

March 11, 2010



GCI Reports 2009 Financial Results

-- Consolidated revenues increase \$20.4 million to \$595.8 million

-- Adjusted EBITDA increases \$21.8 million to \$192.9 million

-- Net income of \$3.5 million or \$0.06 per diluted share

-- GCI expects to resume limited stock repurchases

ANCHORAGE, Alaska, March 11 /PRNewswire/ -- General Communication, Inc. ("GCI") (Nasdaq: GNCMA) today reported its 2009 results with revenues increasing to \$595.8 million and adjusted EBITDA increasing to \$192.9 million. Adjusted EBITDA increased \$21.8 million or 12.7 percent, over 2008 Adjusted EBITDA of \$171.1 million. EBITDA margin improved to 32.4 percent for 2009 as compared to 29.7 percent for the prior year. Revenues and adjusted EBITDA were record high results for GCI.

The 2009 net income of \$3.5 million, or \$0.06 per diluted share compares to a net loss of \$1.9 million, or (\$0.04) per diluted share, in 2008. GCI recorded a net loss of \$3.7 million or (\$0.06) per share on a diluted basis in the fourth quarter of 2009 that compares to net loss of \$4.4 million or (\$0.08) per share on a diluted basis for the fourth quarter of 2008. The 2009 fourth quarter net loss is primarily attributable to non-cash expenses including the write off of capitalized loan costs after the payoff of the senior credit facility term loan. The term loan was repaid with proceeds from the previously announced \$425 million bond offering.

GCI's revenues for 2009 increased 3.5 percent to \$595.8 million over 2008 revenues of \$575.4 million. The revenue increase for the year was primarily due to the significant growth in the Consumer segment which more than offset expected revenue decreases in Network Access and Commercial. Network Access revenues decreased, as expected, primarily attributable to continued price competition and the remaining effects of the migration of AT&T Mobility traffic from our network. Commercial revenues were down primarily from reduced on-site support activity provided for the oil and gas industry in Alaska.

Contribution margins for 2009 increased 8.0 percent over 2008. Margins improved in all segments except for Network Access.

"Our Consumer business had a great year," said GCI President, Ron Duncan. "We had strong revenue growth across the board for Consumer products and we expect the continued customer metrics in this segment will continue to drive financial growth for 2010. We ended the year with more than 125,000 wireless customers and we are in a position to become the second largest wireless carrier in Alaska by the end of the year."

"While we missed our long established EBITDA goal of \$200 million in 2009 we are pleased with the significant progress we made redirecting GCI's growth from its carrier to its retail

businesses. Competitive pressures in the Network Access business were somewhat beyond the upper end of our expectations in 2009. We anticipate we will continue to experience strong headwinds in this business through 2010 as we record the full year effects of the new pricing and network arrangements established in 2009. We are hopeful that we will be through the worst of the competitive impacts in the carrier business by the end of 2010. GCI's long haul, middle mile, and last mile network are the most extensive and the best in Alaska. Our customers recognize this and continue to trust us with the delivery of all their communications traffic throughout the state."

"Our shareholders know we have made significant investments in our businesses over the past three years. Peak capital expenditures are behind us now and we are committed to generating free cash flow and returning a portion of that cash to our shareholders. We are limiting 2010 capital expenditures to approximately \$100 million to assure free cash flow this year."

"With the refinancing of our senior credit facility revolver and payoff of the term loan we have no current covenants that would bar stock repurchases. At the end of 2009, GCI had authorized and unused repurchase capacity of \$51.1 million. Dependent on leverage, liquidity, company performance, market conditions and subject to on-going board review, GCI expects to resume limited stock repurchases this year."

"Alaska's economy continues to hold up well in the face of the global recession. Jobs losses in the state were minimal for 2009 and while further job losses are expected for 2010 we note that recent higher energy prices will continue to support state spending and may stimulate new activity in the oil and gas sector. We do not expect current economic conditions will have any noticeable impact on our operations for the year 2010 but further delays in the recovery of the national and global economies could affect future growth."

For the fourth quarter of 2009, revenues totaled \$147.5 million as compared to \$146.6 million in the fourth quarter of 2008, an increase of 0.6 percent. Revenues, as expected, were down 2.2 percent sequentially when compared to third quarter 2009 revenues of \$150.8 million. The sequential decrease in revenues was primarily due to normal seasonality in GCI's voice and wireless products.

Fourth quarter 2009 adjusted EBITDA totaled \$45.0 million and compares to \$39.9 million, an increase of 12.7 percent over the fourth quarter of 2008. EBITDA for the fourth quarter of 2009 was unfavorably impacted by a \$0.8 million expense increasing the reserve for bad debts due to a customer billing dispute.

