

**GENERAL COMMUNICATION, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**(Unaudited)**

(Amounts in thousands)

ASSETS	December 31, 2013	2012
Current assets:		
Cash and cash equivalents	\$ 44,971	24,491
Receivables	230,393	150,436
Less allowance for doubtful receivables	2,346	3,215
Net receivables	<u>228,047</u>	<u>147,221</u>
Deferred income taxes	39,753	12,897
Prepaid expenses	7,725	8,441
Inventories	10,348	12,098
Other current assets	230	1,678
Total current assets	<u>331,074</u>	<u>206,826</u>
Property and equipment in service, net of depreciation	969,578	838,247
Construction in progress	87,476	94,418
Net property and equipment	<u>1,057,054</u>	<u>932,665</u>
Goodwill	219,041	77,294
Cable certificates	191,635	191,635
Wireless licenses	91,400	25,967
Other intangible assets, net of amortization	71,435	16,560
Deferred loan and senior notes costs, net of amortization	12,129	11,189
Other assets	40,061	44,386
Total other assets	<u>625,701</u>	<u>367,031</u>
Total assets	<u>\$ 2,013,829</u>	<u>1,506,522</u>

**GENERAL COMMUNICATION, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

(Amounts in thousands)

LIABILITIES AND STOCKHOLDERS' EQUITY	December 31, 2013	2012
Current liabilities:		
Current maturities of obligations under long-term debt and capital leases	\$ 9,301	7,923
Accounts payable	67,116	52,384
Accrued payroll and payroll related obligations	29,855	19,440
Deferred revenue	27,586	25,218
Accrued liabilities	14,359	15,242
Accrued interest	7,088	6,786
Subscriber deposits	1,325	1,366
Total current liabilities	156,630	128,359
Long-term debt, net	1,045,144	875,123
Obligations under capital leases, excluding current maturities	66,261	72,725
Obligation under capital lease due to related party, excluding current maturity	1,880	1,892
Deferred income taxes	161,476	123,661
Long-term deferred revenue	88,259	89,815
Other liabilities	36,825	25,511
Total liabilities	1,556,475	1,317,086
Commitments and contingencies		
Stockholders' equity:		
Common stock (no par):		
Class A. Authorized 100,000 shares; issued 37,299 and 38,534 shares at December 31, 2013 and 2012, respectively; outstanding 37,209 and 38,357 shares at December 31, 2013 and 2012, respectively	11,467	22,703
Class B. Authorized 10,000 shares; issued and outstanding 3,165 and 3,169 shares at December 31, 2013 and 2012, respectively; convertible on a share-per-share basis into Class A common stock	2,673	2,676
Less cost of 90 and 177 Class A common shares held in treasury at December 31, 2013 and 2012, respectively	(866)	(1,617)
Paid-in capital	26,880	25,832
Retained earnings	116,990	107,584
Total General Communication, Inc. stockholders' equity	157,144	157,178
Non-controlling interests	300,210	32,258
Total stockholders' equity	457,354	189,436
Total liabilities and stockholders' equity	\$ 2,013,829	1,506,522

**GENERAL COMMUNICATION, INC. AND SUBSIDIARIES**  
**CONSOLIDATED INCOME STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013, 2012 AND 2011**

(Unaudited)

(Amounts in thousands, except per share amounts)

