

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): May 5, 2015

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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 May 5, 2015, General Communication, Inc. ("GCI") issued a press release announcing earnings for the three months ended March 31, 2015. 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, Software Write-off, Derivative Instrument Unrealized Loss, Share-based Compensation Expense, Accretion Expense, Loss Attributable to Non-controlling Interests resulting from New Markets Tax Credit transactions, and Other Non-cash Adjustments plus Imputed Interest on Financed Devices) for the three months ended March 31, 2015, March 31, 2014, and December 31, 2014. Adjusted EBITDA has been reconciled to the closely related GAAP financial measure, Net Income (Loss), within the earnings release.

Adjusted EBITDA is the sum of net income (loss), interest expense (including amortization of deferred loan fees), interest income, income tax (expense) benefit, depreciation and amortization expense, software write-off, derivative instrument unrealized loss, share-based compensation, accretion expense, loss attributable to non-controlling interests resulting from New Markets Tax Credit transactions, and other non-cash adjustments plus imputed interest on financed devices. 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

| <u>Number</u> | <u>Description</u>   |
|---------------|--|
| 99.1          | Press Release issued by General Communication, Inc. on May 5, 2015 |

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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: May 6, 2015

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**

**Exhibit No.**

**Description**

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99.1

Press Release issued by General Communication, Inc. on May 5, 2015

## GCI REPORTS FIRST QUARTER 2015 FINANCIAL RESULTS

Consolidated Revenue of \$231 million

Adjusted EBITDA of \$82 million Before Transition Costs

May 5, 2015, Anchorage, Alaska - General Communication, Inc. (“GCI”) (NASDAQ: GNCMA) today reported financial and operational performance for the first quarter of 2015.

### Significant Recent Events

- Closed on the Alaska Wireless Network (AWN) transaction
- Refinanced \$425 million in bonds
- Successfully transitioned former ACS wireless customers onto the Company’s customer care and billing system on April 12th

Consolidated revenues for the first quarter of 2015 were \$231 million, an increase of \$15 million or seven percent when compared to the first quarter of 2014, and an increase of \$2 million or one percent over the fourth quarter of 2014. This growth is attributable to continued strong growth in high speed data service as well as growth in wireless.

Adjusted EBITDA before one-time transition costs for the quarter were \$82 million, an increase of \$7 million or ten percent compared with the first quarter of 2014 and \$11 million or 16 percent compared to the fourth quarter of 2014. One-time transition costs associated with the AWN transaction noted above were approximately \$7 million during the quarter.

“I am pleased with the Company’s performance during the quarter,” said Ron Duncan, GCI’s president and chief executive officer. “Revenue and EBITDA growth were strong, driven by outperformance in data and wireless. In addition, the Company achieved a significant milestone with the closing of the AWN transaction and the smooth transition of the acquired ACS wireless customers. I am proud of the effort put in by the transition team. We also made improvements in our capital structure by refinancing a large portion of our high yield debt, which reduced annual interest expense and extended the Company’s debt maturities.”

### Operating Statistical Highlights

|                         | 1Q15    | 1Q14    | 4Q14    |
|-------------------------|---------|---------|---------|
| Wireless Subscribers    | 238,600 | 142,400 | 149,600 |
| Wireless ARPU           | \$48.23 | \$50.01 | \$50.16 |
| Cable Modem Subscribers | 135,800 | 130,400 | 133,200 |
| Data ARPU               | \$83.93 | \$75.93 | \$83.01 |

The large increase in wireless subscribers was driven by the acquisition of the ACS wireless customer base as well as growth in the underlying GCI base. Cable modem growth and ARPU increases continue to be driven by the popularity of GCI’s new pricing plans and faster download speeds.

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Wireless ARPU has declined largely due to the growing adoption by customers of GCI's new "bring your own device" plans and bundling discounts.

