

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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**FORM 8-K**

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The  
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): March 5, 2014

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**GENERAL COMMUNICATION, INC.**

(Exact name of registrant as specified in its charter)

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**State of Alaska**

(State or other Jurisdiction of  
Incorporation or organization)

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**0-15279**

Commission File Number

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**92-0072737**

(I.R.S Employer  
Identification No.)

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**2550 Denali Street  
Suite 1000**

**Anchorage, Alaska**

(Address of principal executive offices)

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**99503**

(Zip Code)

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

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**NONE**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## Section 2 - Financial Information

### Item 2.02 Results of Operations and Financial Condition

On March 5, 2014, General Communication, Inc. ("GCI") issued a press release announcing earnings for the three months and year ended December 31, 2013. 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 Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation, Amortization, Share-based Compensation Expense, Accretion Expense, Non-cash Contribution Adjustment and Net Income or Loss Attributable to Non-controlling Interests) for the three months and years ended December 31, 2013 and 2012, and the three months ended September 30, 2013. Adjusted EBITDA has been reconciled to the closely related GAAP financial measure, Net Income, within the earnings release.

Adjusted EBITDA is the sum of Net Income, Interest Expense (including Amortization of Deferred Loan Fees), Interest Income, Income Tax Expense, Depreciation and Amortization Expense, Share-based Compensation Expense, Accretion Expense, Net Income or Loss from Equity Investments, Non-cash Contribution Adjustment, and Net Income or Loss Attributable to Non-controlling Interests resulting from New Markets Tax Credit transactions. Adjusted 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 Adjusted EBITDA to evaluate the operating performance of its business, and as a measure of performance for incentive compensation purposes. GCI believes Adjusted 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 Adjusted EBITDA are used to estimate current or prospective enterprise value. Adjusted 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. Adjusted EBITDA as presented herein may not be comparable to similarly titled measures reported by other companies.

## Section 9 - Financial Statements and Exhibits

### Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit

Number

Description

99.1 Press Release issued by General Communication, Inc. on March 5, 2014

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**SIGNATURES**

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: March 6, 2014

By /s/ Peter J. Pounds

Name: Peter J. Pounds

Title: Senior Vice President,  
Chief Financial Officer  
and Secretary

(Principal Financial Officer)

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**Exhibit Index**

<b>Exhibit No.</b>	<b>Description</b>
99.1	Press Release issued by General Communication, Inc. on March 5, 2014

Investor Inquiries: Tom Chesterman, (907) 868-1585, tchesterman@gci.com  
 Media Inquiries: David Morris, (907) 265-5396, dmorris@gci.com

### GCI REPORTS FOURTH QUARTER 2013 FINANCIAL RESULTS

- Consolidated revenue of \$218 million, \$812 million for the year
- Adjusted EBITDA of \$68 million, \$267 million for the year

**March 5, 2014, Anchorage AK** - General Communication, Inc. ("GCI") (NASDAQ:GNCMA) today reported record performance for 2013, with fiscal year 2013 results of consolidated revenues of \$812 million, adjusted EBITDA of \$267 million, and net income of \$9 million or \$0.23 per diluted share. The EBITDA performance was slightly ahead of previously provided guidance. These results reflect the consolidation of the The Alaska Wireless Network ("AWN") transaction, which was effective July 23, 2013.

For the fourth quarter of 2013, revenue increased to \$218 million or 19 percent over the fourth quarter of 2012. Adjusted EBITDA increased to \$68 million or 28 percent over the fourth quarter of 2012. Net loss for the fourth quarter was \$(7) million or \$(0.17) per share.

"2013 has been a year of great significance for GCI, for many reasons. Record EBITDA is the most visible measure, but it was achieved on the basis of substantial investment and achievements in all areas of the business," said Ron Duncan, GCI president and chief executive officer. "We are now prepared to realize the rewards of our investments in the network, in AWN, and in our operations."

#### Operating Highlights

##### **Wireless:**

As mentioned above and previously announced, the AWN transaction closed on July 22<sup>nd</sup>, and was effective on July 23<sup>rd</sup>. This transaction combined the wireless networks of GCI and Alaska Communications ("ACS"). AWN provides wholesale wireless services to AWN's owners, GCI and ACS, as well as roaming and backhaul service to other wireless carriers. This quarter is the first full quarter of AWN's operations.

