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FOR IMMEDIATE RELEASE

GCI REPORTS DETAILED SECOND QUARTER 2001 FINANCIAL RESULTS

ANCHORAGE, AK – General Communication, Inc. (GCI) (NASDAQ:GNCMA) today reported its detailed second quarter 2001 results with revenues growing to \$85.5 million, an increase of \$14.1 million or 19.7 percent over the second quarter of 2000. Earnings before interest, taxes, depreciation and amortization (EBITDA) totaled \$22.1 million, an increase of \$6.0 million or 37.3 percent over the second quarter of 2000.

“The second quarter of 2001 is our sixth consecutive quarter of record high revenues and EBITDA,” said Ron Duncan, GCI president. “In addition we substantially increased the size of our network facilities with the purchase of the 800 mile fiber optic system supporting the Trans-Alaska Pipeline System and with the announcement of an agreement to purchase the Roger’s cable TV properties passing an additional 10,000 homes.”

The company’s revenues, as expected, increased across all product lines for the quarter with the greatest growth attributable to long distance services which were up \$9.3 million or 19.4 percent over the second quarter of 2000. Cable television revenues for the quarter rose to \$18.9 million, an increase of 13.2 percent over the prior year. Local service revenues grew to \$6.2 million, an increase of 29.2 percent over the prior year. Internet revenues for the quarter totaled \$3.1 million, an increase of 55.0 percent over the prior year.

The company’s local services business added almost 4,000 access lines during the second quarter and now has almost 69,000 access lines in service representing an estimated 15 percent market share of the total access lines in Alaska. GCI has provided competitive local service in the Anchorage market for four years and has attained an estimated 35 percent market share. GCI’s statewide Internet platform serves approximately 65,500 customers. Approximately 19,600 Internet customers are using GCI cable modem service, an increase of 1,100 customers over the first quarter of 2001.

GCI recorded net income of \$0.2 million or \$0.00 per share on a diluted basis. The second quarter 2001 net income of \$0.00 per share compares to a loss of \$3.5 million, or (\$0.08) per share for the second quarter of 2000.

For the six-months ended June 30, 2001, GCI’s revenues and EBITDA total \$182.5 million and \$49.1 million, respectively. Revenues and EBITDA increased 16.7 percent and 39.3 percent respectively, when compared to the prior six-months, excluding \$19.5 million in revenue and \$7.3 million in EBITDA from the sale of fiber capacity which occurred in the first quarter of

2001. GCI recorded net income of \$2.6 million or \$0.04 per share on a diluted basis for the six-months ending June 30, 2001. The net income for the six-months results from the sale of fiber capacity that occurred in the first quarter. The 2001 year-to-date net income of \$0.04 per share compares to a net loss of \$9.0 million or \$(0.19) per share for the same six-month period ending June 30, 2000.

Highlights:

- Consolidated revenues increased 19.7 percent to \$85.5 million for the second quarter of 2001 as compared to \$71.4 million in 2000. Second quarter 2001 revenues increased 10.5 percent sequentially, after excluding \$19.5 million in revenue from the sale of fiber capacity in the first quarter of 2001.
- Consolidated EBITDA increased 37.3 percent to \$22.1 million in the second quarter 2001 as compared to \$16.1 million in 2000. The increase in EBITDA is attributable to revenue increases in all GCI product lines, mostly from increases in customers, minutes and continued penetration of new product offerings. Consolidated second quarter EBITDA of \$22.1 million increased \$2.4 million sequentially, an increase of 12.2 percent, from \$19.7 million for the first quarter of 2000, after excluding \$7.3 million in EBITDA from the sale of fiber capacity occurring in the first quarter of 2001.
- Broadband, private line and other data revenues increased 44.4 percent to \$13.0 million during the second quarter of 2001 as compared to \$9.0 million in the same period of 2000 and were up 9.2 percent sequentially from \$11.9 million in the first quarter of 2001.
- GCI had more than 69,000 local service access lines in service at the end of the second quarter 2001 representing an increase of almost 4,000 access lines over the first quarter of 2001, or an annualized sequential growth rate of 24.6 percent. GCI began offering local service in the Fairbanks market during the quarter. The company estimates it has approximately 15 percent local service market share in Alaska. 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 500 net new Internet customers during the quarter and provided Internet access service to more than 65,500 customers. Internet customer growth slowed due to seasonal effects that previously were offset by rapid industry-wide customer growth. GCI recently announced plans to offer high speed Internet service to all communities it serves by the year 2004.
- GCI now provides cable modem Internet access in the Anchorage, Fairbanks, Juneau and Valdez markets. The company had more than 19,600 cable modem customers at the end of the second quarter 2001, an increase of 8,600 customers when compared to the second 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. GCI recently announced plans to expand cable modem service to 12 additional cable television service areas by the end of 2002. When the expansion plans are completed almost all GCI cable television customers will be able to receive cable modem service.

