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FOR IMMEDIATE RELEASE

GCI REPORTS DETAILED FIRST QUARTER 2001 FINANCIAL RESULTS

Anchorage, AK – General Communication, Inc. (GCI) (NASDAQ:GNCMA) today reported its detailed first quarter 2001 results with revenues growing to \$96.9 million, an increase of 41.9 percent over the first quarter of 2000. Earnings before interest, taxes, depreciation and amortization (EBITDA) totaled \$27.0 million, a 92.9 percent increase over the first quarter of 2000. The results for the first quarter include revenue and EBITDA of \$19.5 million and \$7.3 million respectively, from the previously announced sale of fiber capacity that closed early in the quarter.

Excluding the effects of the fiber sale, revenues for the first quarter of 2001 increased \$9.1 million or 13.3 percent to \$77.4 million and EBITDA increased \$5.7 million, or 40.7 percent to \$19.7 million when compared to the prior year. Revenues and EBITDA for the first quarter of 2001 again reached record highs for the fifth consecutive quarter.

“The new year is off to a great start,” said Ron Duncan, GCI president. “After excluding the effects of the fiber sale this represents our fifth consecutive quarter of record revenue and EBITDA.”

The company’s revenues increased across all product lines for the quarter with the greatest growth attributable to long distance services which were up \$24.2 million or 52.5 percent over the first quarter of 2000. Excluding the effects of the fiber sale, long distance services revenues increased \$4.7 million, or 10.2 percent over the prior year. Cable television revenues for the quarter rose to \$18.0 million, an increase of 13.2 percent over the prior year. Local service revenues grew to \$6.0 million, an increase of 33.3 percent over the prior year. Internet revenues for the quarter totaled \$2.6 million, an increase of 52.9 percent over the prior year.

The company’s local services business added more than 3,000 access lines during the first quarter and now has more than 65,000 access lines in service representing a 33 percent market share in the Anchorage area. GCI’s statewide Internet platform serves more than 65,000 customers, an increase of 2,000 net new customers for the quarter. Approximately 18,500 of these Internet customers are using GCI cable modem service, more than twice as many cable modem customers when compared to the first quarter of 2000.

GCI recorded net income of \$2.4 million or \$.03 per share on a fully diluted basis. The net income results from the sale of fiber capacity during the quarter. The first quarter

2001 net income of \$0.03 per share compares to a loss of \$5.5 million, or (\$0.12) per share for the first quarter of 2000.

Excluding the effects of the fiber sale, GCI revenues and EBITDA increased 1.0 percent and 3.7 percent respectively in comparison to the fourth quarter of 2000. The increase in the company's sequential revenue and EBITDA was due in part to continued focus on leveraging facilities investments and adding more new customers.

Highlights:

- Excluding the effects of the fiber sale, consolidated revenues increased 13.3 percent to \$77.4 million for the first quarter of 2001 as compared to \$68.3 million in 2000. First quarter 2001 revenues increased 1.0 percent sequentially over revenues of \$77.0 million in the fourth quarter of 2000.
- Excluding the effects of the fiber sale, consolidated EBITDA increased 40.7 percent to \$19.7 million in the first quarter 2001 as compared to \$14.0 million in 2000. 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 \$19.7 million increased \$0.7 million sequentially, an increase of 3.7 percent, from \$19.0 million for the fourth quarter of 2000. EBITDA increased sequentially in the first quarter, as expected, despite historic trends that normally forecast flat to slightly declining EBITDA due to seasonality.
- Broadband, private line and other data revenues increased 47.8 percent to \$11.9 million during the first quarter of 2001 as compared to \$8.1 million in the same period of 2000.
- GCI had more than 65,000 local service access lines in service at the end of the first quarter 2001 representing an increase of 3,000 access lines over the fourth quarter or an annualized sequential growth rate of 19.2 percent. The company estimates it has an approximate 33 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's statewide Internet platform added 2,000 net new Internet customers during the quarter and provided Internet access service to more than 65,000 customers.
- GCI now provides cable modem Internet access in the Anchorage, Fairbanks, Juneau and Valdez markets. The company had more than 18,500 cable modem customers at the end of the first quarter 2001, more than twice as many customers when compared to the first quarter of 2000. GCI's cable modem penetration rate is one of the highest in the nation. More than 80 percent of GCI's cable customers are able to receive cable modem service.
- On January 3, 2001, concurrent with the first cut in interest rates in 2001 by the Federal Reserve Board of Governors, GCI entered into a \$50.0 million interest rate swap agreement which had the effect of converting \$50.0 million of its fixed rate 9.75 percent Senior Notes to a variable rate. The transaction is expected to decrease interest expense by \$0.8 to \$0.9 million for the year 2001.

