

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES AND EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): July 27, 2004

GENERAL COMMUNICATION, INC.

(Exact Name of Registrant as Specified in its Charter)

Alaska	0-15279	92-0072737
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(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification Number)
2550 Denali Street Suite 1000 Anchorage, Alaska		99503
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(Address of Principal Executive Offices)		(Zip Code)

Registrant's telephone number, including area code: (907) 868-5600

NONE

(Former Name or Former Address, if Changed Since Last Report)

Item 7. Financial Statements and Exhibit.

- (a) Financial statements of businesses acquired: None
- (b) Pro forma financial information: None
- (c) Exhibit:

This exhibit is furnished pursuant to Item 12 hereof and should not be deemed to be "filed" under the Securities Exchange Act of 1934.

99.1 Press release dated July 27, 2004

Item 12. Results of Operations and Financial Condition.

On July 27, 2004, General Communication, Inc. (GCI) issued a press release announcing earnings for the three and six months ended June 30, 2004, a new wireless distribution agreement with Dobson Communications and a stock repurchase program. A copy of the press release is attached as Exhibit 99.1.

The information in this Form 8-K and the Exhibit attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

The earnings release attached as Exhibit 99.1 discloses the non-GAAP financial measure of EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization). EBITDA has been reconciled to the closely related GAAP financial measure, Net Income, within the earnings release.

EBITDA is the sum of Net Income, Interest Expense, Amortization and Write-off of Loan and Senior Notes Fees, Interest Income, Taxes, and Depreciation, Amortization and Accretion. EBITDA is not presented as an alternative measure of Net Income 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.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GENERAL COMMUNICATION, INC.

(Registrant)

Date: July 27, 2004

By /s/

Name: John M. Lowber
Title: Senior Vice President,
Chief Financial Officer,
Secretary and Treasurer
(Principal Financial Officer)

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press release of General Communication, Inc. dated July 27, 2004.

July 27, 2004

John Lowber, (907) 868-5628; jlowber@gci.com
Bruce Broquet, (907) 868-6660; bbroquet@gci.com
David Morris, (907) 265-5396; dmorris@gci.com

FOR IMMEDIATE RELEASE

GCI REPORTS SECOND QUARTER 2004 FINANCIAL RESULTS

- Consolidated revenue of \$103.8 million
- Net income of \$7.7 million or \$0.13 per diluted share
- EBITDA of \$34.9 million
- New wireless distribution agreement with Dobson
- GCI announces stock repurchase program

ANCHORAGE, AK -- GCI (NASDAQ:GNCMA) today reported net income of \$7.7 million, or earnings per diluted share of \$0.13, for the second quarter of 2004. The company's second quarter net income compares to income of \$4.8 million, or earnings per diluted share of \$0.08 in the same period of 2003.

GCI announced a 10-year distribution agreement with Dobson Communications that will add new wireless products to GCI's bundle. GCI also announced the initiation of a stock repurchase program.

GCI's second quarter 2004 revenues totaled \$103.8 million, an increase of 8.2 percent over second quarter 2003 revenues of \$95.9 million. For the current quarter, earnings before interest, taxes, depreciation, amortization and accretion (EBITDA) totaled \$34.9 million. Second quarter 2004 EBITDA increased \$4.1 million or 13.3 percent over the same quarter in 2003. Second quarter 2003 EBITDA totaled \$30.8 million.

Sequentially, revenues for the company decreased 4.7 percent from first quarter 2004 revenues of \$108.9 million. GCI's second quarter EBITDA of \$34.9 million compares to EBITDA, as adjusted, of \$35.2 million in the first quarter of 2004.

For the second quarter of 2004, GCI met its revenue guidance and exceeded its EBITDA guidance. The company expected revenues of approximately \$103 million to \$105 million, and EBITDA of approximately \$31 million, excluding the effects of any receivable recovery from MCI. GCI recorded a benefit of approximately \$1.1 million relating to the use of the MCI credit during the quarter.