- On June 15, 2001, GCI announced a definitive agreement to purchase the Rogers Cable, Inc. cable television system in Alaska. The system is located in the communities of Palmer and Wasilla, near Anchorage, and is one of the fastest growing areas of Alaska. The \$19.0 million cash transaction, adding more than 7,000 subscribers and passing more than 10,000 homes, requires regulatory approval and is expected to close near the end of 2001.
- On June 30, 2001, GCI completed its acquisition of a fiber optic system along the Trans-Alaska Pipeline System connecting Prudhoe Bay and Valdez, Alaska. The 800-mile system will be used, in part, to provide voice, video and data services to the Alyeska Pipeline Service Company under a long-term contract.
- GCI estimates that third quarter 2001 revenues will total approximately \$85 million to \$87 million and EBITDA is expected to exceed \$23.0 million.

Long Distance and Other Results

Long distance and related revenues for the second quarter of 2001 increased 19.4 percent to \$57.3 million as compared to \$48.0 million for the second quarter of 2000. For the quarter, long distance and other EBITDA totaled \$14.4 million as compared to \$11.3 million, an increase of 27.4 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 broadband, private line and data revenues.

Long distance revenues were up 12.8 percent sequentially to \$57.3 million from \$50.8 million in the first quarter of 2001, after excluding \$19.5 million in revenues from the sale of fiber capacity in the first quarter of 2001. Long distance EBITDA was up 19.0 percent sequentially to \$14.4 million from \$12.1 million in the first quarter of 2001, after excluding \$7.3 million in EBITDA from the sale of fiber capacity in the first quarter of 2001. The increase in revenues and EBITDA sequentially is primarily attributable to increasing core minutes, outsourcing business and broadband, private line and data revenues.

Total minutes-of-use were up slightly, as expected, in the second quarter of 2001 as compared to the second quarter of 2000 and were up 7.3 percent sequentially from the first quarter of 2001. The slight growth in minutes over the prior year 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. Comparable minutes over the prior year increased 15.5 percent, after excluding the wholesale minutes no longer carried on GCI's network. The strong minute growth is due primarily to increases in traffic carried for other common carriers.

Revenues from broadband, private line and other data services increased 44.4 percent to \$13.0 million during the second quarter of 2001 as compared to \$9.0 million in the same period of 2000 and were up 9.2 percent sequentially from \$11.9 million in the first quarter of 2001. 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.

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 during the quarter.

Cable Television Results

Cable television revenues for the second quarter increased 13.2 percent to \$18.9 million from \$16.7 million in the second quarter of 2000, and were up 5.0 percent from the first quarter of 2001. EBITDA increased 15.5 percent to \$8.2 million from \$7.1 million in the second quarter of 2000, and were up 2.5 percent from the first quarter of 2001. The increase in revenues and EBITDA year-over-year and sequentially is due, in part, to the increase in basic subscribers, including a seasonal increase in hotel and other bulk customers, a full quarter of revenues from the acquired GC Cablevision, Inc. properties and more customer purchases of new higher margin products such as digital television and cable modem services. Cable television EBITDA, year-over-year and sequentially, also benefited from sales and marketing efforts that efficiently added more subscribers while controlling customer acquisition costs.

