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**FOR IMMEDIATE RELEASE**

**GCI REPORTS FIRST QUARTER 2000 FINANCIAL RESULTS  
Quarterly EBITDA Jumps To \$14.0 MILLION**

**Anchorage, AK** – General Communication, Inc. (GCI) (NASDAQ:GNCMA) today reported its first quarter 2000 results with revenues growing to \$68.3 million, an increase of 11.4 percent over 1999. Earnings before interest, taxes, depreciation and amortization (EBITDA) increased to \$14.0 million as compared to \$9.9 million in the prior year, an increase of 41.4 percent.

The company's revenues increased across all product lines for the year with the greatest growth attributable to long distance services up \$4.6 million or 11.1 percent over the first quarter of 1999. Cable television revenues for the quarter rose to \$15.9 million, an increase of 5.3 percent over the prior year. Local service revenues grew to \$4.5 million, an increase of 21.6 percent over the prior year. Internet revenues for the quarter totaled \$1.7 million, an increase of 70.0 percent over the prior year.

"We are enormously pleased with the first quarter results," said Ron Duncan, GCI president and CEO. "The trends we saw developing towards the end of last year continue to ramp and the resulting impact on cash flow is beginning to show."

In the first quarter of 2000 a new division was formed in the long distance and other segment to manage GCI's satellite broadband services (SBS.) Consequently, management and reporting of SchoolAccess dedicated access ("DIAS") and server revenues, formerly reported in the Internet segment, were transferred to SBS and will be reported by the long distance segment. Consistent with accounting practices, prior years' long distance and other revenues and Internet segment revenues will be reclassified to provide a consistent basis of comparability.

The company's local services business added 5,000 access lines during the first quarter and now has more than 50,000 access lines in service representing a 28 percent market share in the Anchorage area. GCI's statewide Internet platform serves more than 56,000 customers, an increase of 2,000 customers for the quarter as compared with 54,000 customers at the end of 1999.

GCI incurred a net loss of \$5.5 million or \$0.12 per share for the quarter. The loss was anticipated and was affected by a charge of \$2.0 million to interest expense for capitalized interest related to the Galaxy XR satellite transponder purchase contract and depreciation charges arising from a change in the estimated useful life of certain assets that will be replaced in the future. The first quarter 2000 net loss of \$0.12 per share compares to a loss of \$4.9 million, or \$0.10 per share for the first quarter of 1999.

For the first quarter of 2000, GCI revenues increased 2.2 percent to \$68.3 million as compared to \$66.8 million for the fourth quarter of 1999. First quarter EBITDA of \$14.0 million increased \$2.2 million or 18.6 percent sequentially from \$11.8 million in the fourth quarter of 1999. The increase in the company's sequential EBITDA was due in part to continued focus on leveraging facilities investments. GCI first quarter net loss of \$0.12 per share compares to a loss of \$3.6 million, or \$0.08 per share for the fourth quarter of 1999.

