

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

(Amounts in thousands)	ASSETS	March 31, 2014	December 31, 2013
<b>Current assets:</b>			
	Cash and cash equivalents	\$ 53,616	44,971
	Receivables (including \$31,600 and \$28,000 from a related party at March 31, 2014 and December 31, 2013, respectively)	219,050	228,372
	Less allowance for doubtful receivables	2,445	2,346
	Net receivables	216,605	226,026
	Deferred income taxes	36,167	39,753
	Prepaid expenses	11,306	7,725
	Inventories	6,694	10,347
	Other current assets	204	230
	Total current assets	324,592	329,052
	Property and equipment in service, net of depreciation	967,044	969,578
	Construction in progress	81,245	87,476
	Net property and equipment	1,048,289	1,057,054
	Goodwill	219,041	219,041
	Cable certificates	191,635	191,635
	Wireless licenses	91,400	91,400
	Other intangible assets, net of amortization	70,564	71,435
	Deferred loan and senior notes costs, net of amortization of \$7,087 and \$6,545 at March 31, 2014 and December 31, 2013, respectively	11,772	12,129
	Other assets	52,507	40,061
	Total other assets	636,919	625,701
	Total assets	\$ 2,009,800	2,011,807

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

(Amounts in thousands)

LIABILITIES AND STOCKHOLDERS' EQUITY	March 31, 2014	December 31, 2013
<b>Current liabilities:</b>		
Current maturities of obligations under long-term debt and capital leases	\$ 10,520	9,301
Accounts payable (including \$12,500 and \$11,200 to a related party at March 31, 2014 and December 31, 2013, respectively)	50,102	65,095
Deferred revenue	29,048	27,586
Accrued interest	21,451	7,088
Accrued payroll and payroll related obligations	21,327	29,855
Accrued liabilities	15,352	14,359
Subscriber deposits	1,186	1,326
Total current liabilities	148,986	154,610
Long-term debt, net	1,044,860	1,045,144
Obligations under capital leases, excluding current maturities	72,610	66,261
Obligation under capital lease due to related party, excluding current maturity	1,875	1,880
Deferred income taxes	158,104	161,476
Long-term deferred revenue	87,102	88,259
Other liabilities	37,452	36,823
Total liabilities	1,550,989	1,554,453
<b>Commitments and contingencies</b>		
<b>Stockholders' equity:</b>		
<b>Common stock (no par):</b>		
Class A. Authorized 100,000 shares; issued 38,389 and 37,299 shares at March 31, 2014 and December 31, 2013, respectively; outstanding 38,363 and 37,209 shares at March 31, 2014 and December 31, 2013, respectively	12,012	11,467
Class B. Authorized 10,000 shares; issued and outstanding 3,163 and 3,165 shares at March 31, 2014 and December 31, 2013, respectively; convertible on a share-per-share basis into Class A common stock	2,671	2,673
Less cost of 26 and 90 Class A common shares held in treasury at March 31, 2014 and December 31, 2013, respectively	(249)	(866)
Paid-in capital	27,835	26,880
Retained earnings	119,111	116,990
Total General Communication, Inc. stockholders' equity	161,380	157,144
Non-controlling interests	297,431	300,210
Total stockholders' equity	458,811	457,354
Total liabilities and stockholders' equity	\$ 2,009,800	2,011,807

**GENERAL COMMUNICATION, INC. AND SUBSIDIARIES**  
**CONSOLIDATED INCOME STATEMENTS**  
(Unaudited)

(Amounts in thousands, except per share amounts)	Three Months Ended March 31,	
	2014	2013
Revenues:		
Non-related party	\$ 200,503	186,216
Related party	15,780	—
Total revenues	<u>216,283</u>	<u>186,216</u>
Cost of goods sold (exclusive of depreciation and amortization shown separately below)		
Non-related party	69,143	64,610
Related party	2,631	—
Total cost of goods sold	<u>71,774</u>	<u>64,610</u>
Selling, general and administrative expenses:		
Non-related party	70,742	64,411
Related party	1,150	136
Total selling, general and administrative expenses	<u>71,892</u>	<u>64,547</u>
Depreciation and amortization expense	42,352	33,999
Operating income	<u>30,265</u>	<u>23,060</u>
Other expense:		
Interest expense (including amortization of deferred loan fees)	(18,211)	(16,904)
Other	(97)	—
Other expense	<u>(18,308)</u>	<u>(16,904)</u>
Income before income tax expense	11,957	6,156
Income tax expense	<u>(215)</u>	<u>(3,029)</u>
Net income	11,742	3,127
Net income (loss) attributable to non-controlling interests	9,621	(117)
Net income attributable to General Communication, Inc.	<u>\$ 2,121</u>	<u>3,244</u>
Basic net income attributable to General Communication, Inc. common stockholders per Class A common share	<u>\$ 0.05</u>	<u>0.08</u>
Basic net income attributable to General Communication, Inc. common stockholders per Class B common share	<u>\$ 0.05</u>	<u>0.08</u>
Diluted net income attributable to General Communication, Inc. common stockholders per Class A common share	<u>\$ 0.05</u>	<u>0.08</u>
Diluted net income attributable to General Communication, Inc. common stockholders per Class B common share	<u>\$ 0.05</u>	<u>0.08</u>
Common shares used to calculate Class A basic EPS	<u>37,987</u>	<u>38,264</u>
Common shares used to calculate Class A diluted EPS	<u>41,268</u>	<u>41,695</u>