Wireless revenues of \$62 million for the fourth quarter of 2013 decreased from the third quarter of 2013 revenues of \$66 million, reflecting a full quarter of AWN operations but offset by the seasonality of roaming. Wireless Adjusted EBITDA of \$28 million decreased from the third quarter 2013 Adjusted EBITDA of \$37 million due to the lower margin contribution of less roaming, and the cost of customer acquisition by the retail partners.

For the fourth quarter of 2013, the revenue detail is as follows:

(\$ millions)	<u>4Q 2013</u>	<u>4Q 2012</u>	<u>3Q 2013</u>
Wholesale Wireless	\$24	\$15	\$22
Roaming and Backhaul	\$25	\$10	\$31
USF Support	<u>\$13</u>	<u>\$8</u>	<u>\$13</u>
Total Wireless Revenue	\$62	\$33	\$66

During the quarter, the company implemented many enhancements and improvements to the network, including:

- The system in the Juneau area was substantially upgraded, with LTE and expanded GSM/HSPA capabilities. LTE service is scheduled to go live in Fairbanks later this month.
- A new prepaid system was developed and implemented, which includes LTE data capability.
- The first rural 3G system was launched in Dillingham.
- 148 new TurboZones were turned up, for a total of 1,110 sites.

**Wireline:**

The Wireline segment posted revenues of \$156 million for the fourth quarter of 2013, compared with \$151 million for the same period in 2012, representing 3% growth. Adjusted EBITDA for the fourth quarter of 2013 was \$40 million, a slight decline from 2012's fourth quarter Adjusted EBITDA of \$41 million, reflecting an increased allocation of operating expenses to this segment.

**Wireline -- Consumer:**

Consumer revenues of \$69 million for the fourth quarter of 2013 represented a slight increase over the same period in 2012. Increases in data offset decreases in wireless, voice and video revenues.

During the quarter, the Company announced several campaigns and new programs:

- "March to a Gigabit" announced GCI's commitment to providing gigabit data service, which was accompanied by an immediate increase to data speeds in many of the urban areas. Data speeds were again increased yesterday, up to 200Mps in some areas. Responses to the offering and the increases have been robust.
- While overall video had a slight decline, there has been an acceleration of demand for TiVo and TiVo box growth has been strong, which has helped reduce churn.
- GCI launched a new wireless prepaid platform, offering statewide service under the brand name FastPhone.
- Demand has also been strong for cellular-enabled tablets, including the iPad.

**Wireline -- Business Services:**

Business Services revenues of \$56 million for the fourth quarter of 2013 increased 4 percent over the same period in 2012.

The fourth quarter reflected solid performance across all products, with cable advertising predictably strong throughout the holiday season. Overall, growth in the quarter was driven by video and voice, with data transport and storage charges also adding to the growth.

The Data revenue results can better be understood by examining the components of the category:

(\$ millions)	<u>4Q 2013</u>	<u>4Q 2012</u>	<u>3Q 2013</u>
Data Transport & Storage Charges	\$24	\$23	\$25
Professional Services	\$12	\$15	\$14
Total Data Revenue	\$36	\$38	\$39

**Wireline -- Managed Broadband:**

Managed Broadband revenues for the fourth quarter of 2013 totaled \$30 million, an increase of 6 percent over the fourth quarter of 2012. This positive performance is driven in part by the expansion of and increasing demand for the TERRA services in rural Alaska.

On November 5th, GCI completed another phase of its terrestrial broadband network, TERRA, with full service extending to Nome. GCI expects to complete the next phase, to Kotzebue, by the end of 2014.

**Corporate Highlights**

- Capital Expenditures for the year were \$181 million, which included \$16 million of grant funded
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expenditures, for a net of \$165 million. \$28 million of the capital expenditures were attributable to the Wireless segment and \$137 million were attributable to the Wireline segment. This is slightly below the previously announced guidance.

