
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): November 2, 2011

GENERAL COMMUNICATION, INC.

(Exact name of registrant as specified in its charter)

State of Alaska

(State or other Jurisdiction of
Incorporation or organization)

0-15279

Commission File Number

92-0072737

(I.R.S Employer
Identification No.)

**2550 Denali Street
Suite 1000
Anchorage, Alaska**

(Address of principal executive offices)

99503

(Zip Code)

Registrant's telephone number, including area code: (907) 868-5600

NONE

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Section 2 – Financial Information

Item 2.02 Results of Operations and Financial Condition

On November 2, 2011, General Communication, Inc. (GCI) issued a press release announcing earnings for the three and nine months ended September 30, 2011. A copy of the press release is attached as Exhibit 99.1.

The information in this Form 8-K and the Exhibit attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

The earnings release attached as Exhibit 99.1 discloses the non-GAAP financial measure of Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation, Amortization, Share-based Compensation Expense, Accretion Expense and Non-cash Contribution Adjustment) for the three and nine months ended September 30, 2011 and 2010. Adjusted EBITDA has been reconciled to the closely related GAAP financial measure, Net Income (Loss), within the earnings release.

Adjusted EBITDA is the sum of Net Income (Loss), Interest Expense (including Amortization of Deferred Loan Fees), Interest Income, Income Tax Expense (Benefit), Depreciation and Amortization Expense, Share-based Compensation Expense, Accretion Expense and Non-cash Contribution Adjustment. Adjusted EBITDA is not presented as an alternative measure of net income (loss), 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 to evaluate the operating performance of its business, and as a measure of performance for incentive compensation purposes. GCI believes Adjusted EBITDA is a measure used as an analytical indicator of income generated to service debt and fund capital expenditures. In addition, multiples of current or projected Adjusted EBITDA are used to estimate current or prospective enterprise value. Adjusted EBITDA does not give effect to cash used for debt service requirements, and thus does not reflect funds available for investment or other discretionary uses. Adjusted EBITDA as presented herein may not be comparable to similarly titled measures reported by other companies.

Section 9 – Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press release issued by General Communication, Inc. on November 2, 2011

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GENERAL COMMUNICATION, INC.

(Registrant)

Date: November 3, 2011

By /s/ John M. Lowber

Name: John M. Lowber

Title: Senior Vice President,
Chief Financial Officer,
Secretary and Treasurer
(Principal Financial Officer)

Exhibit Index

Exhibit No.

Description

99.1

Press release issued by General Communication, Inc. on November 2, 2011

November 2, 2011

John Lowber, (907) 868-5628; jlowber@gci.com
Bruce Broquet, (907) 868-6660; bbroquet@gci.com
David Morris, (907) 265-5396; dmorris@gci.com

FOR IMMEDIATE RELEASE

GCI REPORTS THIRD QUARTER 2011 FINANCIAL RESULTS

- Consolidated revenue of \$177.7 million
- Adjusted EBITDA of \$63.1 million
- Net income of \$7.2 million or \$0.15 per diluted share

ANCHORAGE, AK – General Communication, Inc. (“GCI”) (NASDAQ:GNCMA) today reported its third quarter 2011 results with revenues increasing to \$177.7 million over revenues of \$171.5 million in the third quarter of 2010. Adjusted EBITDA for the third quarter of 2011 was \$63.1 million, an increase of \$0.4 million over Adjusted EBITDA of \$62.7 million for the third quarter of 2010. Adjusted EBITDA for the third quarter of 2011 increased \$2.3 million or 3.7 percent after excluding the net benefit of \$3.8 million of billing disputes offset by \$1.9 million in accrued accident expenses reflected in the third quarter of 2010.

Net income for the third quarter totaled \$7.2 million or earnings per diluted share of \$0.15 and compares to net income of \$7.6 million, or earnings per diluted share of \$0.14 for the same period of 2010.

Third quarter revenues increased 5.7 percent or \$9.6 million over second quarter of 2011 revenues. Adjusted EBITDA for the third quarter increased 14.9 percent or \$8.2 million over the second quarter of 2011 Adjusted EBITDA.

