



First Quarter 2016 Earnings Results

May 2016



Participants

Anand Vadapalli: President and Chief Executive Officer

Leonard Steinberg: General Counsel

Laurie Butcher: Senior Vice President of Finance

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."

Q1 2016 Highlights and Business Overview

Anand Vadapalli: President and Chief Executive Officer

Solid Foundation for 2016

- Delivering strong performance in the first quarter
 - Industry leading broadband revenue growth of 11.4%
 - Business and wholesale revenues grew 11.9%
 - Total Wireline revenues increased 4.8%
 - Top line growth will drive future cash flow performance

- Gaining market share and building customer relationships with the addition of key strategic contracts
 - Providing a wide range of services to the State's largest educational institution, including connectivity to the Lower 48 which enables the institution to effectively utilize its Arctic Region Super Computer. This positions the institution as a world class research institute.

- Core network strength advances position as business partner and premier cloud enabler
 - Secure connectivity and data storage in partnership with CyrusOne
 - Business continuity and security solutions in partnership with Barracuda
 - On-site and cloud data storage solutions in partnership with Nimble Storage
 - Only Microsoft Express Route partner based in Alaska with secure connection to Microsoft Azure
 - IP product set includes Voice over Internet and SIP trunking portfolio

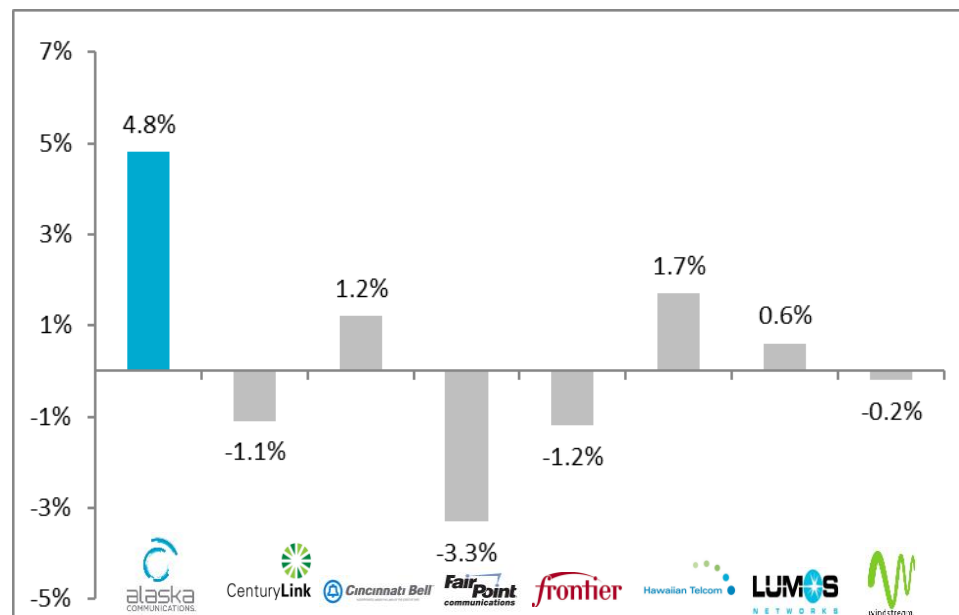
Review of First Quarter 2016 Results

Laurie Butcher, SVP Finance

Q1 2016 Revenue Performance

TOTAL WIRELINE REVENUE GROWTH Q1 2016

