

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

(Amounts in thousands)	September 30, 2014	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 35,464	44,971
Receivables (including \$33,867 and \$28,000 from a related party at September 30, 2014 and December 31, 2013, respectively)	222,405	228,372
Less allowance for doubtful receivables	3,502	2,346
Net receivables	218,903	226,026
Deferred income taxes	36,253	39,753
Prepaid expenses	10,887	7,725
Inventories	7,952	10,347
Other current assets	106	230
Total current assets	309,565	329,052
Property and equipment in service, net of depreciation	969,265	969,578
Construction in progress	121,382	87,476
Net property and equipment	1,090,647	1,057,054
Goodwill	229,560	219,041
Cable certificates	191,635	191,635
Wireless licenses	86,347	91,400
Other intangible assets, net of amortization	65,173	71,435
Deferred loan and senior notes costs, net of amortization of \$8,124 and \$6,545 at September 30, 2014 and December 31, 2013, respectively	10,825	12,129
Other assets	54,937	40,061
Total other assets	638,477	625,701
Total assets	\$ 2,038,689	2,011,807

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

(Amounts in thousands)

LIABILITIES AND STOCKHOLDERS' EQUITY	September 30, 2014	December 31, 2013
Current liabilities:		
Current maturities of obligations under long-term debt and capital leases	\$ 10,522	9,301
Accounts payable (including \$8,621 and \$11,200 to a related party at September 30, 2014 and December 31, 2013, respectively)	73,287	65,095
Deferred revenue	31,784	27,586
Accrued payroll and payroll related obligations	29,627	29,855
Accrued interest	21,293	7,088
Accrued liabilities	14,821	14,359
Subscriber deposits	1,166	1,326
Total current liabilities	182,500	154,610
Long-term debt, net	1,019,289	1,045,144
Obligations under capital leases, excluding current maturities	68,571	66,261
Obligation under capital lease due to related party, excluding current maturity	1,865	1,880
Deferred income taxes	160,799	161,476
Long-term deferred revenue	85,789	88,259
Other liabilities	37,581	36,823
Total liabilities	1,556,394	1,554,453
Commitments and contingencies		
Stockholders' equity:		
Common stock (no par):		
Class A. Authorized 100,000 shares; issued 38,343 and 37,299 shares at September 30, 2014 and December 31, 2013, respectively; outstanding 38,317 and 37,209 shares at September 30, 2014 and December 31, 2013, respectively	11,986	11,467
Class B. Authorized 10,000 shares; issued and outstanding 3,162 and 3,165 shares at September 30, 2014 and December 31, 2013, respectively; convertible on a share-per-share basis into Class A common stock	2,670	2,673
Less cost of 26 and 90 Class A common shares held in treasury at September 30, 2014 and December 31, 2013, respectively	(249)	(866)
Paid-in capital	30,965	26,880
Retained earnings	139,778	116,990
Total General Communication, Inc. stockholders' equity	185,150	157,144
Non-controlling interests	297,145	300,210
Total stockholders' equity	482,295	457,354
Total liabilities and stockholders' equity	\$ 2,038,689	2,011,807

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Amounts in thousands, except per share amounts)	2014	2013	2014	2013
Revenues:				
Non-related party	\$ 225,677	205,500	636,416	581,377
Related party	15,048	12,443	44,991	12,443
Total revenues	240,725	217,943	681,407	593,820
Cost of goods sold (exclusive of depreciation and amortization shown separately below)				
Non-related party	73,971	69,606	212,821	199,915
Related party	2,930	2,077	8,236	2,077
Total cost of goods sold	76,901	71,683	221,057	201,992
Selling, general and administrative expenses:				
Non-related party	71,717	68,468	211,144	196,133
Related party	1,066	1,079	3,348	1,832
Total selling, general and administrative expenses	72,783	69,547	214,492	197,965
Depreciation and amortization expense	41,705	38,029	127,843	106,424
Operating income	49,336	38,684	118,015	87,439
Other expense:				
Interest expense (including amortization of deferred loan fees)	(17,848)	(17,522)	(54,229)	(51,850)
Other	(563)	(180)	(1,709)	(230)
Other expense	(18,411)	(17,702)	(55,938)	(52,080)
Income before income tax expense	30,925	20,982	62,077	35,359
Income tax expense	(2,481)	(970)	(2,823)	(8,157)
Net income	28,444	20,012	59,254	27,202
Net income attributable to non-controlling interests	15,932	11,107	36,466	10,873
Net income attributable to General Communication, Inc.	\$ 12,512	8,905	22,788	16,329
Basic net income attributable to General Communication, Inc. common stockholders per Class A common share	\$ 0.30	0.22	0.55	0.40
Basic net income attributable to General Communication, Inc. common stockholders per Class B common share	\$ 0.30	0.22	0.55	0.40
Diluted net income attributable to General Communication, Inc. common stockholders per Class A common share	\$ 0.30	0.22	0.55	0.39
Diluted net income attributable to General Communication, Inc. common stockholders per Class B common share	\$ 0.30	0.22	0.55	0.39
Common shares used to calculate Class A basic EPS	38,425	37,434	38,266	37,887
Common shares used to calculate Class A diluted EPS	41,734	40,776	41,575	41,319

