

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

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 4, 2016

GENERAL COMMUNICATION, INC.

(Exact name of registrant as specified in its charter)

State of Alaska

(State or other Jurisdiction of
Incorporation or organization)

0-15279

Commission File Number

92-0072737

(I.R.S Employer
Identification No.)

**2550 Denali Street
Suite 1000**

Anchorage, Alaska

(Address of principal executive offices)

99503

(Zip Code)

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

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 4, 2016, General Communication, Inc. ("GCI") issued a press release announcing earnings for the three months ended March 31, 2016. 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 (defined as earnings plus cash received in excess of revenue recognized for long-term fixed roaming arrangements and imputed interest on financed devices before net interest expense, income taxes, depreciation and amortization expense, loss on extinguishment of debt, software impairment charge, derivative instrument unrealized income (loss), share-based compensation expense, accretion expense, loss attributable to non-controlling interest resulting from NMTC transactions, gains and impairment losses on equity and cost method investments, and other non-cash adjustments) for the three months ended March 31, 2016 and 2015. Adjusted EBITDA has been reconciled to the closely related GAAP financial measure, net income (loss), within the earnings release.

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 useful to investors and other users of our financial information in understanding and evaluating operating performance 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 4, 2016 |

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 4, 2016

By /s/ Peter J. Pounds

Name: Peter J. Pounds

Title: Senior Vice President,
Chief Financial Officer,
and Secretary

(Principal Financial Officer)

Exhibit Index

| Exhibit No. | Description |
|-------------|--|
| 99.1 | Press Release issued by General Communication, Inc. on May 4, 2016 |

GCI REPORTS FIRST QUARTER 2016 FINANCIAL RESULTS

Consolidated Revenue of \$231 million

Adjusted EBITDA of \$78 million

May 4, 2016, Anchorage, Alaska - General Communication, Inc. ("GCI") (NASDAQ: GNCMA) announces its results for the first quarter of 2016.

Operating and Financial Highlights

Revenues in the first quarter were \$231 million, flat compared with the same period in 2015, and down \$10 million or four percent sequentially. Strong growth in Managed Broadband and Consumer data were offset by declines in wireless handset revenue and roaming and backhaul.

Adjusted EBITDA in the first quarter was \$78 million, up \$3 million or four percent when compared with the first quarter of 2015 and up \$8 million or 11 percent over the fourth quarter of 2015. Growth in sequential Adjusted EBITDA in the face of declining revenues is a result of the following primary factors:

Revenues

- \$7.5 million of cash received from our new roaming agreements are deferred for revenue purposes but included in Adjusted EBITDA
- \$4 million seasonal decline in the sale of wireless handsets.

Adjusted EBITDA

- \$3 million in net data revenue growth
- \$2 million increase roaming and backhaul after including the \$7.5 million adjustment
- \$1 million decline in SG&A costs

"I am pleased with our start to the year," said Ron Duncan, GCI's president and chief executive officer. "We have made great progress with the migration of acquired wireless subscribers onto our primary billing system, which is now over 70 percent complete. Our subscriber count is down less than one percent during the quarter, our best since the AWN transaction. With long term agreements in place with our largest wireless roaming partners, we have better operating visibility that enables the Company to make commitments to invest in longer term projects."

Subsequent to the quarter, we have reached an agreement to sell our urban wireless tower and rooftop sites to Vertical Bridge for approximately \$90 million. The transaction is valued at approximately 20 times Tower Cash Flow. We expect the transaction to close in mid-2016.

Wireless

Wireless segment revenues were \$51 million for the quarter, a 13 percent decline year-over-year and a 14 percent decline sequentially. The decline is driven primarily by our new long-term roaming arrangements.

Wireless segment Adjusted EBITDA was \$40 million for the quarter, an increase of \$3 million or seven percent over the first quarter of 2015 and up \$1 million or four percent over the fourth quarter of 2015. Growth in Adjusted EBITDA was a result of gains in roaming and backhaul for the quarter associated with our new agreements (after adding back the cash adjustment) which eliminate most of the seasonality in this business.

