

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended June 30, 2000

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____

Commission File Number 000-21091

ADVANCED RADIO TELECOM CORP.
(Exact name of registrant as specified in its charter)

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DELAWARE

<C>

52-

1869023

(State or other jurisdiction of
Identification No.)
incorporation or organization)

(IRS Employer

</TABLE>

500 108th Avenue NE, Suite 2600
Bellevue, Washington 98004
(Address of principal executive offices)

(425) 688-8700
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes No .

Indicate the number of shares outstanding of each of the registrant's classes of common stock as of the latest practicable date: 29,487,400 shares of common stock, \$.001 par value, at August 8, 2000.

<PAGE>

ADVANCED RADIO TELECOM CORP.

INDEX

PART 1. FINANCIAL INFORMATION

<TABLE>
<CAPTION>

Page

<S>
<C>

Item 1. Financial Statements
3

Item 2. Management's Discussion and Analysis of Financial
Condition and Results of Operations
10

PART II. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders
14

Item 6. Exhibits and Reports on Form 8-K
14

</TABLE>

-2-

<PAGE>

Advanced Radio Telecom Corp. and Subsidiaries
Condensed Consolidated Balance Sheets
(unaudited)
(in thousands, except share data)

<TABLE>
<CAPTION>

June 30, December 31,

2000 1999

----- -----

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Current assets:

 Cash and cash
 equivalents
\$ 144,257 \$ 108,161

 Short-term
 investments
-- 75,887

 Pledged
 securities
-- 9,407

Notes			
receivable ..	6,560	--	
Accounts			
receivable 61	234		
Prepaid expenses and other current			
assets		175	227
-----	-----		
Total current			
assets			
151,053	193,916		
Property and equipment,			
net			27,274
14,747			
FCC licenses,			
net			
177,505	180,754		
Deferred financing costs,			
net			8,232
8,345			
Other			
assets			
.....	17,837	374	
-----	-----		
Total			
assets			
\$ 381,901	\$ 398,136		
=====	=====		

Current liabilities:

Accounts			
payable			
\$ 7,199	\$ 5,780		
Accrued compensation and			
benefits			4,054
3,022			
Accrued taxes other than			
income			5,434
5,034			
Other accrued			
liabilities			
4,751	2,826		
Accrued interest			
payable			
7,094	7,120		
Current portion of long-term			
debt			212
380			
-----	-----		

Total current	
liabilities	
28,744	24,162
Long-term debt, net of current	
portion	113,030
109,047	
Deferred income tax	
liabilities	
28,704	29,326
-----	-----
Total	
liabilities	
170,478	162,535
-----	-----

Commitments and contingencies

Convertible Preferred Stock:

Series A 2,411,667 and 2,288,289 shares issued and		
outstanding	202,732	195,796
Series B 725,833 and 849,211 shares issued and		
outstanding	40,804	47,740

Total convertible preferred	
stock	243,536
243,536	
-----	-----

Stockholders' deficit:

Common stock and additional paid-in capital, 29,475,926		
and 27,967,975 shares issued and		
outstanding	239,345	231,513
Note receivable from		
stockholder		--
(887)		
Accumulated other comprehensive		
income	--	
889		
Accumulated		
deficit		
(271,458)	(239,450)	

Total stockholders'	
deficit	(32,113)
(7,935)	
-----	-----

Total liabilities, convertible preferred stock and
stockholders' deficit \$ 381,901 \$ 398,136

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The accompanying notes are an integral part of these financial statements.