GCI's 10-year distribution agreement with Dobson Communications allows GCI to offer a full line of state-of-the-art voice and data wireless products and services to its customers throughout Alaska. GCI will market these products and services under its own brand as stand alone wireless products and as additions to packaged offerings. The agreement also allows GCI to develop new products and services combining both wireless and wireline technologies. GCI will provide billing and all customer support services for its wireless services. Under a separate agreement, Dobson will lease 10 MHz of GCI's 1900 MHz wireless spectrum

and will expand services in existing and new Alaska markets. Dobson's wireless spectrum is in the 800 MHz spectrum band. The lease agreement enables GCI and Dobson to expand overall system capacity. This will create a more efficient wireless system providing better service to customers. The agreement fulfills GCI's wireless buildout requirement to retain the PCS "B" block license.

GCI's Board of Directors has authorized the company to repurchase up to \$5 million per quarter of its common stock. GCI has obtained permission from its lenders and preferred shareholders for the first \$10 million of buybacks. The company expects to continue the repurchases subject to the availability of free cash flow, credit facilities, the price of the stock and the requisite consents of lenders and preferred shareholders. The repurchase will comply with the restrictions of Securities Exchange Commission rule 10b-18.

"It's been a good quarter," said Ron Duncan, GCI president. "In addition to record second quarter results we are announcing the resolution of two key issues that are of significant interest to our shareholders. First, we have negotiated an agreement with Dobson Communications that will let us include their wireless products in our package of services. Second, the GCI Board has authorized a plan to allow the company to repurchase up to \$5 million per quarter of our shares. This is the first step in fulfilling our commitment to return free cash flow to our shareholders."

"We remain on track for 2004. We expect third quarter revenues of approximately \$103 million to \$105 million and EBITDA of approximately \$31 million, excluding the effects of any receivable recovery from MCI. We are maintaining our guidance for total revenues of \$410 million to \$420 million and EBITDA of \$129 million to \$134 million, before any benefit from credits against services purchased from MCI."

Customer Highlights

- The local services business added 2,000 access lines during the second quarter and now serves 110,600 local lines, an estimated 24 percent share of the total access line market in Alaska.
- GCI had 100,300 statewide Internet customers at the end of second quarter 2004. At the end of the second quarter of 2004, more than 56,800 of these Internet customers are using GCI cable modem service, an increase of 5,100 over the first quarter of 2004. The number of customers served on GCI's statewide dial-up Internet platform decreased during the second quarter. Most of these customers migrated to cable modems.
- GCI cable television services now pass 204,485 homes and serve 135,173 subscribers. Subscribers increased sequentially by 1,192 subscribers from the first quarter of 2004. The increase in subscribers is primarily attributable to seasonal additions from hotels.
- Long-distance billable minutes increased 4.5 percent to 293.7 million minutes for the second quarter as compared to the same quarter of 2003, and decreased 2.6 percent sequentially.

Long Distance Results

For the second quarter of 2004, long distance revenues totaled \$60.9 million as compared to revenues of \$58 million in the second quarter of 2003 and \$65.9 million in the first quarter of 2004. Long distance revenues increased 5.0 percent year-over-year and declined 7.6 percent sequentially. The year-over-year revenue increase was attributed to an increase in private line, dedicated and other data services revenues and managed network services revenues. The

sequential decrease in long distance revenues is due primarily to the recognition of \$6.1 million of project revenues in the first quarter of 2004. Switched minutes revenues were down slightly compared to the prior year due primarily to lower rates per minute offsetting minute growth. Sequentially, switched minutes revenues were mostly flat.

Long distance EBITDA, increased 8.2 percent for the second quarter of 2004 to \$21.0 million as compared to \$19.4 million in the second quarter of the prior year. Long distance EBITDA for the second quarter of 2004 was down \$0.7 million sequentially from \$21.7 million, as adjusted, in the first quarter of 2004. Long distance EBITDA included MCI bad debt recoveries of \$1.1 million in the second quarter of 2004 and \$1.2 million in the first quarter of 2004.