## Operating and Financial Highlights

### Wireless:

The Wireless segment posted revenues of \$59 million for the quarter, representing a five percent decline over the first quarter of 2014 and a four percent decline over the fourth quarter of 2014. The decrease in revenue was related to a simplification in how we internally allocate revenues between segments, which became possible after the AWN transaction. Total wireless revenues between the wireless and wireline segments actually grew on both a year-over-year and sequential basis by \$7 million and \$6 million respectively. Approximately \$4 million of that growth was due to the success of "bring your own device" plans with handset financing.

The Wireless segment revenue detail is as follows:

| (\$ millions)          | 1Q15 | 1Q14 | 4Q14 |
|------------------------|------|------|------|
| Wholesale Wireless     | 21   | 25   | 25   |
| Roaming and Backhaul   | 24   | 25   | 23   |
| USF Support            | 14   | 13   | 14   |
| Total Wireless Revenue | 59   | 63   | 62   |

Wireless segment adjusted EBITDA was \$37 million for the quarter, a decrease of \$1 million or two percent over the first quarter of 2014, but a sequential increase of \$5 million or 14 percent over the fourth quarter of 2014. But for the election of the wireline segment to not take handset subsidies in the first quarter of 2014 of approximately \$5 million, Wireless EBITDA would have been up \$4 million on a year-over-year basis.

Adjusted EBITDA for the quarter was improved by a decrease in roaming costs, primarily due to better management of permanent and high roaming customers, and a decrease in distribution and capacity costs.

### Wireline:

The Wireline segment posted revenues of \$172 million, an \$18 million or 12 percent increase over the first quarter of 2014 and a \$5 million or three percent increase over the prior quarter.

Adjusted EBITDA for the quarter was \$45 million before one-time transition costs of \$7 million. That compares favorably with \$38 million in the fourth quarter of 2014 and approximately \$42 million in the first quarter of 2014 adjusted for the handset subsidies.

### Wireline - Consumer:

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Consumer revenues were \$85 million for the quarter, a year-over-year increase of \$15 million or twenty one percent, and a sequential increase of \$8 million or 11 percent.

Revenue growth has been driven in part by growth in high speed data products, which continue to grow year-over-year at a double digit rate. The quarter included the addition of 2,600 cable modem subscribers, and an increase in ARPU, reflecting the popularity of GCI's market-leading high speed data product, re:D.

Consumer wireless also showed consistent growth, even after taking into account the acquisition of the ACS wireless subscriber base. In addition to the ACS subscribers acquired, the Company added 2,000 new consumer wireless subscribers.

GCI has seen growing adoption of the consumer wireless plans that incorporate equipment installment plans and shared data. For the quarter GCI had \$4 million in net financed handset revenue.

#### **Wireline - Business Services:**

Business Services revenues, which includes broadcast and cable advertising revenues, were \$53 million for the quarter, representing a slight increase over the first quarter of 2014 and a \$5 million or nine percent sequential decline.

On a sequential basis, there was a \$6 million decline in video revenues, driven in large part by a decline in advertising revenues after a robust political season in 2014.

#### **Wireline - Managed Broadband:**

Managed Broadband revenues were \$34 million for the quarter, representing a \$3 million or nine percent increase year-over-year and a \$2 million or five percent increase sequentially.

The FCC recently increased the nationwide funding cap for the federal E-Rate program, from \$2.4 billion to \$3.9 billion, stabilizing support for many of Managed Broadband's school and library customers.

#### Significant Events

On April 12, 2015, GCI transitioned the former ACS wireless customers to its billing and customer care platform. The reaction has been positive. Since last fall, GCI has increased its customer service, front line sales and support staff by 165 full time positions.

On April 1st GCI closed on \$450 million in senior unsecured notes, with a 6.875 percent coupon maturing in 2025. These notes replace the Company's 8.625% 2019 bonds, providing cash interest savings of approximately \$5 million per year. The company's capital structure is now in a more secure position, with 80 percent of the debt maturities' occurring in five or more years.

