

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

(Amounts in thousands)

| ASSETS | March 31, 2017 | December 31, 2016 |
|--|---------------------|----------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 14,759 | 19,297 |
| Receivables | 212,585 | 184,296 |
| Less allowance for doubtful receivables | 4,408 | 4,407 |
| Net receivables | <u>208,177</u> | <u>179,889</u> |
| Prepaid expenses | 21,852 | 18,599 |
| Inventories | 9,370 | 11,945 |
| Other current assets | 139 | 167 |
| Total current assets | <u>254,297</u> | <u>229,897</u> |
| Property and equipment | 2,642,130 | 2,614,875 |
| Less accumulated depreciation | 1,497,542 | 1,452,957 |
| Net property and equipment | <u>1,144,588</u> | <u>1,161,918</u> |
| Goodwill | 242,108 | 239,263 |
| Cable certificates | 191,635 | 191,635 |
| Wireless licenses | 92,347 | 92,347 |
| Other intangible assets, net of amortization | 78,248 | 74,444 |
| Other assets | 80,408 | 76,435 |
| Total other assets | <u>684,746</u> | <u>674,124</u> |
| Total assets | <u>\$ 2,083,631</u> | <u>2,065,939</u> |

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

(Amounts in thousands)

| LIABILITIES AND STOCKHOLDERS' EQUITY | March 31, 2017 | December 31, 2016 |
|---|---------------------|----------------------|
| Current liabilities: | | |
| Current maturities of obligations under long-term debt, capital leases, and tower obligation | \$ 13,429 | 13,229 |
| Accounts payable | 50,975 | 72,937 |
| Deferred revenue | 39,037 | 37,618 |
| Accrued payroll and payroll related obligations | 30,134 | 30,305 |
| Accrued interest (including \$894 and \$5,132 to a related party at March 31, 2017 and December 31, 2016, respectively) | 22,886 | 13,926 |
| Accrued liabilities | 15,230 | 14,729 |
| Subscriber deposits | 1,070 | 917 |
| Total current liabilities | 172,761 | 183,661 |
| Long-term debt, net (including \$57,130 and \$56,640 to a related party at March 31, 2017 and December 31, 2016, respectively) | | |
| | 1,363,793 | 1,333,446 |
| Obligations under capital leases, excluding current maturities (including \$1,754 and \$1,769 due to a related party at March 31, 2017 and December 31, 2016, respectively) | 47,843 | 50,316 |
| Deferred income taxes | 177,480 | 137,982 |
| Long-term deferred revenue | 137,885 | 135,877 |
| Tower obligation | 91,221 | 87,653 |
| Other liabilities (including \$32,610 and \$29,700 for derivative stock appreciation rights with a related party at March 31, 2017 and December 31, 2016, respectively) | 87,312 | 83,756 |
| Total liabilities | 2,078,295 | 2,012,691 |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Common stock (no par): | | |
| Class A. Authorized 100,000 shares; issued 32,909 and 32,668 shares at March 31, 2017 and December 31, 2016, respectively; outstanding 32,883 and 32,642 shares at March 31, 2017 and December 31, 2016, respectively | — | — |
| Class B. Authorized 10,000 shares; issued and outstanding 3,153 at March 31, 2017 and December 31, 2016; convertible on a share-per-share basis into Class A common stock | 2,663 | 2,663 |
| Less cost of 26 Class A common shares held in treasury at March 31, 2017 and December 31, 2016 | (249) | (249) |
| Paid-in capital | 6,358 | 3,237 |
| Retained earnings (deficit) | (36,557) | 17,068 |
| Total General Communication, Inc. stockholders' equity | (27,785) | 22,719 |
| Non-controlling interests | 33,121 | 30,529 |
| Total stockholders' equity | 5,336 | 53,248 |
| Total liabilities and stockholders' equity | \$ 2,083,631 | 2,065,939 |

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

Three Months Ended
March 31,

(Amounts in thousands, except per share amounts)

| | 2017 | 2016 |
|--|--------------------|-----------------|
| Revenues | \$ 228,115 | 231,098 |
| Cost of goods sold (exclusive of depreciation and amortization shown separately below) | 69,274 | 76,291 |
| Selling, general and administrative expenses | 93,558 | 87,646 |
| Depreciation and amortization expense | 49,937 | 47,142 |
| Operating income | <u>15,346</u> | <u>20,019</u> |
| Other income (expense): | | |
| Interest expense (including amortization of deferred loan fees) | (19,836) | (19,171) |
| Interest expense with related party | (1,877) | (1,831) |
| Derivative instrument unrealized income (loss) with related party | (2,910) | 4,530 |
| Other | 627 | 502 |
| Other expense, net | <u>(23,996)</u> | <u>(15,970)</u> |
| Income (loss) before income taxes | (8,650) | 4,049 |
| Income tax expense | (46,596) | (3,067) |
| Net income (loss) | <u>(55,246)</u> | <u>982</u> |
| Net loss attributable to non-controlling interests | (117) | (117) |
| Net income (loss) attributable to General Communication, Inc. | <u>\$ (55,129)</u> | <u>1,099</u> |
| Basic net income (loss) attributable to General Communication, Inc. common stockholders per Class A common share | <u>\$ (1.60)</u> | <u>0.03</u> |
| Basic net income (loss) attributable to General Communication, Inc. common stockholders per Class B common share | <u>\$ (1.60)</u> | <u>0.03</u> |
| Diluted net loss attributable to General Communication, Inc. common stockholders per Class A common share | <u>\$ (1.60)</u> | <u>(0.04)</u> |
| Diluted net loss attributable to General Communication, Inc. common stockholders per Class B common share | <u>\$ (1.60)</u> | <u>(0.04)</u> |
| Common shares used to calculate Class A basic EPS | <u>31,220</u> | <u>33,696</u> |
| Common shares used to calculate Class A diluted EPS | <u>34,373</u> | <u>37,746</u> |