Total minutes-of-use are up 4.5 percent in the second quarter of 2004 when compared to the second quarter of 2003. Sequentially, minutes-of-use are down 2.6 percent compared to the first quarter of 2004. The year-over-year increase in minutes is attributable to the improving "lower 48" economy, including an increase in minutes carried for common carriers.

The total number of billed long distance customers increased 5.4 percent when customer counts are compared between June 2004 and March 2004.

Cable Television Results

Cable television revenues for the second quarter increased 5.4 percent to \$25.2 million from \$23.9 million in the second quarter of 2003, and were up 1.2 percent from \$24.9 million in the first quarter of 2004. EBITDA of \$11.5 million for the second quarter of 2004 increased 4.5 percent from the second quarter of 2003, and increased 4.5 percent when compared to \$11 million in the first quarter of 2004. The increase in revenues is due primarily to the increase in sales of digital special interest (Digital) cable television and cable modem services. The increase in EBITDA is primarily attributable to certain refunds and rebates received from cable television programmers during the second quarter of 2004.

Gross margins, as a percentage of revenues, increased by 147 basis points year-over-year and 319 basis points sequentially. The increase in gross margins is primarily attributable to the aforementioned refunds and rebates received from programmers. The growth rate from Digital and cable modems is helping to mitigate the effects of continuing increases in programming and copyright costs.

As of June 30, 2004, the company's cable television operations passed 204,485 homes and served 135,173 subscribers (106,277 equivalent basic subscribers). For the second quarter, average revenue per equivalent basic subscriber was \$78.27, an increase of 10.3 percent when compared to the second quarter 2003 average revenue of \$70.99. Sequentially, average revenue was up 2.2 percent, from \$76.59, over the first quarter of 2004. Subscribers increased sequentially by 1,192 subscribers from the first quarter of 2004. This compares to an increase of 947 subscribers in the second quarter of 2003 over the first quarter of 2003. The increase in subscribers is primarily attributable to a seasonal increase in hotel customers offsetting a seasonal decline in residential customers.

During the first quarter of 2004 GCI launched several new service packages designed to compete aggressively with the satellite providers' offerings. The customer response to these packages during the second quarter has been very strong. Seasonal residential churn in the second quarter of 2004 appears consistent with historical second quarter trends.

The company offers Digital service in Anchorage, Fairbanks, Juneau, Kenai, Soldotna, Ketchikan and the Mat-Su Valley area. GCI served 38,800 Digital customers at the end of the second quarter of 2004, an increase of 4,800 customers compared to the first quarter of 2004. The sequential increase in Digital customers was due to the launch of several new service packages.

GCI, along with the other largest publicly traded multiple system operators, signed a pledge to support and adhere to voluntary reporting guidelines on common operating statistics to provide investors and others with a better understanding of the company's operations. The operating statistics below include capital expenditures and customer information from cable services and the components of our local services and Internet services utilizing our cable services' facilities.

GCI's capital expenditures by standard reporting category for the six months periods ending June 30, 2004 and 2003 follow (*amounts in thousands*):

	<u>2004</u>	<u>2003</u>
Customer premise equipment	\$ 6,970	3,830
Commercial	213	171
Scalable infrastructure	2,805	459
Line extensions	149	243
Upgrade/rebuild	3,355	963
Support capital	595	263
Sub-total	<u>14,087</u>	<u>5,929</u>
Remaining reportable segments and All Other capital expenditures	<u>50,060</u>	<u>11,446</u>
	<u>\$ 64,147</u>	<u>17,375</u>

The standard definition of a customer relationship is the number of customers who receive at least one level of service, encompassing voice, video, and data services, without regard to which services customers purchase. These relationships do not include local telephone customers except those receiving phone service through the cable television plant. At June 30, 2004 and 2003, GCI's cable business had 123,300 and 124,300 customer relationships, respectively.

The standard definition of a revenue-generating unit is the sum of all primary analog video, digital video, high-speed data and telephony customers, not counting additional outlets. At June 30, 2004 and 2003, GCI's cable business had 192,000 and 177,800 revenue generating units, respectively. The increase in the revenue generating units of 6,200 and 14,200 from March 31, 2004 and June 30, 2003 respectively, is due to an increase in the number of cable modem and Digital Local Phone Service (DLPS) customers.

