

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

(Amounts in thousands)

ASSETS	March 31, 2016	December 31, 2015
Current assets:		
Cash and cash equivalents	\$ 13,458	26,528
Receivables	223,898	208,384
Less allowance for doubtful receivables	2,629	3,630
Net receivables	221,269	204,754
Prepaid expenses	16,649	12,862
Inventories	10,435	11,322
Other current assets	213	3,129
Total current assets	262,024	258,595
Property and equipment	2,408,282	2,384,530
Less accumulated depreciation	1,327,534	1,290,149
Net property and equipment	1,080,748	1,094,381
Goodwill	239,263	239,263
Cable certificates	191,635	191,635
Wireless licenses	86,347	86,347
Other intangible assets, net of amortization	70,256	69,290
Other assets	30,645	27,429
Total other assets	618,146	613,964
Total assets	\$ 1,960,918	1,966,940

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

(Amounts in thousands)

LIABILITIES AND STOCKHOLDERS' EQUITY	March 31, 2016	December 31, 2015
Current liabilities:		
Current maturities of obligations under long-term debt and capital leases	\$ 12,199	12,050
Accounts payable	45,694	63,014
Deferred revenue	35,289	34,128
Accrued payroll and payroll related obligations	28,240	31,337
Accrued interest (including \$905 and \$5,132 to a related party at March 31, 2016 and December 31, 2015, respectively)	22,686	13,655
Accrued liabilities	23,312	22,822
Subscriber deposits	1,193	1,242
Total current liabilities	168,613	178,248
Long-term debt, net (including \$55,242 and \$54,810 to a related party at March 31, 2016 and December 31, 2015, respectively)	1,334,652	1,329,396
Obligations under capital leases, excluding current maturities (including \$1,809 and \$1,824 due to a related party at March 31, 2016 and December 31, 2015, respectively)	57,375	59,651
Deferred income taxes	109,214	106,145
Long-term deferred revenue	101,355	93,427
Other liabilities (including \$28,290 and \$32,830 for derivative stock appreciation rights with a related party at March 31, 2016 and December 31, 2015, respectively)	78,587	80,812
Total liabilities	1,849,796	1,847,679
Commitments and contingencies		
Stockholders' equity:		
Common stock (no par):		
Class A. Authorized 100,000 shares; issued 35,459 and 35,593 shares at March 31, 2016 and December 31, 2015, respectively; outstanding 35,433 and 35,567 shares at March 31, 2016 and December 31, 2015, respectively	—	—
Class B. Authorized 10,000 shares; issued and outstanding 3,154 at March 31, 2016 and December 31, 2015; convertible on a share-per-share basis into Class A common stock	2,664	2,664
Less cost of 26 Class A common shares held in treasury at March 31, 2016 and December 31, 2015	(249)	(249)
Paid-in capital	7,504	6,631
Retained earnings	70,322	79,217
Total General Communication, Inc. stockholders' equity	80,241	88,263
Non-controlling interests	30,881	30,998
Total stockholders' equity	111,122	119,261
Total liabilities and stockholders' equity	\$ 1,960,918	1,966,940

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

(Amounts in thousands, except per share amounts)	Three Months Ended	
	March 31,	
	2016	2015
Revenues:		
Non-related party	231,098	225,806
Related party	—	5,283
Total revenues	231,098	231,089
Cost of goods sold (exclusive of depreciation and amortization shown separately below):		
Non-related party	76,291	73,887
Related party	—	881
Total cost of goods sold	76,291	74,768
Selling, general and administrative expenses:		
Non-related party	87,646	83,388
Related party	—	540
Total selling, general and administrative expenses	87,646	83,928
Depreciation and amortization expense	47,142	45,235
Software impairment charge	—	26,417
Operating income	20,019	741
Other income (expense):		
Interest expense (including amortization of deferred loan fees)	(19,171)	(19,848)
Related party interest expense	(1,831)	(1,137)
Derivative instrument unrealized income (loss) with related party	4,530	(2,120)
Other	502	(3,147)
Other expense, net	(15,970)	(26,252)
Income (loss) before income taxes	4,049	(25,511)
Income tax (expense) benefit	(3,067)	6,786
Net income (loss)	982	(18,725)
Net income (loss) attributable to non-controlling interests	(117)	544
Net income (loss) attributable to General Communication, Inc.	1,099	(19,269)
Basic net income (loss) attributable to General Communication, Inc. common stockholders per Class A common share	0.03	(0.49)
Basic net income (loss) attributable to General Communication, Inc. common stockholders per Class B common share	0.03	(0.49)
Diluted net loss attributable to General Communication, Inc. common stockholders per Class A common share	(0.04)	(0.49)
Diluted net loss attributable to General Communication, Inc. common stockholders per Class B common share	(0.04)	(0.49)
Common shares used to calculate Class A basic EPS	33,696	36,217
Common shares used to calculate Class A diluted EPS	37,746	39,376