Gross margins as a percentage of revenues are down 60 basis points year-over-year and are up 50 basis points 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 June 30, 2001, the company's cable and entertainment operations passed 179,689 homes and served 123,018 basic subscribers (101,506 equivalent basic subscribers). Average revenue per equivalent basic subscriber increased 11.1 percent to \$61.75 for the second quarter of 2001 as compared to \$55.60 for the second quarter of 2000, and was up 4.0 percent from \$59.39 from the first quarter of 2001. The company added 1,986 basic subscribers to its system during the second 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 18,000 digital subscribers at the end of the second quarter, an increase of more than 1,000 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 during the fourth quarter of 2001.

Local Telephone Results

Local telephone service revenues for the second quarter increased 29.2 percent to \$6.2 million as compared to \$4.8 million in the second quarter of 2000, and were up 3.3 percent sequentially from \$6.0 million in the first quarter of 2001. Local services generated a \$0.4 million EBITDA loss for the second quarter, an improvement of \$1.1 million over the second quarter of 2000. The second quarter EBITDA loss of \$0.4 million compares to a EBITDA loss of \$0.1 million in the first quarter of 2001. The sequential increase in EBITDA loss reflects the company's investment to enter the Fairbanks market in the second quarter of 2001, preparation to enter the Juneau market in the first quarter of 2002 and conversion to a new billing platform during the second quarter. 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 local telephone

segment would have reported positive EBITDA. When computed in this manner, GCI's local telephone business has been generating positive cash flow for several quarters.

GCI provided local service for almost 69,000 access lines at the end of the second quarter of 2001, an increase of almost 4,000 access lines or 6.2 percent from the 65,000 access lines in service at the end of the first quarter of 2001. The company estimates it has an approximate 15 percent local service market share in Alaska. GCI has provided competitive local service in the Anchorage market for four years and has attained an estimated 35 percent market share.

Internet Access Results

Internet access revenues for the second quarter of 2001 totaled \$3.1 million, an increase of 55.0 percent year-over-year and 19.2 percent sequentially when compared to second quarter 2000 revenues of \$2.0 million and first quarter 2001 revenues of \$2.6 million. The increase in Internet access revenues is attributed to the increase in new customers and an increase in bandwidth sales to existing customers.

At the end of the second quarter, GCI's statewide Internet platform provided Internet access services to more than 65,500 customers, an increase of 6,500 customers over the prior year and 500 customers over the first quarter of 2001. Internet customer growth slowed sequentially during the second quarter due to seasonal effects that were previously offset by rapid customer growth.

The EBITDA loss of \$0.1 million for the second quarter is an improvement of \$0.7 million over the loss of \$0.8 million in the second quarter of 2000 and an improvement of \$0.3 million over the loss of \$0.4 million in the first quarter of 2001. Internet access results continue to improve, benefiting from 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 19,600 cable modem customers at the end of the second quarter 2001, an increase of 8,600 customers when compared to the second quarter of 2000. GCI's cable modem penetration rate is one of the highest in the nation. GCI recently announced plans to expand cable modem service to 12 additional cable television service areas by the end of 2002 and high speed Internet service to all communities it serves by 2004.

GCI is an 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) June 30, 2001	December 31, 2000
	(Amounts in thousands)	
Current assets:		
Cash and cash equivalents	\$ 4,583	5,962
Receivables:		
Trade	57,063	49,872
Employee and other	693	378
	57,756	50,250
Less allowance for doubtful receivables	4,715	2,864
Net receivables	53,041	47,386
Prepaid and other current assets	2,479	2,505
Deferred income taxes, net	4,664	3,221
Inventories	4,736	5,717
Property held for sale	-	10,877
Notes receivable with related parties	264	241
Total current assets	69,767	75,909
Property and equipment in service, net of depreciation	375,434	347,802
Construction in progress	7,349	8,097
Net property and equipment	382,783	355,899
Cable franchise agreements, net of amortization of \$24,095,000 and \$21,509,000 at June 30, 2001 and December 31, 2000, respectively	182,799	184,983
Goodwill, net of amortization of \$6,583,000 and \$5,952,000 at June 30, 2001 and December 31, 2000, respectively	39,196	40,002
Other intangible assets, net of amortization of \$951,000 and \$729,000 at June 30, 2001 and December 31, 2000, respectively	4,126	3,936
Property held for sale	1,555	1,550
Deferred loan and senior notes costs, net of amortization of \$4,857,000 and \$4,166,000 at June 30, 2001 and December 31, 2000, respectively	7,792	8,402
Notes receivable with related parties	2,722	3,235
Other assets, at cost, net of amortization of \$66,000 and \$63,000 at June 30, 2001 and December 31, 2000, respectively	3,056	5,091
Total other assets	241,246	247,199
Total assets	\$ 693,796	679,007

