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**FOR IMMEDIATE RELEASE**

**GCI REPORTS DETAILED FIRST QUARTER 2002 FINANCIAL RESULTS**

**ANCHORAGE, AK** -- GCI (NASDAQ:GNCMA) today reported its detailed first quarter 2002 results. Revenues and earnings before interest, taxes, depreciation, and amortization (EBITDA) grew to \$88.2 million and \$25.1 million respectively, an increase of 14.0 percent and 27.4 percent, respectively, over the first quarter of 2001 after excluding revenues of \$19.5 million and EBITDA of approximately \$7.3 million from the sale of fiber capacity which occurred in the first quarter of 2001. First quarter 2002 revenues of \$88.2 million and EBITDA of \$25.1 million compare to first quarter 2001 revenues of \$96.9 million and EBITDA of \$27.0 million, which include the effects of the fiber sale. Revenues and EBITDA for the first quarter of 2002 increased sequentially 1.6 percent and 8.2 percent, respectively, as compared to revenues and EBITDA of \$86.8 million and \$23.2 million in the fourth quarter of 2001.

The company's local services business added 11,000 access lines during the first quarter, which is almost double the total of 6,000 access lines added in the fourth quarter of 2001. GCI now has approximately 90,000 access lines in service representing more than an 18 percent share of the total access line market in Alaska. GCI's statewide Internet platform added more than 1,400 net new customers and now serves approximately 71,400 customers. More than 30,000 Internet customers are using GCI cable modem service, an increase of more than 3,500 over the fourth quarter of 2001. GCI cable television services now pass 192,657 homes and serve 132,627 basic subscribers. Basic subscribers increased sequentially by 607 subscribers from the fourth quarter of 2001. GCI added 1,500 digital customers during the first quarter and now serves 26,000 digital customers in Anchorage, Fairbanks, Juneau and Kenai.

"We are extremely pleased with the results for the first quarter," said Ron Duncan, GCI president. "The increase in revenues, EBITDA and customer counts reflect the continued performance of our product strategy driven by the successes of our sales and marketing efforts."

GCI recorded net income of \$2.2 million or \$0.03 per share on a diluted basis. The first quarter 2002 net income compares to net income of \$2.4 million or \$0.04 per share for the first quarter of 2001. Net income decreased for the current quarter due, mostly, to net income of \$4.3 million generated from the fiber capacity sale in the first quarter of the prior year. Net income for the first quarter of 2002 was affected by a required change in accounting method for the amortization of certain intangible assets, which increased net income by \$1.1 million.

**Highlights:**

- Excluding the effects of the 2001 fiber sale, consolidated revenues increased 14.0 percent to \$88.2 million for the first quarter of 2002 as compared to \$77.4 million in 2001. First quarter 2002 revenues increased approximately 1.6 percent sequentially over revenues of \$86.8 million in the fourth quarter of 2001.
- Excluding the effects of the 2001 fiber sale, consolidated EBITDA increased 27.4 percent to \$25.1 million in the first quarter 2002 as compared to \$19.7 million in 2001. Consolidated first quarter EBITDA of \$25.1 million increased \$1.9 million sequentially, an increase of 8.2 percent, from \$23.2 million for the fourth quarter of 2001. The increase in EBITDA is primarily attributable to an increase in customers, introduction and customer acceptance of new products and services, and effective cost management.
- Broadband, private line and other data revenues increased 30.4 percent to \$13.3 million during the first quarter of 2002 as compared to \$10.2 million in the same period of 2001.
- GCI had approximately 90,000 local service access lines in service at the end of the first quarter 2002 representing an increase of 11,000 access lines over the fourth quarter or an annualized sequential growth rate of 55.7 percent. The company estimates it has an approximate 18 percent share of the total access line market in Alaska. Approximately 86 percent of GCI's access lines are provisioned on its own facilities or on resold local loops.
- GCI's statewide Internet platform added 1,400 net new Internet customers during the quarter and provided Internet access service to approximately 71,400 customers.
- GCI provides cable modem Internet access in the Anchorage, Fairbanks, Juneau, Valdez, Sitka, Nome, Seward, Kenai and Soldotna markets. The company had more than 30,000 cable modem customers at the end of the first quarter 2002, as compared to 18,500 at the end of the first quarter of 2001. GCI's cable modem penetration rate is one of the highest in the nation. Almost 90 percent of GCI's cable customers are able to receive cable modem service.
- New supplemental financial information is included with this detailed press release that reflects the company's growing integrated telecommunications business. Traditional supplemental schedules are also provided for comparative purposes.
- GCI estimates that second quarter 2002 revenues will total approximately \$87-89 million and EBITDA is expected to exceed \$25.0 million.