Local Telephone Results

For the second quarter 2004, local telephone service revenues totaled \$11.2 million, an increase of 21.7 percent, when compared to \$9.2 million in the second quarter of 2003. Sequentially, revenue was down \$0.6 million or 5.1 percent from \$11.8 million in the first quarter of 2004. The increase in year-over-year revenues is attributable to increasing customer counts, Universal Service Fund and directory services revenues. The sequential decrease in revenues is due to out-of-period Universal Service Fund revenues recognized in the first quarter 2004.

In the second quarter, local services generated \$0.2 million of EBITDA, an improvement of \$1.2 million over the \$1.0 million loss in the second quarter of

2003. Sequentially, second quarter EBITDA of \$0.2 million compares to EBITDA of \$0.6 million in the first quarter of 2004. If the local telephone business received credit for access cost savings on calls placed by GCI long distance customers who are also GCI local customers, the company's local telephone business would have reported EBITDA of \$1.7 million in the second quarter of 2004.

At the end of the second quarter of 2004, GCI provided local service to approximately 110,600 access lines statewide. This represents an increase of 2,000 access lines, or 1.8 percent, over the 108,600 access lines reported at the end of the first quarter of 2004. The company estimates it has attained a 24 percent share of the total access line market in Alaska. Approximately 84 percent of GCI's access lines are provisioned on its own facilities or on resold local loops.

In early April 2004, GCI began converting customers to its DLPS technology. The roll out of DLPS will enable GCI to avoid wholesale and loop rental costs from local phone lines leased from the incumbent local exchange carrier. GCI plans to provision 8,000 to 12,000 DLPS lines by the end of 2004. Approximately 1,500 DLPS lines are currently in service.

Internet Access Results

Internet access revenues for the second quarter of 2004 totaled \$6.5 million, an increase of 35.4 percent year-over-year and 1.6 percent sequentially. Second quarter 2003 revenues were \$4.8 million and first quarter 2004 revenues were \$6.4 million. EBITDA for the second quarter totaled \$2.2 million, an improvement of \$0.8 million year-over-year and \$0.3 million sequentially. Second quarter 2003 EBITDA was \$1.4 million and first quarter 2004 EBITDA was \$1.9 million. The increase in Internet access revenues and EBITDA results from the migration of existing customers to cable modem access and customers adding more features and services, increasing economies of scale and effective cost containment controls.

At the end of the second quarter of 2004, GCI had 100,300 statewide Internet customers, a decrease of 300 customers sequentially and an increase of 8,100 year-over-year. GCI's statewide Internet customers included 56,800 subscribers using cable modem access. This represents an increase of 5,100 subscribers, or 9.9 percent, over the prior quarter's subscriber count of 51,700. On a year-over-year basis, GCI experienced a 40.2 percent increase in cable modem subscribers, from 40,500 at the end of the second quarter of 2003.

At the end of the second quarter of 2004 GCI's average revenue per cable modem (ARPM) was \$36.84 as compared to \$40.20 at the end of the first quarter of 2004 and \$40.98 at the end of the second quarter of 2003. Total cable modem revenues for the second quarter of 2004 increased 1.9 percent sequentially over the first quarter of 2004 and 23.8 percent year-over-year. The increase in revenues is due to the increase in the number of modem customers. The decline in ARPM is due to an increase in the number of customers for GCI's free cable modem product and increasing sales of GCI's lower priced cable modem products.

GCI began offering Internet access services during 1998 and its dial-up Internet service is offered in most major Alaska markets. GCI is the largest Internet access provider in Alaska.

Other Items

During the three months ending June 30, 2004, core capital expenditures increased to \$17.6 million as compared to \$14.9 million in the first quarter of 2004. Additionally, GCI spent \$21.3 million relating to its new undersea fiber

in the second quarter of 2004. GCI used approximately \$10 million in cash during the second quarter before any draws on its revolving credit facility.