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

(Amounts in thousands)

	First Quarter 2016			First Quarter 2015		
	Wireless Segment	Wireline Segment	Total	Wireless Segment	Wireline Segment	Total
Revenues						
Wireless	\$ 51,462	16,798	68,260	59,204	18,204	77,408
Data	—	106,971	106,971	—	96,446	96,446
Video	—	33,409	33,409	—	33,639	33,639
Voice	—	22,458	22,458	—	23,596	23,596
Total	51,462	179,636	231,098	59,204	171,885	231,089
Cost of goods sold	15,032	61,259	76,291	17,531	57,237	74,768
Contribution	36,430	118,377	154,807	41,673	114,648	156,321
Less SG&A	(4,011)	(83,635)	(87,646)	(4,502)	(79,426)	(83,928)
Plus cash received in excess of revenue recognized for long-term roaming arrangements	7,500	—	7,500	—	—	—
Plus share-based compensation	—	2,327	2,327	—	2,801	2,801
Plus accretion	145	247	392	216	234	450
Other	—	726	726	—	(341)	(341)
Adjusted EBITDA	\$ 40,064	38,042	78,106	37,387	37,916	75,303

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

(Amounts in thousands)

	First Quarter 2016			Fourth Quarter 2015		
	<u>Wireless Segment</u>	<u>Wireline Segment</u>	<u>Total</u>	<u>Wireless Segment</u>	<u>Wireline Segment</u>	<u>Total</u>
Revenues						
Wireless	\$ 51,462	16,798	68,260	60,108	21,253	81,361
Data	—	106,971	106,971	—	104,099	104,099
Video	—	33,409	33,409	—	33,753	33,753
Voice	—	22,458	22,458	—	22,131	22,131
Total	51,462	179,636	231,098	60,108	181,236	241,344
Cost of goods sold	15,032	61,259	76,291	17,002	68,595	85,597
Contribution	36,430	118,377	154,807	43,106	112,641	155,747
Less SG&A	(4,011)	(83,635)	(87,646)	(4,488)	(84,261)	(88,749)
Plus cash received in excess of revenue recognized for long-term roaming arrangements	7,500	—	7,500	—	—	—
Plus share-based compensation	—	2,327	2,327	—	2,828	2,828
Plus accretion	145	247	392	63	66	129
Other	—	726	726	—	566	566
Adjusted EBITDA	\$ 40,064	38,042	78,106	38,681	31,840	70,521

General Communication, Inc.
Non-GAAP Financial Reconciliation Schedule

(Unaudited, Amounts in Thousands)

	Three Months Ended		
	March 31, 2016	March 31, 2015	December 31, 2015
Net income (loss)	\$ 982	(18,725)	(8,879)
Income tax expense (benefit)	3,067	(6,786)	3,110
Income (loss) before income taxes	4,049	(25,511)	(5,769)
Other (income) expense:			
Interest expense (including amortization of deferred loan fees)	19,171	19,848	19,073
Related party interest expense	1,831	1,137	1,842
Derivative instrument unrealized (income) loss with related party	(4,530)	2,120	6,120
Other	(502)	3,147	(472)
Other expense, net	15,970	26,252	26,563
Operating income	20,019	741	20,794
Plus depreciation and amortization expense	47,142	45,235	46,204
Plus software impairment charge	—	26,417	—
Plus cash received in excess of revenue recognized for long-term roaming arrangements	7,500	—	—
Plus share-based compensation expense	2,327	2,801	2,828
Plus accretion expense	392	450	129
Other	726	(341)	566
Adjusted EBITDA (Note 1)	\$ 78,106	75,303	70,521