The wireless segment detail is as follows:

| (\$ millions) | 1Q16 | 1Q15 | 4Q15 |
|-------------------------------|-----------|-----------|-----------|
| Wholesale Wireless | 18 | 21 | 21 |
| Roaming and Backhaul | 20 | 24 | 26 |
| USF Support | 13 | 14 | 13 |
| Total Wireless Revenue | 51 | 59 | 60 |
| Plus cash adjustment | 8 | 0 | 0 |
| Less COGS | (15) | (18) | (17) |
| Less SG&A and Other | (4) | (4) | (4) |
| Adjusted EBITDA | 40 | 37 | 39 |

Wireline

Wireline segment revenues of \$180 million for the first quarter were \$8 million or five percent higher than the first quarter of 2015 and were \$2 million or one percent less than the fourth quarter of 2015. Revenues year-over-year are primarily affected by growth in Managed Broadband, while the sequential comparison is affected by seasonal declines in the sale of wireless handsets.

Adjusted EBITDA for the quarter was \$38 million, flat year-over-year and a 19 percent or \$6 million increase sequentially. Growth sequentially is primarily a result of gains in high margin data revenues. We also received a benefit to our net wireless handset costs from the declines in handset sales while reduced SG&A expenses provided a further boost to Adjusted EBITDA.

Wireline - Consumer

Consumer revenues were \$85 million for the quarter, flat year-over-year and down \$4 million sequentially. Sequentially, revenue was driven lower primarily due to a seasonal \$4 million decrease in equipment revenue and was accompanied by a \$5 million reduction in equipment costs.

We have migrated over 61,000 acquired wireless subscribers off of the legacy billing platform over the last year. Total subscribers are down 12,600 or six percent year-over-year and are down one percent sequentially. Data subscribers are up 6,100 year-over-year and up 500 during the quarter.

We continue to expand our Gigabit^{red} consumer data service throughout Alaska. The service, providing one gigabit consumer data speeds is now available to all of our Anchorage, Matanuska Valley, and most recently, Juneau subscribers. GCI plans to launch the Gigabit ^{red} service in Fairbanks later in 2016.

Wireline - Business Services

Business Services revenues of \$52 million in the first quarter were down \$1 million or three percent compared with the same period in 2015 and were flat sequentially. The decline year-over-year and the weakness sequentially have been driven by rate compression in the data market as well as downward pressure in the oil and gas sector.

Wireline - Managed Broadband

Revenues in Managed Broadband were \$43 million for the quarter, up \$9 million or 27 percent over the first quarter of 2015 and \$3 million or seven percent over the prior quarter. We are continuing our significant investments in the TERRA network over the next two years to expand rural community coverage and ring the backbone network to increase availability.

SG&A

SG&A expenses were \$88 million during the quarter, up \$4 million or four percent from a year ago and down \$1 million or one percent sequentially. Year-over-year growth is a result of additional network support spending as well as spending associated with our new billing system that was announced in the fourth quarter.

Other Events

GCI repurchased 0.6 million shares of its Class A common stock during the first quarter at a cost of \$11 million, or \$18.17 per share.

Capital expenditures for the quarter totaled \$34 million.

2016 Guidance

GCI reiterates the following guidance for 2016:

- Revenue is expected to be between \$930 million and \$980 million in 2016.
 - Adjusted EBITDA is expected to be between \$295 million and \$325 million.
 - Capital expenditures are expected to be approximately \$210 million.
-

Use of Non-GAAP Measure

Adjusted EBITDA is presented herein and is a non-GAAP measure. See our attached financials for a reconciliation of this non-GAAP measure to the nearest GAAP measure.

Conference Call

The Company will hold a conference call to discuss the financial results on Thursday, May 5th, at 2:00 p.m. (Eastern). To access the call, call the conference operator between 1:45-2:00 p.m. (Eastern) at 844-850-0551 (International callers should dial +1-412-902-4197) 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 and follow the instructions.

A replay of the call will be available for 72-hours by dialing 877-344-7529, access code 10069357 (International callers should dial +1-412-317-0088).

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.

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.