The new undersea fiber system was completed during the quarter and GCI now has the only SONET protected physically diverse fiber system connecting Alaska and the lower 48 states.

GCI will hold a conference call to discuss the quarter's results on Wednesday, July 28, 2004 beginning at 2 p.m. (Eastern). To access the briefing on July 28, dial 888-323-5254 (international callers should dial 773-756-4631) and identify your call as "GCI." In addition to the conference call, 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 888-567-0444, access code 7461 (international callers should dial 402-998-1800.)

GCI is the largest telecommunications company in Alaska. A pioneer in bundled services, GCI provides local, wireless, and long distance telephone, cable television, Internet and data communication services throughout Alaska. More information about the company can be found at www.gci.com.

The foregoing contains forward-looking statements regarding the company'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 Form 10-K and 10-Q filed with the Securities and Exchange Commission.

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GENERAL COMMUNICATION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Amounts in thousands)	(Unaudited)	December 31,
Assets	June 30, 2004	2003
Current assets:		
Cash and cash equivalents	\$ 4,041	10,435
Receivables	73,407	70,235
Less allowance for doubtful receivables	2,034	1,954
Net receivables	71,373	68,281
Deferred income taxes, net	6,260	7,195
Prepaid and other current assets	4,898	12,159
Inventories	1,595	1,513
Property held for sale	1,253	2,173
Notes receivable from related parties	1,197	1,885
Total current assets	90,617	103,641
Property and equipment in service, net of depreciation	419,098	369,039
Construction in progress	16,512	33,618
Net property and equipment	435,610	402,657
Cable certificates	191,241	191,241
Goodwill	41,972	41,972
Other intangible assets, net of amortization of \$1,960 and \$1,656 at June 30, 2004 and December 31, 2003, respectively	4,534	3,895
Deferred loan and senior notes costs, net of amortization of \$1,826 and \$5,308 at June 30, 2004 and December 31, 2003, respectively	9,350	5,757
Notes receivable from related parties	4,370	4,281
Other assets	8,919	9,576
Total other assets	260,386	256,722
Total assets	\$ 786,613	763,020

(Continued)

GENERAL COMMUNICATION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Continued)

(Amounts in thousands)	(Unaudited) June 30, 2004	December 31, 2003
Liabilities, Redeemable Preferred Stock, and Stockholders' Equity		
Current liabilities:		
Current maturities of obligations under capital leases	\$ 6,318	5,139
Accounts payable	27,367	34,133
Deferred revenue	14,744	21,275
Accrued payroll and payroll related obligations	14,316	17,545
Accrued liabilities	7,774	8,156
Accrued interest	6,843	8,645
Subscriber deposits	518	651
Total current liabilities	77,880	95,544
Long-term debt	371,986	345,000
Obligations under capital leases, excluding current maturities	35,802	38,959
Obligation under capital lease due to related party, excluding current maturity	688	677
Deferred income taxes, net of deferred income tax benefit	29,318	24,168
Other liabilities	6,599	6,366
Total liabilities	522,273	510,714
Redeemable preferred stock	22,572	25,664
Stockholders' equity		
Common stock (no par):		
Class A. Authorized 100,000 shares; issued 53,486 and 52,589 shares at June 30, 2004 and December 31, 2003, respectively	207,250	202,362
Class B. Authorized 10,000 shares; issued 3,866 and 3,868 shares at June 30, 2004 and December 31, 2003, respectively; convertible on a share-per-share basis into Class A common stock	3,267	3,269
Less cost of 341 and 338 Class A common shares held in treasury at June 30, 2004 and December 31, 2003, respectively	(1,937)	(1,917)
Paid-in capital	13,459	12,836
Notes receivable with related parties issued upon stock option exercise	(4,351)	(4,971)
Retained earnings	24,174	15,371
Accumulated other comprehensive loss	(94)	(308)
Total stockholders' equity	241,768	226,642
Commitments and contingencies		
Total liabilities, redeemable preferred stock, and stockholders' equity	\$ 786,613	763,020