-3-

<PAGE>

Advanced Radio Telecom Corp. and Subsidiaries
Condensed Consolidated Statements of Operations
(unaudited)
(in thousands, except per share data)

<TABLE>
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Three Months Ended		Six Months Ended	
June 30,		June 30,	
2000	1999	2000	1999
-----	-----	-----	-----
<S>			
<C>	<C>	<C>	<C>
Revenues			
\$ 363	\$ 339	\$ 761	\$ 565
-----	-----	-----	-----
Costs and expenses:			
Technical and network operations			
5,924	4,316	10,610	7,856
Sales and marketing			
1,720	1,453	2,955	2,919
General and administrative			
4,108	3,447	8,799	6,093
Provision for equipment impairment			
--	--	--	6,376
Depreciation and amortization			
3,340	3,654	6,499	6,784
-----	-----	-----	-----
Total operating costs and expenses			
15,092	12,870	28,863	30,028
-----	-----	-----	-----
Loss from operations			
(14,729)	(12,531)	(28,102)	(29,463)
-----	-----	-----	-----
Interest and other:			

Interest expense				
(5,358)	(8,742)	(10,581)	(16,078)	
Other				
--	545	--	545	
Interest income				
2,557	494	6,053	926	
-----	-----	-----	-----	
Total interest and other				
(2,801)	(7,703)	(4,528)	(14,607)	
-----	-----	-----	-----	
Loss before income taxes				
(17,530)	(20,234)	(32,630)	(44,070)	
Deferred income tax benefit				
347	757	622	1,062	
-----	-----	-----	-----	
Net loss				
\$ (17,183)	\$ (19,477)	\$ (32,008)	\$ (43,008)	
=====	=====	=====	=====	
Net loss				
\$ (17,183)	\$ (19,477)	\$ (32,008)	\$ (43,008)	
Deemed preferred dividend				
(2,433)	--	(6,936)	--	
-----	-----	-----	-----	
Net loss applicable to common stockholders				
\$ (19,616)	\$ (19,477)	\$ (38,944)	\$ (43,008)	
=====	=====	=====	=====	
Basic and diluted net loss per common share, including \$0.08 and \$0.24 loss per share relating to deemed preferred dividends in 2000				
\$ (0.67)	\$ (0.72)	\$ (1.35)	\$ (1.59)	
=====	=====	=====	=====	
Weighted average common shares				
29,249	27,211	28,797	27,124	
=====	=====	=====	=====	

</TABLE>

The accompanying notes are an integral part of these financial statements.

Advanced Radio Telecom Corp. and Subsidiaries
Condensed Consolidated Statement of Stockholders' Deficit
(unaudited)
(in thousands)

<TABLE>
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Note	Accumulated			Common Stock and	
Receivable	Other			Additional paid in	
capital	from	Comprehensive	Accumulated	Shares	
Amount	Stockholder	Income	Deficit	Total	-----

-	-----	-----	-----		
<S>				<C>	<C>
<C>	<C>	<C>	<C>		
Balance at December 31, 1999				27,968	
\$231,513	\$ (887)	\$ 889	\$ (239,450)	\$ (7,935)	
Repayment of note receivable					
887			887		
Warrants exercised				344	
3				3	
Stock options exercised				1,159	
7,900				7,900	
Stock issued pursuant to employee benefit plan				5	
67				67	
Stock compensation expense				(138)	
(138)				(138)	
Value ascribed to beneficial conversion feature of Series A Preferred Stock					
6,936				6,936	
Deemed dividend of beneficial conversion feature of Series A Preferred Stock					
(6,936)				(6,936)	
Comprehensive loss:					
Net loss					
(32,008)	(32,008)				
Decrease in unrealized appreciation on investments available for sale					
(889)		(889)			

Comprehensive loss					
(32,897)					
-----		-----	-----	-----	-----
Balance at June 30, 2000				29,476	
\$239,345	\$ -	\$ -	\$ (271,458)	\$ (32,113)	
=====	=====	=====	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

<PAGE>

Advanced Radio Telecom Corp. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(unaudited)
(in thousands)

<TABLE>
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Six Months Ended June 30,