“Third quarter results are significantly improved on a sequential basis.” said GCI president Ron Duncan. “However, year over year results are relatively flat and our overall performance is not as strong as we had expected. We are experiencing continued decreases in our wireline customer base as consumers cut the cord and move to wireless and growth in our wireless segment has been slower than anticipated due to delays in the turn up of our new high speed networks.”

“Construction of our important \$88 million TERRA microwave project is basically complete and we expect to turn up service on it before the end of this year. For the first time residents of southwest Alaska will have access to high speed terrestrial broadband services.”

GCI previously provided guidance on revenues of \$685 million to \$700 million and adjusted EBITDA of \$233 million to \$238 million for the year 2011. GCI expects 2011 revenues will be within the range of the revenue guidance. Adjusted EBITDA is now expected in the range of \$225 million to \$227 million for 2011.

Highlights

- GCI has substantially completed construction on TERRA-Southwest (TERRA-SW), its project to extend terrestrial broadband service to Bristol Bay and the Yukon-Kuskokwim Delta. The \$88 million project will provide terrestrial broadband to 65 communities in Southwest Alaska for the first time. GCI will begin to cut over customers to terrestrial from satellite service before the end of the year 2011. TERRA-SW was originally scheduled to be completed by the end of 2013.
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- GCI repurchased 1,919,900 shares of its Class A common stock in the third quarter of 2011 at an average price per share of \$9.32. GCI is authorized to repurchase \$114.4 million of its common equity depending on company performance, market conditions, and liquidity and subject to board oversight. At the end of the third quarter of 2011 GCI had approximately 43.9 million shares outstanding.
 - Managed broadband revenues increased \$3.9 million or 28.5 percent over the third quarter of 2010 and increased \$2.8 million or 18.9 percent over the second quarter of 2011.
 - GCI is the second largest wireless provider in Alaska with 140,700 wireless subscribers at the end of the quarter. GCI launched 4G service in Anchorage in September and will upgrade service in the next ten largest communities to 3G service before the end of the year.
 - GCI entered into an arrangement under the New Markets Tax Credit (NMTC) program with US Bancorp to help fund a \$34.5 million project to extend terrestrial broadband service to communities in Northwest Alaska. This project is called TERRA-Northwest (TERRA-NW) and will complement the TERRA-SW project. The NMTC program was provided for in the Community Renewal Tax Relief Act of 2000 (the Act) to induce capital investment in qualified low income communities. The Act permits taxpayers to claim credits against their federal income taxes of up to 39 percent of qualified investments. The NMTC program will provide \$16.5 million of the total project. The Regulatory Commission of Alaska will provide another \$5.3 million in grants for the project. GCI will provide the remaining \$12.7 million to complete the project.
 - On October 27, 2011 the FCC adopted an order that is expected to reform the methodology for distributing Universal Service Fund ("USF") high cost support for voice and broadband services, as well as the system by which carriers compensate each other for terminating traffic. These changes are likely to alter how GCI will be compensated for providing services in the state. Putting aside any potential impact from the order, GCI expects to record approximately \$54 million of USF high cost support revenue in 2011. Although the detailed order has not yet been released, GCI expects that high cost support for markets defined as urban will be subject to a five year transitional phase out beginning July 1, 2012. GCI anticipates that changes to the Universal Service Fund program will reduce high cost support revenue by approximately \$5 million per year in both 2012 and 2013. Once the order has been released and fully analyzed, GCI will re-evaluate its on-going program of reinvestment in light of the potential impact of the regulatory changes on free cash flow.
 - GCI had 139,200 access lines at the end of the third quarter of 2011, representing an estimated 36 percent share of the total access line market in Alaska. Access lines decreased by 3,200 lines from the second quarter of 2011. The line decreases were primarily consumer access lines.
 - GCI's facilities-based access lines totaled 109,700, representing 78.8 percent of its total access lines at the end of the third quarter of 2011. Reported facilities based access lines decreased 2,600 lines from the second quarter of 2011. The decrease in facilities based access lines were primarily consumer access lines.
 - GCI had 117,900 consumer and commercial cable modem customers at the end of the third quarter of 2011, an increase of 1,500 over the 116,400 cable modem customers at the end of the second quarter 2011. Average monthly revenue per cable modem for the third quarter of 2011 was \$57.43, an increase of 13.5 percent over the \$50.61 figure posted for the prior year and 6.6 percent from the \$53.85 figure posted for the second quarter of 2011.
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Consumer

Consumer revenues increased 0.6 percent to \$89.3 million as compared to \$88.7 million in the third quarter of 2010 and \$88.6 million in the second quarter of 2011. Data and wireless continue to support financial results in the consumer business.