(Continued)

GENERAL COMMUNICATION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Continued)

Liabilities and Stockholders' Equity	(Unaudited) June 30, 2001	December 31, 2000
	(Amounts in thousands)	
Current liabilities:		
Current maturities of obligations under capital leases	\$ 1,570	1,600
Accounts payable	31,820	29,094
Accrued payroll and payroll related obligations	11,309	10,385
Deferred revenue	10,509	9,477
Accrued interest	9,681	9,256
Accrued liabilities	5,459	4,134
Subscriber deposits and other current liabilities	1,247	1,362
Total current liabilities	<u>71,595</u>	<u>65,308</u>
Long-term debt, excluding current maturities	322,700	334,400
Obligations under capital leases, excluding current maturities	46,105	46,882
Obligations under capital leases due to related party, excluding current maturities	179	214
Deferred income taxes, net of deferred income tax benefit	24,453	22,057
Other liabilities	4,455	4,077
Total liabilities	<u>469,487</u>	<u>472,938</u>
Redeemable preferred stocks	<u>32,572</u>	<u>22,589</u>
Stockholders' equity		
Common stock (no par):		
Class A. Authorized 100,000,000 shares; issued and outstanding and issuable 49,359,989 and 48,642,870 shares at June 30, 2001 and December 31, 2000, respectively	187,180	182,706
Class B. Authorized 10,000,000 shares; issued and outstanding 3,895,183 and 3,904,038 shares at June 30, 2001 and December 31, 2000, respectively; convertible on a share-per-share basis into Class A common stock	3,292	3,299
Less cost of 357,958 Class A common shares held in treasury at June 30, 2001 and December 31, 2000	(1,659)	(1,659)
Paid-in capital	8,826	7,368
Notes receivable with related parties issued upon stock option exercise	(2,288)	(2,976)
Retained deficit	(3,614)	(5,258)
Total stockholders' equity	<u>191,737</u>	<u>183,480</u>
Commitments and contingencies		
Total liabilities and stockholders' equity	<u>\$ 693,796</u>	<u>679,007</u>

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
	(Amounts in thousands, except per share amounts)			
Revenues	\$ 85,535	71,426	182,452	139,703
Cost of sales and services	33,831	29,637	75,917	59,295
Selling, general and administrative expenses	29,593	25,733	57,443	50,387
Depreciation and amortization expense	13,700	12,506	27,639	25,594
Operating income	<u>8,411</u>	<u>3,550</u>	<u>21,453</u>	<u>4,427</u>
Interest expense	8,074	9,398	16,957	19,412
Interest income	99	183	262	358
Interest expense, net	<u>7,975</u>	<u>9,215</u>	<u>16,695</u>	<u>19,054</u>
Net income (loss) before income taxes	436	(5,665)	4,758	(14,627)
Income tax (expense) benefit	<u>(270)</u>	<u>2,139</u>	<u>(2,169)</u>	<u>5,603</u>
Net income (loss)	<u>\$ 166</u>	<u>(3,526)</u>	<u>2,589</u>	<u>(9,024)</u>
Basic income (loss) per common share	<u>\$ (0.01)</u>	<u>(0.08)</u>	<u>0.03</u>	<u>(0.19)</u>
Diluted income (loss) per common share	<u>\$ -</u>	<u>(0.08)</u>	<u>0.04</u>	<u>(0.19)</u>

