

November 4, 2009



## GCI Reports Third Quarter 2009 Financial Results

**-- Consolidated revenue of \$150.8 million**

**-- Adjusted EBITDA of \$50.3 million**

**-- Net income of \$4.3 million or \$0.08 per diluted share**

ANCHORAGE, Alaska, Nov. 4 /PRNewswire-FirstCall/ -- GCI (Nasdaq: GNCMA) today reported third quarter 2009 revenues of \$150.8 million as compared to revenues of \$151.7 million in the third quarter of 2008. Third quarter 2009 earnings before interest, taxes, depreciation, amortization and adjusted for share-based compensation and non-cash contribution (adjusted EBITDA) totaled \$50.3 million. Adjusted EBITDA increased \$2.5 million or 5.3 percent from the third quarter of 2008.

GCI's third quarter 2009 net income totaled \$4.3 million or earnings per diluted share of \$0.08 and compares to net income of \$0.3 million, or earnings per diluted share of \$0.00 for the same period of 2008.

Third quarter 2009 revenues increased \$2.0 million over total revenues of \$148.8 million in the second quarter of 2009. Second quarter revenues included an accrual of approximately \$2.4 million of Competitive Eligible Telecommunications Carrier (CETC) revenues that were attributable to prior quarters. Adjusted EBITDA decreased \$0.9 million, or 1.9 percent from adjusted EBITDA of \$51.2 million also in the second quarter of 2009. Second quarter EBITDA was favorably affected by the previously mentioned accrual of CETC revenues attributable to prior quarters.

"GCI turned in another strong quarter with good financial results driven by solid customer metrics," said GCI president Ron Duncan. "Led by increases of 7,400 wireless and 3,200 new cable modem subscribers, consumer customer counts were up in all categories year-over-year and in three out of four categories on a sequential basis. These customer metrics are the leading indicators of our financial performance and they continue to grow across the board as our customers voraciously purchase GCI products."

"After the quarter's end we sold \$425 million in 8 5/8 percent senior unsecured notes to refinance our bank debt. Following the closing of the transaction this week we have approximately \$40 million in cash and only \$2.8 million in letters of credit commitments against our existing and pending new \$75 million line of credit. This transaction essentially bullet proofs our balance sheet, giving us protection from refinancing risk and further unexpected changes in the financial markets. It increases the company's financial flexibility and fully funds our business plans for the foreseeable future. We can now focus on executing our business plan and growing value for our shareholders."

"The Alaska economy largely continues to resist the recessionary impacts from the global recession. Jobs in Alaska, measured on a year-over-year basis, were down for the last five months, yet the job loss at the end of September totaled just 2,000, on a statewide employment base in excess of 330,000. Certain segments of the Alaska economy--like tourism--are feeling a material adverse impact but on the whole declines are being offset by growth in other areas. Alaska labor data may be lagging real time trends to some extent, however the data suggest the slight downward trend is not accelerating. While we continue to see slowing revenue growth in certain segments of our business we are encouraged by our positive customer trends. While we now don't expect to meet our original goal of \$200 million in EBITDA for 2009, we won't miss it by much and for the second quarter in a row we are operating at an annualized run rate in excess of \$200 million."

### *Highlights*

- GCI added 7,400 consumer and commercial wireless subscribers in the third quarter of 2009. Wireless subscribers totaled 120,000 at the end of the quarter.
- Consumer revenues totaled \$75.0 million, an increase of 12.8 percent over the third quarter of 2008 and an increase of 2.2 percent over the second quarter of 2009. The year-over-year increases in revenues were in all product lines.
- Consumer, network access, commercial and regulated operations access lines totaled 143,000 at the end of the third quarter of 2009, representing an estimated 34 percent share of the total access line market in Alaska. Access lines increased by 1,100 lines over the second quarter of 2009.
- GCI has provisioned 104,400 access lines representing 73 percent of its total access lines on its own facilities at the end of the third quarter of 2009, an increase of 2,800 lines over the second quarter of 2009 and an increase of 8,100 lines when compared to the end of the third quarter of the prior year. The company had provisioned 96,300 access lines on its own facilities at the end of the third quarter of 2008.
- GCI had 108,500 consumer and commercial cable modem access customers at the end of the third quarter of 2009, an increase of 3,200 over the 105,300 cable modem customers at the end of the second quarter 2009. Average monthly revenue per cable modem totaled \$43.42 for the third quarter of 2009 as compared to \$39.23 in the prior year, an increase of 10.7 percent and is up 2.9 percent over \$42.19 for the second quarter of 2009. The increase in average monthly revenues arises primarily from customers upgrading to plans with increased levels of service.
- GCI had 149,300 basic video subscribers at the end of the third quarter of 2009, an increase of 1,100 over the third quarter of 2008 and a decrease of 2,400 from the second quarter of 2009.
- GCI closed a \$425 million, 8 5/8 percent, senior unsecured notes offering. The proceeds from the over subscribed offering were used to retire all outstanding amounts under an existing senior secured credit facility and the remainder will be used for general corporate purposes.

GCI will hold a conference call to discuss the quarter's results on Thursday, November 5, 2009 beginning at 2 p.m. (Eastern). To access the briefing on November 5, call the conference operator between 1:50 p.m. and 2 p.m. (Eastern Time) at 888-316-9408 (International callers should dial 1-312-470-7175) 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](http://www.gci.com) and follow the instructions. A replay of the call will be available for 72-hours by dialing 800-925-1779, access code 7461 (International callers

should dial 402-220-3079.)

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