Consumer voice revenues of \$13.2 million, as expected, were lower as compared to \$14.6 million the third quarter of 2010 and \$13.6 million in the second quarter of 2011. Consumer local access lines in service at the end of the third quarter of 2011 totaled 79,100, a decrease of 5,600 lines from the third quarter of 2010 and 3,200 lines from the second quarter of 2011. The decrease in access lines is primarily a result of customers discontinuing wire line service and relying solely on wireless devices. While GCI has consistently grown share in the wire line market, the share growth is no longer sufficient to offset the decreasing overall size of the wire line access market. Troop deployment also contributed to the decrease in local access lines, which GCI expects to continue through and past the end of the year as new troop deployments have been announced.

GCI serves 73,200 consumer access lines on its own facilities, a decrease of 3,900 and 2,700 lines from the third quarter of 2010 and the second quarter of 2011, respectively. More than 92 percent of consumer access lines are provisioned exclusively on GCI facilities.

Consumer video revenues of \$29.2 million decreased 1.9 percent from the third quarter of 2010 and 1.3 percent from the second quarter of 2011. The decrease from the prior year is largely due to a decrease in video subscribers. Consumer basic video subscribers totaled 126,400 at the end of the third quarter of 2011, a decrease of 500 subscribers from the second quarter of 2011.

Consumer data revenues of \$18.1 million increased 14.5 percent over the third quarter of 2010 and 4.8 percent over the second quarter of 2011. The increase in consumer data revenues over the prior year is due to an increase in cable modem customers and increasing average monthly usage per cable modem. GCI added 2,400 consumer cable modem customers over the third quarter of 2010 and 1,400 cable modem customer on a sequential basis.

Consumer wireless revenues of \$28.9 million for the third quarter of 2011 were steady with the third quarter of 2010 and increased 2.6 percent over the second quarter of 2011. Consumer has added 2,900 wireless customers over the end of the third quarter a year ago, an increase of 2.4 percent. Consumer wireless customers decreased by 600 lines as compared to the end of the second quarter of 2011. Sequential wireless gross additions were unfavorably impacted by the implementation of a new policy for Lifeline customers which reduced net wireless subscriber counts for the third quarter by more than 1,600 and for the year by more than 2,600. The delay in GCI's roll out of higher speed wireless service offerings has resulted in slower post-paid customer growth than originally expected.

Network Access

Network access revenues increased 4.5 percent to \$29.5 million as compared to \$28.2 million in the third quarter of 2010 and increased 17.2 percent or \$4.3 million as compared to the second quarter of 2011.

Voice revenues, as expected, decreased 28.1 percent to \$6.2 million from the prior year and increased 14.2 percent over the second quarter of 2011. The decrease in voice revenues for the year is primarily due to the continued decrease in the wired voice market as a result of wireless and data substitution. Long distance minutes decreased 1.4 percent from the prior year and increased 8.0 percent over the second quarter of 2011. The sequential increase in revenues and minutes is primarily due to seasonality.

Data revenues increased \$3.2 million or 20.6 percent compared to the third quarter of 2010 and increased \$2.1 million or 14.1 percent compared to the second quarter of 2011. The increase in data revenues is due in part to the continuing shift to IP-based transport and \$1.9 million in revenues due to special project work for a new customer.

Wireless revenues, primarily related to roaming traffic, increased 14.1 percent to \$6.1 million over the prior year and 30.4 percent sequentially. The increase in revenues is primarily due to seasonality.

Commercial

Commercial revenues of \$35.6 million were level with the third quarter of 2010 and increased \$1.4 million over \$34.2 million in the second quarter of 2011.

