

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

(Amounts in thousands)	ASSETS	December 31,	
		2015	2014
Current assets:			
Cash and cash equivalents		\$ 26,528	15,402
Receivables (including \$0 and \$27,944 from a related party at December 31, 2015 and 2014, respectively)		208,384	212,441
Less allowance for doubtful receivables		3,630	4,542
Net receivables		<u>204,754</u>	<u>207,899</u>
Prepaid expenses		12,862	12,179
Inventories		11,322	17,032
Other current assets		3,129	153
Total current assets		<u>258,595</u>	<u>252,665</u>
Property and equipment		2,384,530	2,341,511
Less accumulated depreciation		1,290,149	1,229,029
Net property and equipment		<u>1,094,381</u>	<u>1,112,482</u>
Goodwill		239,263	229,560
Cable certificates		191,635	191,635
Wireless licenses		86,347	86,347
Other intangible assets, net of amortization		69,290	66,015
Deferred loan and senior notes costs, net of amortization of \$7,227 and \$8,644 at December 31, 2015 and 2014, respectively		16,335	10,949
Other assets		26,462	52,725
Total other assets		<u>629,332</u>	<u>637,231</u>
Total assets		<u>\$ 1,982,308</u>	<u>2,002,378</u>

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

(Amounts in thousands)	December 31,	
LIABILITIES AND STOCKHOLDERS' EQUITY	2015	2014
Current liabilities:		
Current maturities of obligations under long-term debt and capital leases	\$ 12,050	8,722
Accounts payable (including \$0 and \$7,447 to a related party at December 31, 2015 and 2014, respectively)	63,014	76,918
Deferred revenue	34,128	29,314
Accrued payroll and payroll related obligations	31,337	32,803
Accrued liabilities	22,822	14,457
Accrued interest (including \$5,132 and \$0 to a related party at December 31, 2015 and 2014, respectively)	13,655	6,654
Subscriber deposits	1,242	1,212
Total current liabilities	178,248	170,080
Long-term debt, net (including \$54,810 and \$0 due to a related party at December 31, 2015 and 2014, respectively)		
	1,344,764	1,036,056
Obligations under capital leases, excluding current maturities (including \$1,824 and \$1,857 due to a related party at December 31, 2015 and 2014, respectively)		
	59,651	68,356
Deferred income taxes		
	106,145	131,752
Long-term deferred revenue		
	93,427	85,734
Other liabilities (including \$32,820 and \$0 for derivative stock appreciation rights with a related party at December 31, 2015 and 2014, respectively)		
	80,812	43,178
Total liabilities	1,863,047	1,535,156
Commitments and contingencies		
Stockholders' equity:		
Common stock (no par):		
Class A. Authorized 100,000 shares; issued 35,593 and 37,998 shares at December 31, 2015 and 2014, respectively; outstanding 35,567 and 37,972 shares at December 31, 2015 and 2014, respectively	—	13,617
Class B. Authorized 10,000 shares; issued and outstanding 3,154 and 3,159 shares at December 31, 2015 and 2014, respectively; convertible on a share-per-share basis into Class A common stock	2,664	2,668
Less cost of 26 Class A common shares held in treasury at December 31, 2015 and 2014	(249)	(249)
Paid-in capital	6,631	26,773
Retained earnings	79,217	124,547
Total General Communication, Inc. stockholders' equity	88,263	167,356
Non-controlling interests		
	30,998	299,866
Total stockholders' equity	119,261	467,222
Total liabilities and stockholders' equity	\$ 1,982,308	2,002,378

GENERAL COMMUNICATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2015, 2014, AND 2013
(Unaudited)