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

	Six Months Ended June 30, 2001					Six Months Ended June 30, 2000				
	Long Distance	Cable	Local Services	Internet	Combined	Long Distance	Cable	Local Services	Internet	Combined
Revenues:										
Telecommunications	\$ 127,639	-	12,141	5,753	145,533	\$ 94,073	-	9,309	3,731	107,113
Cable	-	36,919	-	-	36,919	-	32,590	-	-	32,590
Total revenues	<u>127,639</u>	<u>36,919</u>	<u>12,141</u>	<u>5,753</u>	<u>182,452</u>	<u>94,073</u>	<u>32,590</u>	<u>9,309</u>	<u>3,731</u>	<u>139,703</u>
Cost of sales and services:										
Distribution	56,865	-	6,636	2,421	65,922	43,149	-	5,384	2,106	50,639
Programming and copyright	-	9,995	-	-	9,995	-	8,656	-	-	8,656
Total cost of sales and services	<u>56,865</u>	<u>9,995</u>	<u>6,636</u>	<u>2,421</u>	<u>75,917</u>	<u>43,149</u>	<u>8,656</u>	<u>5,384</u>	<u>2,106</u>	<u>59,295</u>
Contribution	<u>70,774</u>	<u>26,924</u>	<u>5,505</u>	<u>3,332</u>	<u>106,535</u>	<u>50,924</u>	<u>23,934</u>	<u>3,925</u>	<u>1,625</u>	<u>80,408</u>
Selling, general and administrative expenses:										
Telephony operating and engineering	12,934	-	428	-	13,362	11,013	-	429	-	11,442
Cable, including management fees of \$0 and \$203 for the six month periods ended June 30, 2001 and 2000, respectively	-	8,690	-	-	8,690	-	8,981	-	-	8,981
Sales and communications	1,096	1,529	1,074	897	4,596	1,397	1,166	838	703	4,104
General and administrative	20,560	-	4,466	2,944	27,970	16,106	-	5,355	2,820	24,281
Bad debts	2,355	470	-	-	2,825	1,388	191	-	-	1,579
Total selling, general and administrative expenses	<u>36,945</u>	<u>10,689</u>	<u>5,968</u>	<u>3,841</u>	<u>57,443</u>	<u>29,904</u>	<u>10,338</u>	<u>6,622</u>	<u>3,523</u>	<u>50,387</u>
EBITDA	33,829	16,235	(463)	(509)	49,092	21,020	13,596	(2,697)	(1,898)	30,021
Depreciation and amortization	14,919	10,025	1,622	1,073	27,639	12,915	9,271	2,566	842	25,594
Operating income (loss)	<u>\$ 18,910</u>	<u>6,210</u>	<u>(2,085)</u>	<u>(1,582)</u>	<u>21,453</u>	<u>\$ 8,105</u>	<u>4,325</u>	<u>(5,263)</u>	<u>(2,740)</u>	<u>4,427</u>

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

	Three Months Ended June 30, 2001					Three Months Ended March 31, 2001				
	Long Distance	Cable	Local Services	Internet	Combined	Long Distance	Cable	Local Services	Internet	Combined
Revenues:										
Telecommunications	\$ 57,345	-	6,183	3,134	66,662	\$ 70,294	-	5,958	2,619	78,871
Cable	-	18,873	-	-	18,873	-	18,046	-	-	18,046
Total revenues	<u>57,345</u>	<u>18,873</u>	<u>6,183</u>	<u>3,134</u>	<u>85,535</u>	<u>70,294</u>	<u>18,046</u>	<u>5,958</u>	<u>2,619</u>	<u>96,917</u>
Cost of sales and services:										
Distribution	24,015	-	3,498	1,258	28,771	32,850	-	3,138	1,163	37,151
Programming and copyright	-	5,060	-	-	5,060	-	4,935	-	-	4,935
Total cost of sales and services	<u>24,015</u>	<u>5,060</u>	<u>3,498</u>	<u>1,258</u>	<u>33,831</u>	<u>32,850</u>	<u>4,935</u>	<u>3,138</u>	<u>1,163</u>	<u>42,086</u>
Contribution	<u>33,330</u>	<u>13,813</u>	<u>2,685</u>	<u>1,876</u>	<u>51,704</u>	<u>37,444</u>	<u>13,111</u>	<u>2,820</u>	<u>1,456</u>	<u>54,831</u>
Selling, general and administrative expenses:										
Telephony operating and engineering	6,737	-	305	-	7,042	6,197	-	123	-	6,320
Cable, including management fees of \$0 for the three month periods ended June 30, 2001 and March 31, 2001	-	4,588	-	-	4,588	-	4,102	-	-	4,102
Sales and communications	682	744	561	413	2,400	414	785	513	484	2,196
General and administrative	9,859	-	2,189	1,551	13,599	10,701	-	2,277	1,393	14,371
Bad debts	1,670	294	-	-	1,964	685	176	-	-	861
Total selling, general and administrative expenses	<u>18,948</u>	<u>5,626</u>	<u>3,055</u>	<u>1,964</u>	<u>29,593</u>	<u>17,997</u>	<u>5,063</u>	<u>2,913</u>	<u>1,877</u>	<u>27,850</u>
EBITDA	14,382	8,187	(370)	(88)	22,111	19,447	8,048	(93)	(421)	26,981
Depreciation and amortization	7,316	5,015	815	554	13,700	7,603	5,010	807	519	13,939
Operating income (loss)	<u>\$ 7,066</u>	<u>3,172</u>	<u>(1,185)</u>	<u>(642)</u>	<u>8,411</u>	<u>\$ 11,844</u>	<u>3,038</u>	<u>(900)</u>	<u>(940)</u>	<u>13,042</u>