- The company's legal and regulatory efforts to expand its competitive local access services, as expected, continue to be successful.
- GCI estimates that second quarter 2001 revenues will total approximately \$78 million to \$80 million and EBITDA is expected to exceed \$20.0 million.

Long Distance and Other Results

Excluding the effects of the sale of fiber capacity, long distance and related revenues for the first quarter of 2001 increased 10.2 percent to \$50.8 million as compared to \$46.1 million for the first quarter of 2000. For the quarter, long distance and other EBITDA totaled \$12.1 million as compared to \$9.7 million, an increase of 24.7 percent over the prior year. The increase in long distance revenues and EBITDA year-over-year is due in part to increases in outsourcing business, leased long haul fiber capacity, core minutes and a 47.8 percent increase in broadband, private line and data revenues.

Excluding the effects of the sale of fiber capacity, long distance revenues were up 1.2 percent sequentially from \$50.2 million in the fourth quarter of 2000. Long distance EBITDA was up 9.0 percent sequentially from \$11.1 million in the fourth quarter of 2000. The increase in revenues and EBITDA sequentially is primarily attributable to an increase in core minutes and an increase in broadband, private line and data revenues.

Total minutes-of-use were down, as expected, 5.3 percent in the first quarter of 2001 as compared to the first quarter of 2000 and down 1.4 percent sequentially from the fourth quarter of 2000. The decrease in minutes is due to the fact that the company no longer carries a certain category of low margin wholesale minutes for another carrier on its network.

Revenues from broadband, private line and other data services increased 47.8 percent to \$11.9 million during the first quarter of 2001 as compared to \$8.1 million in the same period of 2000 and were up 4.2 percent from \$11.4 million in the fourth quarter of 2000. The increase in revenue results from increasing demand for data services by Internet service providers, commercial and governmental customers, others and delivery of broadband services into rural Alaska.

The company's strategy to offer free Internet access to customers using GCI's long distance service has been well received by customers. GCI continues to attract new residential and business long distance customers by offering new and innovative variations of its basic plan. These new plans were designed primarily to respond to a competitor's product offerings that were priced below cost. The below cost product offerings were discontinued shortly after the end of the first quarter and have had a minimal impact on GCI's long distance business.

Cable Television Results

Cable television revenues for the first quarter increased 13.2 percent to \$18.0 million from \$15.9 million in the first quarter of 2000, and were down 3.2 percent from the fourth quarter of 2000. EBITDA increased 23.1 percent to \$8.0 million from \$6.5 million in the first quarter of 2000, and decreased 2.4 percent from the fourth quarter of 2000. The increase in revenues and EBITDA 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 sequential revenues is primarily attributable to a \$0.4 million one-time adjustment that increased revenues in the fourth quarter of 2000. The fourth quarter revenue adjustment and increase in sequential programming costs for the first quarter 2001 was partially offset by a reduction in operating costs in the first quarter 2001 but resulted in a small sequential decrease in EBITDA.

Gross margins as a percentage of revenues are relatively unchanged year-over-year and are down 158 basis points sequentially after factoring out the \$0.4 million accounting adjustment. 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, 2001, the company's cable and entertainment operations passed 179,343 homes and served 121,032 basic subscribers (101,007 equivalent basic subscribers). Average revenue per equivalent basic subscriber increased 11.8 percent to \$59.39 for the first quarter of 2001 as compared to \$53.15 for the first quarter of 2000, and was down 3.0 percent from \$61.24 from the fourth quarter of 2000. The company added 635 basic subscribers to its system during the first quarter.

The company offers digital cable television service in Anchorage and Fairbanks. The Anchorage system has 65 analog channels and 121 digital channels, which include digital pay-per-view and 45 channels of CD quality music. The Fairbanks system has 54 analog channels and 93 digital channels, which include digital pay-per-view and 45 channels of CD quality music. GCI served more than 17,000 digital subscribers at the end of the first quarter, an increase of more than 3,000 digital customers during the quarter. The Juneau system has been upgraded to 550 MHz with reverse activation and currently offers advanced analog service with an interactive guide. GCI plans to begin rolling out digital service in the Juneau market in the third quarter of 2001.