(Amounts in thousands, except per share amounts)	2015	2014	2013
Revenues:			
Non-related party	\$ 973,251	850,656	782,971
Related party	5,283	59,542	28,677
Total revenues	978,534	910,198	811,648
Cost of goods sold (exclusive of depreciation and amortization shown separately below):			
Non-related party	321,457	291,770	275,701
Related party	881	10,934	4,761
Total cost of goods sold	322,338	302,704	280,462
Selling, general and administrative expenses			
Non-related party	337,839	289,674	268,026
Related party	540	3,973	3,039
Total selling, general and administrative expenses	338,379	293,647	271,065
Depreciation and amortization expense	181,767	170,285	147,259
Software impairment charge	29,839	—	—
Operating income	106,211	143,562	112,862
Other income (expense):			
Interest expense (including amortization of deferred loan fees)	(78,786)	(72,496)	(69,725)
Related party interest expense	(6,602)	—	—
Loss on extinguishment of debt	(27,700)	—	(103)
Impairment of equity method investment	(12,593)	—	—
Unrealized loss on derivative instrument with related party	(11,160)	—	—
Other	2,917	(1,793)	(350)
Other expense, net	(133,924)	(74,289)	(70,178)
Income (loss) before income taxes	(27,713)	69,273	42,684
Income tax (expense) benefit	1,847	(10,029)	(10,957)
Net income (loss)	(25,866)	59,244	31,727
Net income attributable to non-controlling interests	159	51,687	22,321
Net income (loss) attributable to General Communication, Inc.	\$ (26,025)	7,557	9,406
Basic net income (loss) attributable to General Communication, Inc. common stockholders per Class A common share	\$ (0.69)	0.18	0.23
Basic net income (loss) attributable to General Communication, Inc. common stockholders per Class B common share	\$ (0.69)	0.18	0.23
Diluted net income (loss) attributable to General Communication, Inc. common stockholders per Class A common share	\$ (0.69)	0.18	0.23
Diluted net income (loss) attributable to General Communication, Inc. common stockholders per Class B common share	\$ (0.69)	0.18	0.23
Common shares used to calculate Class A basic EPS	34,764	36,112	36,194
Common shares used to calculate Class A diluted EPS	37,921	39,386	39,502

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

(Amounts in thousands)

	Fourth Quarter 2015			Fourth Quarter 2014		
	<u>Wireless Segment</u>	<u>Wireline Segment</u>	<u>Total</u>	<u>Wireless Segment</u>	<u>Wireline Segment</u>	<u>Total</u>
Revenues						
Wireless	\$ 60,108	21,253	81,361	61,665	9,539	71,204
Data	—	104,099	104,099	—	94,959	94,959
Video	—	33,753	33,753	—	39,227	39,227
Voice	—	22,131	22,131	—	23,401	23,401
Total	60,108	181,236	241,344	61,665	167,126	228,791
Cost of goods sold	17,002	68,595	85,597	24,686	56,961	81,647
Contribution	43,106	112,641	155,747	36,979	110,165	147,144
Less SG&A	(4,488)	(84,261)	(88,749)	(4,443)	(74,712)	(79,155)
Plus share-based compensation expense	—	2,828	2,828	—	2,268	2,268
Plus accretion expense	63	66	129	148	140	288
Other	—	566	566	—	109	109
Adjusted EBITDA	\$ 38,681	31,840	70,521	32,684	37,970	70,654

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

(Amounts in thousands)

	Fourth Quarter 2015			Third Quarter 2015		
	Wireless Segment	Wireline Segment	Total	Wireless Segment	Wireline Segment	Total
Revenues						
Wireless	\$ 60,108	21,253	81,361	80,424	21,487	101,911
Data	—	104,099	104,099	—	100,245	100,245
Video	—	33,753	33,753	—	32,959	32,959
Voice	—	22,131	22,131	—	23,458	23,458
Total	60,108	181,236	241,344	80,424	178,149	258,573
Cost of goods sold	17,002	68,595	85,597	18,031	64,686	82,717
Contribution	43,106	112,641	155,747	62,393	113,463	175,856
Less SG&A	(4,488)	(84,261)	(88,749)	(5,115)	(77,540)	(82,655)
Plus share-based compensation expense	—	2,828	2,828	—	2,660	2,660
Plus accretion expense	63	66	129	126	65	191
Other	—	566	566	—	474	474
Adjusted EBITDA	\$ 38,681	31,840	70,521	57,404	39,122	96,526

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

(Amounts in thousands)

