



ACS and TekMate Partner to Expand Managed IT Solutions and Services

ANCHORAGE, Alaska, Jul 29, 2010 (BUSINESS WIRE) -- Alaska Communications Systems Group, Inc. ("ACS") (NASDAQ: ALSK), today announced that it will acquire 49 percent of TekMate Alaska's largest privately owned information technology services company, for \$2 million in cash; the deal is expected to close in August and be accretive to cash flow in year one. With this investment and a related operating agreement, TekMate will bring broader managed IT solutions and professional services to the market, leveraging ACS assets and capabilities.

"We are thrilled with the TekMate investment. TekMate is a great strategic fit for ACS," said Liane Pelletier, ACS chief executive officer. "TekMate customers enjoy peace of mind with TekMate's managed IT services. By complementing those services with ACS data hosting and fixed and mobile data connectivity, the partnership can deliver even more solutions such as business continuity, across a wide range of businesses, in Alaska and beyond. With ACS' recently installed undersea cable system connecting Alaska to an ACS data hosting center and other lower 48 networks, we envision benefits of both geographic and line of business expansion for the two firms. Working together, TekMate and ACS can accelerate growth for both firms," said Pelletier.

TekMate currently serves a large number of businesses in Alaska, employs about 40 individuals, and in 2009 generated revenues of approximately \$5.5 million. It offers modern, personalized network solutions and a range of managed IT services, including desktop support, desktop and server hardware, operating systems management, LAN monitoring and security services.

"TekMate earns very high marks with its customers, who in turn have generated strong organic revenue and income growth. We are pleased to partner with such an admired IT services company, known for outstanding customer service and a customer-centered approach to partnering," said Pelletier.

"We've long admired ACS' Metro Ethernet, MPLS and other network assets," said Shawn Fuller, TekMate president and chief executive officer. "ACS has proven to be the most reliable and innovative service provider when part of a TekMate managed IT solution."

About Alaska Communications Systems

Headquartered in Anchorage, ACS is Alaska's leading provider of wireline and wireless services, specializing in high speed data solutions to demanding businesses and consumers. The ACS wireline operations include the state's most advanced data networks, the only diverse undersea fiber optic system connecting Alaska to the contiguous United States, and remote data hosting sites. The ACS wireless operations include a statewide 3G CDMA EVDO Rev A network, from Barrow to Ketchikan, with coverage extended via best-in-class CDMA carriers in the Lower 49 and Canada. By investing in the fastest-growing market segments and attracting the highest-quality customers, ACS seeks to drive top- and bottom-line growth, while continually improving customer experience and cost structure through process improvement. More information can be found on the company's website at www.acsalaska.com or at its investor site at www.alsk.com.

About TekMate

Headquartered in Anchorage, TekMate is Alaska's largest privately owned information technology company. TekMate was founded in 2001 and has 40 employees throughout the state. For more information, please visit www.tekmate.net.

Forward-Looking Statements

This press release includes certain "forward-looking statements," as that term is defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on management's beliefs as well as on a number of assumptions concerning future events made using information currently available to management. Readers are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of uncertainties and other factors, many of which are outside ACS' control. Such factors are, without limitation, the highly competitive markets in which both our wireline and wireless segments operate; continuing adverse national economic conditions, including continuing instability in the U.S. capital markets and overall investment activity; adverse local economic conditions, including any prolonged downturn in the Alaska oil and gas or tourism markets, changes in capital requirements, unexpected losses, or other factors affecting the company's ability to generate sufficient earnings and cash flows to continue to

make dividend payments to its stockholders; the company's ability attract sufficient customers and volume to its products and services, including those designed to generate sufficient returns on its large-scale fiber optic investments and construction projects; disruption of the company's suppliers' provisioning of critical products or services; the impact of natural or man-made disasters; changes in revenue from Universal Service Funds; unforeseen changes in public policies or accounting policies; or disruptive technological developments in the telecommunications industry. For further information regarding risks and uncertainties associated with ACS' business, please refer to the company's SEC filings, including, but not limited to, the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our annual report on Form 10-K and quarterly reports on Form 10-Q. Copies of the company's SEC filings may be obtained by contacting its investor relations department at (907) 564-7556 or by visiting its investor relations website at www.alsk.com.

SOURCE: Alaska Communications Systems Group, Inc.

ACS Corporate Communications:

Heather Cavanaugh, Director, Corporate Communications, 907-564-7722
heather.cavanaugh@acsalaska.com

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