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Capital expenditures for the quarter totaled \$37 million, in line with expectations.

During the quarter, GCI repurchased 1.1 million shares of its Class A common stock, at a cost of \$16.1 million.

Over the past two years, GCI's Cycle30 subsidiary has been working on the development of a next-generation billing platform to serve the needs of quadruple-play providers like GCI. After a detailed assessment earlier this year, GCI elected to wind down the development effort because of scope, schedule, and budget risks. GCI has also decided to stop marketing a machine-to-machine billing platform developed by Cycle30. These actions will result in an aggregate write-off of \$26.4 million. Cycle30's day-to-day operations have been reintegrated into GCI, and GCI is proceeding with an RFP to select a proven, packaged billing solution to meet its needs, and is continuing to seek ways to simplify plans and processes to benefit the eventual billing conversion.

#### Guidance

GCI reiterates the following guidance for 2015 financial performance:

- Revenues will be in the range of \$920 - 970 million.
- Adjusted EBITDA of \$310 - 335 million, which excludes one-time costs for the transition of ACS wireless customers and network assets to GCI.
- Core capital expenditures will be approximately \$170 million, of which approximately \$45 million will be on wireless network projects, and approximately \$85 million will be on other network and infrastructure projects.

#### Conference Call

The Company will hold a conference call to discuss the financial results on Wednesday, May 6<sup>th</sup>, at 2:00 p.m. (Eastern). To access the call, call the conference operator between 1:50-2:00 p.m. (Eastern) at 800-779-5739 (International callers should dial +1-203-827-7046) and identify your call as "GCI".

In addition to dial-up access, GCI will make available net conferencing. To access the call via net conference, log on to [gci.com](http://gci.com) and follow the instructions.

A replay of the call will be available for 72-hours by dialing 866-359-6494, access code 7461 (International callers should dial +1-203-369-0151).

#### 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

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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.

#### About GCI

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

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

(Amounts in thousands)

| ASSETS   | March 31<br>2015 | December 31,<br>2014 |
|--|------------------|----------------------|
| <b>Current assets:</b>   |                  |                      |
| Cash and cash equivalents  | \$ 42,807        | 15,402               |
| Receivables (including \$0 and \$27,944 from a related party at March 31, 2015 and December 31, 2014, respectively)                    | 198,721          | 212,441              |
| Less allowance for doubtful receivables  | 6,152            | 4,542                |
| Net receivables  | 192,569          | 207,899              |
| Deferred income taxes  | 64,620           | 56,120               |
| Inventories  | 14,537           | 17,032               |
| Prepaid expenses   | 13,644           | 12,179               |
| Other current assets   | 3,146            | 153                  |
| Total current assets   | 331,323          | 308,785              |
| Property and equipment in service, net of depreciation   | 995,343          | 1,013,242            |
| Construction in progress   | 88,048           | 99,240               |
| Net property and equipment   | 1,083,391        | 1,112,482            |
| Goodwill   | 233,335          | 229,560              |
| Cable certificates   | 191,635          | 191,635              |
| Wireless licenses  | 86,347           | 86,347               |
| Other intangible assets, net of amortization   | 65,573           | 66,015               |
| Deferred loan and senior notes costs, net of amortization of \$9,157 and \$8,644 at March 31, 2015 and December 31, 2014, respectively | 16,758           | 10,949               |
| Other assets   | 37,819           | 52,725               |
| Total other assets   | 631,467          | 637,231              |
| Total assets   | \$ 2,046,181     | 2,058,498            |