**Highlights:**

- Consolidated revenues increased 11.4 percent to \$68.3 million for the first quarter of 2000 as compared to \$61.3 million in 1999. First quarter 2000 revenues increased 2.2 percent sequentially over revenues of \$66.8 million in the fourth quarter of 1999.
- Consolidated EBITDA increased 41.4 percent to \$14.0 million in the first quarter 2000 as compared to \$9.9 million in 1999. The increase in EBITDA is attributable to revenue increases in all of GCI's product lines due in part to an increase in customers, minutes and new product offerings. Consolidated first quarter EBITDA of \$14.0 million increased \$2.2 million sequentially, an increase of 18.6 percent, from \$11.8 million for the fourth quarter of 1999.
- Private line and other data revenues increased 39.1 percent to \$6.4 million during the first quarter of 2000 as compared to \$4.6 million in the same period of 1999 and were up 10.3 percent from \$5.8 million in the fourth quarter of 1999.
- GCI added 2,000 new Internet customers during the quarter and provided Internet access service to more than 56,000 customers at the end of the first quarter. GCI has more than doubled the number of its customers from a year ago, when customers totaled 27,000 at the end of the first quarter of 1999.
- GCI had more than 50,000 local service access lines in service at the end of the first quarter 2000. This represents an increase of 5,000 access lines over the 45,000 access lines in service at the end of 1999 or a growth rate of 11.1 percent for the quarter on a sequential basis. The company estimates it has a 28 percent local service market share in Anchorage. Over 92 percent of GCI's access lines are provisioned on its own facilities or on resold local loops.
- GCI provides cable modem Internet access in the Anchorage, Fairbanks and Juneau markets. The company had almost 9,000 cable modem and more than 7,000 digital cable television customers at the end of the first quarter of 2000. GCI's cable modem penetration rate is leading the nation. Approximately 80 percent of GCI's cable customers are able to receive cable modem service. Digital cable service is available in the Anchorage market currently and is expected to be offered in the Fairbanks market during the third quarter of 2000.
- On October 11, 1999 the Regulatory Commission of Alaska issued an order terminating rural exemptions in the Fairbanks and Juneau markets. The incumbent had appealed an earlier decision to open the state's second and third largest cities to local competition. GCI is currently in arbitration with the incumbent for unbundled network elements for the provisioning of competitive local service in these markets.

GCI expects the Regulatory Commission of Alaska to approve an interconnection agreement for unbundled elements by September 2000.

- GCI turned up its satellite traffic on March 6, 2000 following the successful launch of the Galaxy XR satellite. GCI now owns six C-Band transponders and one Ku-Band transponder on Galaxy XR. GCI estimates that the owned capacity will allow the company to avoid \$8.0 million per year in lease costs based on lease rates in effect at the time of turn-up. The new satellite capacity will improve GCI's ability to offer enhanced broadband services in rural communities of Alaska.

### **Long Distance and Other Results**

Long distance and related revenues for the first quarter of 2000 were up 11.1 percent to \$46.1 million as compared to \$41.5 million for the first quarter of 1999. For the quarter, long distance and other EBITDA totaled \$9.7 million as compared to \$4.9 million in the first quarter of 1999. Long distance revenues were up 2.0 percent sequentially from \$45.2 million in the fourth quarter of 1999. Long distance EBITDA was up sequentially 49.2 percent from \$6.5 million in the fourth quarter of 1999. All numbers include SchoolAccess DIAS and server revenues and EBITDA transferred from the Internet segment to SBS in the long distance and other segment.

The increase in revenues year-over-year and sequentially is primarily attributable to an increase in minutes and increases in private line and data revenues. The increase in EBITDA year-over-year and sequentially is attributable to an increase in revenues, a broader allocation of operating costs to other business segments, and a partial month of avoided satellite transponder lease costs.

Minutes-of-use were up 33.2 percent in the first quarter of 2000 as compared to the first quarter of 1999 and up 5.0 percent sequentially from the fourth quarter of 1999. The increase in minutes is attributable, in part, to a new category of wholesale minutes carried for other carriers on the GCI network, increasing carrier traffic and an increase in the number of active customers.

Revenues from private line and other data services sales increased 39.1 percent to \$6.4 million during the first quarter of 2000 as compared to \$4.6 million in the same period of 1999 and were up 10.3 percent from \$5.8 million in the fourth quarter of 1999. The increase in revenue results from an increase in system capacity and increasing demand for data services by Internet service providers, commercial and governmental customers and others. Demand for data services to and from the lower 48 states previously exceeded available capacity, however such demand is now being met with uncompressed fiber optic capacity on GCI's Alaska United Fiber System.