Local Telephone Results

Local telephone service revenues for the first quarter increased 33.3 percent to \$6.0 million as compared to \$4.5 million in the first quarter of 2000, and were up 5.3 percent sequentially from \$5.7 million in the fourth quarter of 2000. Local services generated a \$0.1 million EBITDA loss for the first quarter, an improvement of \$1.1 million over the first quarter of 2000. The first quarter EBITDA loss of \$0.1 million compares to \$0.4 million of reported EBITDA in the fourth quarter of 2000 and reflects the company's preparation for providing competitive local access services in the Fairbanks market beginning in the second quarter and the Juneau market beginning late in the year or during the first quarter of 2002. 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 company would have reported positive EBITDA. GCI's local telephone business has been generating positive cash flow for several quarters.

GCI provided local service for more than 65,000 access lines at the end of the first quarter of 2001, an increase of 3,000 access lines or 4.8 percent from the 62,000 access lines in service at the end of the fourth quarter of 2000. The company estimates it has attained a 33 percent share of the Anchorage local services market.

The company's legal and regulatory efforts to expand its competitive local access services, as expected, continue to be successful.

Internet Access Results

As of March 31, 2001 GCI's statewide Internet platform provided Internet access services to more than 65,000 customers, an increase of 9,000 customers over the prior year and 2,000 customers over the fourth quarter of 2000. Internet access revenues for the first quarter of 2001 totaled \$2.6 million, an increase of 52.9 percent year-over-year and 4.0 percent sequentially when compared to first quarter 2000 revenues of \$1.7 million and fourth quarter 2000 revenues of \$2.5 million. The increase in Internet access revenues is attributed to the rapid increase in customers both year-over-year and sequentially.

The EBITDA loss of \$0.4 million for the first quarter is an improvement of \$0.7 million over the loss of \$1.1 million in the first quarter of 2000 and an improvement of \$0.3 million over the loss of \$0.7 million in the fourth quarter of 2000. 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 more than 80 percent of its cable entertainment subscribers. GCI is now providing cable modem Internet access in the Anchorage, Fairbanks, Juneau and Valdez markets. The company had more than 18,500 cable modem customers at the end of the first quarter 2001, more than twice as many customers when compared to the first quarter of 2000. GCI's cable modem penetration rate is one of the highest in the nation.

GCI is a Alaska-based and operated company that provides local, wireless, and long distance telephone, cable television, Internet and data communication services throughout Alaska. More information about the company can be found at www.gci.com.

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GENERAL COMMUNICATION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

Assets	(Unaudited) March 31, 2001	December 31, 2000
	(Amounts in thousands)	
Current assets:		
Cash and cash equivalents	\$ 7,366	5,962
Receivables:		
Trade	46,691	49,872
Employee	462	378
	47,153	50,250
Less allowance for doubtful receivables	3,408	2,864
Net receivables	43,745	47,386
Prepaid and other current assets	2,413	2,505
Deferred income taxes, net	3,547	3,221
Inventories	5,910	5,717
Property held for sale	-	10,877
Notes receivable with related parties	257	241
Total current assets	63,238	75,909
Property and equipment in service, net of depreciation	347,526	347,802
Construction in progress	12,129	8,097
Net property and equipment	359,655	355,899
Cable franchise agreements, net of amortization of \$22,800,000 and \$21,509,000 at March 31, 2001 and December 31, 2000, respectively	184,085	184,983
Goodwill, net of amortization of \$6,267,000 and \$5,952,000 at March 31, 2001 and December 31, 2000, respectively	39,686	40,002
Other intangible assets, net of amortization of \$880,000 and \$729,000 at March 31, 2001 and December 31, 2000, respectively	4,443	3,936
Property held for sale	1,550	1,550
Deferred loan and senior notes costs, net of amortization of \$4,509,000 and \$4,166,000 at March 31, 2001 and December 31, 2000, respectively	8,059	8,402
Notes receivable with related parties	3,289	3,235
Other assets, at cost, net of amortization of \$64,000 and \$63,000 at March 31, 2001 and December 31, 2000, respectively	9,470	5,091
Total other assets	250,582	247,199
Total assets	\$ 673,475	679,007

(Continued)

GENERAL COMMUNICATION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Continued)