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

(Amounts in thousands)	First Quarter 2014			First Quarter 2013		
	Wireless Segment	Wireline Segment	Total	Wireless Segment	Wireline Segment	Total
Revenues						
Wireless	\$ 62,517	8,236	70,753	33,837	7,225	41,062
Data	—	87,613	87,613	—	86,872	86,872
Video	—	32,401	32,401	—	31,086	31,086
Voice	—	25,516	25,516	—	27,196	27,196
Total	62,517	153,766	216,283	33,837	152,379	186,216
Cost of goods sold	18,713	53,061	71,774	14,412	50,198	64,610
Contribution	43,804	100,705	144,509	19,425	102,181	121,606
Less SG&A	5,958	65,934	71,892	4,417	60,130	64,547
Less (plus) Other expense	—	97	97	—	(4)	(4)
EBITDA	37,846	34,674	72,520	15,008	42,055	57,063
Share-based compensation	—	1,778	1,778	104	1,155	1,259
Accretion	176	125	301	77	50	127
Other	—	198	198	—	200	200
Adjusted EBITDA	\$ 38,022	36,775	74,797	15,189	43,460	58,649

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

(Amounts in thousands)	First Quarter 2014			Fourth Quarter 2013		
	Wireless Segment	Wireline Segment	Total	Wireless Segment	Wireline Segment	Total
Revenues						
Wireless	\$ 62,517	8,236	70,753	62,209	7,368	69,577
Data	—	87,613	87,613	—	87,080	87,080
Video	—	32,401	32,401	—	32,867	32,867
Voice	—	25,516	25,516	—	28,304	28,304
Total	62,517	153,766	216,283	62,209	155,619	217,828
Cost of goods sold	18,713	53,061	71,774	13,333	65,137	78,470
Contribution	43,804	100,705	144,509	48,876	90,482	139,358
Less SG&A	5,958	65,934	71,892	6,259	66,841	73,100
Less Other expense	—	97	97	—	—	—
EBITDA	37,846	34,674	72,520	42,617	23,641	66,258
Share-based compensation	—	1,778	1,778	—	1,909	1,909
Accretion	176	125	301	270	(653)	(383)
Other	—	198	198	—	(6)	(6)
Adjusted EBITDA	\$ 38,022	36,775	74,797	42,887	24,891	67,778

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

(Amounts in thousands)

	First Quarter 2014				First Quarter 2013			
	Consumer	Business Services	Managed Broadband	Total	Consumer	Business Services	Managed Broadband	Total
<b>Revenues</b>								
Wireless	\$ 7,491	745	—	8,236	6,546	679	—	7,225
Data	26,944	34,840	25,829	87,613	24,056	40,136	22,680	86,872
Video	27,249	5,152	—	32,401	27,961	3,125	—	31,086
Voice	8,445	11,741	5,330	25,516	9,530	12,327	5,339	27,196
<b>Total</b>	<b>\$ 70,129</b>	<b>52,478</b>	<b>31,159</b>	<b>153,766</b>	<b>68,093</b>	<b>56,267</b>	<b>28,019</b>	<b>152,379</b>

(Amounts in thousands)

	First Quarter 2014				Fourth Quarter 2013			
	Consumer	Business Services	Managed Broadband	Total	Consumer	Business Services	Managed Broadband	Total
<b>Revenues</b>								
Wireless	\$ 7,491	745	—	8,236	6,724	644	—	7,368
Data	26,944	34,840	25,829	87,613	26,290	35,739	25,051	87,080
Video	27,249	5,152	—	32,401	27,993	4,874	—	32,867
Voice	8,445	11,741	5,330	25,516	8,348	14,741	5,215	28,304
<b>Total</b>	<b>\$ 70,129</b>	<b>52,478</b>	<b>31,159</b>	<b>153,766</b>	<b>69,355</b>	<b>55,998</b>	<b>30,266</b>	<b>155,619</b>