GCI's SchoolAccess (SA) service offers a wide variety of innovative education-based Internet services. The company recently added a new distance learning hosting capability that is being used by the University of Alaska, the Anchorage School District and several rural school districts to deliver distance education courses. GCI is working with content providers to develop better content and delivery practices to improve the quality of distance education. GCI provided SA and other Internet services to approximately 261 schools in Alaska at the end of the first quarter of 2000. More than half of the school districts using SA have extended their contracts to the years 2003-2004. GCI's Internet access service is used by more than half of the students in the state of Alaska.

The company's strategy to offer free Internet access to customers using GCI's long distance service has been well received by customers and continues to attract new residential and business long distance customers.

### **Cable Television Results**

Cable television revenues for the first quarter increased 5.3 percent to \$15.9 million from \$15.1 million in the first quarter of 1999, and were relatively unchanged from the fourth quarter of 1999. EBITDA decreased 7.1 percent to \$6.5 million from \$7.0 million in the first quarter of 1999, and 5.8 percent from \$6.9 million in the fourth quarter of 1999. The increase in revenues year-over-year is due primarily to the increase in basic subscribers and introduction of new higher margin products such as digital television and cable modem services. The decrease in EBITDA year-over-year and sequentially is due to a broader allocation of operating costs that had previously been carried by the core long distance and other segment.

Gross margins as a percentage of revenues are down 220 basis points year-over-year and 100 basis points sequentially. The year-over-year decrease in gross margin is attributable in part to increases in programming and copyright costs and additional costs of new programming introduced in 1999 and 2000.

As of March 31, 2000, the company's cable and entertainment operations passed 174,906 homes and served 117,571 basic subscribers (100,227 equivalent basic subscribers). Average revenue per equivalent basic subscriber increased 2.3 percent to \$53.15 for the first quarter of 2000 as compared to \$51.93 for the first quarter of 1999, and was relatively unchanged sequentially from \$53.61 for the fourth quarter of 1999. GCI added 822 net new subscribers to its systems during the first quarter of 2000.

The company offers digital cable television service in Anchorage. The Anchorage system has 67 analog channels and 84 digital channels, which include digital pay-per-view and 40 channels of CD quality music. GCI had more than 7,000 digital subscribers at the end of the first quarter of 2000. The Juneau system has been upgraded to 550 MHz with reverse activation and currently offers advanced analog service with an interactive guide. The reverse path in the Fairbanks market was activated during the third quarter of 1999 and cable modem Internet access is now being offered in that market. Digital video service will be offered in Fairbanks during the third quarter of 2000.

### **Local Telephone Results**

Local telephone service revenues for the first quarter increased 21.6 percent to \$4.5 million as compared to \$3.7 million in the first quarter of 1999, and were up 7.1 percent sequentially from \$4.2 million in the fourth quarter of 1999. Local services generated a \$1.2 million EBITDA loss for the first quarter, an improvement of \$100,000 over the first quarter of 1999. If the local telephone business was given credit for access cost savings on calls placed by GCI long distance customers who are also GCI local customers, the EBITDA loss for the first quarter of 2000 would have been eliminated. GCI's local telephone business is currently generating positive cash flow. GCI began providing facilities-based local service to its first commercial customer on June 20, 1997 and to its first residential customer on October 8, 1997.

GCI provided local service for more than 50,000 access lines at the end of the first quarter of 2000, an increase of 5,000 access lines or 11.1 percent from 45,000 access lines in service at the end of the fourth quarter of 1999. The company estimates it has attained a 28 percent share of the Anchorage local services market.

### **Internet Access Results**

As of March 31, 2000 GCI's statewide Internet platform provided Internet access services to more than 56,000 customers, an increase of 2,000 customers over the fourth quarter of 1999. GCI is the leading Internet access provider in the state of Alaska by more than a factor of two. Internet access revenues for the first quarter of 2000 totaled \$1.7 million, an increase of 70 percent year-over-year and 13.3 percent sequentially when compared to first quarter 1999 revenues of \$1.0 million and fourth quarter 1999 revenues of \$1.5 million. The prior year revenues were reclassified to include SchoolAccess DIAS and server revenues with SBS in the long distance and other segment as previously discussed. The increase in Internet access revenues is attributed to the rapid increase in customers both year-over-year and sequentially.