2000	1999
----	----
<S>	<C>
Cash flows from operating activities:	
Net loss.....
..... \$ (32,008)	\$ (43,008)
Adjustments to reconcile net loss to net cash used by operating activities:	
Non-cash provision for equipment impairment.....	-
6,376	
Depreciation and amortization.....
6,499	6,784
Non-cash interest and financing commitment expense.....	1,077
456	4,658
Non-cash stock-based compensation expense.....	(138)
Gain on sale of FCC licenses.....	-
(744)	
Deferred income tax benefit.....	(622)
(1,062)	

Changes in operating assets and liabilities:		
Accrued interest		
payable.....		(26)
863		
Accounts payable and accrued		
liabilities.....	4,776	
7,934		
Other.....		
.....	(533)	(153)

Net cash used by operating		
activities.....	(20,975)	
(17,896)		

Cash flows from investing activities:

Purchases of property and		
equipment.....	(13,952)	
(2,971)		
Proceeds from disposition of property and		
equipment.....	120	548
Additions to FCC		
licenses		
-	(4,311)	
Proceeds from sale of FCC		
licenses.....		-
6,872		
Deposit for FCC license		
auction.....	(15,394)	
-		
Loans to		
BroadStream.....		
(6,530)	-	
Proceeds from sale of short-term		
investments.....	74,998	
-		
Proceeds from maturities of pledged		
securities.....	9,450	
9,450		
Proceeds from repayment of notes		
receivable.....	887	
-		

Net cash provided by investing		
activities.....	49,579	
9,588		

Cash flows from financing activities:

Proceeds from bridge financing.....		-
50,000		
Proceeds from working capital facility borrowings.....	-	7,500
Proceeds from issuance of common stock.....	7,903	
519		
Principal payments of long-term debt.....	(262)	
(229)		
Additions to deferred financing costs.....	(149)	
(7,546)		
-----	-----	
Net cash provided by financing activities.....	7,492	
50,244		
-----	-----	
Net increase in cash and cash equivalents.....		36,096
41,936		
Cash and cash equivalents, beginning of period.....	108,161	
11,864		
-----	-----	
Cash and cash equivalents, end of period.....		\$144,257
\$ 53,800		

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</TABLE>

The accompanying notes are an integral part of these financial statements.

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Advanced Radio Telecom Corp. and Subsidiaries
Notes to Condensed Consolidated Financial Statements

Note 1 - The Company and Significant Accounting Policies

Advanced Radio Telecom Corp. (collectively with its subsidiaries, "ART" or the "Company") is a broadband internet protocol service provider to businesses. ART has a nationwide footprint of 39 GHz spectrum licenses in the United States, and

owns 26GHz and/or 39GHz spectrum licenses in the United Kingdom and several Scandinavian countries. The Company has announced plans to build wireless high-speed, internet protocol metropolitan area networks in 40 major United States markets over the next three years. During the first half of 2000, the Company launched its high-speed broadband metropolitan data networks in Washington D.C., Houston, San Jose, Los Angeles, Seattle and Phoenix.

The Company will require significant additional capital to fully fund its operations and its long-term broadband data network buildout and business plan. While the Company has raised substantial capital in the past, there can be no assurance that the Company will be able to obtain additional financing, or, if available, that it will be able to obtain such additional financing on acceptable terms.

Interim financial statements - Certain information and footnote disclosures normally included in financial statements have been condensed or omitted pursuant to rules and regulations of the Securities and Exchange Commission. The accompanying interim condensed consolidated financial statements are unaudited. In the opinion of Company management, these financial statements include all adjustments, consisting of normal recurring adjustments, necessary to present fairly the Company's financial position and results of operation for the interim periods presented. The unaudited condensed consolidated financial statements should be read in conjunction with the Company's 1999 audited consolidated financial statements and notes thereto contained in the Company's 1999 Annual Report on Form 10-K.

Use of Estimates - Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from these estimates. Among the more significant estimates made by management include estimated useful lives of licenses and network equipment and the recoverability of recorded values of long-lived assets.