	Twelve Months Ended December 31, 2015			Twelve Months Ended December 31, 2014		
	Wireless Segment	Wireline Segment	Total	Wireless Segment	Wireline Segment	Total
Revenues						
Wireless	\$ 267,676	83,896	351,572	269,977	33,747	303,724
Data	—	399,685	399,685	—	363,255	363,255
Video	—	133,893	133,893	—	144,434	144,434
Voice	—	93,384	93,384	—	98,785	98,785
Total	267,676	710,858	978,534	269,977	640,221	910,198
Cost of goods sold	70,899	251,439	322,338	90,920	211,784	302,704
Contribution	196,777	459,419	656,196	179,057	428,437	607,494
Less SG&A	(18,137)	(320,242)	(338,379)	(21,631)	(272,016)	(293,647)
Plus share-based compensation expense	—	10,902	10,902	—	8,392	8,392
Plus accretion expense	559	562	1,121	733	516	1,249
Other	—	511	511	—	(372)	(372)
Adjusted EBITDA	\$ 179,199	151,152	330,351	158,159	164,957	323,116

General Communication, Inc.
Non-GAAP Financial Reconciliation Schedule

(Unaudited, Amounts in Thousands)

	Three Months Ended			Twelve Months Ended	
	December 31, 2015	December 31, 2014	September 30, 2015	December 31, 2015	December 31, 2014
Net income (loss)	\$ (8,879)	5,796	17,495	(25,866)	59,244
Income tax expense (benefit)	3,110	1,400	8,122	(1,847)	10,029
Income (loss) before income taxes	(5,769)	7,196	25,617	(27,713)	69,273
Other (income) expense:					
Interest expense (including amortization of deferred loan fees)	19,073	18,267	19,260	78,786	72,496
Related party interest expense	1,842	—	1,828	6,602	—
Loss on extinguishment of debt	—	—	—	27,700	—
Impairment of equity method investment	—	—	—	12,593	—
Derivative instrument unrealized (income) loss	6,120	—	(30)	11,160	—
Other	(472)	84	(1,202)	(2,917)	1,793
Other expense, net	26,563	18,351	19,856	133,924	74,289
Operating income	20,794	25,547	45,473	106,211	143,562
Plus depreciation and amortization expense	46,204	42,442	45,157	181,767	170,285
Plus software impairment charge	—	—	2,571	29,839	—
Plus share-based compensation expense	2,828	2,268	2,660	10,902	8,392
Plus accretion expense	129	288	191	1,121	1,249
Other	566	109	474	511	(372)
Adjusted EBITDA (Note 1)	\$ 70,521	70,654	96,526	330,351	323,116

Note:

(1) Earnings plus imputed interest on financed devices before:

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

Adjusted EBITDA is not presented as an alternative measure of net income, operating income or cash flow from operations, as determined in accordance with accounting principles generally accepted in the United States of America. GCI's management uses Adjusted EBITDA to evaluate the operating performance of its business, and as a measure of performance for incentive compensation purposes. GCI believes Adjusted EBITDA is useful to investors and other users of our financial

information in understanding and evaluating operating performance as an analytical indicator of income generated to service debt and fund capital expenditures. In addition, multiples of current or projected Adjusted EBITDA are used to estimate current or prospective enterprise value. Adjusted EBITDA does not give effect to cash used for debt service requirements, and thus does not reflect funds available for investment or other discretionary uses. Adjusted EBITDA as presented herein may not be comparable to similarly titled measures reported by other companies.

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

(Amounts in thousands)

	Fourth Quarter 2015				Fourth Quarter 2014			
		Business	Managed			Business	Managed	
	<u>Consumer</u>	<u>Services</u>	<u>Broadband</u>	<u>Total</u>	<u>Consumer</u>	<u>Services</u>	<u>Broadband</u>	<u>Total</u>
Revenues								
Wireless	\$ 19,233	2,020	—	21,253	9,158	381	—	9,539
Data	34,442	35,012	34,645	104,099	30,294	37,694	26,971	94,959
Video	28,445	5,308	—	33,753	29,159	10,068	—	39,227
Voice	7,160	9,524	5,447	22,131	7,839	10,253	5,309	23,401
Total	\$ 89,280	51,864	40,092	181,236	76,450	58,396	32,280	167,126

(Amounts in thousands)