Contacts:

Investors: Kyle Jones, 907.868.7105; kjones@gci.com

Media: Heather Handyside, 907.868.6838, hhandyside@gci.com

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

(Amounts in thousands)

| ASSETS | March 31, 2016 | December 31, 2015 |
|--|-------------------|----------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 13,458 | 26,528 |
| Receivables | 223,898 | 208,384 |
| Less allowance for doubtful receivables | 2,629 | 3,630 |
| Net receivables | 221,269 | 204,754 |
| Prepaid expenses | 16,649 | 12,862 |
| Inventories | 10,435 | 11,322 |
| Other current assets | 213 | 3,129 |
| Total current assets | 262,024 | 258,595 |
| Property and equipment | 2,408,282 | 2,384,530 |
| Less accumulated depreciation | 1,327,534 | 1,290,149 |
| Net property and equipment | 1,080,748 | 1,094,381 |
| Goodwill | 239,263 | 239,263 |
| Cable certificates | 191,635 | 191,635 |
| Wireless licenses | 86,347 | 86,347 |
| Other intangible assets, net of amortization | 70,256 | 69,290 |
| Other assets | 30,645 | 27,429 |
| Total other assets | 618,146 | 613,964 |
| Total assets | \$ 1,960,918 | 1,966,940 |

GENERAL COMMUNICATION, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Unaudited)

(Continued)

(Amounts in thousands)

| LIABILITIES AND STOCKHOLDERS' EQUITY | March 31, 2016 | December 31, 2015 |
|---|---------------------|----------------------|
| Current liabilities: | | |
| Current maturities of obligations under long-term debt and capital leases | \$ 12,199 | 12,050 |
| Accounts payable | 45,694 | 63,014 |
| Deferred revenue | 35,289 | 34,128 |
| Accrued payroll and payroll related obligations | 28,240 | 31,337 |
| Accrued interest (including \$905 and \$5,132 to a related party at March 31, 2016 and December 31, 2015, respectively) | 22,686 | 13,655 |
| Accrued liabilities | 23,312 | 22,822 |
| Subscriber deposits | 1,193 | 1,242 |
| Total current liabilities | 168,613 | 178,248 |
| | | |
| Long-term debt, net (including \$55,242 and \$54,810 to a related party at March 31, 2016 and December 31, 2015, respectively) | 1,334,652 | 1,329,396 |
| Obligations under capital leases, excluding current maturities (including \$1,809 and \$1,824 due to a related party at March 31, 2016 and December 31, 2015, respectively) | 57,375 | 59,651 |
| Deferred income taxes | 109,214 | 106,145 |
| Long-term deferred revenue | 101,355 | 93,427 |
| Other liabilities (including \$28,290 and \$32,820 for derivative stock appreciation rights with a related party at March 31, 2016 and December 31, 2015, respectively) | 78,587 | 80,812 |
| Total liabilities | 1,849,796 | 1,847,679 |
| | | |
| Commitments and contingencies | | |
| | | |
| Stockholders' equity: | | |
| Common stock (no par): | | |
| Class A. Authorized 100,000 shares; issued 35,459 and 35,593 shares at March 31, 2016 and December 31, 2015, respectively; outstanding 35,433 and 35,567 shares at March 31, 2016 and December 31, 2015, respectively | — | — |
| Class B. Authorized 10,000 shares; issued and outstanding 3,154 at March 31, 2016 and December 31, 2015; convertible on a share-per-share basis into Class A common stock | 2,664 | 2,664 |
| Less cost of 26 Class A common shares held in treasury at March 31, 2016 and December 31, 2015 | (249) | (249) |
| Paid-in capital | 7,504 | 6,631 |
| Retained earnings | 70,322 | 79,217 |
| Total General Communication, Inc. stockholders' equity | 80,241 | 88,263 |
| Non-controlling interests | 30,881 | 30,998 |
| Total stockholders' equity | 111,122 | 119,261 |
| Total liabilities and stockholders' equity | \$ 1,960,918 | 1,966,940 |