### **Long Distance Results**

Long distance and related revenues for the first quarter of 2002 increased 10.2 percent to \$56.0 million as compared to \$50.8 million for the first quarter of 2001, excluding the \$19.5 million sale of fiber capacity that occurred in the first quarter of 2001. For the first quarter of 2002 long distance EBITDA totaled \$17.0 million as compared to \$12.1 million in the first quarter of 2001, an increase of 40.5 percent over the prior year, excluding \$7.3 million from the sale of fiber capacity that occurred in the first quarter of 2001 as previously noted. The increase in year-over-year revenue is primarily attributable to customer and minutes growth, and from a 30.4 percent increase in broadband, private line and dedicated data services revenues. EBITDA growth for the first quarter of 2002 is

primarily attributable to increased revenues, reductions in access costs and substantial increases in avoided costs resulting from carrying more of the company's traffic on owned facilities and increasing access cost savings from long distance customers who are new GCI local service customers.

Long distance revenues of \$56.0 million for the first quarter of 2002 are relatively unchanged sequentially from the fourth quarter of 2001. Long distance EBITDA of \$17.0 million for the first quarter of 2002 increased 8.3 percent sequentially from \$15.7 million in the fourth quarter of 2001. The sequential increase in EBITDA is primarily attributable to access cost reductions.

Totals minutes-of-use were up 10.3 percent in the first quarter of 2002 as compared to the first quarter of 2001 and 1.6 percent sequentially from the fourth quarter of 2001. The increase in minutes is primarily due to increases in minutes carried for other common carriers.

Revenues from broadband, private line and other data services increased 30.4 percent to \$13.3 million during the first quarter of 2002 as compared to \$10.2 million in the same period of 2001 and were up 3.1 percent from \$12.9 million in the fourth quarter of 2001. The increase in revenue results from growing demand for data services by Internet service providers, commercial and governmental customers and others and delivery of broadband services into rural Alaska.

GCI continues to attract new residential and business long distance customers by offering new and innovative variations of its basic plan offering free Internet access to customers using GCI's long distance service. The total number of billed long distance customers increased by 1.3 percent from the fourth quarter of 2001, a substantial increase when compared to prior quarterly and seasonal trends.

### **Cable Television Results**

Cable television revenues for the first quarter increased 18.3 percent to \$21.3 million from \$18.0 million in the first quarter of 2001, and were up 3.9 percent from the fourth quarter of 2001. EBITDA increased 17.5 percent to \$9.4 million from \$8.0 million in the first quarter of 2001, and increased 8.0 percent from the fourth quarter of 2001. The increase in revenues and EBITDA year-over-year is due, in part, to the acquisition of the Rogers Cable, Inc. Alaska properties, the increase in basic subscribers and more sales of higher margin products such as digital television and cable modem services.

Gross margins as a percentage of revenues are relatively unchanged year-over-year and sequentially. The growth rate in higher value products such as digital cable service and cable modems is expected to mitigate the margin effects of increasing programming and copyright costs.

As of March 31, 2002, the company's cable and entertainment operations passed 192,657 homes and served 132,627 basic subscribers (111,428 equivalent basic subscribers). Average revenue per equivalent basic subscriber increased 7.6 percent to \$63.88 for the first quarter of 2002 as compared to \$59.39 for the first quarter of 2001, and was up slightly from \$63.28 from the fourth quarter of 2001. The company added 607 basic subscribers to its system during the first quarter.