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

(Amounts in thousands)

| | First Quarter 2017 | First Quarter 2016 | Fourth Quarter 2016 |
|---|--------------------|--------------------|---------------------|
| Revenues | | | |
| Wireless | \$ 65,462 | 68,260 | 68,650 |
| Data | 114,154 | 106,971 | 111,388 |
| Video | 29,061 | 33,409 | 31,583 |
| Voice | 19,438 | 22,458 | 20,672 |
| Total | <u>228,115</u> | <u>231,098</u> | <u>232,293</u> |
| Cost of goods sold | <u>69,274</u> | <u>76,291</u> | <u>74,652</u> |
| Contribution | 158,841 | 154,807 | 157,641 |
| Less SG&A | (93,558) | (87,646) | (93,714) |
| Plus share-based compensation | 3,138 | 2,327 | 3,223 |
| Plus imputed interest on financed devices | 681 | 601 | 672 |
| Plus accretion | 490 | 392 | (11) |
| Other | (783) | 125 | (98) |
| Adjusted EBITDA | <u>68,809</u> | <u>70,606</u> | <u>67,713</u> |
| Liberty transaction costs | 4,208 | — | — |
| Pro Forma EBITDA | <u>\$ 73,017</u> | <u>70,606</u> | <u>67,713</u> |

General Communication, Inc.**Non-GAAP Financial Reconciliation Schedule**

(Unaudited, Amounts in Thousands)

| | Three Months Ended | | |
|---|--------------------|-------------------|----------------------|
| | March 31, 2017 | March 31, 2016 | December 31, 2016 |
| Net income (loss) | \$ (55,246) | 982 | (16,243) |
| Income tax expense (benefit) | 46,596 | 3,067 | (2,391) |
| Income (loss) before income taxes | (8,650) | 4,049 | (18,634) |
| Other (income) expense: | | | |
| Interest expense (including amortization of deferred loan fees) | 19,836 | 19,171 | 20,429 |
| Related party interest expense | 1,877 | 1,831 | 1,897 |
| Derivative instrument unrealized (income) loss with related party | 2,910 | (4,530) | 12,720 |
| Loss on extinguishment of debt | — | — | 640 |
| Other | (627) | (502) | (3,867) |
| Other expense, net | 23,996 | 15,970 | 31,819 |
| Operating income | 15,346 | 20,019 | 13,185 |
| Plus depreciation and amortization expense | 49,937 | 47,142 | 50,742 |
| Plus share-based compensation expense | 3,138 | 2,327 | 3,223 |
| Plus imputed interest on financed devices | 681 | 601 | 672 |
| Plus accretion expense | 490 | 392 | (11) |
| Other | (783) | 125 | (98) |
| Adjusted EBITDA (Note 1) | 68,809 | 70,606 | 67,713 |
| Liberty transaction costs | 4,208 | — | — |
| Pro Forma EBITDA (Note 2) | \$ 73,017 | 70,606 | 67,713 |

Note:

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

- Net interest expense,
- Income taxes,
- Depreciation and amortization expense,
- Loss on extinguishment of debt,
- 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.

(2) Adjusted EBITDA plus Liberty transaction costs.

Adjusted and Pro Forma EBITDA are 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 and Pro Forma EBITDA to evaluate the operating performance of its business, and as a measure of performance for incentive compensation purposes. GCI believes Adjusted EBITDA and Pro Forma EBITDA are 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 and Pro Forma EBITDA are used to estimate current or prospective enterprise value. Adjusted EBITDA and Pro Forma EBITDA do not give effect to cash used for debt service requirements, and thus do not reflect funds available for investment or other discretionary uses. Adjusted EBITDA and Pro Forma EBITDA as presented herein may not be comparable to similarly titled measures reported by other companies.