- During 2013, the Company repurchased 1.8 million shares of GCI common stock, at a total cost of \$15.6 million.
- Following the acquisition of KTVA-TV (CBS) by the company's subsidiary, Denali Media, KTVA moved into a newly constructed, state of the art, high definition (HD) facility in December, and launched expanded HD news programming. KTVA is the first station in Alaska to present local news in HD.
- Denali Media also purchased KATH and KSCT, low power NBC affiliates in Juneau and Sitka.

#### **Guidance**

The Company also provided guidance for 2014. With strong continued performance by all segments and customer groups, the Company is anticipating to achieve Consolidated Revenues in the range of \$910 million to \$930 million and Adjusted EBITDA in the range of \$285 million to \$305 million.

For capital expenditures, the base investment program is expected to be lower than last year, and should be \$140 million to \$150 million, down from the \$165 million (net of grants) this past year. This does not include any real estate investment, as we continue to review our leased property portfolio. The Company has identified a unique opportunity in the wireless market to solidify its competitive position, and believes that an acceleration of the wireless build out is warranted, to bring full LTE service to 80% of Alaska. This is expected to accelerate approximately \$30 million of planned expenditures from the outer years into 2014, bringing the total expected capital spend to about \$170 million.

GCI will hold a conference call to discuss the quarter's results on Thursday, March 6, 2014 beginning at 2 p.m. (Eastern). To access the briefing, call the conference operator between 1:50-2:00 p.m. (Eastern Time) at 877-918-2314 (International callers should dial +1-517-308-9338) and identify your call as "GCI." In addition to the dial-up access, GCI will make available net conferencing. To access the call via net conference, log on to [www.gci.com](http://www.gci.com) and follow the instructions. A replay of the call will be available for 72-hours by dialing 800-839-2291, access code 7461 (International callers should dial +1-402-998-1194.)

#### **About GCI**

GCI is the largest Alaska-based and -operated, integrated telecommunications provider, offering voice, data and video services statewide. Learn more about GCI at [www.gci.com/about](http://www.gci.com/about).

#### **Forward Looking Statement Disclosure**

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

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

(Amounts in thousands)

ASSETS	December 31, 2013	December 31, 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	228,047	147,221
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	331,074	206,826
Property and equipment in service, net of depreciation	969,578	838,247
Construction in progress	87,476	94,418
Net property and equipment	1,057,054	932,665
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	625,701	367,031
Total assets	\$ 2,013,829	1,506,522



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

(Amounts in thousands)

LIABILITIES AND STOCKHOLDERS' EQUITY	December 31, 2013	December 31, 2012
<b>Current liabilities:</b>		
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
<b>Long-term debt, net</b>		
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
<b>Commitments and contingencies</b>		
<b>Stockholders' equity:</b>		
<b>Common stock (no par):</b>		
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**

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

**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
<b>Revenues</b>									
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
<b>Cost of goods sold</b>	28,980	49,490	78,470	16,933	52,881	69,814	23,768	47,915	71,683
<b>Contribution</b>	33,229	106,129	139,358	15,746	98,116	113,862	41,845	104,415	146,260
<b>Less SG&amp;A</b>	5,633	67,467	73,100	3,878	58,112	61,990	4,702	64,845	69,547
<b>EBITDA</b>	27,596	38,662	66,258	11,868	40,004	51,872	37,143	39,570	76,713
<b>Share-based compensation</b>	—	1,909	1,909	—	1,050	1,050	—	1,823	1,823
<b>Accretion</b>	270	(653)	(383)	77	(110)	(33)	117	61	178
<b>Other expense</b>	—	(6)	(6)	—	221	221	—	3	3
<b>Adjusted EBITDA</b>	\$ 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
<b>Revenues</b>						
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
<b>Cost of goods sold</b>	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 expense	—	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			
		Business	Managed	Total		Business	Managed	Total
	Consumer	Services	Broadband		Consumer	Services	Broadband	
<b>Revenues</b>								
Wireless	\$ 6,724	644	—	7,368	7,075	739	—	7,814
Data	26,290	35,739	25,051	87,080	23,115	38,406	23,131	84,652
Video	27,993	4,874	—	32,867	28,655	3,344	—	31,999
Voice	8,348	14,741	5,215	28,304	9,614	11,558	5,360	26,532
<b>Total</b>	<b>\$ 69,355</b>	<b>55,998</b>	<b>30,266</b>	<b>155,619</b>	<b>68,459</b>	<b>54,047</b>	<b>28,491</b>	<b>150,997</b>