The company offers digital cable television service in Anchorage, Fairbanks, Juneau, Kenai and Soldotna. GCI served 26,000 digital customers at the end of the first quarter of 2002.

### **Local Telephone Results**

Local telephone service revenues for the first quarter increased 21.7 percent to \$7.3 million as compared to \$6.0 million in the first quarter of 2001, and were up 9.0 percent sequentially from \$6.7 million in the fourth quarter of 2001. Local services generated a \$1.3 million EBITDA loss for the first quarter, an increase of \$1.2 million over the first quarter of 2001. The first quarter EBITDA loss of \$1.3 million compares to \$1.0 million of reported EBITDA loss in the fourth quarter of 2001. The increase in revenues are due to substantial increases in customers both year-over-year and sequentially. The increase in EBITDA losses was anticipated due, in part, to increases in operating costs as a result of the company's recent rollout of competitive local service in the Fairbanks and Juneau markets and due to the intercompany elimination of local service access revenues for customers who are also GCI long distance customers. If the local telephone business was given credit for approximately \$2.0 million in access cost savings on calls placed by GCI long distance customers who are also GCI local customers, the company's local telephone business would have reported positive EBITDA. GCI's local telephone business has been generating positive cash flow for several quarters.

GCI provided local service for approximately 90,000 access lines at the end of the first quarter of 2002, an increase of 11,000 access lines or 13.9 percent from the 79,000 access lines in service at the end of the fourth quarter of 2001. The company estimates it has attained an 18 percent share of the total access line market in Alaska.

GCI has announced plans to offer competitive local services in 10 additional markets that have a total of 53,000 access lines beginning in the fall of 2003.

### **Internet Access Results**

As of March 31, 2002 GCI's statewide Internet platform provided Internet access services to more than 71,400 customers, an increase of 6,400 customers over the prior year and 1,400 customers over the fourth quarter of 2001. Internet access revenues for the first quarter of 2002 totaled \$3.6 million, an increase of 38.5 percent year-over-year and 12.5 percent sequentially when compared to first quarter 2001 revenues of \$2.6 million and fourth quarter 2001 revenues of \$3.2 million. The increase in Internet access revenues is attributed to the increase in the number of new Internet subscribers and existing subscribers adding additional features and services including cable modem service.

The first quarter break-even EBITDA is an improvement of \$0.4 million over the loss of \$0.4 million in the first quarter of 2001 and an improvement of \$0.1 million over the loss of \$0.1 million in the fourth quarter of 2001. Internet access results continue to improve, reflecting increasing economies of scale and operating cost controls.

GCI began offering Internet access services during 1998 and its dial-up Internet service is offered in most major Alaska markets. Due to the completion of major cable plant upgrades, GCI can now offer cable modem service to almost 90 percent of its cable entertainment subscribers. GCI is now providing cable modem Internet access in the Anchorage, Fairbanks, Juneau, Valdez, Sitka, Nome, Seward, Kenai, and Soldotna. The company had 30,000 cable modem customers at the end of the first quarter of 2002, an increase of 11,500 customers when compared to the first quarter of 2001. GCI's cable

modem penetration rate is one of the highest in the nation. When expansion plans are completed almost all GCI cable television customers will be able to receive cable modem service. GCI plans to offer high speed Internet service to all communities it serves by 2004.

GCI will also hold an institutional investor and analyst conference call on May 9, 2002 at 2 p.m. Eastern time. To access the briefing on May 9, dial 888-791-1856 (international callers should dial 415-228-3886) and identify your call as "GCI." In addition to the conference call, GCI will make available net conferencing. To access the call via net conference, log on to [www.gci.com](http://www.gci.com) and follow the instructions.

GCI is the premier Alaska-based and operated integrated telecommunications provider and provides local, wireless, and long distance telephone, cable television, Internet and data communication services. More information about the company can be found at [www.gci.com](http://www.gci.com).

