



3rd Quarter 2015 Earnings Results

November 2015



Participants

Anand Vadapalli: President and Chief Executive Officer

Wayne Graham: Chief Financial Officer

Leonard Steinberg: General Counsel

Laurie Butcher: Senior Vice President of Finance

Tiffany Dunn: Manager, Investor and Board Relations

Safe Harbor Statement

Forward-Looking Statements

We have included in this presentation 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. You 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 risks, uncertainties and other factors, many of which are outside Alaska Communications' control.

For further information regarding risks and uncertainties associated with Alaska Communications' business, please refer to the Alaska Communications' SEC filings, including, but not limited to, our annual report on Form 10-K, quarterly reports on Form 10-Q filed subsequently, and other filings with the SEC, included under headings such as "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Third Quarter 2015 Highlights and Operational Overview

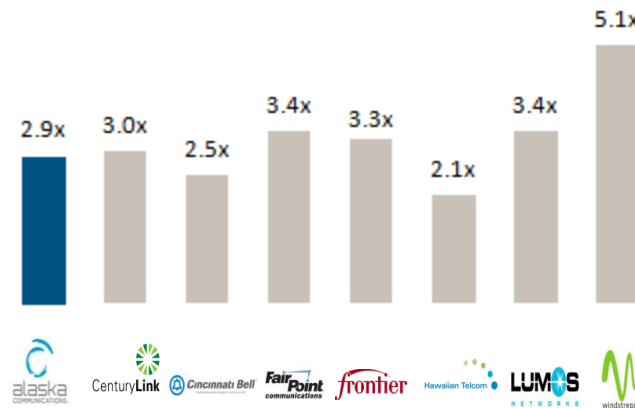
Anand Vadapalli: President and Chief Executive Officer

Transformed to a Pure Play Broadband and IT Managed Services Provider

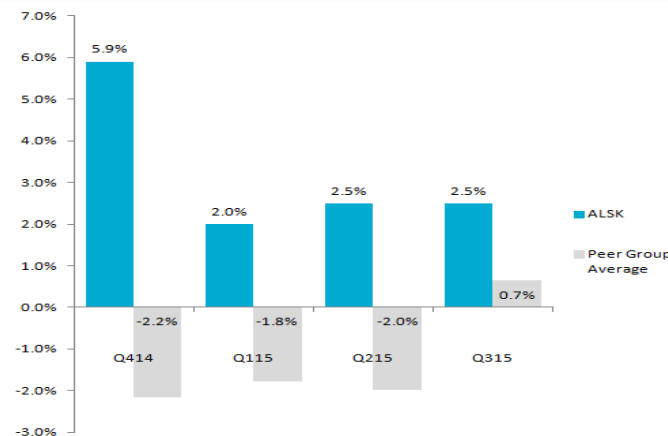
- Industry leading performance
 - Total Service and Other revenues grew 2.5%
 - Broadband revenue grew of 7.6%
 - Business and wholesale comprise 54% of total revenue and grew 6.2%
 - Wireless transaction cost savings delivered on or ahead of plan
 - Sequential adjusted EBITDA growth of 13.7%
 - One of the best balance sheets in the sector

- Transformation is substantially complete
 - Platform for continued growth in place
 - Significant cash reserves
 - Adjusted EBITDA and Free Cash Flow expansion will drive shareholder value creation

Net Leverage Ratio



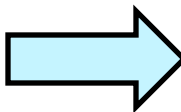
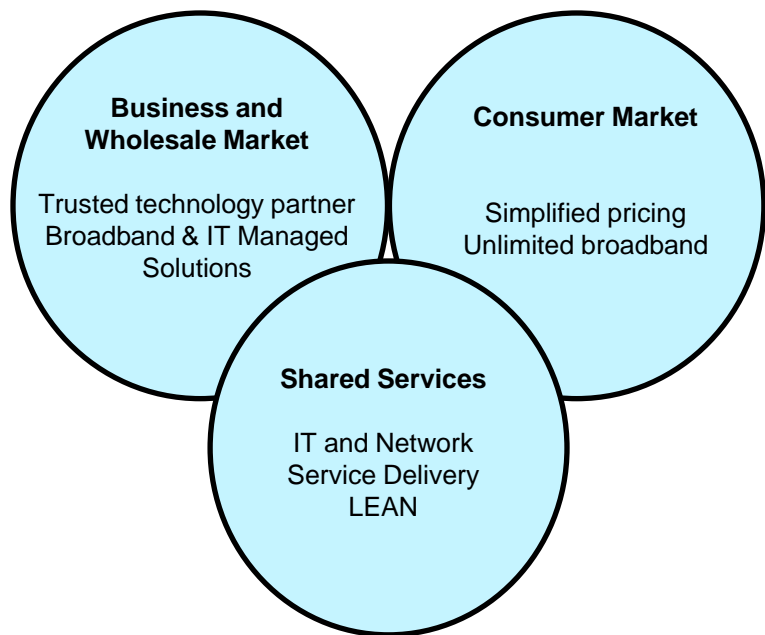
Total Service and Other Revenue Growth