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

| (Amounts in thousands, except per share amounts) | Three Months Ended March 31, | |
|--|---------------------------------|----------|
| | 2016 | 2015 |
| Revenues: | | |
| Non-related party | \$ 231,098 | 225,806 |
| Related party | — | 5,283 |
| Total revenues | 231,098 | 231,089 |
| Cost of goods sold (exclusive of depreciation and amortization shown separately below): | | |
| Non-related party | 76,291 | 73,887 |
| Related party | — | 881 |
| Total cost of goods sold | 76,291 | 74,768 |
| Selling, general and administrative expenses: | | |
| Non-related party | 87,646 | 83,388 |
| Related party | — | 540 |
| Total selling, general and administrative expenses | 87,646 | 83,928 |
| Depreciation and amortization expense | 47,142 | 45,235 |
| Software impairment charge | — | 26,417 |
| Operating income | 20,019 | 741 |
| Other income (expense): | | |
| Interest expense (including amortization of deferred loan fees) | (19,171) | (19,848) |
| Related party interest expense | (1,831) | (1,137) |
| Derivative instrument unrealized income (loss) with related party | 4,530 | (2,120) |
| Other | 502 | (3,147) |
| Other expense, net | (15,970) | (26,252) |
| Income (loss) before income taxes | 4,049 | (25,511) |
| Income tax (expense) benefit | (3,067) | 6,786 |
| Net income (loss) | 982 | (18,725) |
| Net income (loss) attributable to non-controlling interests | (117) | 544 |
| Net income (loss) attributable to General Communication, Inc. | \$ 1,099 | (19,269) |
| Basic net income (loss) attributable to General Communication, Inc. common stockholders per Class A common share | \$ 0.03 | (0.49) |
| Basic net income (loss) attributable to General Communication, Inc. common stockholders per Class B common share | \$ 0.03 | (0.49) |
| Diluted net loss attributable to General Communication, Inc. common stockholders per Class A common share | \$ (0.04) | (0.49) |
| Diluted net loss attributable to General Communication, Inc. common stockholders per Class B common share | \$ (0.04) | (0.49) |
| Common shares used to calculate Class A basic EPS | 33,696 | 36,217 |
| Common shares used to calculate Class A diluted EPS | 37,746 | 39,376 |

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

(Amounts in thousands)

| | First Quarter 2016 | | | First Quarter 2015 | | |
|---|---------------------|---------------------|---------------|---------------------|---------------------|---------------|
| | Wireless Segment | Wireline Segment | Total | Wireless Segment | Wireline Segment | Total |
| Revenues | | | | | | |
| Wireless | \$ 51,462 | 16,798 | 68,260 | 59,204 | 18,204 | 77,408 |
| Data | — | 106,971 | 106,971 | — | 96,446 | 96,446 |
| Video | — | 33,409 | 33,409 | — | 33,639 | 33,639 |
| Voice | — | 22,458 | 22,458 | — | 23,596 | 23,596 |
| Total | 51,462 | 179,636 | 231,098 | 59,204 | 171,885 | 231,089 |
| Cost of goods sold | 15,032 | 61,259 | 76,291 | 17,531 | 57,237 | 74,768 |
| Contribution | 36,430 | 118,377 | 154,807 | 41,673 | 114,648 | 156,321 |
| Less SG&A | (4,011) | (83,635) | (87,646) | (4,502) | (79,426) | (83,928) |
| Plus cash received in excess of revenue recognized for long-term roaming arrangements | 7,500 | — | 7,500 | — | — | — |
| Plus share-based compensation | — | 2,327 | 2,327 | — | 2,801 | 2,801 |
| Plus accretion | 145 | 247 | 392 | 216 | 234 | 450 |
| Other | — | 726 | 726 | — | (341) | (341) |
| Adjusted EBITDA | \$ 40,064 | 38,042 | 78,106 | 37,387 | 37,916 | 75,303 |

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

(Amounts in thousands)

| | First Quarter 2016 | | | Fourth Quarter 2015 | | |
|---|---------------------|---------------------|---------------|---------------------|---------------------|---------------|
| | Wireless Segment | Wireline Segment | Total | Wireless Segment | Wireline Segment | Total |
| Revenues | | | | | | |
| Wireless | \$ 51,462 | 16,798 | 68,260 | 60,108 | 21,253 | 81,361 |
| Data | — | 106,971 | 106,971 | — | 104,099 | 104,099 |
| Video | — | 33,409 | 33,409 | — | 33,753 | 33,753 |
| Voice | — | 22,458 | 22,458 | — | 22,131 | 22,131 |
| Total | 51,462 | 179,636 | 231,098 | 60,108 | 181,236 | 241,344 |
| Cost of goods sold | 15,032 | 61,259 | 76,291 | 17,002 | 68,595 | 85,597 |
| Contribution | 36,430 | 118,377 | 154,807 | 43,106 | 112,641 | 155,747 |
| Less SG&A | (4,011) | (83,635) | (87,646) | (4,488) | (84,261) | (88,749) |
| Plus cash received in excess of revenue recognized for long-term roaming arrangements | 7,500 | — | 7,500 | — | — | — |
| Plus share-based compensation | — | 2,327 | 2,327 | — | 2,828 | 2,828 |
| Plus accretion | 145 | 247 | 392 | 63 | 66 | 129 |
| Other | — | 726 | 726 | — | 566 | 566 |
| Adjusted EBITDA | \$ 40,064 | 38,042 | 78,106 | 38,681 | 31,840 | 70,521 |

General Communication, Inc.

