



GCI REPORTS THIRD QUARTER 2013 FINANCIAL RESULTS

- Consolidated revenue of \$220 million
- Adjusted EBITDA of \$79 million
- Net income of \$9 million or \$0.22 per diluted share

November 6, 2013, Anchorage AK – General Communication, Inc. (“GCI”) (NASDAQ:GNCMA) today reported its third quarter 2013 results with consolidated revenues of \$220 million, an adjusted EBITDA of \$79 million, and net income of \$9 million or \$0.22 per diluted share. These results reflect the consolidation of the Alaska Wireless Network (“AWN”) transaction, which was effective July 23, 2013.

For the third quarter of 2013, revenue increased \$42 million or 23 percent over the third quarter of 2012 revenue of \$178 million. Adjusted EBITDA increased \$19 million or 32 percent over the third quarter of 2012 EBITDA of \$59 million. Net income increased 141 percent compared to third quarter of 2012 net income of \$4 million.

For the first nine months of 2013, revenue increased to \$596 million, an increase of \$70 million or 13 percent over the first nine months of 2012 revenue of \$527 million. Adjusted EBITDA increased to \$200 million, an increase of \$26 million or 15 percent over the first nine months of 2012 EBITDA of \$174 million. Net income increased to \$16 million, an increase of \$7 million or 79 percent over the first nine months of 2012 net income of \$9 million.

“We are very happy to have the AWN transaction closed, and even happier to have the consolidated wireless results reflected in a portion of our third quarter results,” said Ron Duncan, GCI president and chief executive officer. “We are pleased with the progress we have made this year. The year is going well and we expect to continue well in the fourth quarter and into next year.”

Operating Highlights

Wireless:

As mentioned above and previously announced, the AWN transaction closed on July 22nd, and was effective on July 23rd. This transaction combined the wireless networks of GCI and Alaska Communications (“ACS”). At this point, AWN provides wholesale wireless services to AWN’s owners, GCI and ACS, as well as roaming and backhaul service to other wireless carriers. This quarter’s results include a partial quarter of AWN’s operations as of the effective date.

Wireless revenues of \$68 million for the third quarter of 2013 increased \$36 million when compared to the third quarter of 2012. Wireless Adjusted EBITDA of \$37 million increased \$24 million

compared to the third quarter of 2012.

With a partial quarter of AWN for the third quarter 2013, and with the second quarter 2013 and the third quarter 2012 results representing only GCI's wireless business, the revenue detail is as follows:

(\$ millions)	<u>3Q 2013</u>	<u>3Q 2012</u>	<u>2Q 2013</u>
Wholesale Wireless	\$24	\$14	\$15
Roaming and Backhaul	\$31	\$10	\$13
USF Support	<u>\$13</u>	<u>\$8</u>	<u>\$8</u>
Total Wireless Revenue	\$68	\$32	\$36

During the quarter, the company implemented many enhancements and improvements to the network, including:

- Initiating 4G LTE service in Juneau, expanding LTE service in Anchorage, and improving service in Dillingham and the Mat-Su Valley. 4G LTE is expected to launch in Fairbanks by the end of the year.
- Expanding Turbozone wireless service to 1,205 venues, representing the most extensive wi-fi network coverage in Alaska and offering up to 50 Mbps speed.

Wireline – Consumer:

Consumer revenues of \$69 million for the third quarter of 2013 increased 4 percent over the same period of 2012. Adjusted EBITDA of \$17 million for the third quarter of 2013 increased 5 percent compared to the third quarter of 2012. Increases in data and wireless revenues, especially with respect to average revenue per subscriber, offset the decreases in voice and video revenues.

During the quarter, the Company announced several campaigns and new programs:

- Special marketing campaigns capitalizing on the expansion of the LTE wireless service.
- Special marketing campaigns capitalizing on the expansion and improvement of Turbozone wireless service and speed.
- Introduction of the SimplyShare plans for the national and Alaska markets.
- Launch of TiVo service in five new markets.
- Addition of four new HD networks to GCI TV offerings.
- Expansion of GCI GO with ten new networks available for viewing on mobile devices.

Wireline - Business Services:

Business Services revenues of \$54 million for the third quarter of 2013 increased 3 percent over the same period in 2012. Adjusted EBITDA was \$16 million, which represented an 11 percent decline from the third quarter of 2012. The year over year revenue improvements were driven by growth in data, wireless and video, which grew 9 percent, 14 percent and 18 percent respectively.