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

(Amounts in thousands, except per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Revenues	\$ 103,786	95,939	212,702	188,716
Cost of goods sold (exclusive of depreciation, amortization and accretion shown separately below)	33,257	30,071	72,002	60,319
Selling, general and administrative expenses	36,102	34,294	71,506	67,287
Bad debt expense (recovery)	(487)	802	(884)	1,399
Depreciation, amortization and accretion expense	15,704	12,800	31,462	26,301
Operating income	<u>19,210</u>	<u>17,972</u>	<u>38,616</u>	<u>33,410</u>
Other income (expense):				
Interest expense	(6,036)	(9,138)	(13,553)	(18,292)
Loss on early extinguishment of debt	-	-	(6,136)	-
Amortization and write-off of loan and senior notes fees	(387)	(625)	(3,014)	(1,698)
Interest income	79	165	187	331
Other expense, net	<u>(6,344)</u>	<u>(9,598)</u>	<u>(22,516)</u>	<u>(19,659)</u>
Net income before income taxes and cumulative effect of a change in accounting principle	12,866	8,374	16,100	13,751
Income tax expense	<u>5,141</u>	<u>3,564</u>	<u>6,450</u>	<u>5,846</u>
Net income before cumulative effect of a change in accounting principle	7,725	4,810	9,650	7,905
Cumulative effect of a change in accounting principle, net of income tax benefit of \$367	<u>-</u>	<u>-</u>	<u>-</u>	<u>(544)</u>
Net income	<u>\$ 7,725</u>	<u>4,810</u>	<u>9,650</u>	<u>7,361</u>
Basic and diluted net income per common share:				
Net income before cumulative effect of a change in accounting principle	\$ 0.13	0.08	0.15	0.12
Cumulative effect of a change in accounting principle, net of income tax benefit of \$367	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0.01)</u>
Net income	<u>\$ 0.13</u>	<u>0.08</u>	<u>0.15</u>	<u>0.11</u>

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

Traditional Summary

	Six Months Ended June 30, 2004					Six Months Ended June 30, 2003				
	Long Distance	Cable	Local Services	Internet	Combined	Long Distance	Cable	Local Services	Internet	Combined
Revenues	\$ 126,736	50,033	23,010	12,923	212,702	114,355	47,310	17,671	9,380	188,716
Cost of goods sold (exclusive of depreciation, amortization and accretion shown separately below)	41,652	13,414	13,368	3,568	72,002	33,150	12,831	11,512	2,826	60,319
Contribution	85,084	36,619	9,642	9,355	140,700	81,205	34,479	6,159	6,554	128,397
Selling, general and administrative expenses	43,666	13,666	8,928	5,246	71,506	42,155	12,564	8,432	4,136	67,287
Bad debt expense (recovery)	(1,286)	402	-	-	(884)	1,032	367	-	-	1,399
EBITDA, as adjusted	42,704	22,551	714	4,109	70,078	38,018	21,548	(2,273)	2,418	59,711
Less loss on early extinguishment of debt	6,136	-	-	-	6,136	-	-	-	-	-
EBITDA	36,568	22,551	714	4,109	63,942	38,018	21,548	(2,273)	2,418	59,711
Add loss on early extinguishment of debt	6,136	-	-	-	6,136	-	-	-	-	-
Less depreciation, amortization and accretion expense	18,266	9,370	1,963	1,863	31,462	13,803	9,062	1,736	1,700	26,301
Operating income (loss)	\$ 24,438	13,181	(1,249)	2,246	38,616	24,215	12,486	(4,009)	718	33,410

Integrated Summary EBITDA, as Adjusted
(Unaudited)