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

	Three Months Ended June 30, 2001					Three Months Ended June 30, 2000				
	Long Distance	Cable	Local Services	Internet	Combined	Long Distance	Cable	Local Services	Internet	Combined
Revenues:										
Telecommunications	\$ 57,345	-	6,183	3,134	66,662	\$ 47,959	-	4,789	2,018	54,766
Cable	-	18,873	-	-	18,873	-	16,660	-	-	16,660
Total revenues	<u>57,345</u>	<u>18,873</u>	<u>6,183</u>	<u>3,134</u>	<u>85,535</u>	<u>47,959</u>	<u>16,660</u>	<u>4,789</u>	<u>2,018</u>	<u>71,426</u>
Cost of sales and services:										
Distribution	24,015	-	3,498	1,258	28,771	21,270	-	2,966	1,033	25,269
Programming and copyright	-	5,060	-	-	5,060	-	4,368	-	-	4,368
Total cost of sales and services	<u>24,015</u>	<u>5,060</u>	<u>3,498</u>	<u>1,258</u>	<u>33,831</u>	<u>21,270</u>	<u>4,368</u>	<u>2,966</u>	<u>1,033</u>	<u>29,637</u>
Contribution	<u>33,330</u>	<u>13,813</u>	<u>2,685</u>	<u>1,876</u>	<u>51,704</u>	<u>26,689</u>	<u>12,292</u>	<u>1,823</u>	<u>985</u>	<u>41,789</u>
Selling, general and administrative expenses:										
Telephony operating and engineering	6,737	-	305	-	7,042	5,735	-	225	-	5,960
Cable, including management fees of \$0 and \$103 for the three month periods ended June 30, 2001 and 2000, respectively	-	4,588	-	-	4,588	-	4,569	-	-	4,569
Sales and communications	682	744	561	413	2,400	20	547	469	352	1,388
General and administrative	9,859	-	2,189	1,551	13,599	9,075	-	2,662	1,398	13,135
Bad debts	1,670	294	-	-	1,964	565	116	-	-	681
Total selling, general and administrative expenses	<u>18,948</u>	<u>5,626</u>	<u>3,055</u>	<u>1,964</u>	<u>29,593</u>	<u>15,395</u>	<u>5,232</u>	<u>3,356</u>	<u>1,750</u>	<u>25,733</u>
EBITDA	14,382	8,187	(370)	(88)	22,111	11,294	7,060	(1,533)	(765)	16,056
Depreciation and amortization	7,316	5,015	815	554	13,700	6,610	4,636	820	440	12,506
Operating income (loss)	<u>\$ 7,066</u>	<u>3,172</u>	<u>(1,185)</u>	<u>(642)</u>	<u>8,411</u>	<u>\$ 4,684</u>	<u>2,424</u>	<u>(2,353)</u>	<u>(1,205)</u>	<u>3,550</u>