Voice revenues for the third quarter of 2011 decreased 11.1 percent or \$0.9 million when compared to the third quarter of 2010 and were relatively steady when compared with the second quarter of 2011. Long distance minutes decreased 4.6 percent from the prior year and increased 1.3 percent over the second quarter of 2011. Local access lines at the end of the second quarter of 2011 increased by 100 lines sequentially. Local access lines served entirely on GCI's facilities increased by 4,900 lines when compared to the prior year and increased by 200 over the second quarter of 2011. The increase in lines over the prior year is primarily due to the correction of a classification error in calculating the number of lines on our facilities.

Commercial video revenues of \$2.8 million were relatively steady with the prior year and the second quarter of 2011. Commercial video subscribers total 20,000 at the end of the third quarter of 2011 an increase of 2,200 subscribers when compared to the end of the third quarter of the prior year. Commercial video subscribers at the end of the third quarter decreased by 300 subscribers from the second quarter of 2011.

Commercial data service revenues include both transmission charges for data circuits and time and materials charges for GCI on-site support of customer operations. Data transport charges of \$10.3 million increased by \$1.1 million as compared to the third quarter of 2010 and time and material charges for support activities decreased \$0.3 million from the third quarter of 2010. Commercial data service revenues were \$23.0 million in the third quarter of 2011, an increase of \$0.8 million over the third quarter of 2010 and \$1.5 million over the second quarter of 2011. The sequential increase in data service revenues is primarily attributed to a seasonal increase in time and material charges for support activities in the state's oil sector.

Commercial wireless revenues totaled \$2.6 million for the third quarter of 2011 and increased 13.5 percent or \$0.3 million over the third quarter of 2010 and were steady with the second quarter of 2011. GCI had 14,900 commercial wireless subscribers at the end of the third quarter of 2011, an increase of 1,300 subscribers over the prior year and 300 subscribers sequentially.

Managed Broadband

Managed broadband revenues increased \$3.9 million or 28.5 percent over the third quarter of 2010 and increased \$2.8 million or 18.9 percent over the second quarter of 2011. The increase in revenues for the year and sequentially is due to an increase in activity by rural school districts and rural health agencies.

Regulated Operations

Regulated operations revenues totaled \$6.0 million in the third quarter of 2011, an increase of \$0.4 million over the third quarter of 2010 and \$0.5 million over the second quarter of 2011. Regulated operations had 9,300 local access lines at the end of the third quarter of 2011, a decrease of 900 lines from the third quarter of 2010 and a decrease of 100 lines from the second quarter of 2011.

Other Items

SG&A expenses for the third quarter of 2011 totaled \$54.5 million, a decrease of 7.0 percent as compared to \$58.5 million for the third quarter of 2010. The decrease is due a reduction in success sharing costs and the absence of costs associated with an accident involving our company-owned aircraft in August 2010. As a percentage of revenues, SG&A expenses decreased to 31 percent as compared to 34 percent in the second quarter of 2011 and the prior year.

GCI's third quarter 2011 capital expenditures totaled \$57.2 million as compared to \$24.7 million in the third quarter of 2010 and \$45.6 million in the second quarter of 2011. The third quarter 2011 capital expenditures include \$31.6 million related to the TERRA-SW project and compares to \$20.6 million spent in the second quarter of 2011. GCI has incurred \$77.1 million of the estimated total cost for the project of \$88 million. GCI has received RUS loan and grant funds for the project totaling \$30.7 million.

GCI will hold a conference call to discuss the quarter's results on Thursday, November 3, 2011 beginning at 2 p.m. (Eastern). To access the briefing on November 3, call the conference operator between 1:50-2:00 p.m. (Eastern Time) at 800-779-8168 (International callers should dial 1-312-470-7398) 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 866-402-3767, access code 7461 (International callers should dial 203-369-0554.)

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 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.