Non-GAAP Financial Reconciliation Schedule

(Unaudited, Amounts in Thousands)

| | March 31, 2016 | Three Months Ended March 31, 2015 | December 31, 2015 |
|---|-------------------|---|----------------------|
| Net income (loss) | \$ 982 | (18,725) | (8,879) |
| Income tax expense (benefit) | 3,067 | (6,786) | 3,110 |
| Income (loss) before income taxes | 4,049 | (25,511) | (5,769) |
| Other (income) expense: | | | |
| Interest expense (including amortization of deferred loan fees) | 19,171 | 19,848 | 19,073 |
| Related party interest expense | 1,831 | 1,137 | 1,842 |
| Derivative instrument unrealized (income) loss with related party | (4,530) | 2,120 | 6,120 |
| Other | (502) | 3,147 | (472) |
| Other expense, net | 15,970 | 26,252 | 26,563 |
| Operating income | 20,019 | 741 | 20,794 |
| Plus depreciation and amortization expense | 47,142 | 45,235 | 46,204 |
| Plus software impairment charge | — | 26,417 | — |
| Plus cash received in excess of revenue recognized for long-term roaming arrangements | 7,500 | — | — |
| Plus share-based compensation expense | 2,327 | 2,801 | 2,828 |
| Plus accretion expense | 392 | 450 | 129 |
| Other | 726 | (341) | 566 |
| Adjusted EBITDA (Note 1) | \$ 78,106 | 75,303 | 70,521 |

Note:

(1) Earnings plus cash received in excess of revenue recognized for long-term fixed roaming arrangements and imputed interest on financed devices before:

- Net interest expense,
- Income taxes,
- Depreciation and amortization expense,
- Loss on extinguishment of debt,
- Software impairment charge,
- Derivative instrument unrealized income (loss),
- Share-based compensation expense,
- Accretion expense,
- Loss attributable to non-controlling interest resulting from NMTC transactions,
- Gains and impairment losses on equity and cost method investments, and
- Other non-cash adjustments.

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 useful to investors and other users of our financial information in understanding and evaluating operating performance 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.

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

(Amounts in thousands)

| | First Quarter 2016 | | | | First Quarter 2015 | | | |
|-----------------|--------------------|---------------|---------------|----------------|--------------------|---------------|---------------|----------------|
| | | Business | Managed | Total | | Business | Managed | Total |
| | Consumer | Services | Broadband | | Consumer | Services | Broadband | |
| Revenues | | | | | | | | |
| Wireless | \$ 14,538 | 2,260 | — | 16,798 | 16,410 | 1,794 | — | 18,204 |
| Data | 34,960 | 34,881 | 37,130 | 106,971 | 31,272 | 36,298 | 28,876 | 96,446 |
| Video | 28,347 | 5,062 | — | 33,409 | 29,225 | 4,414 | — | 33,639 |
| Voice | 7,042 | 9,562 | 5,854 | 22,458 | 7,801 | 10,706 | 5,089 | 23,596 |
| Total | \$ 84,887 | 51,765 | 42,984 | 179,636 | 84,708 | 53,212 | 33,965 | 171,885 |

(Amounts in thousands)

| | First Quarter 2016 | | | | Fourth Quarter 2015 | | | |
|-----------------|--------------------|---------------|---------------|----------------|---------------------|---------------|---------------|----------------|
| | | Business | Managed | Total | | Business | Managed | Total |
| | Consumer | Services | Broadband | | Consumer | Services | Broadband | |
| Revenues | | | | | | | | |
| Wireless | \$ 14,538 | 2,260 | — | 16,798 | 19,233 | 2,020 | — | 21,253 |
| Data | 34,960 | 34,881 | 37,130 | 106,971 | 34,442 | 35,012 | 34,645 | 104,099 |
| Video | 28,347 | 5,062 | — | 33,409 | 28,445 | 5,308 | — | 33,753 |
| Voice | 7,042 | 9,562 | 5,854 | 22,458 | 7,160 | 9,524 | 5,447 | 22,131 |
| Total | \$ 84,887 | 51,765 | 42,984 | 179,636 | 89,280 | 51,864 | 40,092 | 181,236 |