	2013	2012	2011
Revenues:			
Trade	\$ 788,490	710,181	679,381
Related party	23,158	—	—
Total revenues	<u>811,648</u>	<u>710,181</u>	<u>679,381</u>
Cost of goods sold (exclusive of depreciation and amortization shown separately below)			
Trade	263,491	247,501	227,399
Related party	16,971	—	—
Total cost of goods sold	<u>280,462</u>	<u>247,501</u>	<u>227,399</u>
Selling, general and administrative expenses	271,065	243,248	235,521
Depreciation and amortization expense	<u>147,259</u>	<u>130,452</u>	<u>125,937</u>
Operating income	<u>112,862</u>	<u>88,980</u>	<u>90,524</u>
Other income (expense):			
Interest expense (including amortization of deferred loan fees)	(69,725)	(67,747)	(68,258)
Loss on extinguishment of debt	(103)	—	(9,111)
Other	<u>(350)</u>	<u>17</u>	<u>(264)</u>
Other expense, net	(70,178)	(67,730)	(77,633)
Income before income tax expense	42,684	21,250	12,891
Income tax expense	<u>(10,957)</u>	<u>(12,088)</u>	<u>(7,405)</u>
Net income	31,727	9,162	5,486
Net income (loss) attributable to non-controlling interests	<u>22,321</u>	<u>(511)</u>	<u>(238)</u>
Net income attributable to General Communication, Inc.	<u>\$ 9,406</u>	<u>9,673</u>	<u>5,724</u>
Basic net income attributable to General Communication, Inc. common stockholders per Class A common share	<u>\$ 0.23</u>	<u>0.23</u>	<u>0.13</u>
Basic net income attributable to General Communication, Inc. common stockholders per Class B common share	<u>\$ 0.23</u>	<u>0.23</u>	<u>0.13</u>
Diluted net income attributable to General Communication, Inc. common stockholders per Class A common share	<u>\$ 0.23</u>	<u>0.23</u>	<u>0.12</u>
Diluted net income attributable to General Communication, Inc. common stockholders per Class B common share	<u>\$ 0.23</u>	<u>0.23</u>	<u>0.12</u>
Common shares used to calculate Class A basic EPS	<u>37,732</u>	<u>38,560</u>	<u>42,175</u>
Common shares used to calculate Class A diluted EPS	<u>41,040</u>	<u>42,119</u>	<u>45,889</u>

**GENERAL COMMUNICATION, INC. AND SUBSIDIARIES**  
**SUPPLEMENTAL SCHEDULES**  
(Unaudited)

(Amounts in thousands)

	Fourth Quarter 2013			Fourth Quarter 2012			Third Quarter 2013		
	Wireless Segment	Wireline Segment	Total	Wireless Segment	Wireline Segment	Total	Wireless Segment	Wireline Segment	Total
Revenues									
Wireless	\$ 62,209	7,368	69,577	32,679	7,814	40,493	65,613	8,366	73,979
Data	—	87,080	87,080	—	84,652	84,652	—	88,754	88,754
Video	—	32,867	32,867	—	31,999	31,999	—	31,379	31,379
Voice	—	28,304	28,304	—	26,532	26,532	—	23,831	23,831
Total	62,209	155,619	217,828	32,679	150,997	183,676	65,613	152,330	217,943
Cost of goods sold	28,980	49,490	78,470	16,933	52,881	69,814	23,768	47,915	71,683
Contribution	33,229	106,129	139,358	15,746	98,116	113,862	41,845	104,415	146,260
Less SG&A	5,633	67,467	73,100	3,878	58,112	61,990	4,702	64,845	69,547
EBITDA	27,596	38,662	66,258	11,868	40,004	51,872	37,143	39,570	76,713
Share-based compensation	—	1,909	1,909	—	1,050	1,050	—	1,823	1,823
Accretion	270	(653)	(383)	77	(110)	(33)	117	61	178
Other	—	(6)	(6)	—	221	221	—	3	3
Adjusted EBITDA	\$ 27,866	39,912	67,778	11,945	41,165	53,110	37,260	41,457	78,717

**GENERAL COMMUNICATION, INC. AND SUBSIDIARIES**  
**SUPPLEMENTAL SCHEDULES**  
(Unaudited)

(Amounts in thousands)

	Twelve Months Ended December 31, 2013			Twelve Months Ended December 31, 2012		
	Wireless Segment	Wireline Segment	Total	Wireless Segment	Wireline Segment	Total
Revenues						
Wireless	\$ 197,218	30,903	228,121	124,745	29,297	154,042
Data	—	349,883	349,883	—	316,935	316,935
Video	—	126,539	126,539	—	128,148	128,148
Voice	—	107,105	107,105	—	111,056	111,056
Total	197,218	614,430	811,648	124,745	585,436	710,181
Cost of goods sold	83,733	196,729	280,462	58,737	188,764	247,501
Contribution	113,485	417,701	531,186	66,008	396,672	462,680
Less SG&A	19,404	251,661	271,065	15,475	227,773	243,248
EBITDA	94,081	166,040	260,121	50,533	168,899	219,432
Share-based compensation	—	6,638	6,638	—	5,040	5,040
Accretion	507	(430)	77	269	239	508
Other	—	447	447	—	869	869
Non-cash contribution	—	—	—	—	960	960
Adjusted EBITDA	\$ 94,588	172,695	267,283	50,802	176,007	226,809

**GENERAL COMMUNICATION, INC. AND SUBSIDIARIES**  
**WIRELINE SEGMENT SUPPLEMENTAL REVENUE SCHEDULES**  
(Unaudited)

(Amounts in thousands)