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

(Amounts in thousands)

Assets	September 30, 2011	December 31, 2010
Current assets:		
Cash and cash equivalents	\$ 34,634	33,070
Receivables	168,840	132,856
Less allowance for doubtful receivables	<u>6,273</u>	<u>9,189</u>
Net receivables	162,567	123,667
Deferred income taxes	10,145	10,145
Prepaid expenses	8,434	5,950
Inventories	7,949	5,804
Other current assets	<u>3,658</u>	<u>3,940</u>
Total current assets	227,387	182,576
Property and equipment in service, net of depreciation	762,170	798,278
Construction in progress	<u>108,692</u>	<u>31,144</u>
Net property and equipment	870,862	829,422
Cable certificates	191,635	191,635
Goodwill	73,932	73,932
Wireless licenses	25,967	25,967
Restricted cash	16,546	-
Other intangible assets, net of amortization	16,549	17,717
Deferred loan and senior notes costs, net of amortization	13,223	13,661
Other assets	<u>15,271</u>	<u>16,850</u>
Total other assets	353,123	339,762
Total assets	<u>\$ 1,451,372</u>	<u>1,351,760</u>

(Continued)

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

(Amounts in thousands)

Liabilities and Stockholders' Equity	September 30, 2011	December 31, 2010
Current liabilities:		
Current maturities of obligations under long-term debt and capital leases	\$ 8,042	7,652
Accounts payable	49,726	35,589
Deferred revenue	18,583	17,296
Accrued payroll and payroll related obligations	20,313	22,132
Accrued interest	21,969	13,456
Accrued liabilities	11,370	12,557
Subscriber deposits	1,304	1,271
Total current liabilities	<u>131,307</u>	<u>109,953</u>
Long-term debt, net	852,374	779,201
Obligations under capital leases, excluding current maturities	80,031	84,144
Obligation under capital lease due to related party	1,893	1,885
Deferred income taxes	109,804	102,401
Long-term deferred revenue	63,914	49,175
Other liabilities	22,433	24,495
Total liabilities	<u>1,261,756</u>	<u>1,151,254</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock (no par):		
Class A. Authorized 100,000 shares; issued 40,966 and 44,213 shares at September 30, 2011 and December 31, 2010, respectively; outstanding 40,712 and 43,958 shares at September 30, 2011 and December 31, 2010, respectively	31,535	69,396
Class B. Authorized 10,000 shares; issued and outstanding 3,172 and 3,178 shares at September 30, 2011 and December 31, 2010, respectively; convertible on a share-per-share basis into Class A common stock	2,680	2,677
Less cost of 254 and 255 Class A common shares held in treasury at September 30, 2011 and December 31, 2010, respectively	(2,240)	(2,249)
Paid-in capital	40,750	37,075
Retained earnings	100,345	93,607
Total General Communication, Inc. stockholders' equity	<u>173,070</u>	<u>200,506</u>
Noncontrolling interest	16,546	-
Total stockholders' equity	<u>189,616</u>	<u>200,506</u>
Total liabilities and stockholders' equity	<u>\$ 1,451,372</u>	<u>1,351,760</u>

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

(Amounts in thousands, except per share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Revenues	\$ 177,703	171,509	510,569	486,254
Cost of goods sold (exclusive of depreciation and amortization shown separately below)	60,664	52,486	171,734	153,147
Selling, general and administrative expenses	54,453	58,532	171,043	166,493
Depreciation and amortization expense	30,702	30,288	93,054	92,234
Operating income	<u>31,884</u>	<u>30,203</u>	<u>74,738</u>	<u>74,380</u>
Other income (expense):				
Interest expense (including amortization of deferred loan fees)	(16,678)	(17,760)	(51,424)	(53,169)
Loss on extinguishment of debt	-	-	(9,111)	-
Interest income	22	99	30	236
Other	(59)	-	(92)	-
Other expense, net	<u>(16,715)</u>	<u>(17,661)</u>	<u>(60,597)</u>	<u>(52,933)</u>
Income before income tax expense	15,169	12,542	14,141	21,447
Income tax expense	<u>(7,959)</u>	<u>(4,959)</u>	<u>(7,403)</u>	<u>(10,260)</u>
Net income	<u>\$ 7,210</u>	<u>7,583</u>	<u>6,738</u>	<u>11,187</u>
Basic net income per Class A common share	<u>\$ 0.16</u>	<u>0.14</u>	<u>0.15</u>	<u>0.20</u>
Basic net income per Class B common share	<u>\$ 0.16</u>	<u>0.14</u>	<u>0.15</u>	<u>0.20</u>
Diluted net income per Class A common share	<u>\$ 0.15</u>	<u>0.14</u>	<u>0.13</u>	<u>0.20</u>
Diluted net income per Class B common share	<u>\$ 0.15</u>	<u>0.14</u>	<u>0.13</u>	<u>0.20</u>
Common shares used to calculate Class A basic EPS	<u>41,768</u>	<u>51,496</u>	<u>42,940</u>	<u>51,521</u>
Common shares used to calculate Class A diluted EPS	<u>45,464</u>	<u>54,940</u>	<u>46,682</u>	<u>54,808</u>