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

| | March 31, 2016 | March 31, 2015 | December 31, 2015 | March 31, 2016 as compared to | | March 31, 2016 as compared to | |
|---|-------------------|-------------------|----------------------|----------------------------------|----------------------|----------------------------------|----------------------|
| | | | | March 31, 2015 | December 31, 2015 | March 31, 2015 | December 31, 2015 |
| <i>Wireline Segment</i> | | | | | | | |
| <i>Consumer</i> | | | | | | | |
| Data | | | | | | | |
| Cable modem subscribers | 127,800 | 121,700 | 127,300 | 6,100 | 500 | 5.0 % | 0.4 % |
| Video | | | | | | | |
| Basic subscribers | 112,200 | 114,700 | 114,000 | (2,500) | (1,800) | (2.2)% | (1.6)% |
| Digital programming tier subscribers | 57,700 | 62,300 | 59,500 | (4,600) | (1,800) | (7.4)% | (3.0)% |
| HD/DVR converter boxes | 117,700 | 109,900 | 114,000 | 7,800 | 3,700 | 7.1 % | 3.2 % |
| Homes passed | 253,100 | 248,700 | 251,900 | 4,400 | 1,200 | 1.8 % | 0.5 % |
| Voice | | | | | | | |
| Local access lines in service | 50,100 | 53,400 | 50,400 | (3,300) | (300) | (6.2)% | (0.6)% |
| <i>Business Services</i> | | | | | | | |
| Data | | | | | | | |
| Cable modem subscribers | 12,800 | 14,100 | 12,700 | (1,300) | 100 | (9.2)% | 0.8 % |
| Voice | | | | | | | |
| Local access lines in service | 46,400 | 47,500 | 46,600 | (1,100) | (200) | (2.3)% | (0.4)% |
| <i>Consumer and Business Services Combined</i> | | | | | | | |
| Wireless | | | | | | | |
| Consumer Lifeline lines in service | 28,000 | 32,900 | 28,100 | (4,900) | (100) | (14.9)% | (0.4)% |
| Consumer prepaid lines in service | 23,900 | 24,500 | 23,800 | (600) | 100 | (2.4)% | 0.4 % |
| Consumer postpaid lines in service | 145,400 | 152,600 | 146,300 | (7,200) | (900) | (4.7)% | (0.6)% |
| Business Services postpaid lines in service | 28,700 | 28,600 | 29,600 | 100 | (900) | 0.3 % | (3.0)% |
| Total wireless lines in service | <u>226,000</u> | <u>238,600</u> | <u>227,800</u> | <u>(12,600)</u> | <u>(1,800)</u> | <u>-5.3 %</u> | <u>-0.8 %</u> |

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

| | Three Months Ended | | | March 31, 2016 as compared to | | March 31, 2016 as compared to | |
|--|--------------------|-------------------|----------------------|----------------------------------|----------------------|----------------------------------|----------------------|
| | March 31, 2016 | March 31, 2015 | December 31, 2015 | March 31, 2015 | December 31, 2015 | March 31, 2015 | December 31, 2015 |
| <u>Wireline segment</u> | | | | | | | |
| Consumer | | | | | | | |
| Video | | | | | | | |
| Average monthly revenue per subscriber | \$ 83.53 | \$ 84.37 | \$ 83.10 | \$ (0.84) | 0.43 | (1.0)% | 0.5 % |
| Combined Consumer and Business Services | | | | | | | |
| Data | | | | | | | |
| Average monthly revenue per cable modem subscriber | \$ 87.81 | \$ 83.93 | \$ 87.31 | \$ 3.88 | 0.50 | 4.6 % | 0.6 % |
| Wireless | | | | | | | |
| Average monthly revenue per subscriber | \$ 40.06 | \$ 48.23 | \$ 43.37 | \$ (8.17) | (3.31) | (16.9)% | (7.6)% |