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

(Amounts in thousands)	Third Quarter 2014			Third Quarter 2013		
	Wireless Segment	Wireline Segment	Total	Wireless Segment	Wireline Segment	Total
Revenues						
Wireless	\$ 76,398	8,823	85,221	65,613	8,366	73,979
Data	—	92,208	92,208	—	88,754	88,754
Video	—	38,328	38,328	—	31,379	31,379
Voice	—	24,968	24,968	—	23,831	23,831
Total	76,398	164,327	240,725	65,613	152,330	217,943
Cost of goods sold	24,021	52,880	76,901	18,530	53,153	71,683
Contribution	52,377	111,447	163,824	47,083	99,177	146,260
Less SG&A	5,336	67,447	72,783	4,702	64,845	69,547
Less other expense	—	560	560	—	195	195
EBITDA	47,041	43,440	90,481	42,381	34,137	76,518
Share-based compensation	—	2,153	2,153	—	1,823	1,823
Accretion	238	121	359	117	61	178
Other	—	201	201	—	198	198
Adjusted EBITDA	\$ 47,279	45,915	93,194	42,498	36,219	78,717

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

(Amounts in thousands)	Third Quarter 2014			Second Quarter 2014		
	Wireless Segment	Wireline Segment	Total	Wireless Segment	Wireline Segment	Total
Revenues						
Wireless	\$ 76,398	8,823	85,221	69,397	7,149	76,546
Data	—	92,208	92,208	—	88,475	88,475
Video	—	38,328	38,328	—	34,478	34,478
Voice	—	24,968	24,968	—	24,900	24,900
Total	76,398	164,327	240,725	69,397	155,002	224,399
Cost of goods sold	24,021	52,880	76,901	23,500	48,882	72,382
Contribution	52,377	111,447	163,824	45,897	106,120	152,017
Less SG&A	5,336	67,447	72,783	5,894	63,923	69,817
Less other expense	—	560	560	—	1,052	1,052
EBITDA	47,041	43,440	90,481	40,003	41,145	81,148
Share-based compensation	—	2,153	2,153	—	2,193	2,193
Accretion	238	121	359	171	130	301
Other	—	201	201	—	829	829
Adjusted EBITDA	\$ 47,279	45,915	93,194	40,174	44,297	84,471

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

(Amounts in thousands)	Nine Months Ended September 30, 2014			Nine Months Ended September 30,		
	Wireless Segment	Wireline Segment	Total	Wireless Segment	Wireline Segment	Total
Revenues						
Wireless	\$ 208,312	24,208	232,520	135,009	23,535	158,544
Data	—	268,296	268,296	—	262,803	262,803
Video	—	105,207	105,207	—	93,672	93,672
Voice	—	75,384	75,384	—	78,801	78,801
Total	208,312	473,095	681,407	135,009	458,811	593,820
Cost of goods sold	66,234	154,823	221,057	49,515	152,477	201,992
Contribution	142,078	318,272	460,350	85,494	306,334	391,828
Less SG&A	17,188	197,304	214,492	13,771	184,194	197,965
Less other expense	—	1,709	1,709	—	142	142
EBITDA	124,890	119,259	244,149	71,723	121,998	193,721
Share-based compensation		6,124	6,124	—	4,729	4,729
Accretion	585	376	961	237	223	460
Other	—	1,228	1,228	—	595	595
Adjusted EBITDA	\$ 125,475	126,987	252,462	71,960	127,545	199,505

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

(Amounts in thousands)	Third Quarter 2014				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>
Revenues								
Wireless	\$ 7,989	834	—	8,823	7,581	785	—	8,366
Data	28,755	36,857	26,596	92,208	24,981	39,229	24,544	88,754
Video	27,896	10,432	—	38,328	27,674	3,705	—	31,379
Voice	7,972	11,657	5,339	24,968	8,647	9,952	5,232	23,831
Total	<u>\$ 72,612</u>	<u>59,780</u>	<u>31,935</u>	<u>164,327</u>	<u>68,883</u>	<u>53,671</u>	<u>29,776</u>	<u>152,330</u>

(Amounts in thousands)	Third Quarter 2014				Second Quarter 2014			
	<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	\$ 7,989	834	—	8,823	6,360	789	—	7,149
Data	28,755	36,857	26,596	92,208	27,313	35,554	25,608	88,475
Video	27,896	10,432	—	38,328	26,871	7,607	—	34,478
Voice	7,972	11,657	5,339	24,968	8,279	11,359	5,262	24,900
Total	<u>\$ 72,612</u>	<u>59,780</u>	<u>31,935</u>	<u>164,327</u>	<u>68,823</u>	<u>55,309</u>	<u>30,870</u>	<u>155,002</u>