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

	March 31, 2014	March 31, 2013	December 31, 2013	March 31, 2014 as compared to		March 31, 2014 as compared to	
				March 31, 2013	December 31, 2013	March 31, 2013	December 31, 2013
<b><i>Wireline segment</i></b>							
<b>Consumer</b>							
Data							
Cable modem subscribers	116,400	117,000	115,300	(600)	1,100	(0.5)%	1.0 %
Video							
Basic subscribers	118,000	122,000	117,900	(4,000)	100	(3.3)%	0.1 %
Digital programming tier subscribers	66,900	72,200	67,500	(5,300)	(600)	(7.3)%	(0.9)%
HD/DVR converter boxes	101,200	90,300	96,900	10,900	4,300	12.1 %	4.4 %
Homes passed	248,000	244,800	247,400	3,200	600	1.3 %	0.2 %
Voice							
Local access lines in service	59,800	68,000	61,000	(8,200)	(1,200)	(12.1)%	(2.0)%
Local access lines in service on GCI facilities	55,700	63,300	56,900	(7,600)	(1,200)	(12.0)%	(2.1)%
<b>Business Services</b>							
Data							
Cable modem subscribers	14,000	13,400	14,000	600	—	4.5 %	—%
Video							
Hotels and mini-headend subscribers	17,000	16,700	16,800	300	200	1.8 %	1.2 %
Basic subscribers	2,000	1,900	2,000	100	—	5.3 %	—%
Total basic subscribers	19,000	18,600	18,800	400	200	2.2 %	1.1 %
Voice							
Local access lines in service	48,500	50,400	48,800	(1,900)	(300)	(3.8)%	(0.6)%
Local access lines in service on GCI facilities	35,000	30,400	34,700	4,600	300	15.1 %	0.9 %
<b>Managed Broadband</b>							
Voice:							
Local access lines in service	7,500	8,100	7,600	(600)	(100)	(7.4)%	(1.3)%
<b>Consumer and Business Services Combined</b>							
Wireless							
Consumer Lifeline lines in service	29,500	32,700	29,300	(3,200)	200	(9.8)%	0.7 %
Consumer Non-Lifeline lines in service	94,400	91,800	93,600	2,600	800	2.8 %	0.9 %
Business Services Non-Lifeline lines in service	18,500	17,100	18,600	1,400	(100)	8.2 %	(0.5)%
Total wireless lines in service	<u>142,400</u>	<u>141,600</u>	<u>141,500</u>	<u>800</u>	<u>900</u>	<u>0.6 %</u>	<u>0.6 %</u>

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

	Three Months Ended			March 31, 2014 as compared to		March 31, 2014 as compared to	
	March 31, <u>2014</u>	March 31, <u>2013</u>	December 31, <u>2013</u>	March 31, <u>2013</u>	December 31, <u>2013</u>	March 31, <u>2013</u>	December 31, <u>2013</u>
<b><u>Wireline segment</u></b>							
<b>Consumer</b>							
Data							
Average monthly revenue per cable modem subscriber	\$ 75.93	\$ 67.85	\$ 74.42	\$ 8.08	\$ 1.51	11.9 %	2.0 %
<b>Video</b>							
Average monthly revenue per subscriber	\$ 76.98	\$ 76.45	\$ 78.84	\$ 0.53	\$ (1.86)	0.7 %	(2.4)%
<b>Combined Consumer and Business Services</b>							
Wireless							
Average monthly revenue per subscriber	\$ 51.48	\$ 48.54	\$ 50.46	\$ 2.94	\$ 1.02	6.1 %	2.0 %



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

	March 31, 2014	Three Months Ended March 31, 2013	December 31, 2013
Net income	\$ 11,742	3,127	4,525
Income tax expense	215	3,029	2,800
Income before income tax expense	11,957	6,156	7,325
Other expense:			
Interest expense (including amortization of deferred loan fees)	18,211	16,904	17,875
Other	97	—	223
Other expense	18,308	16,904	18,098
Operating income	30,265	23,060	25,423
Depreciation and amortization expense	42,352	33,999	40,835
Other	(97)	4	—
EBITDA (Note 2)	72,520	57,063	66,258
Share-based compensation	1,778	1,259	1,909
Accretion	301	127	(383)
Other	198	200	(6)
Adjusted EBITDA (Note 1)	\$ 74,797	58,649	67,778

(1) EBITDA (as defined in Note 2 below) before deducting share-based compensation, accretion expense, 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.