Liabilities and Stockholders' Equity	(Unaudited) March 31, 2001	December 31, 2000
	(Amounts in thousands)	
Current liabilities:		
Current maturities of obligations under capital leases	\$ 1,547	1,600
Accounts payable	29,766	29,094
Accrued interest	5,065	9,256
Accrued payroll and payroll related obligations	11,042	10,385
Deferred revenue	9,985	9,477
Accrued liabilities	4,271	4,134
Subscriber deposits and other current liabilities	1,307	1,362
Total current liabilities	62,983	65,308
Long-term debt, excluding current maturities	322,753	334,400
Obligations under capital leases, excluding current maturities	46,506	46,882
Obligations under capital leases due to related party, excluding current maturities	203	214
Deferred income taxes, net of deferred income tax benefit	23,973	22,057
Other liabilities	4,973	4,077
Total liabilities	461,391	472,938
Preferred stock. \$1,000 par value, authorized 1,000,000 shares; issued and outstanding 20,000 shares at March 31, 2001 and December 31, 2000; convertible into Class A common stock at \$5.55 per share of Class A common stock, redemption price at March 31, 2001 and December 31, 2000 of \$1,035 and \$1,014 per share, respectively; \$2,677,000 dividends accrued, pending stock issuance at March 31, 2001 and December 31, 2000	22,589	22,589
Stockholders' equity		
Common stock (no par):		
Class A. Authorized 100,000,000 shares; issued and outstanding and issuable 49,057,117 and 48,642,870 shares at March 31, 2001 and December 31, 2000, respectively	186,296	182,706
Class B. Authorized 10,000,000 shares; issued and outstanding 3,900,135 and 3,904,038 shares at March 31, 2001 and December 31, 2000, respectively; convertible on a share-per-share basis into Class A common stock	3,296	3,299
Less cost of 357,958 Class A common shares held in treasury at March 31, 2001 and December 31, 2000	(1,659)	(1,659)
Paid-in capital	7,848	7,368
Notes receivable with related parties issued upon stock option exercise	(2,976)	(2,976)
Retained deficit	(3,310)	(5,258)
Total stockholders' equity	189,495	183,480
Commitments and contingencies		
Total liabilities and stockholders' equity	\$ 673,475	679,007

GENERAL COMMUNICATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	(Unaudited)	
	Three Months Ended March 31,	
	2001	2000
	(Amounts in thousands, except per share amounts)	
Revenues	\$ 96,917	68,277
Cost of sales and services	42,086	29,658
Selling, general and administrative expenses	27,850	24,654
Depreciation and amortization expense	13,939	13,088
Operating income	13,042	877
Interest expense	8,883	10,014
Interest income	163	175
Interest expense, net	8,720	9,839
Net income (loss) before income taxes	4,322	(8,962)
Income tax (expense) benefit	(1,899)	3,464
Net income (loss)	\$ 2,423	\$ (5,498)
Basic income (loss) per common share	\$ 0.04	(0.12)
Diluted income (loss) per common share	\$ 0.03	(0.12)