	Six Months Ended June 30, 2004				Six Months Ended June 30, 2003			
	Voice	Data	Video	Combined	Voice	Data	Video	Combined
Traditional Summary EBITDA, as Adjusted:								
Long Distance	\$ 42,704			42,704	38,018			38,018
Cable			22,551	22,551			21,548	21,548
Local Services	714			714	(2,273)			(2,273)
Internet		4,109		4,109		2,418		2,418
	43,418	4,109	22,551	70,078	35,745	2,418	21,548	59,711
EBITDA, as Adjusted, Reallocations:								
Long Distance	(23,523)	23,523		-	(16,120)	16,120		-
Cable		5,502	(5,502)	-		4,522	(4,522)	-
Local Services	(88)	88		-	(55)	55		-
Integrated Summary EBITDA, as Adjusted	\$ 19,807	33,222	17,049	70,078	19,570	23,115	17,026	59,711

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

Traditional Summary

	Three Months Ended June 30, 2004					Three Months Ended June 30, 2003				
	Long	Local			Combined	Long	Local			Combined
	Distance	Cable	Services	Internet		Distance	Cable	Services	Internet	
Revenues	\$ 60,870	25,181	11,218	6,517	103,786	58,032	23,872	9,245	4,790	95,939
Cost of goods sold (exclusive of depreciation, amortization and accretion shown separately below)	18,274	6,352	6,822	1,809	33,257	16,412	6,374	5,863	1,422	30,071
Contribution	42,596	18,829	4,396	4,708	70,529	41,620	17,498	3,382	3,368	65,868
Selling, general and administrative expenses	22,276	7,115	4,246	2,465	36,102	21,595	6,315	4,431	1,953	34,294
Bad debt expense (recovery)	(678)	191	-	-	(487)	584	218	-	-	802
EBITDA	20,998	11,523	150	2,243	34,914	19,441	10,965	(1,049)	1,415	30,772
Less depreciation, amortization and accretion expense	9,003	4,691	1,071	939	15,704	6,814	4,296	872	818	12,800
Operating income (loss)	<u>\$ 11,995</u>	<u>6,832</u>	<u>(921)</u>	<u>1,304</u>	<u>19,210</u>	<u>12,627</u>	<u>6,669</u>	<u>(1,921)</u>	<u>597</u>	<u>17,972</u>

Integrated Summary EBITDA

(Unaudited)

	Three Months Ended June 30, 2004				Three Months Ended June 30, 2003			
	Voice	Data	Video	Combined	Voice	Data	Video	Combined
Traditional Summary EBITDA:								
Long Distance	\$ 20,998			20,998	19,441			19,441
Cable			11,523	11,523			10,965	10,965
Local Services	150			150	(1,049)			(1,049)
Internet		2,243		2,243		1,415		1,415
	<u>21,148</u>	<u>2,243</u>	<u>11,523</u>	<u>34,914</u>	<u>18,392</u>	<u>1,415</u>	<u>10,965</u>	<u>30,772</u>
EBITDA Reallocations								
Long Distance	(11,648)	11,648		-	(8,410)	8,410		-
Cable		2,764	(2,764)	-		2,406	(2,406)	-
Local Services	(57)	57		-	(28)	28		-
Integrated Summary EBITDA	<u>\$ 9,443</u>	<u>16,712</u>	<u>8,759</u>	<u>34,914</u>	<u>9,954</u>	<u>12,259</u>	<u>8,559</u>	<u>30,772</u>

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

Traditional Summary

	Three Months Ended June 30, 2004					Three Months Ended March 31, 2004				
	Long	Cable	Local	Internet	Combined	Long	Cable	Local	Internet	Combined
	Distance		Services			Distance		Services		
Revenues	\$ 60,870	25,181	11,218	6,517	103,786	65,866	24,852	11,792	6,406	108,916
Cost of goods sold (exclusive of depreciation, amortization and accretion shown separately below)	18,274	6,352	6,822	1,809	33,257	23,378	7,062	6,546	1,759	38,745
Contribution	42,596	18,829	4,396	4,708	70,529	42,488	17,790	5,246	4,647	70,171
Selling, general and administrative expenses	22,276	7,115	4,246	2,465	36,102	21,390	6,551	4,682	2,781	35,404
Bad debt expense (recovery)	(678)	191	-	-	(487)	(608)	211	-	-	(397)
EBITDA, as adjusted	20,998	11,523	150	2,243	34,914	21,706	11,028	564	1,866	35,164
Less loss on early extinguishment of debt	-	-	-	-	-	6,136	-	-	-	6,136
EBITDA	20,998	11,523	150	2,243	34,914	15,570	11,028	564	1,866	29,028
Add loss on early extinguishment of debt	-	-	-	-	-	6,136	-	-	-	6,136
Less depreciation, amortization and accretion expense	9,003	4,691	1,071	939	15,704	9,263	4,679	892	924	15,758
Operating income (loss)	\$ 11,995	6,832	(921)	1,304	19,210	12,443	6,349	(328)	942	19,406