Impairment of Long-Lived Assets - The Company evaluates its long-lived assets for financial impairment and continues to evaluate them as events or changes in circumstances indicate that the carrying amount of such assets may not be fully recoverable. In cases where undiscounted expected cash flows associated with such assets are less than their carrying value, an impairment provision is recognized in an amount by which the carrying value exceeds the estimated fair value of such assets. Recoverability of property and equipment and capitalized FCC licenses is dependent on, among other things, the successful deployment of networks in each of the respective markets, or sale of such assets. Management estimates that the Company will recover the carrying amount of those costs from undiscounted cash flows generated by the networks once deployed. However, it is reasonably possible that such estimates may change in the near term as a result of technological, regulatory or other changes.

Net Loss Per Share - Calculations of loss per share exclude the effect of convertible preferred stock, options and warrants since inclusion in such calculations would have been antidilutive. The net loss per common share for the three and six months ended June 30, 2000, gives effect to a deemed preferred stock dividend of approximately \$2.4 million and \$6.9 million, respectively, representing the beneficial conversion feature of Series A preferred stock.

Note 2 - Property and Equipment

Capital expenditures for property and equipment during the six months ended June 30, 2000, included approximately \$3.3 million which were funded by vendor financing.

-7-

<PAGE>

Advanced Radio Telecom Corp. and Subsidiaries
Notes to Condensed Consolidated Financial Statements

Note 2 - Property and Equipment (continued)

During the six months ended June 30, 1999, the Company recorded a provision for

equipment impairment of approximately \$6.4 million to write down the carrying value of certain equipment not expected to be an integral part of the Company's expanded broadband data network.

Note 3 - FCC Licenses and Recent Developments

In April 2000, the Company entered into an agreement to acquire up to all of the 39GHz licenses of BroadStream Communications Corporation and its affiliates ("BroadStream") in exchange for shares of Company common stock. The number of shares of common stock to be issued as consideration for the acquired licenses will be determined by a formula based on 1.25 times the population covered by the licenses (as defined) divided by 36. The maximum number of shares that will be issued if all licenses are acquired approximates 10.2 million shares. The Company has also entered into an agreement to make available to BroadStream bridge loans of up to \$30 million, pursuant to which the Company has loaned approximately \$6.5 million at June 30, 2000; amounts borrowed are to be repaid within 90 days of the transaction closing. In addition, in March 2000, the Company entered into an agreement to acquire all of the 39 GHz licenses of Bachow Communications Incorporated in exchange for approximately 2.2 million shares of the Company's common stock. Closing of both transactions, which are anticipated in the second half of 2000, are subject to various conditions, including FCC approval and, in the case of the BroadStream transaction, for certain licenses, license renewal.

The Company is a participant in an auction for 39 GHz licenses being conducted by the FCC and in connection therewith in March 2000, the Company made a \$31.5 million up front payment (the amount of which was determined in accordance with auction notice and filing requirements) for additional licenses it may acquire in the auction. As a result of the recently completed auction, the Company was the high bidder for licenses having a total purchase price of approximately \$77 million. In May 2000, the Company received from the FCC a return of approximately \$16.1 million of its up front payment. The net deposit of \$15.4

million is included in other assets in the accompanying June 30, 2000 consolidated balance sheet. The remaining \$61.6 million payment is expected to be paid during the second half of 2000.

In May 1999, the Company sold 11 licenses for approximately \$6.9 million, resulting in a gain included in other income of approximately \$700,000.