The peer group average of Total Service and Other Revenue included CBB, CTL, FRP, FTR, HCOM and WIN for all periods and LMOS beginning in the fourth quarter of 2014. The leverage ratios for the peer group are reported to YE 2014. Peer group average includes Q2 data for Hawaiian Telcom (Q3 numbers were unavailable at the time of reporting).

Organization Alignment: The right market, at the right time, with the right team

TEAM STRUCTURE



PRIORITIES

- **Business and Wholesale**
 - Strengthen IT Managed Services capabilities
 - Advance partnerships with strategic customers
 - Increase deployment of cyber security solutions
 - Opportunistic M & A to strengthen capabilities
- **Consumer**
 - Stabilize top line and improve margins
 - Capitalize on two player market opportunity
- **Shared Services**
 - Converge IT and Network capabilities
 - Accelerate LEAN and shorten delivery cycles
 - Rigorous allocation of capital

Review of Third Quarter 2015 Results & Balance Sheet Update

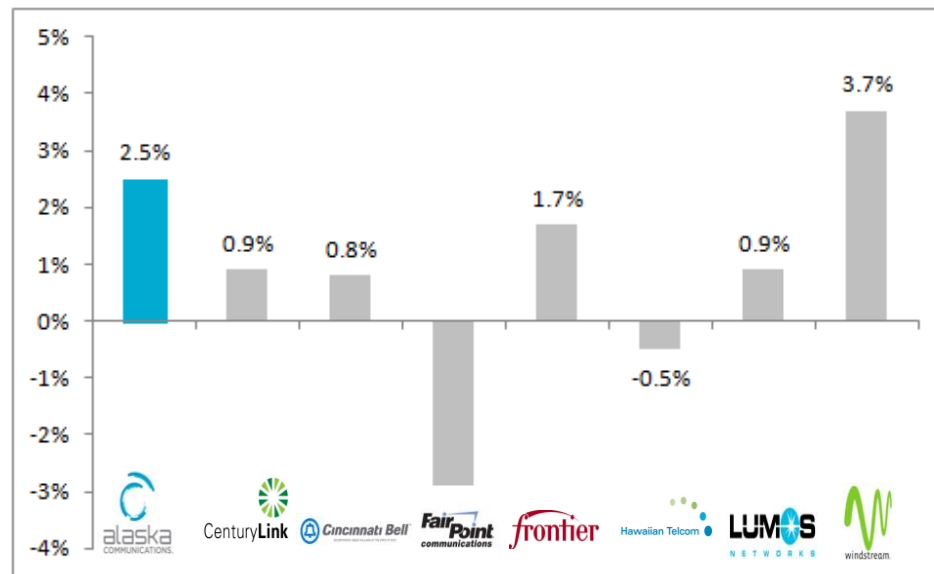
Wayne Graham, Chief Financial Officer

Laurie Butcher, SVP Finance

Q3 2015 Revenue Performance

TOTAL SERVICE AND OTHER REVENUE GROWTH Q3 2015

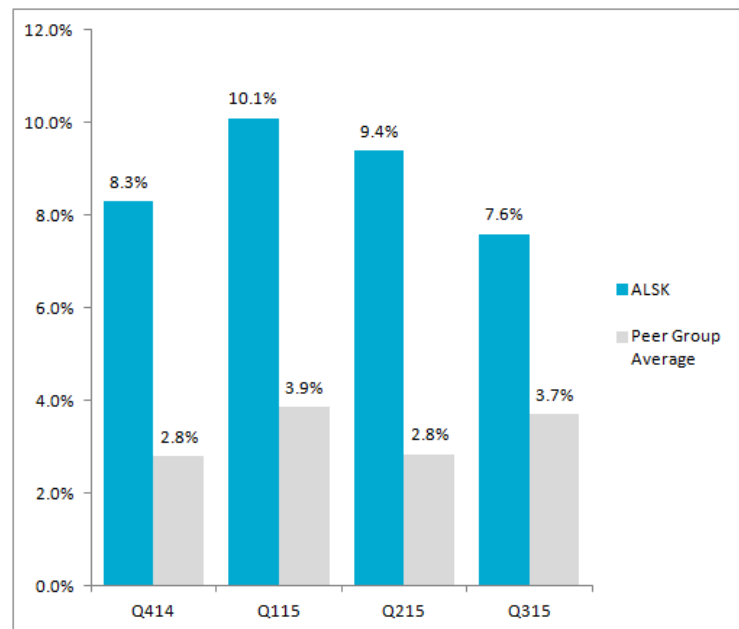
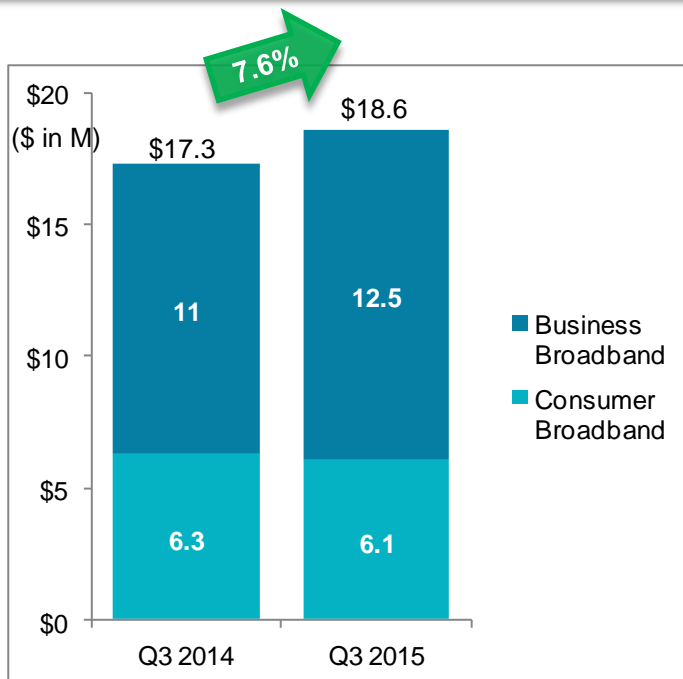
(\$ in M)	Q3 2015	Q3 2014	% Increase/Decrease
Business and Wholesale	\$29.7	\$28.0	6.2%
Consumer	\$9.9	\$10.4	(4.7%)
Other	\$15.1	\$15.0	0.6%
Total Service and Other Revenue	\$54.7	\$53.4	2.5%



Sources: Respective company public filings. Q2 data for Hawaiian Telcom (Q3 numbers were unavailable at the time of reporting)