(Amounts in thousands)	Nine Months Ended September 30, 2014				Nine Months Ended September 30, 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>
Revenues								
Wireless	\$ 21,840	2,368	—	24,208	21,307	2,228	—	23,535
Data	83,012	107,251	78,033	268,296	73,450	118,759	70,594	262,803
Video	82,016	23,191	—	105,207	83,375	10,297	—	93,672
Voice	24,696	34,757	15,931	75,384	27,318	35,532	15,951	78,801
Total	<u>\$ 211,564</u>	<u>167,567</u>	<u>93,964</u>	<u>473,095</u>	<u>205,450</u>	<u>166,816</u>	<u>86,545</u>	<u>458,811</u>

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

	September 30, <u>2014</u>	September 30, <u>2013</u>	June 30, <u>2014</u>	September 30, 2014 as compared to September 30, <u>2013</u>	June 30, <u>2014</u>	September 30, 2014 as compared to September 30, <u>2013</u>	June 30, <u>2014</u>
<i>Wireline segment</i>							
<i>Consumer</i>							
Data							
Cable modem subscribers	117,000	114,800	115,600	2,200	1,400	1.9 %	1.2 %
Video							
Basic subscribers	115,900	118,400	116,300	(2,500)	(400)	(2.1)%	(0.3)%
Digital programming tier subscribers	64,200	68,100	65,200	(3,900)	(1,000)	(5.7)%	(1.5)%
HD/DVR converter boxes	105,600	92,100	103,400	13,500	2,200	14.7 %	2.1 %
Homes passed	248,000	246,600	248,000	1,400	—	0.6 %	—%
Voice							
Local access lines in service	55,900	62,800	57,700	(6,900)	(1,800)	(11.0)%	(3.1)%
Local access lines in service on GCI facilities	52,400	58,500	53,800	(6,100)	(1,400)	(10.4)%	(2.6)%
<i>Business Services</i>							
Data							
Cable modem subscribers	14,200	14,000	14,200	200	—	1.4 %	—%
Video							
Hotels and mini-headend subscribers	19,800	19,800	20,600	—	(800)	—%	(3.9)%
Basic subscribers	1,900	2,000	2,000	(100)	(100)	(5.0)%	(5.0)%
Total basic subscribers	21,700	21,800	22,600	(100)	(900)	(0.5)%	(4.0)%
Voice							
Local access lines in service	47,400	49,400	48,200	(2,000)	(800)	(4.0)%	(1.7)%
Local access lines in service on GCI facilities	34,200	34,800	35,000	(600)	(800)	(1.7)%	(2.3)%
<i>Consumer and Business Services Combined</i>							
Wireless							
Consumer Lifeline lines in service	25,600	29,600	28,200	(4,000)	(2,600)	(13.5)%	(9.2)%
Consumer Non-Lifeline lines in service	102,700	97,200	99,100	5,500	3,600	5.7 %	3.6 %
Business Services Non-Lifeline lines in service	18,600	17,900	18,500	700	100	3.9 %	0.5 %
Total wireless lines in service	146,900	144,700	145,800	2,200	1,100	1.5 %	0.8 %

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

	Three Months Ended			September 30, 2014 as compared to		September 30, 2014 as compared to	
	September 30, <u>2014</u>	September 30, <u>2013</u>	June 30, <u>2014</u>	September 30, <u>2013</u>	June 30, <u>2014</u>	September 30, <u>2013</u>	June 30, <u>2014</u>
<u>Wireline segment</u>							
<i>Consumer</i>							
Video							
Average monthly revenue per subscriber	\$ 80.22	\$ 77.64	\$ 76.49	\$ 2.58	\$ 3.73	3.3 %	4.9 %
<i>Combined Consumer and Business Services</i>							
Data							
Average monthly revenue per cable modem subscriber	\$ 80.20	\$ 70.95	\$ 76.69	\$ 9.25	\$ 3.51	13.0 %	4.6 %
Wireless							
Average monthly revenue per subscriber	\$ 50.87	\$ 49.22	\$ 48.89	\$ 1.65	\$ 1.98	3.4 %	4.0 %

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

	Three Months Ended			Nine Months Ended	
	September 30, 2014	September 30, 2013	June 30, 2014	September 30, 2014	September 30, 2013
Net income	\$ 28,444	20,012	19,068	59,254	27,202
Income tax expense	2,481	970	127	2,823	8,157
Income before income tax expense	30,925	20,982	19,195	62,077	35,359
Other expense:					
Interest expense (including amortization of deferred loan fees)	17,848	17,522	18,170	54,229	51,850
Other	563	180	1,049	1,709	230
Other expense	18,411	17,702	19,219	55,938	52,080
Operating income	49,336	38,684	38,414	118,015	87,439
Depreciation and amortization expense	41,705	38,029	43,786	127,843	106,424
Other	(560)	(195)	(1,052)	(1,709)	(142)
EBITDA (Note 2)	90,481	76,518	81,148	244,149	193,721
Share-based compensation	2,153	1,823	2,193	6,124	4,729
Accretion	359	178	301	961	460
Other	201	198	829	1,228	595
Adjusted EBITDA (Note 1)	\$ 93,194	78,717	84,471	252,462	199,505

(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, non-cash contribution adjustment, and other non-cash adjustments.

(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.