

# Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

## Part I Reporting Issuer

<b>1</b> Issuer's name  GCI LIBERTY, INC.		<b>2</b> Issuer's employer identification number (EIN)  92-0072737	
<b>3</b> Name of contact for additional information  INVESTOR RELATIONS	<b>4</b> Telephone No. of contact  720-875-5486	<b>5</b> Email address of contact  INVESTOR@GCILIBERTY.COM	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact  12300 LIBERTY BOULEVARD		<b>7</b> City, town, or post office, state, and ZIP code of contact  ENGLEWOOD, CO 80112	
<b>8</b> Date of action  MARCH 8, 2018		<b>9</b> Classification and description  RECAPITALIZATION OF COMMON STOCK	
<b>10</b> CUSIP number  36164V305/36164V503	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol  GLIBA/GLIBP	<b>13</b> Account number(s)

## Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ SEE ATTACHED

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ SEE ATTACHED

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ SEE ATTACHED

**Part II** Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ SEE ATTACHED

Blank lines for listing Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ SEE ATTACHED

Blank lines for providing information regarding loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ SEE ATTACHED

Blank lines for providing other necessary information.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**  
Signature ▶  Date ▶ 3/15/18  
Print your name ▶ TY KEARNS Title ▶ VICE PRESIDENT

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

**Attachment to Form 8937 (GLIBA/GLIBP from GNCMA shares)**

**Line 14.**

On March 8, 2018, GCI Liberty, Inc. (“GCI Liberty”) recapitalized its existing common stock (the “Recapitalization”). In the Recapitalization, each issued and outstanding share of GCI Liberty’s Class A-1 Common Stock (“GNCMA”) was automatically converted into 0.63 of a share of GCI Liberty’s Class A Common Stock (“GLIBA”) and 0.20 of a share of GCI Liberty’s Series A Cumulative Redeemable Preferred Stock (GLIBP).

**Line 15.**

The tax basis of each share of GNCMA held immediately prior to the Recapitalization should be allocated: 89.18% to the 0.63 fraction of the GLIBA share and 10.82% to the 0.20 fraction of the GLIBP share received in exchange for such GNCMA share held immediately prior to the Recapitalization.

**Line 16.**

<u>Description</u>	<u>Average Price*</u>	<u>Shares</u>	<u>Total Value</u>	<u>Allocable Percentage</u>
GLIBA	\$54.51	0.63	\$34.34	89.18%
GLIBP	\$20.825	0.20	\$ 4.165	10.82%

\*Average of high and low based on first day of trading (March 12, 2018)

**Line 17.**

The Recapitalization is intended to qualify as a tax-free reorganization under IRC Section 368(a)(1)(E). Under IRC Section 358(a)(1), the aggregate basis of the GLIBA and GLIBP shares received by each holder of GNCMA in the Recapitalization should be the same as the shareholder’s aggregate basis in the GNCMA shares surrendered in exchange therefor.

**Line 18.**

No loss may be recognized pursuant to the Recapitalization.

**Line 19.**

The Recapitalization was effective March 8, 2018. Therefore, an adjustment to basis would be taken into account in the shareholder’s tax year that includes March 8, 2018 (e.g. the 2018 tax year for calendar year taxpayers).