	Fourth Quarter 2015				Third Quarter 2015			
		Business	Managed			Business	Managed	
	<u>Consumer</u>	<u>Services</u>	<u>Broadband</u>	<u>Total</u>	<u>Consumer</u>	<u>Services</u>	<u>Broadband</u>	<u>Total</u>
Revenues								
Wireless	\$ 19,233	2,020	—	21,253	19,451	2,036	—	21,487
Data	34,442	35,012	34,645	104,099	32,465	35,238	32,542	100,245
Video	28,445	5,308	—	33,753	28,483	4,476	—	32,959
Voice	7,160	9,524	5,447	22,131	7,420	10,316	5,722	23,458
Total	\$ 89,280	51,864	40,092	181,236	87,819	52,066	38,264	178,149

(Amounts in thousands)

	Twelve Months Ended December 31, 2015				Twelve Months Ended December 31, 2014			
		Business	Managed			Business	Managed	
	<u>Consumer</u>	<u>Services</u>	<u>Broadband</u>	<u>Total</u>	<u>Consumer</u>	<u>Services</u>	<u>Broadband</u>	<u>Total</u>
Revenues								
Wireless	\$ 75,799	8,097	—	83,896	30,998	2,749	—	33,747
Data	130,213	142,033	127,439	399,685	113,306	144,945	105,004	363,255
Video	115,074	18,819	—	133,893	111,175	33,259	—	144,434
Voice	30,110	41,026	22,248	93,384	32,535	45,010	21,240	98,785
Total	\$ 351,196	209,975	149,687	710,858	288,014	225,963	126,244	640,221

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

				December 31, 2015 as compared to		December 31, 2015 as compared to	
	December 31, 2015	December 31, 2014	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014	September 30, 2015
<i>Wireline Segment</i>							
<i>Consumer</i>							
Data							
Cable modem subscribers	127,300	119,100	124,300	8,200	3,000	6.9 %	2.4 %
Video							
Basic subscribers	114,000	116,400	113,600	(2,400)	400	(2.1)%	0.4 %
Digital programming tier subscribers	59,500	63,800	59,500	(4,300)	—	(6.7)%	— %
HD/DVR converter boxes	114,000	108,400	110,700	5,600	3,300	5.2 %	3.0 %
Homes passed	251,900	248,200	251,200	3,700	700	1.5 %	0.3 %
Voice							
Local access lines in service	50,400	54,600	51,000	(4,200)	(600)	(7.7)%	(1.2)%
<i>Business Services</i>							
Data							
Cable modem subscribers	12,700	14,100	14,200	(1,400)	(1,500)	(9.9)%	(10.6)%
Voice							
Local access lines in service	46,600	47,400	47,100	(800)	(500)	(1.7)%	(1.1)%
<i>Consumer and Business Services Combined</i>							
Wireless							
Consumer Lifeline lines in service	28,100	25,000	28,100	3,100	—	12.4 %	— %
Consumer prepaid lines in service	23,800	10,600	27,100	13,200	(3,300)	124.5 %	(12.2)%
Consumer postpaid lines in service	146,300	95,800	146,700	50,500	(400)	52.7 %	(0.3)%
Business Services postpaid lines in service	29,600	18,200	30,000	11,400	(400)	62.6 %	(1.3)%
Total wireless lines in service	227,800	149,600	231,900	78,200	(4,100)	52.3 %	-1.8 %

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

	Three Months Ended			December 31, 2015 as compared to		December 31, 2015 as compared to	
	December 31, 2015	December 31, 2014	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014	September 30, 2015

Wireline segment

Consumer

Video

Average monthly revenue per subscriber	\$	83.10	\$	83.57	\$	80.85	\$	(0.47)	\$	2.25	(0.6)%	2.8 %
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Combined Consumer and Business Services

Data

Average monthly revenue per cable modem subscriber	\$	87.31	\$	83.01	\$	84.87	\$	4.30	\$	2.44	5.2 %	2.9 %
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Wireless

Average monthly revenue per subscriber	\$	43.37	\$	50.16	\$	44.24	\$	(6.79)	\$	(0.87)	(13.5)%	(2.0)%
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