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

(Amounts in thousands)

	Third Quarter 2011						Third Quarter 2010					
	Consumer	Network Access	Commercial	Managed Broadband	Regulated Operations	Totals	Consumer	Network Access	Commercial	Managed Broadband	Regulated Operations	Totals
Revenues												
Voice	\$ 13,164	6,213	7,137	-	5,990	32,504	\$ 14,601	8,636	8,025	-	5,595	36,857
Video	29,155	-	2,830	-	-	31,985	29,720	-	2,953	-	-	32,673
Data	18,088	17,140	23,040	17,407	-	75,675	15,797	14,208	22,211	13,548	-	65,764
Wireless	28,860	6,114	2,565	-	-	37,539	28,595	5,360	2,260	-	-	36,215
Total	89,267	29,467	35,572	17,407	5,990	177,703	88,713	28,204	35,449	13,548	5,595	171,509
Cost of goods sold												
	27,436	9,531	17,232	4,540	1,925	60,664	25,374	5,547	16,731	3,545	1,289	52,486
Contribution	61,831	19,936	18,340	12,867	4,065	117,039	63,339	22,657	18,718	10,003	4,306	119,023
Less SG&A	31,737	6,300	9,358	4,031	3,027	54,453	33,248	8,178	9,955	4,392	2,759	58,532
Less other	-	-	-	59	-	59	-	-	-	-	-	-
EBITDA	30,094	13,636	8,982	8,777	1,038	62,527	30,091	14,479	8,763	5,611	1,547	60,491
Add share-based compensation	173	56	104	51	-	384	1,121	549	362	215	3	2,250
Add accretion	106	37	31	16	-	190	-	-	-	-	-	-
Adjusted EBITDA	<u>\$ 30,373</u>	<u>13,729</u>	<u>9,117</u>	<u>8,844</u>	<u>1,038</u>	<u>63,101</u>	<u>\$ 31,212</u>	<u>15,028</u>	<u>9,125</u>	<u>5,826</u>	<u>1,550</u>	<u>62,741</u>

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

(Amounts in thousands)

	Third Quarter 2011						Second Quarter 2011					
	Consumer	Network Access	Commercial	Managed Broadband	Regulated Operations	Totals	Consumer	Network Access	Commercial	Managed Broadband	Regulated Operations	Totals
Revenues												
Voice	\$ 13,164	6,213	7,137	-	5,990	32,504	\$ 13,625	5,441	7,340	-	5,529	31,935
Video	29,155	-	2,830	-	-	31,985	29,546	-	2,936	-	-	32,482
Data	18,088	17,140	23,040	17,407	-	75,675	17,257	15,023	21,518	14,639	-	68,437
Wireless	28,860	6,114	2,565	-	-	37,539	28,126	4,687	2,422	-	-	35,235
Total	89,267	29,467	35,572	17,407	5,990	177,703	88,554	25,151	34,216	14,639	5,529	168,089
Cost of goods sold												
	27,436	9,531	17,232	4,540	1,925	60,664	28,011	6,576	16,932	4,580	1,215	57,314
Contribution	61,831	19,936	18,340	12,867	4,065	117,039	60,543	18,575	17,284	10,059	4,314	110,775
Less SG&A	31,737	6,300	9,358	4,031	3,027	54,453	33,288	6,570	10,233	4,513	3,093	57,697
Less other	-	-	-	59	-	59	-	-	-	9	-	9
EBITDA	30,094	13,636	8,982	8,777	1,038	62,527	27,255	12,005	7,051	5,537	1,221	53,069
Add share-based compensation	173	56	104	51	-	384	894	301	319	156	-	1,670
Add accretion	106	37	31	16	-	190	109	38	31	16	-	194
Adjusted EBITDA	<u>\$ 30,373</u>	<u>13,729</u>	<u>9,117</u>	<u>8,844</u>	<u>1,038</u>	<u>63,101</u>	<u>\$ 28,258</u>	<u>12,344</u>	<u>7,401</u>	<u>5,709</u>	<u>1,221</u>	<u>54,933</u>