Note 4 - Long-term Debt and Other Financings

Financing Agreement with Cisco Systems - During 2000, the Company entered into a credit agreement with Cisco Systems Capital Corporation, an affiliate of Cisco Systems, Inc. ("Cisco"), for multi-year vendor financing to be used to fund the Company's purchases of Cisco networking hardware and other costs associated with the network installation and integration of such hardware. Funding under the facility is available in tranches, approximately \$14 million being immediately available, \$36 million available upon build-out of certain markets and the remaining \$125 million becoming available upon completion of additional market build-outs or upon closing of additional financing facilities, as defined. Terms of the credit agreement, among other things, include requirements for the Company to maintain certain levels of financial ratios, to limit distributions, dividends, redemptions or other acquisitions of the Company's capital stock, to limit the amount of additional indebtedness and provides for mandatory principal prepayments under certain circumstances. As of June 30, 2000, the Company had borrowed approximately \$3.3 million relating to this credit agreement, which is included in long-term debt in the accompanying consolidated balance sheet.

Working Capital Facility - During 1999, the Company borrowed funds available on a working capital facility, which facility was repaid in September 1999 and terminated.

-8-

<PAGE>

Advanced Radio Telecom Corp. and Subsidiaries
Notes to Condensed Consolidated Financial Statements

Note 5 - Capital Stock

During the six months ended June 30, 2000, as a result of the automatic conversion of approximately 123,000 shares of Series B convertible preferred stock into Series A convertible preferred stock, the Company recognized a deemed dividend of approximately \$6.9 million.

As a result of declines in the market value of the Company's common stock, general and administrative expenses for the three and six months ended June 30, 2000 include a credit to expense of \$789,000 and \$138,000, respectively, relating to stock-based compensation. Stock-based compensation expense was \$319,000 and \$456,000 for the three and six months ended June 30, 1999, respectively.

Note 6 - Commitments and Contingencies

The Company is party to certain claims and makes routine filings with the FCC and state regulatory authorities. Management believes that resolution of any such claims or matters arising from such filings, if any, will not have a material adverse impact on the Company's consolidated financial position, results of operations or cash flows. In the normal course of business, the Company has various legal claims and other contingent matters outstanding. Management believes that any ultimate liability arising from these actions would not have a material adverse effect on the Company's financial condition, liquidity or operating results.

Note 7 - Supplemental Cash Flow Information:

Supplemental disclosure of non-cash financing and investing activities and other cash flow information for the six months ended June 30 is summarized as follows (in thousands):

<TABLE>
<CAPTION>

	2000
1999	----

<S>	<C>
<C>	
Non-cash financing and investing activities:	
Issuance of shares for FCC licenses	\$ -
\$ 848	

Value ascribed to warrants	-
1,242	
Additions to property and equipment	3,261
-	
Interest paid	9,504
10,683	

</TABLE>

-9-

<PAGE>

Advanced Radio Telecom Corp.
Management's Discussion and Analysis
of Financial Condition and Results of Operations

Cautionary Statement

This report includes "forward-looking" information, as that term is defined in the Private Securities Litigation Reform Act of 1995 or by the Securities and Exchange Commission in its rules, regulations and releases, regarding the Company's financial and business prospects, the deployment of its network and capital requirements. The Company cautions investors that any such statements are not guarantees of future performance and that known and unknown risks, uncertainties and other factors may cause actual results to differ materially from those in the forward-looking statements. Those risks include, without limitation, ability to raise additional capital, capital requirements and other financial risks, customer demand, technological risks, management of growth, competition and government regulation, as described in Exhibit 99 to the Company's Report on Form 10-K for the year ended December 31, 1999. The Company does not undertake to update or revise its forward-looking statements publicly even if experience or future changes make it clear that any projected results expressed or implied herein will not be realized.

Overview

In September 1999, ART refocused its strategy to providing broadband internet protocol services to businesses. Revenues for the 2000 and comparative 1999 interim periods represent sales to customers and for businesses that are not part of the current strategy. Revenues and results for those periods are not indicative of the Company's business plan being deployed in 2000.