The Data revenue results can better be understood by examining the components of the category:

(\$ millions)	3Q 2013	3Q 2012	2Q 2013
Data Transport & Storage Charges	\$27	\$25	\$24
Professional Services	\$12	\$11	\$15
Total Data Revenue	\$39	\$36	\$39

During the quarter, revenues benefited from the strength of oil and gas sector activity, which has increased significantly in recent quarters. However, the EBITDA decline was also driven by these recent projects, initially lower margin Professional Services initiatives, as well as by increased SG&A allocations for the quarter and year to date.

Wireline - Managed Broadband:

Managed Broadband revenues for the third quarter of 2013 totaled \$30 million, an increase of 6 percent over the third quarter of 2012. Adjusted EBITDA for the quarter was \$8 million, which represented a 30 percent decline over the same period in 2012. The year-over-year growth of revenue is due to continuing investment in terrestrial broadband facilities in rural Alaska and success in acquiring additional telemedicine and distance learning customers. The decline in EBITDA is due to ongoing development project expenses, increased expenses in the regulated business, and an increased allocation of corporate SG&A.

On November 5th, GCI completed another phase of its terrestrial broadband network, TERRA, with full service extending to Nome. GCI expects to complete the next phase, to Kotzebue, by the end of 2014.

Corporate Highlights

- On November 1, the company announced the closing of the Denali Media Holdings purchase of an Anchorage CBS affiliate and two Southeast Alaska NBC affiliates.
- GCI repurchased 242,000 shares of its Class A common stock in the third quarter of 2013 at a cost of \$2 million. GCI is authorized to repurchase \$101 million of its shares depending on company performance, market conditions, liquidity, leverage and subject to board oversight. At the end of the third quarter of 2013 GCI had approximately 41 million Class A and B shares outstanding.
- SG&A expenses for the third quarter of 2013 totaled \$70 million, an increase of \$11 million compared to the third quarter of 2012. This increase reflects, among other items, an increase in labor costs and an increase in success-based incentive compensation. As a percentage of

revenues, SG&A expenses for the quarter declined to 32 percent from 33 percent for the same period in 2012.

- GCI's year to date 2013 capital expenditures totaled \$131 million as compared to \$112 million for the first nine months of 2012.

GCI will hold a conference call to discuss the quarter's results on Thursday, November 7, 2013 beginning at 2 p.m. (Eastern). To access the briefing, call the conference operator between 1:50-2:00 p.m. (Eastern Time) at 800-988-0202 (International callers should dial 1-212-547-0478) and identify your call as "GCI." In addition to the dial-up access, GCI will make available net conferencing. To access the call via net conference, log on to www.gci.com and follow the instructions. A replay of the call will be available for 72-hours by dialing 866-483-9044, access code 7461 (International callers should dial 1-203-369-1586.)

About GCI

GCI is the largest telecommunications company in Alaska. GCI's cable plant, which provides broadband data services, video, and voice, passes 78 percent of Alaska households. GCI operates Alaska's most extensive terrestrial/subsea fiber optic network which connects not only Anchorage but also Fairbanks and Juneau/Southeast Alaska to the lower 48 states with a diversely routed, protected fiber network. GCI's TERRA fiber/microwave system links 68 communities from Nome through the Yukon-Kuskokwim Delta and Bristol Bay to Anchorage, bringing terrestrial broadband Internet access to the region for the first time. GCI's satellite network provides communications services to small towns and communities throughout rural Alaska. GCI's statewide mobile wireless network seamlessly links urban and rural Alaska.

A pioneer in bundled services, GCI is the top provider of data, video and voice services to Alaska consumers with a 70 percent share of the consumer broadband market. GCI is also the leading provider of communications services to enterprise customers, particularly large enterprise customers with complex data networking needs. More information about GCI can be found at www.gci.com.

Forward Looking Statement Disclosure

The foregoing contains forward-looking statements regarding GCI's expected results that are based on management's expectations as well as on a number of assumptions concerning future events. Actual results might differ materially from those projected in the forward looking statements due to uncertainties and other factors, many of which are outside GCI's control. Additional information concerning factors that could cause actual results to differ materially from those in the forward looking statements is contained in GCI's cautionary statement sections of Forms 10-K and 10-Q filed with the Securities and Exchange Commission.