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**GENERAL COMMUNICATION, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

Assets	(Unaudited) March 31, 2002	December 31, 2001
	(Amounts in thousands)	
Current assets:		
Cash and cash equivalents	\$ 13,368	11,097
Receivables:		
Trade	59,145	58,895
Employee and other	996	1,587
	60,141	60,482
Less allowance for doubtful receivables	4,280	4,166
Net receivables	55,861	56,316
Deferred income taxes, net	5,386	4,690
Inventories	4,021	3,462
Prepaid and other current assets	2,578	3,061
Property held for sale	517	481
Notes receivable with related parties	146	182
Total current assets	81,877	79,289
Property and equipment in service, net of depreciation	391,981	395,887
Construction in progress	14,211	8,121
Net property and equipment	406,192	404,008
Cable franchise agreements, net of amortization of \$26,884,000 at March 31, 2002 and December 31, 2001	191,132	191,132
Goodwill, net of amortization of \$7,200,000 at March 31, 2002 and December 31, 2001	41,205	40,940
Other intangible assets, net of amortization of \$1,431,000 and \$1,252,000 at March 31, 2002 and December 31, 2001, respectively	3,182	3,387
Deferred loan and senior notes costs, net of amortization of \$6,325,000 and \$5,568,000 at March 31, 2002 and December 31, 2001, respectively	6,654	7,630
Notes receivable with related parties	5,388	3,246
Other assets, at cost, net of amortization of \$72,000 and \$70,000 at March 31, 2002 and December 31, 2001, respectively	5,567	5,047
Total other assets	253,128	251,382
Total assets	\$ 741,197	734,679

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

Liabilities and Stockholders' Equity	(Unaudited) March 31, 2002	December 31, 2001
	(Amounts in thousands)	
Current liabilities:		
Current maturities of obligations under long-term debt and capital leases	\$ 17,391	7,346
Accounts payable	35,275	36,464
Deferred revenue	11,396	11,129
Accrued payroll and payroll related obligations	10,587	15,289
Accrued interest	4,433	8,049
Accrued liabilities	6,019	4,938
Subscriber deposits	1,407	1,121
Total current liabilities	<u>86,508</u>	<u>84,336</u>
Long-term debt, excluding current maturities	345,000	346,000
Obligations under capital leases, excluding current maturities	44,913	45,016
Obligations under capital leases due to related party, excluding current maturities	593	620
Deferred income taxes, net of deferred income tax benefit	27,521	25,069
Other liabilities	5,360	4,339
Total liabilities	<u>509,895</u>	<u>505,380</u>
Redeemable preferred stocks:	<u>26,907</u>	<u>26,907</u>
Stockholders' equity		
Common stock (no par):		
Class A. Authorized 100,000,000 shares; issued 51,446,647 and 50,967,196 shares at March 31, 2002 and December 31, 2001, respectively	198,632	195,647
Class B. Authorized 10,000,000 shares; issued and outstanding 3,882,843 shares at March 31, 2002 and December 31, 2001; convertible on a share-per-share basis into Class A common stock	3,281	3,281
Less cost of 316,554 and 296,554 Class A common shares held in treasury at March 31, 2002 and December 31, 2001, respectively	(1,836)	(1,659)
Paid-in capital	10,832	10,474
Notes receivable with related parties issued upon stock option exercise	(5,559)	(2,588)
Retained deficit	(1,068)	(2,771)
Accumulated other comprehensive income	113	8
Total stockholders' equity	<u>204,395</u>	<u>202,392</u>
Commitments and contingencies		
Total liabilities and stockholders' equity	<u>\$ 741,197</u>	<u>734,679</u>

**GENERAL COMMUNICATION, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

	(Unaudited)	
	Three Months Ended March 31,	
	2002	2001
	(Amounts in thousands, except per share amounts)	
Revenues	\$ 88,210	96,917
Cost of sales and services	31,237	42,086
Selling, general and administrative expenses	31,882	27,850
Depreciation and amortization expense	14,715	13,939
Operating income	10,376	13,042
Interest expense	6,591	8,883
Interest income	73	163
Interest expense, net	6,518	8,720
Net income before income taxes	3,858	4,322
Income tax expense	1,646	1,899
Net income	\$ 2,212	2,423
Basic and diluted net income per common share	\$ 0.03	0.04