(Amounts in thousands)

	Fourth Quarter 2013				Third Quarter 2013			
		Business	Managed	Total		Business	Managed	Total
	Consumer	Services	Broadband		Consumer	Services	Broadband	
<b>Revenues</b>								
Wireless	\$ 6,724	644	—	7,368	7,581	785	—	8,366
Data	26,290	35,739	25,051	87,080	24,981	39,229	24,544	88,754
Video	27,993	4,874	—	32,867	27,674	3,705	—	31,379
Voice	8,348	14,741	5,215	28,304	8,647	9,952	5,232	23,831
<b>Total</b>	<b>\$ 69,355</b>	<b>55,998</b>	<b>30,266</b>	<b>155,619</b>	<b>68,883</b>	<b>53,671</b>	<b>29,776</b>	<b>152,330</b>

(Amounts in thousands)

	Twelve Months Ended December 31, 2013				Twelve Months Ended December 31, 2012			
		Business	Managed	Total		Business	Managed	Total
	Consumer	Services	Broadband		Consumer	Services	Broadband	
<b>Revenues</b>								
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
<b>Total</b>	<b>\$ 274,805</b>	<b>222,814</b>	<b>116,811</b>	<b>614,430</b>	<b>269,357</b>	<b>207,892</b>	<b>108,187</b>	<b>585,436</b>

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

	December 31, 2013	December 31, 2012	September 30, 2013	December 31, 2013 as compared to		December 31, 2013 as compared to	
				December 31, 2012	September 30, 2013	December 31, 2012	September 30, 2013
<b>Wireline Segment</b>							
<b>Consumer</b>							
<b>Data</b>							
Cable modem subscribers	115,300	115,600	114,800	(300)	500	-0.3 %	0.4 %
<b>Video</b>							
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 %
<b>Voice</b>							
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>Business Services</b>							
<b>Data</b>							
Cable modem subscribers	14,000	13,300	14,000	700	—	5.3 %	— %
<b>Video</b>							
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 %	— %
<b>Total basic subscribers</b>	<b>18,800</b>	<b>17,700</b>	<b>21,800</b>	<b>1,100</b>	<b>(3,000)</b>	<b>6.2 %</b>	<b>-13.8 %</b>
<b>Voice</b>							
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>Managed Broadband</b>							
<b>Voice</b>							
Local access lines in service	7,600	8,300	7,800	(700)	(200)	-8.4 %	-2.6 %
<b>Consumer and Business Services Combined</b>							
<b>Wireless</b>							
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 %
<b>Total wireless lines in service</b>	<b>141,500</b>	<b>140,000</b>	<b>142,300</b>	<b>1,500</b>	<b>(800)</b>	<b>1.1 %</b>	<b>-0.6 %</b>

**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, 2013	December 31, 2012	September 30, 2013	December 31, 2012	September 30, 2013	December 31, 2012	September 30, 2013
<b><i>Wireline segment</i></b>							
<b><i>Consumer</i></b>							
<b>Data</b>							
Average monthly revenue per cable modem subscriber	\$ 74.42	\$ 66.88	\$ 70.81	\$ 7.54	\$ 3.61	11.3 %	5.1 %
<b>Video</b>							
Average monthly revenue per subscriber	\$ 78.84	\$ 77.99	\$ 77.64	\$ 0.85	\$ 1.20	1.1 %	1.5 %
<b><i>Combined Consumer and Business Services</i></b>							
<b>Wireless</b>							
Average monthly revenue per subscriber	\$ 50.46	\$ 47.56	\$ 50.05	\$ 2.90	\$ 0.41	6.1 %	0.8 %
<b><i>Total</i></b>							
<b>Voice</b>							
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)

	Three Months Ended			Year Ended	
	December 31, 2013	December 31, 2012	September 30, 2013	December 31, 2013	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
<b>Other expense:</b>					
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	—	0.2	—	0.5	0.9
Non-cash contribution adjustment	—	—	—	—	1.0
Adjusted EBITDA (Note 1)	\$ 67.8	53.1	78.7	267.3	226.8

Notes:

(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.