The EBITDA loss of \$1.1 million for the first quarter, as compared to the loss of \$0.7 million in the first quarter of 1999 and \$0.8 million in the fourth quarter of 1999, was expected due to the additional costs associated with the aggressive promotion of bundled residential and commercial Internet access services with long distance services beginning in February 1999. The prior years' EBITDA was reclassified to include SchoolAccess DIAS and server EBITDA with SBS in the long distance and other segment as previously discussed.

The 2,000 new Internet customers added in the first quarter of 2000 represented an increase of 3.7 percent sequentially over the fourth quarter of 1999. 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 more than 80 percent of its cable entertainment subscribers. GCI is now providing cable modem Internet access in the Anchorage, Fairbanks and Juneau markets. The company had almost 9,000 cable modems deployed at the end of the first quarter of 2000 as compared to about 600 cable modems deployed at the end of the first quarter of 1999.

GCI is a Alaska-based and operated company that provides local, wireless, and long distance telephone, cable television, Internet and data communication services to more than 180,000 customers throughout Alaska. 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, 2000	December 31, 1999
	(Amounts in thousands)	
Current assets:		
Cash and cash equivalents	\$ 10,557	13,734
Receivables:		
Trade	42,557	48,145
Other	317	269
	42,874	48,414
Less allowance for doubtful receivables	3,156	2,833
Net receivables	39,718	45,581
Refundable deposit	8,806	9,100
Prepaid and other current assets	2,041	2,224
Deferred income taxes, net	3,489	2,972
Inventories	3,295	3,754
Notes receivable	749	449
Total current assets	68,655	77,814
Property and equipment in service, net of depreciation	346,675	302,762
Construction in progress	3,766	2,898
Net property and equipment	350,441	305,660
Cable franchise agreements, net of amortization of \$17,637 and \$16,347 at March 31, 2000 and December 31, 1999, respectively	188,855	190,145
Goodwill, net of amortization of \$4,863 and \$4,563 at March 31, 2000 and December 31, 1999, respectively	41,091	41,391
Other intangible assets, net of amortization of \$389 and \$269 at March 31, 2000 and December 31, 1999, respectively	4,345	4,402
Property held for sale	12,427	10,877
Deferred loan and senior notes costs, net of amortization	9,176	8,863
Notes receivable	1,988	2,067
Other assets, at cost, net of amortization	1,714	1,932
Total other assets	259,596	259,677
Total assets	\$ 678,692	643,151

(Continued)

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

(Continued)

Liabilities and Stockholders' Equity	(Unaudited) March 31, 2000	December 31, 1999
	(Amounts in thousands)	
Current liabilities:		
Current maturities of obligations under capital leases	\$ 1,738	574
Accounts payable	24,965	25,321
Accrued interest	3,580	7,985
Accrued payroll and payroll related obligations	7,406	8,601
Deferred revenue	7,855	8,173
Accrued liabilities	3,365	3,152
Subscriber deposits and other current liabilities	1,657	1,314
Total current liabilities	50,566	55,120
Long-term debt, excluding current maturities	339,400	339,400
Obligations under capital leases, excluding current maturities	47,655	747
Obligations under capital leases due to related party, excluding current maturities	316	353
Deferred income taxes, net of deferred income tax benefit	27,732	30,861
Other liabilities	4,883	4,210
Total liabilities	470,552	430,691
Preferred stock. \$1,000 par value, authorized 1,000,000 shares; issued and outstanding 20,000 shares at March 31, 2000 and December 31, 1999, respectively; convertible into Class A common stock at \$5.55 per share of Class A common stock, redemption price at March 31, 2000 of \$1,080	19,912	19,912
Stockholders' equity		
Common stock (no par):		
Class A. Authorized 100,000,000 shares; issued and outstanding 47,398,509 and 46,869,671 shares at March 31, 2000 and December 31, 1999, respectively	178,555	176,740
Class B. Authorized 10,000,000 shares; issued and outstanding 3,908,149 and 4,048,480 shares at March 31, 2000 and December 31, 1999, respectively; convertible on a share-per-share basis into Class A common stock	3,303	3,422
Less cost of 347,958 Class A common shares held in treasury at March 31, 2000 and December 31, 1999	(1,607)	(1,607)
Paid-in capital	6,638	6,343
Notes receivable issued upon stock option exercise	(2,539)	(2,167)
Retained earnings	3,878	9,817
Total stockholders' equity	188,228	192,548
Commitments and contingencies		
Total liabilities and stockholders' equity	\$ 678,692	643,151

