

August 5, 2009



GCI Reports Second Quarter 2009 Financial Results

-Consolidated revenue of \$148.8 million

-Adjusted EBITDA of \$51.2 million

-Net income of \$2.6 million or \$0.05 per diluted share

ANCHORAGE, Alaska, Aug. 5 /PRNewswire/ -- GCI (Nasdaq: GNCMA) today reported second quarter 2009 revenues of \$148.8 million, an increase of 4.5 percent over the second quarter of 2008. Second quarter 2009 earnings before interest, taxes, depreciation, amortization and adjusted for share-based compensation and non-cash contribution (adjusted EBITDA) totaled \$51.2 million. Adjusted EBITDA increased \$6.9 million or 15.7 percent from the second quarter of 2008.

GCI's second quarter 2009 net income is \$2.6 million or earnings per diluted share of \$0.05 and compares to net income of \$1.8 million, or earnings per diluted share of \$0.03 for the same period of 2008.

Second quarter 2009 revenues increased \$0.1 million over total revenues of \$148.7 million in the first quarter of 2009. Adjusted EBITDA increased \$4.8 million, or 10.3 percent over adjusted EBITDA of \$46.4 million also in the first quarter of 2009.

"GCI's second quarter results mark yet another record high for revenues and EBITDA," said GCI president Ron Duncan. "Led by an increase of 6,500 wireless subscribers our consumer group continued its strong growth. At the end of the second quarter the annual run rate of consumer revenue was up more than \$35 million, or 14 percent, over the prior year."

"During the quarter we completed our wireless conversion, on time, under budget and with the loss of only a few subscribers. With more than 112,000 wireless subscribers at the end of the quarter and the strength of new sales continuing, we're well on our way to being the second largest wireless provider in Alaska."

"During the quarter the Alaska economy experienced its first real impacts from the global recession. Jobs in Alaska, measured on a year-over-year basis, were down for the first time in May and June and we're seeing slowing growth from our commercial customers. Price pressures in the market are also increasing. While we're on plan at the halfway point in the year, our goal of \$200 million in EBITDAS seems more challenging now than it did in January. "

"I continue to be very pleased with our overall results and the strong performance of our team in the fast paced and challenging environment. We continue to execute well on our

established goals and are out performing our competition in all areas."

Highlights

- GCI added 7,500 consumer and commercial wireless subscribers in the second quarter of 2009. Wireless subscribers totaled 112,600 at the end of the quarter.
- GCI completed the conversion of its GSM wireless customers early in the second quarter of 2009.
- Consumer revenues totaled \$73.4 million, an increase of 18.2 percent over the second quarter of 2008 and an increase of 3.8 percent over the first quarter of 2009. The year-over-year increases in revenues were in all product lines. Consumer revenues for the second quarter of 2009 include \$2.4 million in Competitive Eligible Telecommunications Carrier (CETC) revenues attributable to prior quarters.
- Consumer, network access, commercial and regulated operations access lines totaled 141,800 at the end of the second quarter of 2009, representing an estimated 34 percent share of the total access line market in Alaska.
- GCI has provisioned 101,600 access lines representing 72 percent of its total access lines on its own facilities at the end of the second quarter of 2009, an increase of 400 lines over the first quarter of 2009 and an increase of 11,500 lines when compared to the end of the second quarter of the prior year. The company had provisioned 90,100 access lines on its own facilities at the end of the second quarter of 2008.
- GCI had 105,300 consumer and commercial cable modem access customers at the end of the second quarter of 2009, an increase of 800 over the 104,500 cable modem customers at the end of the first quarter 2009. Average monthly revenue per cable modem totaled \$42.19 for the second quarter of 2009 as compared to \$37.77 in the prior year, an increase of 11.7 percent and is up 3.0 percent over \$40.97 for the first quarter of 2009. The increase in average monthly revenues arises primarily from customers upgrading to plans with increased levels of service.
- GCI had 151,700 basic video subscribers at the end of the second quarter of 2009, an increase of 3,700 over the second quarter of 2008 and an increase of 1,700 over the first quarter of 2009.

GCI will hold a conference call to discuss the quarter's results on Thursday, August 6, 2009 beginning at 2 p.m. (Eastern). To access the briefing on August 6, dial 800-779-1163 (International callers should dial 1-630-395-0230) 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 800-333-1859, access code 7461 (International callers should dial 402-220-0205.)

Full text and tables can be found at 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 connects 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 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 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