The Company plans to deploy wireless high speed internet protocol metropolitan networks in ten U.S. markets in 2000 and in an additional thirty markets over the next three years. In March 2000, the Company launched its high-speed broadband metropolitan data network in San Jose and followed with additional network launches in Washington D.C., Houston, Los Angeles, Seattle and Phoenix at the end of June 2000. Revenues from these recently opened markets have not been material through June 30, 2000. The Company expects its operating expenses to increase as it deploys networks and expands its business.

Results of Operations

Six Months Ended June 30, 2000 Compared to Six Months Ended June 30, 1999

Revenues for the six months ended June 30, 2000, increased 35% to \$761,000 compared to \$565,000 for the comparative prior year period as increases in internet access revenues exceeded decreases in revenues from the prior business model.

Technical and network operations expenses increased 35% to \$10.6 million during the six months ended June 30, 2000 from approximately \$7.9 million for the comparative prior year period. The increase resulted primarily from operation of legacy networks in four markets during the first half of 2000 as compared to three markets during the prior year period and from increases relating to the ongoing network buildout.

Sales and marketing expenses of approximately \$3.0 million for the six months ended June 30, 2000 increased 1% from approximately \$2.9 million for the comparative prior year period. These costs are expected to increase as the Company's market roll-out continues.

-10-

<PAGE>

Advanced Radio Telecom Corp.
Management's Discussion and Analysis
of Financial Condition and Results of Operations

Results of Operations (continued)

General and administrative expenses of approximately \$8.8 million for the six months ended June 30, 2000 increased \$2.7 million, or 44%, over the comparative prior year period. The increase was due to expanded operations and infrastructure build-up in anticipation of network deployment, market development and business expansion. As a result of declines in the market value of the Company's common stock, general and administrative expenses for the six months ended June 30, 2000 includes a credit to expense of \$138,000 as compared to expense of \$456,000 for the six months ended June 30, 1999. Exclusive of non-cash changes and credits relating to stock-based compensation, general and administrative expenses approximated \$8.9 million and \$5.6 million for the six months ended June 30, 2000 and 1999, respectively.

During the six months ended June 30, 1999, the Company recorded a provision for equipment impairment of approximately \$6.4 million related to the write-down of certain equipment not expected to be an integral part of the Company's broadband metropolitan data network.

Depreciation and amortization expense of approximately \$6.5 million during the six months ended June 30, 2000 decreased \$285,000 as compared to the prior year period due to recording provisions for equipment impairment charges in 1999. As networks are deployed, depreciation expense will begin to increase as compared to prior periods.

Interest and other expenses decreased during the six months ended June 30, 2000 to \$4.5 million from \$14.6 million during the comparative prior year period due to a decrease in interest expense of \$5.5 million and an increase in interest income of \$5.1 million. The higher interest expense in the 1999 period was primarily due to amortization of the value ascribed to warrants issued in equipment financings and borrowings under these facilities, which were repaid in September 1999. The increase for interest income results from earnings on increased balances of cash and short-term investments.

Deferred income tax benefits were \$622,000 and \$1.1 million during the six

months ended June 30, 2000 and 1999, respectively.

In February of 1999, the Company cancelled and reissued approximately 1 million stock options which under recently issued interpretations of Accounting Principles Board Opinion No. 25, would be accounted for as variable options prospectively from July 1, 2000, the effective date of the interpretation, until such options have been exercised.

Three Months Ended June 30, 2000 Compared to Three Months Ended June 30, 1999

Revenues for the three months ended June 30, 2000, increased 7% to \$363,000 compared to \$339,000 for the comparative prior year period as increases in internet access revenues exceeded decreases in revenues from the prior business model.

Technical and network operations expenses increased 37% to \$5.9 million during the three months ended June 30, 2000 from approximately \$4.3 million for the comparative prior year period. The increase resulted primarily from operation of legacy networks in four markets during the 2000 quarter as compared to three markets during the prior year period and from increases relating to the ongoing network buildout.