Traditional Summary	Quarter Ended March 31, 2002					Quarter Ended March 31, 2001				
	Long		Local			Long		Local		
	Distance	Cable	Services	Internet	Combined	Distance	Cable	Services	Internet	Combined
Revenues	\$ 55,983	21,346	7,308	3,573	88,210	70,294	18,046	5,958	2,619	96,917
Cost of sales	19,378	5,956	4,709	1,194	31,237	32,850	4,935	3,138	1,163	42,086
Contribution	36,605	15,390	2,599	2,379	56,973	37,444	13,111	2,820	1,456	54,831
Selling, general and administrative expenses	19,636	6,002	3,878	2,366	31,882	17,997	5,063	2,913	1,877	27,850
EBITDA	16,969	9,388	(1,279)	13	25,091	19,447	8,048	(93)	(421)	26,981
Depreciation & amortization	8,844	4,171	810	890	14,715	7,603	5,010	807	519	13,939
Operating income (loss)	\$ 8,125	5,217	(2,089)	(877)	10,376	11,844	3,038	(900)	(940)	13,042

Integrated Summary EBITDA	Quarter Ended March 31, 2002				Quarter Ended March 31, 2001			
	Voice	Data	Enter-tainment	Combined	Voice	Data	Enter-tainment	Combined
Traditional Summary EBITDA:								
Long Distance	\$ 16,969			16,969	19,447			19,447
Cable			9,388	9,388			8,048	8,048
Local Services	(1,279)			(1,279)	(93)			(93)
Internet		13		13		(421)		(421)
	15,690	13	9,388	25,091	19,354	(421)	8,048	26,981
EBITDA Reallocations:								
Long Distance	(7,898)	7,898		-	(12,678)	12,678		-
Cable		1,396	(1,396)	-		722	(722)	-
Local Services	(34)	34		-	(14)	14		-
Integrated Summary EBITDA	\$ 7,758	9,341	7,992	25,091	6,662	12,993	7,326	26,981

Traditional Summary	Quarter Ended March 31, 2002					Quarter Ended December 31, 2001				
	Long		Local			Long		Local		
	Distance	Cable	Services	Internet	Combined	Distance	Cable	Services	Internet	Combined
Revenues	\$ 55,983	21,346	7,308	3,573	88,210	56,350	20,522	6,691	3,224	86,787
Cost of sales	19,378	5,956	4,709	1,194	31,237	20,504	5,637	3,856	1,136	31,133
Contribution	36,605	15,390	2,599	2,379	56,973	35,846	14,885	2,835	2,088	55,654
Selling, general and administrative expenses	19,636	6,002	3,878	2,366	31,882	20,158	6,164	3,865	2,229	32,416
EBITDA	16,969	9,388	(1,279)	13	25,091	15,688	8,721	(1,030)	(141)	23,238
Depreciation & amortization	8,844	4,171	810	890	14,715	7,422	5,665	991	1,232	15,310
Operating income (loss)	\$ 8,125	5,217	(2,089)	(877)	10,376	8,266	3,056	(2,021)	(1,373)	7,928

Integrated Summary EBITDA	Quarter Ended March 31, 2002				Quarter Ended December 31, 2001			
	Voice	Data	Enter-tainment	Combined	Voice	Data	Enter-tainment	Combined
Traditional Summary EBITDA:								
Long Distance	\$ 16,969			16,969	15,688			15,688
Cable			9,388	9,388			8,721	8,721
Local Services	(1,279)			(1,279)	(1,030)			(1,030)
Internet		13		13		(141)		(141)
	15,690	13	9,388	25,091	14,658	(141)	8,721	23,238
EBITDA Reallocations:								
Long Distance	(7,898)	7,898		-	(7,247)	7,247		-
Cable		1,396	(1,396)	-		1,194	(1,194)	-
Local Services	(34)	34		-	(37)	37		-
Integrated Summary EBITDA	\$ 7,758	9,341	7,992	25,091	7,374	8,337	7,527	23,238