Sequentially, fourth quarter 2009 adjusted EBITDA of \$45.0 million compares to \$50.3 million in the third quarter 2009. The decline in sequential EBITDA is due in part to seasonality and certain increased selling, general and administrative expenses, including the expense increasing the reserve for bad debts, in the fourth quarter as compared to the third quarter.

GCI anticipates revenues of \$610 million to \$620 million and adjusted EBITDA of \$200 million to \$204 million for the year 2010. GCI anticipates it will incur capital expenditures of approximately \$100 million for 2010.

Highlights

- Consumer revenues for 2009 totaled \$294.9 million, an increase of 15.4 percent over 2008. Revenue increases were strong across all product lines during 2009. Fourth quarter 2009 revenues of \$75.8 million increased 15.4 percent over the fourth quarter of the prior year.
- GCI had 125,400 wireless subscribers at the end of 2009, an increase of 5,400 subscribers over the third quarter of 2009. GCI added 29,100 wireless subscribers for the full year 2009.
- Total GCI access lines were 144,700 at the end of the fourth quarter of 2009 representing an estimated 35 percent share of the market in Alaska. Access lines increased by 1,700 during the fourth quarter and by 3,900 lines for the year.
- GCI's facilities based access lines totaled 107,300, representing 74 percent of its 144,700 total access lines at the end of 2009, an increase of 6,000 lines over year end 2008 and an increase of 2,900 lines compared to the end of the third quarter of 2009.
- GCI had 110,700 consumer and commercial cable modem access customers at the end of the fourth quarter of 2009, an increase of 7,400 over the fourth quarter of 2008 and 2,200 over the third quarter of 2009. Average monthly revenue per cable modem totaled \$45.63 for the fourth quarter of 2009 as compared to \$43.42 for the third quarter of 2009, a sequential increase of 5.1 percent.
- GCI had 147,600 basic video subscribers at the end of 2009, a decrease of 100 subscribers compared to 2008.
- GCI announced in January, 2010 that the U.S. Department of Agriculture's Rural Utilities Service had approved United Utilities, Inc's application for an \$88 million loan/grant combination to extend terrestrial broadband service for the first time to Bristol Bay and the Yukon-Kuskokwim Delta. United Utilities, Inc. is a wholly owned subsidiary of GCI.
- GCI completed the refinancing of its senior secured \$75 million revolving loan facility in January, 2010. The completion of the revolver refinancing removes any current covenant restrictions on stock repurchases. GCI has \$51.1 million of unused stock repurchase authority. Future repurchases will depend on leverage, liquidity, company performance, market conditions and on-going review by GCI's board of directors. Any stock repurchases would be made with available liquidity and would be made in accordance with applicable securities laws.

GCI will hold a conference call to discuss its 2009 and fourth quarter results on Thursday, March 11, 2010 beginning at 2 p.m. (Eastern). To access the briefing on March 11, dial 888-603-9640 (International callers should dial 517-308-9175) and identify your call as "GCI." In addition to the conference call, GCI will make available net conferencing. To access the call via net conference, log on to www.gci.com and follow the instructions. A replay of the call will be available for 72-hours by dialing 888-678-8548, access code 7461 (International callers should dial 402-220-6449.)

Full text and tables can be found at www.gci.com.

GCI is the largest telecommunications company in Alaska. GCI's cable plant, which provides voice, video, and broadband data services, passes 90 percent of Alaska households. GCI operates Alaska's most extensive terrestrial / subsea fiber optic network which connects not only Anchorage but also Fairbanks, and Juneau / Southeast Alaska to the lower 48 states with a diversely routed, protected fiber network. GCI's satellite network provides communications services to small towns and communities throughout rural Alaska. GCI's newly constructed statewide mobile wireless network seamlessly links urban and rural

Alaska for the first time in the state's history.

A pioneer in bundled services, GCI is the top provider of voice, data, and video services to Alaska consumers with a 70 percent share of the consumer broadband market. GCI is also the leading provider of communications services to enterprise customers, particularly large enterprise customers with complex data networking needs. More information about GCI can be found at www.gci.com.

The foregoing contains forward-looking statements regarding GCI's expected results that are based on management's expectations as well as on a number of assumptions concerning future events. Actual results might differ materially from those projected in the forward looking statements due to uncertainties and other factors, many of which are outside GCI's control. Additional information concerning factors that could cause actual results to differ materially from those in the forward looking statements is contained in GCI's cautionary statement sections of Form 10-K and 10-Q filed with the Securities and Exchange Commission.

SOURCE GCI