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

(Amounts in thousands)

| LIABILITIES AND STOCKHOLDERS' EQUITY  | March 31<br>2015 | December 31,<br>2014 |
|---|------------------|----------------------|
| <b>Current liabilities:</b>   |                  |                      |
| Current maturities of obligations under long-term debt and capital leases   | \$ 11,594        | 8,722                |
| Accounts payable (including \$0 and \$7,447 to a related party at March 31, 2015 and December 31, 2014, respectively)   | 54,699           | 76,918               |
| Deferred revenue  | 30,129           | 29,314               |
| Accrued payroll and payroll related obligations   | 27,153           | 32,803               |
| Accrued interest  | 24,265           | 6,654                |
| Accrued liabilities   | 18,381           | 14,457               |
| Subscriber deposits   | 1,537            | 1,212                |
| Total current liabilities   | 167,758          | 170,080              |
| <b>Long-term debt, net</b>  |                  |                      |
| Long-term debt, net   | 1,322,826        | 1,036,056            |
| Obligations under capital leases, excluding current maturities  | 64,388           | 66,499               |
| Obligation under capital lease due to related party, excluding current maturity   | 1,849            | 1,857                |
| Deferred income taxes   | 189,571          | 187,872              |
| Long-term deferred revenue  | 99,364           | 85,734               |
| Other liabilities   | 67,494           | 43,178               |
| Total liabilities   | 1,913,250        | 1,591,276            |
| <b>Commitments and contingencies</b>  |                  |                      |
| <b>Stockholders' equity:</b>  |                  |                      |
| <b>Common stock (no par):</b>   |                  |                      |
| Class A. Authorized 100,000 shares; issued 37,458 and 37,998 shares at March 31, 2015 and December 31, 2014, respectively; outstanding 37,432 and 37,972 shares at March 31, 2015 and December 31, 2014, respectively | —                | 13,617               |
| Class B. Authorized 10,000 shares; issued and outstanding 3,158 and 3,159 at March 31, 2015 and December 31, 2014, respectively; convertible on a share-per-share basis into Class A common stock                     | 2,667            | 2,668                |
| Less cost of 26 Class A common shares held in treasury at March 31, 2015 and December 31, 2014  | (249)            | (249)                |
| Paid-in capital   | (9,140)          | 26,773               |
| Retained earnings   | 105,163          | 124,547              |
| Total General Communication, Inc. stockholders' equity  | 98,441           | 167,356              |
| Non-controlling interests   | 34,490           | 299,866              |
| Total stockholders' equity  | 132,931          | 467,222              |
| Total liabilities and stockholders' equity  | \$ 2,046,181     | 2,058,498            |