Sales and marketing expenses of approximately \$1.7 million for the three months ended June 30, 2000 increased 18% from approximately \$1.5 million for the comparative prior year period as a result of increased marketing activities relating to market roll-outs. These costs are expected to increase as the Company's market roll-out continues.

-11-

<PAGE>

Advanced Radio Telecom Corp.
Management's Discussion and Analysis
of Financial Condition and Results of Operations

Results of Operations (continued)

General and administrative expenses of approximately \$4.1 million for the three months ended June 30, 2000 increased approximately \$661,000, or 19%, over the

comparative prior year period. The increase was due to expanded operations and infrastructure build-up in anticipation of network deployment, market development and business expansion. As a result of declines in the market value of the Company's common stock, general and administrative expenses for the three months ended June 30, 2000 includes a credit to expense of \$789,000 as compared to expense of \$319,000 for the three months ended June 30, 1999. Exclusive of non-cash changes and credits relating to stock-based compensation, general and administrative expenses approximated \$4.9 million and \$3.1 million for the three months ended June 30, 2000 and 1999, respectively.

Depreciation and amortization expense of approximately \$3.3 million during the three months ended June 30, 2000 decreased \$314,000 as compared to the prior year period due to recording provisions for equipment impairment charges in 1999.

Interest and other expenses decreased during the three months ended June 30, 2000 to \$2.8 million from \$7.7 million during the comparative prior year period due to a decrease in interest expense of \$3.4 million and an increase in interest income of \$2.1 million. The higher interest expense in the 1999 quarter was primarily due to amortization of the value ascribed to warrants issued in equipment financings and borrowings under these facilities, which were repaid in September 1999. The increase for interest income results from earnings on increased balances of cash and short-term investments.

Deferred income tax benefits were \$347,000 and \$757,000 during the three months ended June 30, 2000 and 1999, respectively.

Liquidity and Capital Resources

During the six months ended June 30, 2000, operating activities used cash of approximately \$21.0 million as compared to \$17.9 million used by operating activities during the comparative prior year period and approximately \$8.2 million during the immediately preceding quarter. Cash used by operating activities resulted primarily from the Company's net loss reduced by

depreciation and amortization and other non-cash charges and offset by increases in accounts payable and accrued liabilities. The level of accounts payable and accrued liabilities activity will increase or decrease cash used by operating activities and may fluctuate on a quarter to quarter basis.

Investing activities provided cash of approximately \$49.6 million and \$9.6 million during the six months ended June 30, 2000 and 1999, respectively. Investing activities provided cash primarily from maturities of short-term investments during the six months ended June 30, 2000 of approximately \$75 million and from maturities of pledged securities of approximately \$9.4 million during each of the 2000 and 1999 quarters. The February 15, 2000 Senior Notes interest payment was made utilizing the last tranche of pledged securities; accordingly future interest payments will no longer be funded by pledged securities. Investing activities used cash of \$15.4 million for a deposit relating to the FCC license auction, approximately \$14.0 million and \$3.0 million for capital expenditures during the 2000 and 1999 six month periods, respectively, and approximately \$4.3 million for acquisitions of certain FCC licenses during the 1999 period.

Financing activities provided cash of approximately \$7.5 million during the six months ended June 30, 2000, primarily the result of receipt of proceeds from exercise of outstanding stock options and warrants to purchase Company common stock.

-12-

<PAGE>

Advanced Radio Telecom Corp.
Management's Discussion and Analysis
of Financial Condition and Results of Operations

Liquidity and Capital Resources (continued)

In April 2000, the Company entered into an agreement to acquire up to all of the 39 GHz licenses of BroadStream in exchange for shares of the Company's common stock. The number of shares of common stock to be issued as consideration for

the acquired licenses will be determined by a formula based on 1.25 times the population covered by the licenses (as defined) divided by 36. The maximum number of shares that will be issued if all licenses are acquired approximates 10.2 million shares. The Company has also entered into an agreement to make available to BroadStream a bridge loan of up to \$30 million, pursuant to which the Company has loaned approximately \$6.5 million at June 30, 2000; amounts borrowed are to be repaid within 90 days of the transaction closing. In addition, in March 2000, the Company entered into an agreement to acquire all of the 39 GHz licenses of Bachow Communications Incorporated in exchange for approximately 2.2 million shares of the Company's common stock. Closing of both transactions, which are anticipated in the second half of the year, are subject to various conditions, including FCC approval and, in the case of the BroadStream transaction, for certain of the licenses, license renewal.