	Fourth Quarter 2013				Fourth Quarter 2012				Third Quarter 2013			
	<u>Consumer</u>	<u>Business Services</u>	<u>Managed Broadband</u>	<u>Total</u>	<u>Consumer</u>	<u>Business Services</u>	<u>Managed Broadband</u>	<u>Total</u>	<u>Consumer</u>	<u>Business Services</u>	<u>Managed Broadband</u>	<u>Total</u>
Revenues												
Wireless	\$ 6,724	644	—	7,368	7,075	739	—	7,814	7,581	785	—	8,366
Data	26,290	35,739	25,051	87,080	23,115	38,406	23,131	84,652	24,981	39,229	24,544	88,754
Video	27,993	4,874	—	32,867	28,655	3,344	—	31,999	27,674	3,705	—	31,379
Voice	8,348	14,741	5,215	28,304	9,614	11,558	5,360	26,532	8,647	9,952	5,232	23,831
Total	<u>\$ 69,355</u>	<u>55,998</u>	<u>30,266</u>	<u>155,619</u>	<u>68,459</u>	<u>54,047</u>	<u>28,491</u>	<u>150,997</u>	<u>68,883</u>	<u>53,671</u>	<u>29,776</u>	<u>152,330</u>

(Amounts in thousands)

	Twelve Months Ended December 31, 2013				Twelve Months Ended December 31, 2012			
	<u>Consumer</u>	<u>Business Services</u>	<u>Managed Broadband</u>	<u>Total</u>	<u>Consumer</u>	<u>Business Services</u>	<u>Managed Broadband</u>	<u>Total</u>
Revenues								
Wireless	\$ 28,031	2,872	—	30,903	26,416	2,881	—	29,297
Data	99,740	154,498	95,645	349,883	86,466	143,907	86,562	316,935
Video	111,368	15,171	—	126,539	115,306	12,842	—	128,148
Voice	35,666	50,273	21,166	107,105	41,169	48,262	21,625	111,056
Total	<u>\$ 274,805</u>	<u>222,814</u>	<u>116,811</u>	<u>614,430</u>	<u>269,357</u>	<u>207,892</u>	<u>108,187</u>	<u>585,436</u>

**GENERAL COMMUNICATION, INC. AND SUBSIDIARIES**  
**KEY PERFORMANCE INDICATORS**  
(Unaudited)

	December 31, <u>2013</u>	December 31, <u>2012</u>	September 30, <u>2013</u>	December 31, 2013 as compared to December 31, <u>2012</u>	September 30, <u>2013</u>	December 31, 2013 as compared to December 31, <u>2012</u>	September 30, <u>2013</u>
<b><u>Wireline segment</u></b>							
<b><u>Consumer</u></b>							
Data							
Cable modem subscribers	115,300	115,600	114,800	(300)	500	(0.3)%	0.4 %
Video							
Basic subscribers	117,900	122,300	118,400	(4,400)	(500)	(3.6)%	(0.4)%
Digital programming tier subscribers	67,500	72,500	68,100	(5,000)	(600)	(6.9)%	(0.9)%
HD/DVR converter boxes	96,900	90,400	92,100	6,500	4,800	7.2 %	5.2 %
Homes passed	247,400	243,600	246,600	3,800	800	1.6 %	0.3 %
Voice							
Local access lines in service	61,000	69,700	62,800	(8,700)	(1,800)	(12.5)%	(2.9)%
Local access lines in service on GCI facilities	56,900	64,900	58,500	(8,000)	(1,600)	(12.3)%	(2.7)%
<b><u>Business Services</u></b>							
Data							
Cable modem subscribers	14,000	13,300	14,000	700	—	5.3 %	—%
Video							
Hotels and mini-headend subscribers	16,800	15,800	19,800	1,000	(3,000)	6.3 %	(15.2)%
Basic subscribers	2,000	1,900	2,000	100	—	5.3 %	—%
Total basic subscribers	18,800	17,700	21,800	1,100	(3,000)	6.2 %	(13.8)%
Voice							
Local access lines in service	48,800	51,600	49,400	(2,800)	(600)	(5.4)%	(1.2)%
Local access lines in service on GCI facilities	34,700	30,800	34,800	3,900	(100)	12.7 %	(0.3)%
<b><u>Managed Broadband</u></b>							
Voice:							
Local access lines in service	7,600	8,300	7,800	(700)	(200)	(8.4)%	(2.6)%
<b><u>Consumer and Business Services Combined</u></b>							
Wireless							
Consumer Lifeline lines in service	29,300	32,400	29,600	(3,100)	(300)	(9.6)%	(1.0)%
Consumer Non-Lifeline lines in service	93,600	90,600	94,800	3,000	(1,200)	3.3 %	(1.3)%
Business Services Non-Lifeline lines in service	18,600	17,000	17,900	1,600	700	9.4 %	3.9 %
Total wireless lines in service	141,500	140,000	142,300	1,500	(800)	1.1 %	(0.6)%