Note:

(1) Earnings plus cash received in excess of revenue recognized for long-term fixed roaming arrangements and 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, and
- 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)

	First Quarter 2016				First 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	\$ 14,538	2,260	—	16,798	16,410	1,794	—	18,204
Data	34,960	34,881	37,130	106,971	31,272	36,298	28,876	96,446
Video	28,347	5,062	—	33,409	29,225	4,414	—	33,639
Voice	7,042	9,562	5,854	22,458	7,801	10,706	5,089	23,596
Total	\$ 84,887	51,765	42,984	179,636	84,708	53,212	33,965	171,885

(Amounts in thousands)

	First Quarter 2016				Fourth 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	\$ 14,538	2,260	—	16,798	19,233	2,020	—	21,253
Data	34,960	34,881	37,130	106,971	34,442	35,012	34,645	104,099
Video	28,347	5,062	—	33,409	28,445	5,308	—	33,753
Voice	7,042	9,562	5,854	22,458	7,160	9,524	5,447	22,131
Total	\$ 84,887	51,765	42,984	179,636	89,280	51,864	40,092	181,236

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

	March 31, 2016	March 31, 2015	December 31, 2015	March 31, 2016 as compared to		March 31, 2016 as compared to	
				March 31, 2015	December 31, 2015	March 31, 2015	December 31, 2015
<u>Wireline Segment</u>							
Consumer							
Data							
Cable modem subscribers	127,800	121,700	127,300	6,100	500	5.0 %	0.4 %
Video							
Basic subscribers	112,200	114,700	114,000	(2,500)	(1,800)	(2.2)%	(1.6)%
Digital programming tier subscribers	57,700	62,300	59,500	(4,600)	(1,800)	(7.4)%	(3.0)%
HD/DVR converter boxes	117,700	109,900	114,000	7,800	3,700	7.1 %	3.2 %
Homes passed	253,100	248,700	251,900	4,400	1,200	1.8 %	0.5 %
Voice							
Local access lines in service	50,100	53,400	50,400	(3,300)	(300)	(6.2)%	(0.6)%
Business Services							
Data							
Cable modem subscribers	12,800	14,100	12,700	(1,300)	100	(9.2)%	0.8 %
Voice							
Local access lines in service	46,400	47,500	46,600	(1,100)	(200)	(2.3)%	(0.4)%
Consumer and Business Services Combined							
Wireless							
Consumer Lifeline lines in service	28,000	32,900	28,100	(4,900)	(100)	(14.9)%	(0.4)%
Consumer prepaid lines in service	23,900	24,500	23,800	(600)	100	(2.4)%	0.4 %
Consumer postpaid lines in service	145,400	152,600	146,300	(7,200)	(900)	(4.7)%	(0.6)%
Business Services postpaid lines in service	28,700	28,600	29,600	100	(900)	0.3 %	(3.0)%
Total wireless lines in service	226,000	238,600	227,800	(12,600)	(1,800)	-5.3 %	-0.8 %

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

	Three Months Ended			March 31, 2016 as compared to		March 31, 2016 as compared to	
	March 31, 2016	March 31, 2015	December 31, 2015	March 31, 2015	December 31, 2015	March 31, 2015	December 31, 2015

Wireline segment

Consumer

Video

Average monthly revenue per subscriber	\$ 83.53	\$ 84.37	\$ 83.10	\$ (0.84)	\$ 0.43	(1.0)%	0.5 %
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Combined Consumer and Business Services

Data

Average monthly revenue per cable modem subscriber	\$ 87.81	\$ 83.93	\$ 87.31	\$ 3.88	\$ 0.50	4.6 %	0.6 %
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Wireless

Average monthly revenue per subscriber	\$ 40.06	\$ 48.23	\$ 43.37	\$ (8.17)	\$ (3.31)	(16.9)%	(7.6)%
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