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

	(Unaudited)	
	Three Months Ended	
	March 31,	
	2000	1999
	(Amounts in thousands, except per share amounts)	
Revenues	\$ 68,277	61,338
Cost of sales and services	29,658	27,870
Selling, general and administrative expenses	24,654	23,538
Depreciation and amortization expense	13,088	10,298
Operating income (loss)	877	(368)
Interest expense	10,014	7,080
Interest income	175	120
Interest expense, net	9,839	6,960
Net loss before income taxes and cumulative effect of a change in accounting principle	(8,962)	(7,328)
Income tax benefit	3,464	2,807
Net loss before cumulative effect of a change in accounting principle	(5,498)	(4,521)
Cumulative effect of a change in accounting principle, net of income tax benefit of \$245	-	344
Net loss	<u>\$ (5,498)</u>	<u>(4,865)</u>
Basic loss per common share:		
Net loss before cumulative effect of a change in accounting principle	\$ (0.12)	(0.09)
Cumulative effect of a change in accounting principle	-	(0.01)
Net loss	<u>\$ (0.12)</u>	<u>(0.10)</u>
Diluted loss per common share:		
Net loss before cumulative effect of a change in accounting principle	\$ (0.12)	(0.09)
Cumulative effect of a change in accounting principle	-	(0.01)
Net loss	<u>\$ (0.12)</u>	<u>(0.10)</u>

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

	Three Month Period Ended March 31, 2000					Three Month Period Ended March 31, 1999				
	Long Distance	Cable	Local Services	Internet	Combined	Long Distance	Cable	Local Services	Internet	Combined
Revenues:										
Telecommunications	\$ 46,114	-	4,520	1,713	52,347	\$ 41,520	-	3,714	1,042	46,276
Cable	-	15,930	-	-	15,930	-	15,062	-	-	15,062
Total revenues	<u>46,114</u>	<u>15,930</u>	<u>4,520</u>	<u>1,713</u>	<u>68,277</u>	<u>41,520</u>	<u>15,062</u>	<u>3,714</u>	<u>1,042</u>	<u>61,338</u>
Cost of sales and services:										
Distribution	21,879	-	2,418	1,073	25,370	21,785	-	1,950	415	24,150
Programming and copyright	-	4,288	-	-	4,288	-	3,720	-	-	3,720
Total cost of sales and services	<u>21,879</u>	<u>4,288</u>	<u>2,418</u>	<u>1,073</u>	<u>29,658</u>	<u>21,785</u>	<u>3,720</u>	<u>1,950</u>	<u>415</u>	<u>27,870</u>
	<u>24,235</u>	<u>11,642</u>	<u>2,102</u>	<u>640</u>	<u>38,619</u>	<u>19,735</u>	<u>11,342</u>	<u>1,764</u>	<u>627</u>	<u>33,468</u>
Selling, general and administrative expenses:										
Telephony operating and engineering	5,278	-	204	-	5,482	2,714	-	224	-	2,938
Cable, including management fees of \$100 and \$90 for the three month periods ended March 31, 2000 and 1999, respectively	-	4,412	-	-	4,412	-	3,577	-	-	3,577
Sales and communications	1,377	619	369	351	2,716	3,537	686	326	124	4,673
General and administrative	7,031	-	2,693	1,422	11,146	7,563	-	2,535	1,173	11,271
Bad debts	823	75	-	-	898	990	89	-	-	1,079
Total selling, general and administrative expenses	<u>14,509</u>	<u>5,106</u>	<u>3,266</u>	<u>1,773</u>	<u>24,654</u>	<u>14,804</u>	<u>4,352</u>	<u>3,085</u>	<u>1,297</u>	<u>23,538</u>
EBITDA	9,726	6,536	(1,164)	(1,133)	13,965	4,931	6,990	(1,321)	(670)	9,930
Depreciation and amortization	6,305	4,635	1,746	402	13,088	4,856	4,390	810	242	10,298
Operating income (loss)	<u>\$ 3,421</u>	<u>1,901</u>	<u>(2,910)</u>	<u>(1,535)</u>	<u>877</u>	<u>\$ 75</u>	<u>2,600</u>	<u>(2,131)</u>	<u>(912)</u>	<u>(368)</u>