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

	Three Months Ended March 31, 2001					Three Months Ended March 31, 2000				
	Long Distance	Cable	Local Services	Internet	Combined	Long Distance	Cable	Local Services	Internet	Combined
Revenues:										
Telecommunications	\$ 70,294	-	5,958	2,619	78,871	\$ 46,114	-	4,520	1,713	52,347
Cable	-	18,046	-	-	18,046	-	15,930	-	-	15,930
Total revenues	<u>70,294</u>	<u>18,046</u>	<u>5,958</u>	<u>2,619</u>	<u>96,917</u>	<u>46,114</u>	<u>15,930</u>	<u>4,520</u>	<u>1,713</u>	<u>68,277</u>
Cost of sales and services:										
Distribution	32,850	-	3,138	1,163	37,151	21,879	-	2,418	1,073	25,370
Programming and copyright	-	4,935	-	-	4,935	-	4,288	-	-	4,288
Total cost of sales and services	<u>32,850</u>	<u>4,935</u>	<u>3,138</u>	<u>1,163</u>	<u>42,086</u>	<u>21,879</u>	<u>4,288</u>	<u>2,418</u>	<u>1,073</u>	<u>29,658</u>
Contribution	<u>37,444</u>	<u>13,111</u>	<u>2,820</u>	<u>1,456</u>	<u>54,831</u>	<u>24,235</u>	<u>11,642</u>	<u>2,102</u>	<u>640</u>	<u>38,619</u>
Selling, general and administrative expenses:										
Telephony operating and engineering	6,197	-	123	-	6,320	5,278	-	204	-	5,482
Cable, including management fees of \$0 and \$100 for the three month periods ended March 31, 2001 and 2000, respectively	-	4,102	-	-	4,102	-	4,412	-	-	4,412
Sales and communications	414	785	513	484	2,196	1,377	619	369	351	2,716
General and administrative	10,701	-	2,277	1,393	14,371	7,031	-	2,693	1,422	11,146
Bad debts	685	176	-	-	861	823	75	-	-	898
Total selling, general and administrative expenses	<u>17,997</u>	<u>5,063</u>	<u>2,913</u>	<u>1,877</u>	<u>27,850</u>	<u>14,509</u>	<u>5,106</u>	<u>3,266</u>	<u>1,773</u>	<u>24,654</u>
EBITDA	19,447	8,048	(93)	(421)	26,981	9,726	6,536	(1,164)	(1,133)	13,965
Depreciation and amortization	7,603	5,010	807	519	13,939	6,305	4,635	1,746	402	13,088
Operating income (loss)	<u>\$ 11,844</u>	<u>3,038</u>	<u>(900)</u>	<u>(940)</u>	<u>13,042</u>	<u>\$ 3,421</u>	<u>1,901</u>	<u>(2,910)</u>	<u>(1,535)</u>	<u>877</u>

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

	Three Months Ended March 31, 2001					Three Months Ended December 31, 2000				
	Long Distance	Cable	Local Services	Internet	Combined	Long Distance	Cable	Local Services	Internet	Combined
Revenues:										
Telecommunications	\$ 70,294	-	5,958	2,619	78,871	\$ 50,230	-	5,660	2,506	58,396
Cable	-	18,046	-	-	18,046	-	18,600	-	-	18,600
Total revenues	<u>70,294</u>	<u>18,046</u>	<u>5,958</u>	<u>2,619</u>	<u>96,917</u>	<u>50,230</u>	<u>18,600</u>	<u>5,660</u>	<u>2,506</u>	<u>76,996</u>
Cost of sales and services:										
Distribution	32,850	-	3,138	1,163	37,151	22,097	-	2,451	1,232	25,780
Programming and copyright	-	4,935	-	-	4,935	-	4,689	-	-	4,689
Total cost of sales and services	<u>32,850</u>	<u>4,935</u>	<u>3,138</u>	<u>1,163</u>	<u>42,086</u>	<u>22,097</u>	<u>4,689</u>	<u>2,451</u>	<u>1,232</u>	<u>30,469</u>
Contribution	<u>37,444</u>	<u>13,111</u>	<u>2,820</u>	<u>1,456</u>	<u>54,831</u>	<u>28,133</u>	<u>13,911</u>	<u>3,209</u>	<u>1,274</u>	<u>46,527</u>
Selling, general and administrative expenses:										
Telephony operating and engineering	6,197	-	123	-	6,320	6,502	-	180	-	6,682
Cable, including management fees of \$0 and \$2 for the three month periods ended March 31, 2001 and December 31, 2000, respectively	-	4,102	-	-	4,102	-	4,733	-	-	4,733
Sales and communications	414	785	513	484	2,196	1,053	763	486	465	2,767
General and administrative	10,701	-	2,277	1,393	14,371	8,026	-	2,125	1,507	11,658
Bad debts	685	176	-	-	861	1,462	177	-	-	1,639
Total selling, general and administrative expenses	<u>17,997</u>	<u>5,063</u>	<u>2,913</u>	<u>1,877</u>	<u>27,850</u>	<u>17,043</u>	<u>5,673</u>	<u>2,791</u>	<u>1,972</u>	<u>27,479</u>
EBITDA	19,447	8,048	(93)	(421)	26,981	11,090	8,238	418	(698)	19,048
Depreciation and amortization	7,603	5,010	807	519	13,939	6,546	5,036	971	529	13,082
Operating income (loss)	<u>\$ 11,844</u>	<u>3,038</u>	<u>(900)</u>	<u>(940)</u>	<u>13,042</u>	<u>\$ 4,544</u>	<u>3,202</u>	<u>(553)</u>	<u>(1,227)</u>	<u>5,966</u>