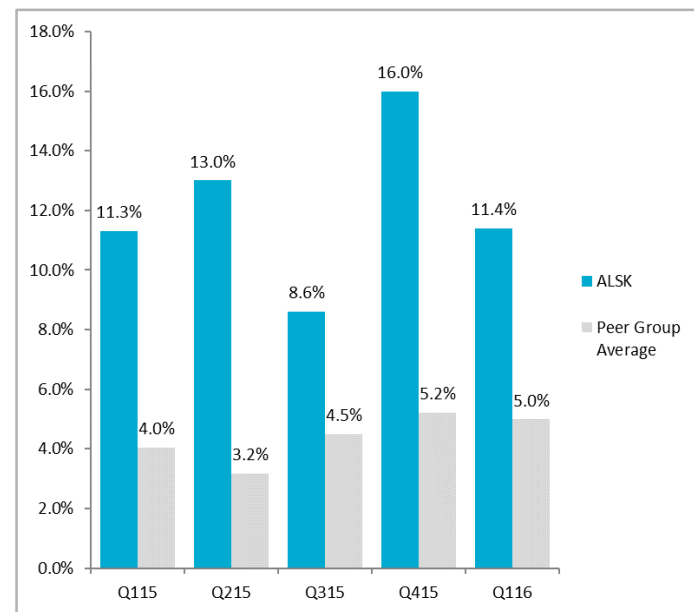
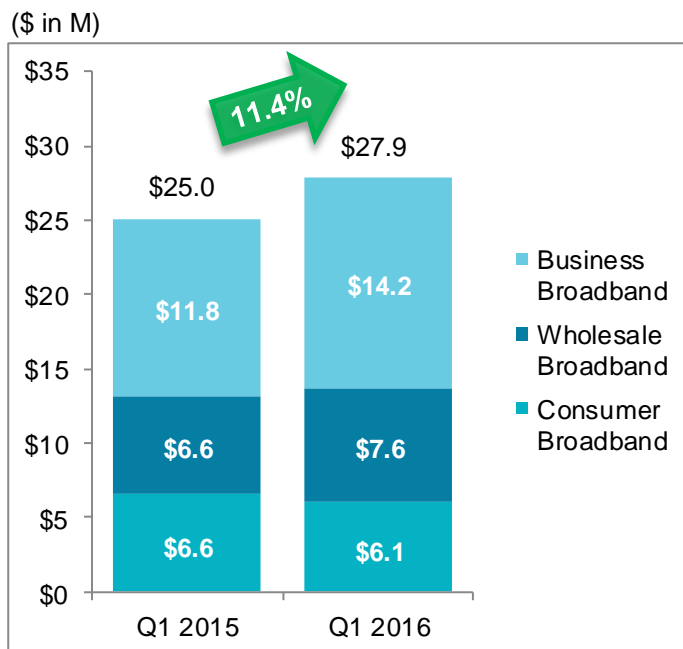
(\$ in M)	Q1 2016	Q1 2015	% Increase/Decrease
Business and Wholesale	\$33.5	\$30.0	11.9%
Consumer	\$9.5	\$10.2	(7.0%)
Regulatory	\$13.3	\$13.5	(1.9%)
Total Wireline Revenue	\$56.3	\$53.7	4.8%



- Reclassified revenues, providing more transparency in our wireline business including concise reporting for regulatory revenue.

Broadband Leads Industry, Again

BROADBAND REVENUE GROWTH Q1 2016



Total Broadband Revenue grew 11.4% for Q1 2016

The peer group average included CBB, CTL, FRP, FTR, HCOM, LMOS and WIN for all periods.

Sources: Respective company public filings

Performing to Plan and Reaffirming 2016 Guidance

(\$ in M)	3/31/16	12/31/15
Total Debt	\$179.4	\$188.7
Cash	\$28	\$36

- Strong cash balance after the repurchase of \$10 million of convertible notes in the quarter.

(\$ in M)	Q1 2016 Results	2016 Guidance
Total Wireline Revenue	\$56.3	~\$228
Adjusted EBITDA	\$13.9	~\$59
Net Capital Spending	\$5.2	~\$35
Free Cash Flow	\$9.1	~\$5

- Quarterly Free Cash Flow fluctuates and should not be viewed as an indicator of annual performance. While onetime events, seasonality of capital spend and the timing of interest payments may result in negative Free Cash Flow in one or more quarters, we reaffirm our guidance for annual Free Cash Flow.

Committed to Driving Shareholder Value

**Top Line
Growth**

**Unique Competitive Dynamic
Growing Market
Products and Partnerships**

**Margin
Expansion**

**LEAN creates organizational capacity
Customer service drives retention and acquisition**

**Shareholder
Value**

EBITDA and FCF growth drives shareholder value creation