March 31, 2003 to 17,614 at March 31, 2004 but have declined by 1% since December 31, 2003 due to increased competition.

The Company recorded other income of \$1.25 million in the first quarter of 2004, compared to a loss of \$70,000 in the first quarter of 2003. This improvement is primarily the result of a foreign exchange loss of \$291,000 recorded during the quarter ended March 31, 2003 compared to a gain of \$945,000 in the quarter ended March 31, 2004. A decline in the value of the Guyana dollar in relation to the U.S. dollar decreased the value of GT&T's Guyana dollar denominated net liabilities, resulting in a gain.

Cornelius B. Prior, Jr., Chairman of the Board and Chief Executive Officer of Atlantic Tele-Network, Inc., said: "Our GT&T subsidiary had another excellent quarter. International long distance traffic continued its robust growth thanks to the substantial increase in handsets and lines in service over the past twelve months. On the other hand, a decline in the value of the Guyana dollar against the US dollar limited the revenue growth for GT&T's local exchange operations (which include cellular). This currency movement also led to a surge in other income, a major factor in our increased earnings for the first quarter, an effect that may not continue in future quarters.

The results of other operations were not so favorable, despite continued subscriber growth at Choice Communications. We are continuing to focus significant management attention on improving results at these smaller units, but it may be some time before we see a substantial improvement in their results. Our Bermuda cellular operation continued to make an important contribution to earnings, although a particularly slow early first quarter and our first consecutive quarter decline in subscribers contributed to the decline in earnings from the first quarter of 2003 for this unit."

Atlantic Tele-Network, Inc. is a telecommunications company with headquarters in St. Thomas, U.S. Virgin Islands. Its principal subsidiary, Guyana Telephone and Telegraph Company, Limited, is 80% owned by ATN and is the national telephone service provider in the Cooperative Republic of Guyana for all local, long-distance and international service. ATN also owns 44% of Bermuda Digital Communications Ltd., doing business in Bermuda as Cellular One, 100% of Choice Communications, LLC, the largest Internet service provider in the United States Virgin Islands and the only wireless TV provider in the USVI, as well as 100% of Atlantic Tele-Center, Inc., a Web-enabled outsourcing call center in Guyana.

This release contains forward-looking statements within the meaning of the federal securities laws. Actual results could differ materially from these statements as a result of many factors, including matters discussed in the Company's Form 10K annual report for the year ended December 31, 2003, which is on file with the Securities and Exchange Commission.

ATLANTIC TELE-NETWORK, INC.
Statement of Operations Data
For the Three Months Ended March 31, 2004 and 2003
(In Thousands, Except Per Share Data)

| | Three Months Ended March 31, (Unaudited) | |
|--------------------------------------|--|---------|
| | 2004 | 2003 |
| Telephone Operations: | | |
| Operating revenues: | | |
| International long-distance revenues | \$10,668 | \$9,211 |
| Local exchange service revenues | 7,810 | 8,041 |
| Other revenues | 905 | 863 |
| Total telephone operating revenues | 19,383 | 18,115 |
| Operating expenses: | | |
| International long-distance expenses | 1,380 | 1,840 |
| Telephone operating expenses | 8,033 | 7,219 |
| General and administrative expenses | 1,638 | 1,663 |
| Total telephone operating expenses | 11,051 | 10,722 |
| Income from telephone operations | 8,332 | 7,393 |

| | | |
|--|---------|---------|
| Other Operations: | | |
| Revenues of other operations | 1,287 | 1,262 |
| Expenses of other operations | 2,527 | 2,108 |
| Loss from other operations | (1,240) | (846) |
| Other Income (expense): | | |
| Interest expense | (53) | (99) |
| Interest income | 124 | 138 |
| Equity in earnings of Bermuda Digital Communications, Ltd. | 497 | 542 |
| Other income (expense) | 1,182 | (109) |
| Total other income (expense), net | 1,750 | 472 |
| Income before Income Taxes and Minority Interest | 8,842 | 7,019 |
| Income Taxes | 4,804 | 3,542 |
| Income before Minority Interest | 4,038 | 3,477 |
| Minority Interest | (893) | (665) |
| Net Income | \$3,145 | \$2,812 |

Net Income Per Share:

| | | |
|-------|--------|--------|
| Basic | \$0.63 | \$0.56 |
|-------|--------|--------|

| | | |
|---------|--------|--------|
| Diluted | \$0.63 | \$0.56 |
|---------|--------|--------|

Weighted Average Common Shares Outstanding:

| | | |
|-------|-------|-------|
| Basic | 5,024 | 4,988 |
|-------|-------|-------|

| | | |
|---------|-------|-------|
| Diluted | 5,024 | 5,049 |
|---------|-------|-------|

ATLANTIC TELE-NETWORK, INC.
Selected Operations Statistics
For the Three Months Ended March 31, 2004 and 2003 and December 31, 2003
(in Thousands, Except Access Line Data)

Guyana Telephone & Telegraph Co., Ltd.

| | <u>March 31,</u> <u>2004</u> | <u>December 31,</u> <u>2003</u> | <u>March 31,</u> <u>2003</u> |
|---------------------------------------|-----------------------------------|------------------------------------|---------------------------------|
| Access lines (fixed) | 93,520 | 92,683 | 87,057 |
| Cellular subscriber lines | 122,862 | 118,658 | 92,756 |
| International Long-Distance Traffic: | | | |
| | <u>For the Three Months Ended</u> | | |
| | <u>March 31,</u> <u>2004</u> | <u>December 31,</u> <u>2003</u> | <u>March 31,</u> <u>2003</u> |
| International Minutes of Traffic: | | | |
| Inbound | 36,073 | 36,596 | 28,164 |
| Outbound | 6,810 | 6,863 | 5,602 |
| Total international Minutes | 42,883 | 43,459 | 33,766 |
| International Minutes of Traffic Mix: | | | |
| Inbound | 84.1 % | 84.2 % | 83.4 % |
| Outbound | 15.9 % | 15.8 % | 16.6 % |

Total International Minutes

100.0 % 100.0 % 100.0 %