Broadband Leads Industry, Again

BROADBAND REVENUE GROWTH Q3 2015

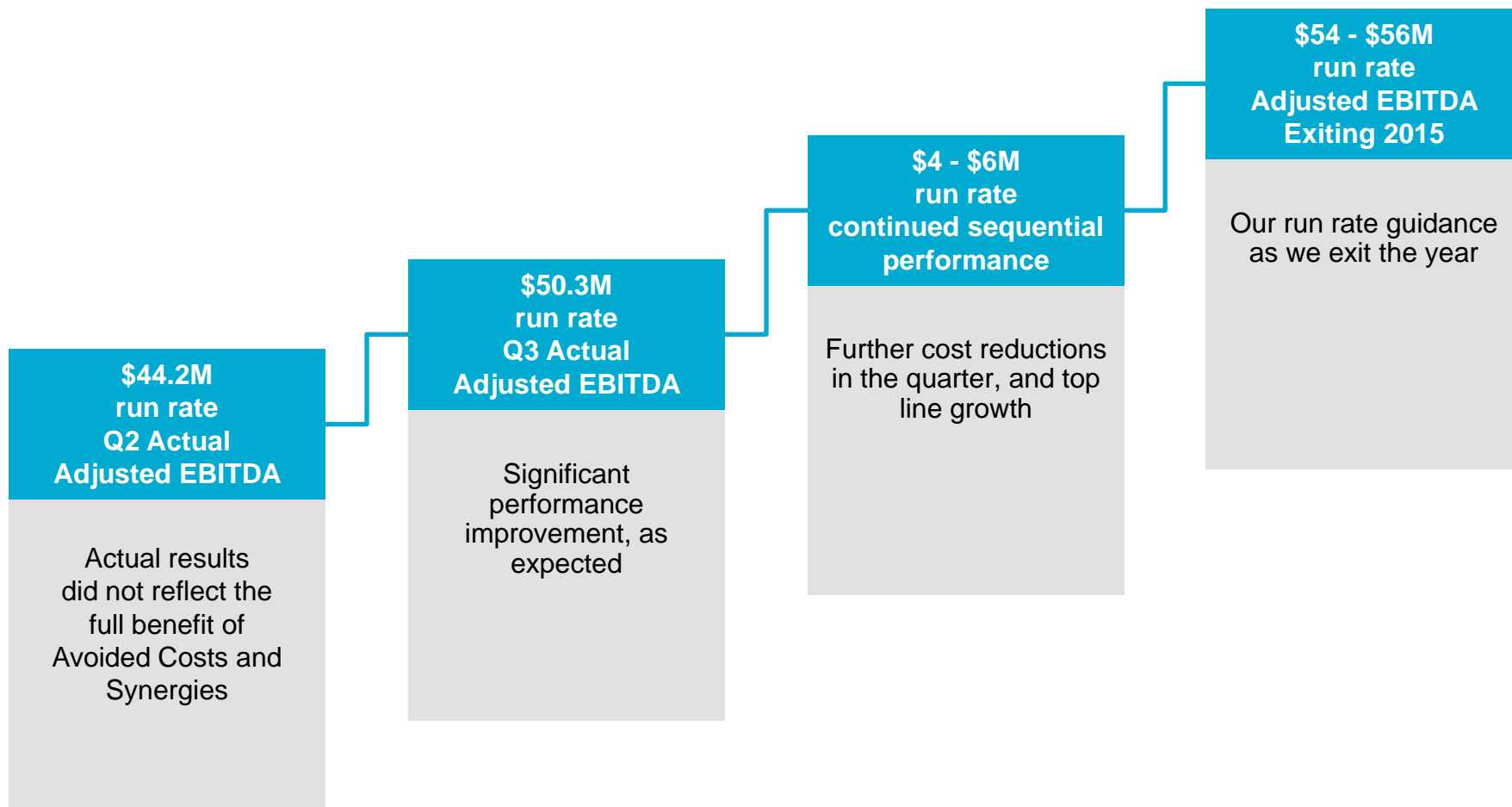


Total Broadband Revenue grew 7.6% for Q3 2015

The peer group average includes CBB, CTL, FRP, FTR, HCOM, LMOS and WIN.

Sources: Respective company public filings. Peer group average includes Q2 data for Hawaiian Telcom (Q3 numbers were unavailable at the time of reporting).

On Track to Run Rate Adjusted EBITDA Guidance



Net Debt: One of the Best Balance Sheets in Our Sector

(\$ in M)	9/30/15	6/30/15
Senior Debt (due in 2018)	\$90.0	\$80.3
Convertible Notes (due in 2018)	104.0	114.0
Capital Leases	<u>4.7</u>	<u>5.2</u>
Gross Debt	\$198.7	\$199.5
Cash	<u>(42.1)</u>	<u>(36.8)</u>
Net Debt	\$156.6	\$162.7
Net Debt Leverage Ratio at midpoint of 2015 run rate Adjusted EBITDA guidance	2.9x	

Refinancing of our senior debt facility was completed in the quarter.

Transition of Finance Leadership

- Transformation nearly complete
 - Repositioned company
 - Strengthened balance sheet
 - Established sustained growth & financial performance as hallmark of success
- Laurie Butcher to lead finance
 - A deeply experienced finance leader
 - 19 years with Alaska Communications
 - Seamless transition underway
- Focused on future
 - Driving margin expansion associated with top-line growth
 - Efficiently allocating capital to areas with high return on investment
 - Accelerating free cash flow growth

Reaffirming Previous 2015 Guidance

(\$ in M)	2015
Total Service and Other Revenue	~\$220
Run Rate Adjusted EBITDA Exiting 2015	\$54-\$56
Net Capital Spending ¹	\$34-\$36
Net Debt at Year End	~\$159

¹ The purchase of the North Slope Network is not included in capital spending guidance. Schedule 5 presents the impact of this investment on overall capital spending results for the year.

Goals to Drive Shareholder Value

**Further
Enhance Our
Brand**

**Differentiate through customer service
Measure using Net Promoter Score (NPS)**

**Industry
Leading
Top-Line
Growth**

**Business and Wholesale Focus
Maintain stable revenue for consumer**

**Free Cash
Flow
Growth**

**Grow Adjusted EBITDA and Free Cash Flow
Efficiently allocate capital**