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

| (Amounts in thousands, except per share amounts)  | Three Months Ended<br>March 31, |                 |
|---|---------------------------------|-----------------|
|   | 2015                            | 2014            |
| <b>Revenues:</b>  |                                 |                 |
| Non-related party   | \$ 225,806                      | 200,503         |
| Related party   | 5,283                           | 15,780          |
| Total revenues  | <u>231,089</u>                  | <u>216,283</u>  |
| <b>Cost of goods sold (exclusive of depreciation and amortization shown separately below):</b>                            |                                 |                 |
| Non-related party   | 73,887                          | 69,143          |
| Related party   | 881                             | 2,631           |
| Total cost of goods sold  | <u>74,768</u>                   | <u>71,774</u>   |
| <b>Selling, general and administrative expenses:</b>  |                                 |                 |
| Non-related party   | 83,388                          | 70,742          |
| Related party   | 540                             | 1,150           |
| Total selling, general and administrative expenses  | <u>83,928</u>                   | <u>71,892</u>   |
| Depreciation and amortization expense   | 45,235                          | 42,352          |
| Software write-off  | 26,417                          | —               |
| Operating income  | <u>741</u>                      | <u>30,265</u>   |
| <b>Other income (expense):</b>  |                                 |                 |
| Interest expense (including amortization of deferred loan fees)   | (20,985)                        | (18,211)        |
| Derivative instrument unrealized loss   | (2,120)                         | —               |
| Other   | (3,147)                         | (97)            |
| Other expense, net  | <u>(26,252)</u>                 | <u>(18,308)</u> |
| Income (loss) before income taxes   | (25,511)                        | 11,957          |
| Income tax (expense) benefit  | 6,786                           | (1,196)         |
| Net income (loss)   | <u>(18,725)</u>                 | <u>10,761</u>   |
| Net income attributable to non-controlling interests  | 544                             | 9,621           |
| Net income (loss) attributable to General Communication, Inc.   | <u>\$ (19,269)</u>              | <u>1,140</u>    |
| <b>Basic net income (loss) attributable to General Communication, Inc. common stockholders per Class A common share</b>   |                                 |                 |
|   | <u>\$ (0.49)</u>                | <u>0.03</u>     |
| <b>Basic net income (loss) attributable to General Communication, Inc. common stockholders per Class B common share</b>   |                                 |                 |
|   | <u>\$ (0.49)</u>                | <u>0.03</u>     |
| <b>Diluted net income (loss) attributable to General Communication, Inc. common stockholders per Class A common share</b> |                                 |                 |
|   | <u>\$ (0.49)</u>                | <u>0.03</u>     |
| <b>Diluted net income (loss) attributable to General Communication, Inc. common stockholders per Class B common share</b> |                                 |                 |
|   | <u>\$ (0.49)</u>                | <u>0.03</u>     |
| Common shares used to calculate Class A basic EPS   | <u>36,217</u>                   | <u>36,081</u>   |
| Common shares used to calculate Class A diluted EPS   | <u>39,376</u>                   | <u>39,362</u>   |

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

(Amounts in thousands)

|                           | First Quarter 2015  |                     |         | First Quarter 2014  |                     |         |
|---------------------------|---------------------|---------------------|---------|---------------------|---------------------|---------|
|                           | Wireless<br>Segment | Wireline<br>Segment | Total   | Wireless<br>Segment | Wireline<br>Segment | Total   |
| <b>Revenues</b>           |                     |                     |         |                     |                     |         |
| Wireless                  | \$ 59,204           | 18,204              | 77,408  | 62,517              | 8,236               | 70,753  |
| Data                      | —                   | 96,446              | 96,446  | —                   | 87,613              | 87,613  |
| Video                     | —                   | 33,639              | 33,639  | —                   | 32,401              | 32,401  |
| Voice                     | —                   | 23,596              | 23,596  | —                   | 25,516              | 25,516  |
| Total                     | 59,204              | 171,885             | 231,089 | 62,517              | 153,766             | 216,283 |
| <b>Cost of goods sold</b> | 17,531              | 57,237              | 74,768  | 18,713              | 53,061              | 71,774  |
| Contribution              | 41,673              | 114,648             | 156,321 | 43,804              | 100,705             | 144,509 |
| Less SG&A                 | 4,502               | 79,426              | 83,928  | 5,958               | 65,934              | 71,892  |
| Share-based compensation  | —                   | 2,801               | 2,801   | —                   | 1,778               | 1,778   |
| Accretion                 | 216                 | 234                 | 450     | 176                 | 125                 | 301     |
| Other                     | —                   | (341)               | (341)   | —                   | 101                 | 101     |
| Adjusted EBITDA           | \$ 37,387           | 37,916              | 75,303  | 38,022              | 36,775              | 74,797  |
| Wireless transition costs | —                   | 6,797               | 6,797   | —                   | —                   | —       |
| Proforma Adjusted EBITDA  | \$ 37,387           | 44,713              | 82,100  | 38,022              | 36,775              | 74,797  |