Since inception, the Company has financed its operations, capital expenditures and acquisitions from issuances of debt and equity securities and vendor financing. In September 1999, the Company raised \$251 million from the private placement of convertible preferred stock, and in 2000, the Company entered into a credit agreement with Cisco for up to \$175 million of financing for network buildout. Funding under the facility is available in tranches, approximately \$14 million being immediately available, \$36 million available upon build-out of certain markets and the remaining \$125 million becoming available upon completion of additional market build-outs or upon closing of additional financing facilities, as defined. The Company will require significant additional capital to fully fund its operations and its long-term broadband metropolitan network build-out and business plan. The Company currently estimates that it may require in excess of \$750 million over the next several years to fund capital expenditures, working capital and operations. Additionally, the Company may require substantial additional cash relating to acquisitions of licenses, including licenses to be acquired as a result of the recently completed FCC Auction in which the Company was the high bidder for licenses having a total purchase price of approximately \$77 million. Accordingly, the Company will need to raise substantial additional capital to

fully implement its business plan. While the Company has raised substantial capital in the past, there can be no assurance that the Company will be able to obtain additional financing, or, if available, that it will be able to obtain such additional financing on acceptable terms. Actual capital requirements will be affected, possibly materially, by various factors including the speed of the Company's build-out, the cost and amount of equipment acquired, the number of markets served and the penetration of those markets, customer acceptance and demand and the prices charged for services, competition and technological change. The Company expects to be able to adjust its capital requirements in part in response to customer demand by changing the rate at which it adds new markets and builds out existing markets.

-13-

<PAGE>

Advanced Radio Telecom Corp.

PART II -- OTHER INFORMATION

Item 4. Submission of Matters to the Vote of Security Holders

The Company held its annual meeting of the stockholders (the "Annual Meeting") on June 14, 2000. Matters submitted to a vote of Company stockholders and voting results were as follows:

(i) Stockholders approved the issuance of shares in payment for licenses and other assets of BroadStream Communications Corporation and affiliates. Votes cast at the Annual Meeting with respect to this matter included 21,937,597 votes in favor of the approval of the issuance of shares, 99,514 votes were against, and 50,020 votes abstained.

(ii) Stockholders elected Marc B. Weisberg and Alan Z. Senter as directors of the Company. Votes cast at the Annual Meeting with respect to this matter included 31,664,215 votes in favor of election of Marc B. Weisberg and 455,130 votes to withhold

cast at authority for the election of Marc B. Weisburg. Votes
of the the Annual Meeting included 31,609,127 votes in favor
withhold election of Alan Z. Senter and 510,218 votes to
authority for the election of Alan Z. Senter.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

27. Financial Data Schedule.

(b) Reports on Form 8-K:

The Company did not file a Form 8-K during the quarter ended June 30, 2000.

-14-

<PAGE>

Advanced Radio Telecom Corp.

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on this 11th day of August, 2000.

ADVANCED RADIO TELECOM CORP.

By: /s/ R. S. McCambridge

R. S. McCambridge
President and
Chief Operating Officer

(Duly Authorized Officer and
Principal Financial and Accounting

Officer)

-15-

<PAGE>

Advanced Radio Telecom Corp. and Subsidiaries

EXHIBIT INDEX

Exhibit

Number

Title

27. Financial Data Schedule

-16-

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