Integrated Summary EBITDA, as Adjusted

(Unaudited)

	Three Months Ended June 30, 2004				Three Months Ended March 31, 2004			
	Voice	Data	Video	Combined	Voice	Data	Video	Combined
Traditional Summary EBITDA, as Adjusted:								
Long Distance	\$ 20,998			20,998	21,706			21,706
Cable			11,523	11,523			11,028	11,028
Local Services	150			150	564			564
Internet		2,243		2,243		1,866		1,866
	21,148	2,243	11,523	34,914	22,270	1,866	11,028	35,164
EBITDA, as Adjusted, Reallocations:								
Long Distance	(11,648)	11,648		-	(11,875)	11,875		-
Cable		2,764	(2,764)	-		2,738	(2,738)	-
Local Services	(57)	57		-	(31)	31		-
Integrated Summary EBITDA, as Adjusted	\$ 9,443	16,712	8,759	34,914	10,364	16,510	8,290	35,164

Non-GAAP Financial Reconciliation Schedule

(Unaudited, Amounts in Millions)

	Three Months Ended		
	June 30, 2004	June 30, 2003	March 31, 2004
EBITDA, as adjusted (Note 1) \$	34.9	30.8	35.2
Loss on early extinguishment of debt	---	---	(6.1)
EBITDA (Note 2)	34.9	30.8	29.1
Depreciation, amortization and accretion expense	(15.7)	(12.8)	(15.8)
Loss on early extinguishment of debt	---	---	6.1
Operating income	19.2	18.0	19.4
Other income (expense):			
Interest expense	(6.0)	(9.1)	(7.5)
Loss on early extinguishment of debt	---	---	(6.1)
Amortization and write-off of loan and senior notes fee expense	(0.4)	(0.6)	(2.7)
Interest income	0.1	0.1	0.1
Other expense, net	(6.3)	(9.6)	(16.2)
Net income before income taxes	12.9	8.4	3.2
Income tax expense	5.2	3.6	1.3
Net income \$	7.7	4.8	1.9

	Six Months Ended	
	June 30, 2004	June 30, 2003
EBITDA, as adjusted (Note 1) \$	70.1	59.7
Loss on early extinguishment of debt	(6.1)	---
EBITDA (Note 2)	64.0	59.7
Depreciation, amortization and accretion expense	(31.5)	(26.3)
Loss on early extinguishment of debt	6.1	---
Operating income	38.6	33.4
Other income (expense):		
Interest expense	(13.6)	(18.3)
Loss on early extinguishment of debt	(6.1)	---
Amortization and write-off of loan and senior notes fee expense	(3.0)	(1.7)
Interest income	0.2	0.3
Other expense, net	(22.5)	(19.7)
Net income before income taxes and cumulative effect of a change in accounting principle	16.1	13.7
Income tax expense	6.4	5.8
Net income before cumulative effect of a change in accounting principle	9.7	7.9
Cumulative effect of a change in accounting principle, net of income tax benefit of \$0.4	---	(0.5)
Net income	\$ 9.7	7.4

Notes:

- (1) EBITDA (as defined in Note 2 below) before deducting Loss on Early Extinguishment of Debt during the three months ended March 31, 2004 and the six months ended June 30, 2004.
- (2) EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is the sum of Net Income, Interest Expense, Amortization and Write-off of Loan and Senior Notes Fees, Interest Income, Taxes, and Depreciation, Amortization and Accretion. 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.