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

(Amounts in thousands)

|                                  | First Quarter 2015  |                     |         | Fourth Quarter 2014 |                     |         |
|----------------------------------|---------------------|---------------------|---------|---------------------|---------------------|---------|
|                                  | Wireless<br>Segment | Wireline<br>Segment | Total   | Wireless<br>Segment | Wireline<br>Segment | Total   |
| <b>Revenues</b>                  |                     |                     |         |                     |                     |         |
| Wireless                         | \$ 59,204           | 18,204              | 77,408  | 61,665              | 9,539               | 71,204  |
| Data                             | —                   | 96,446              | 96,446  | —                   | 94,959              | 94,959  |
| Video                            | —                   | 33,639              | 33,639  | —                   | 39,227              | 39,227  |
| Voice                            | —                   | 23,596              | 23,596  | —                   | 23,401              | 23,401  |
| Total                            | 59,204              | 171,885             | 231,089 | 61,665              | 167,126             | 228,791 |
| <b>Cost of goods sold</b>        |                     |                     |         |                     |                     |         |
|                                  | 17,531              | 57,237              | 74,768  | 24,686              | 56,961              | 81,647  |
| <b>Contribution</b>              | 41,673              | 114,648             | 156,321 | 36,979              | 110,165             | 147,144 |
| <b>Less SG&amp;A</b>             | 4,502               | 79,426              | 83,928  | 4,443               | 74,712              | 79,155  |
| Share-based compensation         | —                   | 2,801               | 2,801   | —                   | 2,268               | 2,268   |
| Accretion                        | 216                 | 234                 | 450     | 148                 | 140                 | 288     |
| Other                            | —                   | (341)               | (341)   | —                   | 109                 | 109     |
| <b>Adjusted EBITDA</b>           | \$ 37,387           | 37,916              | 75,303  | 32,684              | 37,970              | 70,654  |
| <b>Wireless transition costs</b> | —                   | 6,797               | 6,797   | —                   | —                   | —       |
| <b>Proforma Adjusted EBITDA</b>  | \$ 37,387           | 44,713              | 82,100  | 32,684              | 37,970              | 70,654  |

**General Communication, Inc.**

**Non-GAAP Financial Reconciliation Schedule**

(Unaudited, Amounts in Thousands)

|   | Three Months Ended |                   |                      |
|---|--------------------|-------------------|----------------------|
|   | March 31,<br>2015  | March 31,<br>2014 | December 31,<br>2014 |
| Net income (loss)   | \$ (18,725)        | 10,761            | 5,796                |
| Income tax expense (benefit)                                    | (6,786)            | 1,196             | 1,400                |
| Income (loss) before income tax expense                         | (25,511)           | 11,957            | 7,196                |
| Other (income) expense:   |                    |                   |                      |
| Interest expense (including amortization of deferred loan fees) | 20,985             | 18,211            | 18,267               |
| Derivative instrument unrealized loss                           | 2,120              | —                 | —                    |
| Other   | 3,147              | 97                | 84                   |
| Other expense, net  | 26,252             | 18,308            | 18,351               |
| Operating income  | 741                | 30,265            | 25,547               |
| Depreciation and amortization expense                           | 45,235             | 42,352            | 42,442               |
| Software write-off  | 26,417             | —                 | —                    |
| Share-based compensation  | 2,801              | 1,778             | 2,268                |
| Accretion   | 450                | 301               | 288                  |
| Other   | (341)              | 101               | 109                  |
| Adjusted EBITDA (Note 1)  | \$ 75,303          | 74,797            | 70,654               |
| Wireless transition costs                                       | 6,797              | —                 | —                    |
| Proforma Adjusted EBITDA ( Note 2)                              | \$ 82,100          | 74,797            | 70,654               |

Notes:

(1) The sum of net income (loss), interest expense (including amortization of deferred loan fees), interest income, income tax (expense) benefit, depreciation and amortization expense, software write-off, derivative instrument unrealized loss, share-based compensation, accretion expense, loss attributable to non-controlling interests resulting from New Markets Tax Credit transactions, and other non-cash adjustments plus imputed interest on financed devices. 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.

(2) Adjusted EBITDA before wireless acquisition transition costs.

