



## ESOP Participant and Shareholders Announcement

### Independent Fair Market Valuation of AP&T Stock as of December 31, 2012

**May 22, 2013**

The Alaska Power & Telephone Employee Stock Ownership Plan and Trust (the "ESOP") requires an annual valuation, by an independent appraiser, of the fair market value of the AP&T stock held by the ESOP. As sponsor of the ESOP, AP&T previously selected Columbia Financial Advisors Inc. ("CFAI") to carry out this duty for the year ending December 31, 2012.

The ESOP Trustees have reviewed the independent valuation report by CFAI, which concludes that as of December 31, 2012, the fair market value of AP&T stock was \$28.10 per share. At their May 16th, 2013 meeting the ESOP Trustees voted unanimously to accept CFAI's valuation report and the price of \$28.10 per share as of December 31, 2012.

Separate from the review by the ESOP Trustees, AP&T's Board of Directors also reviewed and unanimously accepted CFAI's valuation report and price of \$28.10 per share as of December 31, 2012.\*

It is the policy of AP&T to periodically conduct an independent review of the annual valuation. Corporate Valuations Inc. (CVI) was previously selected to complete the independent review of CFAI's valuation report for the year ending December 31, 2012. This valuation review has been reviewed separately by the ESOP Trustees and AP&T's Board of Directors.

Signed ESOP Trustees,

**Mickey Henton, Chair, Danny Gonce, Greg Mickelson, John Moots, Marilyn O'Meara**

Signed Board of Directors,

**William Squires, Chair, Mark Foster, Mike Barry, Tom Ervin, Robert S. Grimm**

*\*In reviewing and accepting the appraiser's methodology and valuation as of December 31, 2012, the Board of Directors intends to sell AP&T stock to the ESOP at the appraisal price during 2013; however, the Board of Directors reserves the right to discontinue sales at this price if it determines continued sales at that price would not be in the best interest of AP&T and all its shareholders.*