**GENERAL COMMUNICATION, INC. AND SUBSIDIARIES**  
**KEY PERFORMANCE INDICATORS**  
(Unaudited)

	Three Months Ended			December 31, 2013 as compared to		December 31, 2013 as compared to	
	December 31, <u>2013</u>	December 31, <u>2012</u>	September 30, <u>2013</u>	December 31, <u>2012</u>	September 30, <u>2013</u>	December 31, <u>2012</u>	September 30, <u>2013</u>
<b><u>Wireline segment</u></b>							
<b><u>Consumer</u></b>							
Data							
Average monthly revenue per cable modem subscriber	\$ 74.42	\$ 66.88	\$ 70.81	\$ 7.54	\$ 3.61	11.3 %	5.1 %
Video							
Average monthly revenue per subscriber	\$ 78.84	\$ 77.99	\$ 77.64	\$ 0.85	\$ 1.20	1.1 %	1.5 %
<b><u>Combined Consumer and Business Services</u></b>							
Wireless							
Average monthly revenue per subscriber	\$ 50.46	\$ 47.56	\$ 50.05	\$ 2.90	\$ 0.41	6.1 %	0.8 %
<b><u>Total</u></b>							
Voice							
Long-distance minutes carried (in millions)	217.3	227.2	239.1	(9.9)	(21.8)	(4.4)%	(9.1)%



**General Communication, Inc.**  
**Non-GAAP Financial Reconciliation Schedule**  
(Unaudited, Amounts in Millions)

	December 31, 2013	Three Months Ended December 31, 2012	September 30, 2013	Year Ended December 31, 2013	Year Ended December 31, 2012
Net income	\$ 4.5	0.6	20.0	31.7	9.2
Income tax expense	2.8	1.7	1.0	11.0	12.1
Income before income tax expense	7.3	2.3	21.0	42.7	21.3
Other expense:					
Interest expense (including amortization of deferred loan fees)	17.9	16.9	17.5	69.7	67.7
Loss on extinguishment of debt	—	—	—	0.1	—
Other	0.2	0.1	0.2	0.4	—
Other expense	18.1	17.0	17.7	70.2	67.7
Operating income	25.4	19.3	38.7	112.9	89.0
Depreciation and amortization expense	40.9	32.6	38.0	147.2	130.4
EBITDA (Note 2)	66.3	51.9	76.7	260.1	219.4
Share-based compensation	1.9	1.0	1.8	6.6	5.0
Accretion	(0.4)	—	0.2	0.1	0.5
Other	(6.0)	221.0	3.0	457.0	869.0
Non-cash contribution adjustment	—	—	—	—	1.0
Adjusted EBITDA (Note 1)	\$ 61.8	273.9	81.7	723.8	1,094.9

(1) EBITDA (as defined in Note 2 below) before deducting share-based compensation, accretion expense, net income or loss from equity investments, net income or loss attributable to non-controlling interests resulting from New Markets Tax Credit transactions and non-cash contribution adjustment.

(2) Earnings Before Interest, Taxes, Depreciation and Amortization is the sum of Net Income, Interest Expense (including Amortization of Deferred Loan Fees), Interest Income, Income Tax Expense, and Depreciation and Amortization Expense. EBITDA is not presented as an alternative measure of net income, operating income or cash flow from operations, as determined in accordance with accounting principles generally accepted in the United States of America. GCI's management uses EBITDA to evaluate the operating performance of its business, and as a measure of performance for incentive compensation purposes. GCI believes EBITDA is a measure used as an analytical indicator of income generated to service debt and fund capital expenditures. In addition, multiples of current or projected EBITDA are used to estimate current or prospective enterprise value. EBITDA does not give effect to cash used for debt service requirements, and thus does not reflect funds available for investment or other discretionary uses. EBITDA as presented herein may not be comparable to similarly titled measures reported by other companies.