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

(Amounts in thousands)

|                 | First Quarter 2015 |                   |                   |         | First Quarter 2014 |                   |                   |         |
|-----------------|--------------------|-------------------|-------------------|---------|--------------------|-------------------|-------------------|---------|
|                 | Consumer           | Business Services | Managed Broadband | Total   | Consumer           | Business Services | Managed Broadband | Total   |
| <b>Revenues</b> |                    |                   |                   |         |                    |                   |                   |         |
| Wireless        | \$ 16,410          | 1,794             | —                 | 18,204  | 7,491              | 745               | —                 | 8,236   |
| Data            | 31,272             | 36,298            | 28,876            | 96,446  | 26,944             | 34,840            | 25,829            | 87,613  |
| Video           | 29,225             | 4,414             | —                 | 33,639  | 27,249             | 5,152             | —                 | 32,401  |
| Voice           | 7,801              | 10,706            | 5,089             | 23,596  | 8,445              | 11,741            | 5,330             | 25,516  |
| Total           | \$ 84,708          | 53,212            | 33,965            | 171,885 | 70,129             | 52,478            | 31,159            | 153,766 |

(Amounts in thousands)

|                 | First Quarter 2015 |                   |                   |         | Fourth Quarter 2014 |                   |                   |         |
|-----------------|--------------------|-------------------|-------------------|---------|---------------------|-------------------|-------------------|---------|
|                 | Consumer           | Business Services | Managed Broadband | Total   | Consumer            | Business Services | Managed Broadband | Total   |
| <b>Revenues</b> |                    |                   |                   |         |                     |                   |                   |         |
| Wireless        | \$ 16,410          | 1,794             | —                 | 18,204  | 9,158               | 381               | —                 | 9,539   |
| Data            | 31,272             | 36,298            | 28,876            | 96,446  | 30,294              | 37,694            | 26,971            | 94,959  |
| Video           | 29,225             | 4,414             | —                 | 33,639  | 29,159              | 10,068            | —                 | 39,227  |
| Voice           | 7,801              | 10,706            | 5,089             | 23,596  | 7,839               | 10,253            | 5,309             | 23,401  |
| Total           | \$ 84,708          | 53,212            | 33,965            | 171,885 | 76,450              | 58,396            | 32,280            | 167,126 |