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

	Three Month Period Ended March 31, 2000					Three Month Period Ended December 31, 1999				
	Long Distance	Cable	Local Services	Internet	Combined	Long Distance	Cable	Local Services	Internet	Combined
Revenues:										
Telecommunications	\$ 46,114	-	4,520	1,713	52,347	\$ 45,168	-	4,220	1,497	50,885
Cable	-	15,930	-	-	15,930	-	15,957	-	-	15,957
Total revenues	<u>46,114</u>	<u>15,930</u>	<u>4,520</u>	<u>1,713</u>	<u>68,277</u>	<u>45,168</u>	<u>15,957</u>	<u>4,220</u>	<u>1,497</u>	<u>66,842</u>
Cost of sales and services:										
Distribution	21,879	-	2,418	1,073	25,370	22,960	-	1,990	942	25,892
Programming and copyright	-	4,288	-	-	4,288	-	4,130	-	-	4,130
Total cost of sales and services	<u>21,879</u>	<u>4,288</u>	<u>2,418</u>	<u>1,073</u>	<u>29,658</u>	<u>22,960</u>	<u>4,130</u>	<u>1,990</u>	<u>942</u>	<u>30,022</u>
	<u>24,235</u>	<u>11,642</u>	<u>2,102</u>	<u>640</u>	<u>38,619</u>	<u>22,208</u>	<u>11,827</u>	<u>2,230</u>	<u>555</u>	<u>36,820</u>
Selling, general and administrative expenses:										
Telephony operating and engineering	5,278	-	204	-	5,482	3,607	-	298	-	3,905
Cable, including management fees of \$100 and \$97 for the three month periods ended March 31, 2000 and December 31, 1999, respectively	-	4,412	-	-	4,412	-	4,251	-	-	4,251
Sales and communications	1,377	619	369	351	2,716	3,797	562	326	124	4,809
General and administrative	7,031	-	2,693	1,422	11,146	7,558	-	2,429	1,237	11,224
Bad debts	823	75	-	-	898	748	129	-	-	877
Total selling, general and administrative expenses	<u>14,509</u>	<u>5,106</u>	<u>3,266</u>	<u>1,773</u>	<u>24,654</u>	<u>15,710</u>	<u>4,942</u>	<u>3,053</u>	<u>1,361</u>	<u>25,066</u>
EBITDA	9,726	6,536	(1,164)	(1,133)	13,965	6,498	6,885	(823)	(806)	11,754
Depreciation and amortization	6,305	4,635	1,746	402	13,088	4,652	4,390	831	326	10,199
Operating income (loss)	<u>\$ 3,421</u>	<u>1,901</u>	<u>(2,910)</u>	<u>(1,535)</u>	<u>877</u>	<u>\$ 1,846</u>	<u>2,495</u>	<u>(1,654)</u>	<u>(1,132)</u>	<u>1,555</u>