

ALASKA COMMUNICATIONS SYSTEMS GROUP, INC.
SCHEDULE OF EBITDA CALCULATION
(Unaudited, In Thousands)

	Twelve Months Ended December 31,	
	2009	2008
Net cash provided by operating activities	\$ 96,680	\$ 96,177
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	(81,358)	(74,002)
Loss on impairment of goodwill and intangible assets	-	(29,641)
Gain on extraordinary item, net of tax	37,346	-
Amortization of debt issuance costs and debt discount	(6,968)	(5,290)
Stock-based compensation	(4,273)	(9,477)
Deferred income taxes	2,174	7,517
Provision for uncollectible accounts	(6,258)	(4,753)
Other non-cash expenses	(5,377)	(1,134)
Changes in operating assets and liabilities	1,811	8,929
Net income (loss)	\$ 33,777	\$ (11,674)
Add (subtract):		
Interest expense	38,411	34,072
Interest income	(91)	(1,695)
Depreciation and amortization	81,358	74,002
(Gain) loss on disposal of assets, net and impairment of long-term investments	4,327	995
Loss on impairment of goodwill and intangible assets	-	29,641
Gain on extraordinary item, net of tax	(37,346)	-
Income tax benefit	(2,174)	(7,574)
Stock-based compensation	4,273	9,477
EBITDA	\$ 122,535	\$ 127,244

Note: In an effort to provide investors with additional information regarding the Company's results as determined by generally accepted accounting principles (GAAP), the Company also discloses certain non-GAAP information which management utilizes to assess performance and believes provides useful information to investors. The Company has disclosed its net income before interest, provisions for taxes, depreciation expense, gain or loss on asset purchases or disposals, amortization of intangibles and stock-based compensation expense (EBITDA) because the Company believes it is an important indicator as it provides information about our ability to service debt, pay dividends and fund capital expenditures. EBITDA is not a GAAP measure and should not be considered a substitute for net cash provided by operating activities and other measures of financial performance recorded in accordance with GAAP.