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

(Amounts in thousands)

| | First Quarter 2017 | | | First Quarter 2016 | | |
|----------|--------------------|-----------------|--------------|--------------------|-----------------|--------------|
| | <u>Consumer</u> | <u>Business</u> | <u>Total</u> | <u>Consumer</u> | <u>Business</u> | <u>Total</u> |
| Revenues | | | | | | |
| Wireless | \$ 40,100 | 25,362 | 65,462 | 43,404 | 24,856 | 68,260 |
| Data | 36,088 | 78,066 | 114,154 | 34,960 | 72,011 | 106,971 |
| Video | 24,939 | 4,122 | 29,061 | 28,347 | 5,062 | 33,409 |
| Voice | 6,061 | 13,377 | 19,438 | 7,042 | 15,416 | 22,458 |
| Total | \$ 107,188 | 120,927 | 228,115 | 113,753 | 117,345 | 231,098 |

(Amounts in thousands)

| | First Quarter 2017 | | | Fourth Quarter 2016 | | |
|----------|--------------------|-----------------|--------------|---------------------|-----------------|--------------|
| | <u>Consumer</u> | <u>Business</u> | <u>Total</u> | <u>Consumer</u> | <u>Business</u> | <u>Total</u> |
| Revenues | | | | | | |
| Wireless | \$ 40,100 | 25,362 | 65,462 | 43,352 | 25,298 | 68,650 |
| Data | 36,088 | 78,066 | 114,154 | 35,163 | 76,225 | 111,388 |
| Video | 24,939 | 4,122 | 29,061 | 26,011 | 5,572 | 31,583 |
| Voice | 6,061 | 13,377 | 19,438 | 6,377 | 14,295 | 20,672 |
| Total | \$ 107,188 | 120,927 | 228,115 | 110,903 | 121,390 | 232,293 |

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

| | | | | March 31, 2017 as compared to | | March 31, 2017 as compared to | |
|---|-------------------|-------------------|-------------------------|----------------------------------|-------------------------|----------------------------------|-------------------------|
| | March 31, 2017 | March 31, 2016 | December 31, 2016 | March 31, 2016 | December 31, 2016 | March 31, 2016 | December 31, 2016 |
| Consumer | | | | | | | |
| Data | | | | | | | |
| Cable modem subscribers ¹ | 130,900 | 130,900 | 130,700 | — | 200 | — % | 0.2 % |
| Video | | | | | | | |
| Basic subscribers ² | 106,100 | 112,700 | 108,200 | (6,600) | (2,100) | (5.9)% | (1.9)% |
| Digital programming tier subscribers ³ | 48,000 | 57,800 | 52,100 | (9,800) | (4,100) | (17.0)% | (7.9)% |
| HD/DVR converter boxes ⁴ | 112,400 | 118,000 | 116,200 | (5,600) | (3,800) | (4.7)% | (3.3)% |
| Homes passed | 250,800 | 253,100 | 250,800 | (2,300) | — | (0.9)% | — % |
| Voice | | | | | | | |
| Local access lines in service ⁵ | 52,700 | 54,900 | 53,400 | (2,200) | (700) | (4.0)% | (1.3)% |
| Business | | | | | | | |
| Data | | | | | | | |
| Cable modem subscribers ¹ | 9,900 | 9,700 | 10,100 | 200 | (200) | 2.1 % | (2.0)% |
| Voice | | | | | | | |
| Local access lines in service ⁵ | 40,300 | 41,600 | 41,100 | (1,300) | (800) | (3.1)% | (1.9)% |
| Consumer and Business Combined | | | | | | | |
| Wireless | | | | | | | |
| Consumer Lifeline lines in service | 27,200 | 28,000 | 27,200 | (800) | — | (2.9)% | — % |
| Consumer prepaid lines in service | 27,800 | 23,900 | 28,500 | 3,900 | (700) | 16.3 % | (2.5)% |
| Consumer postpaid lines in service ⁶ | 143,600 | 149,100 | 142,900 | (5,500) | 700 | (3.7)% | 0.5 % |
| Business postpaid lines in service ⁶ | 23,400 | 25,000 | 23,900 | (1,600) | (500) | (6.4)% | (2.1)% |
| Total wireless lines in service | 222,000 | 226,000 | 222,500 | (4,000) | (500) | (1.8)% | -0.2 % |

¹ On January 1, 2017, we transferred 3,100 small business cable modem subscribers from Business to Consumer. We adjusted the previously reported subscriber numbers as of March 31, 2016 for the number of subscribers that were transferred on January 1, 2017.

² On January 1, 2017, we transferred 500 small business basic subscribers from Business to Consumer. We adjusted the previously reported subscriber numbers as of March 31, 2016 for the number of subscribers that were transferred on January 1, 2017.

³ On January 1, 2017, we transferred 100 small business digital programming tier subscribers from Business to Consumer. We adjusted the previously reported subscriber numbers as of March 31, 2016 for the number of subscribers that were transferred on January 1, 2017.

⁴ On January 1, 2017, we transferred 300 small business HD/DVR converter boxes from Business to Consumer. We adjusted the previously reported subscriber numbers as of March 31, 2016 for the number of subscribers that were transferred on January 1, 2017.

⁵ On January 1, 2017, we transferred 4,800 small business local access lines from Business to Consumer. We adjusted the previously reported subscriber numbers as of March 31, 2016 for the number of subscribers that were transferred on January 1, 2017.

⁶ On January 1, 2017, we transferred 3,700 small business postpaid wireless lines from Business to Consumer. We adjusted the previously reported subscriber numbers as of March 31, 2016 for the number of subscribers that were transferred on January 1, 2017.