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

|   | March 31,<br>2015 | March 31,<br>2014 | December 31,<br>2014 | March 31, 2015<br>as compared to |                      | March 31, 2015<br>as compared to |                      |
|---|-------------------|-------------------|----------------------|----------------------------------|----------------------|----------------------------------|----------------------|
|   |                   |                   |                      | March 31,<br>2014                | December 31,<br>2014 | March 31,<br>2014                | December 31,<br>2014 |
| <b>Wireline Segment</b>                         |                   |                   |                      |                                  |                      |                                  |                      |
| <b>Consumer</b>                                 |                   |                   |                      |                                  |                      |                                  |                      |
| Data  |                   |                   |                      |                                  |                      |                                  |                      |
| Cable modem subscribers                         | 121,700           | 116,400           | 119,100              | 5,300                            | 2,600                | 4.6 %                            | 2.2 %                |
| Video   |                   |                   |                      |                                  |                      |                                  |                      |
| Basic subscribers                               | 114,700           | 118,000           | 116,400              | (3,300)                          | (1,700)              | (2.8)%                           | (1.5)%               |
| Digital programming tier subscribers            | 62,300            | 66,900            | 63,800               | (4,600)                          | (1,500)              | (6.9)%                           | (2.4)%               |
| HD/DVR converter boxes                          | 109,900           | 101,200           | 108,400              | 8,700                            | 1,500                | 8.6 %                            | 1.4 %                |
| Homes passed                                    | 248,700           | 248,000           | 248,200              | 700                              | 500                  | 0.3 %                            | 0.2 %                |
| Voice   |                   |                   |                      |                                  |                      |                                  |                      |
| Local access lines in service                   | 53,400            | 59,800            | 54,600               | (6,400)                          | (1,200)              | (10.7)%                          | (2.2)%               |
| <b>Business Services</b>                        |                   |                   |                      |                                  |                      |                                  |                      |
| Data  |                   |                   |                      |                                  |                      |                                  |                      |
| Cable modem subscribers                         | 14,100            | 14,000            | 14,100               | 100                              | —                    | 0.7 %                            | — %                  |
| Video   |                   |                   |                      |                                  |                      |                                  |                      |
| Hotels and mini-headend subscribers             | 17,100            | 17,000            | 17,100               | 100                              | —                    | 0.6 %                            | — %                  |
| Basic subscribers                               | 2,000             | 2,000             | 1,900                | —                                | 100                  | — %                              | 5.3 %                |
| <b>Total basic subscribers</b>                  | <b>19,100</b>     | <b>19,000</b>     | <b>19,000</b>        | <b>100</b>                       | <b>100</b>           | <b>0.5 %</b>                     | <b>0.5 %</b>         |
| Voice   |                   |                   |                      |                                  |                      |                                  |                      |
| Local access lines in service                   | 47,500            | 48,500            | 47,400               | (1,000)                          | 100                  | (2.1)%                           | 0.2 %                |
| <b>Consumer and Business Services Combined</b>  |                   |                   |                      |                                  |                      |                                  |                      |
| Wireless  |                   |                   |                      |                                  |                      |                                  |                      |
| Consumer Lifeline lines in service              | 26,300            | 29,500            | 25,000               | (3,200)                          | 1,300                | (10.8)%                          | 5.2 %                |
| Consumer Non-Lifeline lines in service          | 183,700           | 94,400            | 106,400              | 89,300                           | 77,300               | 94.6 %                           | 72.7 %               |
| Business Services Non-Lifeline lines in service | 28,600            | 18,500            | 18,200               | 10,100                           | 10,400               | 54.6 %                           | 57.1 %               |
| <b>Total wireless lines in service</b>          | <b>238,600</b>    | <b>142,400</b>    | <b>149,600</b>       | <b>96,200</b>                    | <b>89,000</b>        | <b>67.6 %</b>                    | <b>59.5 %</b>        |

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

|   | Three Months Ended |                   |                      | March 31, 2015<br>as compared to |                      | March 31, 2015<br>as compared to |                      |
|---|--------------------|-------------------|----------------------|----------------------------------|----------------------|----------------------------------|----------------------|
|   | March 31,<br>2015  | March 31,<br>2014 | December 31,<br>2014 | March 31,<br>2014                | December 31,<br>2014 | March 31,<br>2014                | December 31,<br>2014 |
| <b><i>Wireline segment</i></b>                        |                    |                   |                      |                                  |                      |                                  |                      |
| <b><i>Consumer</i></b>                                |                    |                   |                      |                                  |                      |                                  |                      |
| Video   |                    |                   |                      |                                  |                      |                                  |                      |
| Average monthly revenue per subscriber                | \$ 84.37           | \$ 76.98          | \$ 83.57             | \$ 7.39                          | \$ 0.80              | 9.6 %                            | 1.0 %                |
| <b><i>Combined Consumer and Business Services</i></b> |                    |                   |                      |                                  |                      |                                  |                      |
| Data  |                    |                   |                      |                                  |                      |                                  |                      |
| Average monthly revenue per cable modem subscriber    | \$ 83.93           | \$ 75.93          | \$ 83.01             | \$ 8.00                          | \$ 0.92              | 10.5 %                           | 1.1 %                |
| Wireless  |                    |                   |                      |                                  |                      |                                  |                      |
| Average monthly revenue per subscriber                | \$ 48.23           | \$ 50.01          | \$ 50.16             | \$(1.78)                         | \$(1.93)             | (3.6)%                           | (3.8)%               |