

November 6, 2008



GCI Reports Preliminary Third Quarter 2008 Financial Results

- Consolidated revenue of \$151.2 million**
- EBITDAS of \$46.7 million**
- Net income of \$0.6 million or \$0.01 per diluted share**

ANCHORAGE, Alaska, Nov. 6 /PRNewswire/ -- GCI (Nasdaq: GNCMA) today reported preliminary third quarter 2008 revenues of \$151.2 million, an increase of 12.8 percent over the third quarter of 2007. Third quarter 2008 earnings before interest, taxes, depreciation, amortization and share based compensation expense (EBITDAS) totaled \$46.7 million and includes a \$0.6 million non-cash charge attributable to a charitable gift of broadband capacity to the University of Alaska. EBITDAS increased \$7.7 million or 19.9 percent from the third quarter of 2007. The increase in EBITDAS was attributable to growth in all segments except network access.

GCI's third quarter 2008 net income is \$0.6 million, or earnings per diluted share of \$0.01. The company's third quarter net income compares to net income of \$3.0 million, or earnings per diluted share of \$0.05 in the same period of 2007. Net income for the third quarter of 2008 also includes the \$0.6 million non-cash charge.

GCI's third quarter results are preliminary due to the pending completion of certain depreciation calculations for the company's wireless subsidiary Alaska DigiTel as described below.

Third quarter 2008 revenue increased along all products lines, excluding voice when compared to the prior year. Revenues for the company increased \$8.8 million, or 6.2 percent, over second quarter 2008 revenues of \$142.5 million. Third quarter EBITDAS of \$46.7 million increased 6.5 percent from \$43.8 million in the second quarter of 2008.

"We are very pleased to report another quarter of record revenue and EBITDAS," said GCI president Ron Duncan. "GCI's solid third quarter financial results are accompanied by excellent customer metrics. This continuing growth in customer and product counts is driving GCI's accelerating financial success. We are out pacing our EBITDAS guidance for 2008 and our stated goal of \$200 million for 2009 should be achievable."

"The third quarter was very busy. It is the peak of our construction season and we deployed \$75 million in capital building our statewide wired and wireless networks. I am pleased to report that these investments have already started to grow our EBITDAS. Our \$33 million southeast fiber system turned up with a \$6 million annual run rate in cost savings and new revenue and the new wireless service that we are rolling out in Alaska's rural communities is

being met with a phenomenal reception."

"During the quarter we closed on our purchase of Alaska Wireless and acquired the remaining equity interest and operating control of Alaska DigiTel. We are rapidly integrating these two investments and they have contributed significantly to our wireless growth."

"This quarter marks the start of our wireless transition. We have begun switching customers from the GSM resale platform to our own network. Significant EBITDAS is shifting from our network access business to our consumer and commercial business segments as a result of the transition of AT&T Mobility traffic off of our carrier network and our transition of wireless customers to our own network."

"Our stock has not escaped the pressures of the global financial crisis although it has recovered some in the last ten days. I find comfort in the fact that GCI has ample liquidity and is backed by a strong banking group. We ended the third quarter with \$144 million in cash and undrawn credit facilities. Approximately \$100 million of that amount would be currently available to us under our credit agreements. The Alaska economy continues to perform well remaining largely unscathed by the current economic turmoil. Employment continues to grow in Alaska, mortgage foreclosure rates are the lowest in the nation and the commercial real estate market is still strong."

"Alaska appears to be uniquely positioned to weather recessionary pressures despite the recent steep decline in energy prices. The State has large cash reserves that should enable it to maintain its budget for at least the next two fiscal years. This is important for Alaska's economy as the State is the largest employer and second largest source of gross state product. We believe Alaska will play an increasing role in our national energy policy and state's economy will continue to grow as a direct result."

GCI is increasing 2008 guidance for revenues to \$560 million to \$570 million, an increase of \$10 million from previous guidance of \$550 million to \$560 million and expects EBITDAS in excess of \$170 million, an increase of \$5 million from previous guidance of more than \$165 million. Additionally GCI anticipates total cash receipts in excess of \$45 million during 2008 as a result of fiber IRU agreements which are not otherwise reflected in current guidance. GCI will provide 2009 revenue and EBITDAS guidance with its fourth quarter 2008 earnings report. As previously discussed in management's quarterly conference calls, quarterly guidance will no longer be provided by the company.

While the company believes that the financial results included in this press release are materially correct, the company's auditors have not yet concluded all aspects of their review of our financial statements. Accordingly, the financial results included herein should be considered preliminary and may be subject to change following conclusion of the review.

GCI will hold a conference call to discuss the quarter's results on Thursday, November 6, 2008 beginning at 2 p.m. (Eastern). To access the briefing on November 6, dial 888-323-9725 (International callers should dial 517-308-9003) 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 <http://www.gci.com> and follow the instructions. A replay of the call will be available for 72-hours by dialing 866-376-2452, access code 7461 (International callers should dial 203-369-0302).

Full text and tables can be found at <http://www.gci.com>.

GCI is the largest telecommunications company in Alaska. The company'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 by the end of 2008, will connect not only Anchorage but also Fairbanks, and Juneau/Southeast to the lower 48 states with a diversely routed, protected fiber network. The company's satellite network provides communications services to small towns and villages throughout rural Alaska. GCI is now in the process of constructing Alaska's first truly statewide mobile wireless network, which will seamlessly link 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 the company can be found at <http://www.gci.com>.

The foregoing contains forward-looking statements regarding the company's expected results that are based on management's expectations as well as on a number of assumptions concerning future events. Actual results may 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