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

(Amounts in thousands)

	Nine Months Ended September 30, 2011						Nine Months Ended September 30, 2010					
	Consumer	Network Access	Commercial	Managed Broadband	Regulated Operations	Totals	Consumer	Network Access	Commercial	Managed Broadband	Regulated Operations	Totals
Revenues												
Voice	\$ 40,541	18,124	22,050	-	16,958	97,673	\$ 43,711	22,471	24,316	-	17,262	107,760
Video	89,040	-	8,606	-	-	97,646	88,096	-	7,909	-	-	96,005
Data	52,046	47,135	63,653	46,041	-	208,875	44,531	46,360	56,544	36,020	-	183,455
Wireless	84,611	14,456	7,308	-	-	106,375	79,892	12,668	6,474	-	-	99,034
Total	266,238	79,715	101,617	46,041	16,958	510,569	256,230	81,499	95,243	36,020	17,262	486,254
Cost of goods sold												
	82,755	22,772	49,030	13,034	4,143	171,734	77,199	18,454	44,199	9,923	3,372	153,147
Contribution	183,483	56,943	52,587	33,007	12,815	338,835	179,031	63,045	51,044	26,097	13,890	333,107

Less SG&A	98,402	19,647	30,126	13,012	9,856	171,043	92,858	23,919	28,279	12,654	8,783	166,493
Less other	-	-	-	92	-	92	-	-	-	-	-	-
EBITDA	85,081	37,296	22,461	19,903	2,959	167,700	86,173	39,126	22,765	13,443	5,107	166,614
Add share-based compensation	1,686	569	646	323	-	3,224	2,329	1,119	785	460	3	4,696
Add accretion	257	88	73	38	-	456	-	-	-	-	-	-
Less other	-	-	-	-	-	-	(82)	(39)	(24)	(15)	-	(160)
Adjusted EBITDA	\$ 87,024	37,953	23,180	20,264	2,959	171,380	\$ 88,420	40,206	23,526	13,888	5,110	171,150

Wireless												
Average monthly gross revenue per subscriber	\$	72.60	\$	74.61	\$	70.52	\$	(2.01)	\$	2.08	-2.7%	2.9%
Network Access Services												
Voice												
Long-distance minutes carried (in millions)		202.5		205.4		187.5		(2.9)		15.0	-1.4%	8.0%
Commercial												
Voice:												
Long-distance minutes carried (in millions)		28.4		29.8		28.0		(1.4)		0.4	-4.7%	1.4%
Total												
Long-distance minutes carried (in millions)		253.2		260.8		238.7		(7.6)		14.5	-2.9%	6.1%

General Communication, Inc.
Non-GAAP Financial Reconciliation Schedule
(Unaudited, Amounts in Millions)

	September 30, 2011	Three Months Ended September 30, 2010	June 31, 2011
Net income (loss)	\$ 7.2	7.6	(2.0)
Income tax expense (benefit)	8.0	4.9	(2.0)
Income (loss) before income tax expense (benefit)	<u>15.2</u>	<u>12.5</u>	<u>(4.0)</u>
Other expense:			
Interest expense (including amortization of deferred loan fees)	16.7	17.8	17.3
Interest income	---	(0.1)	---
Loss on extinguishment of debt	---	---	9.1
Other expense, net	<u>16.7</u>	<u>17.7</u>	<u>26.4</u>
Operating income	31.9	30.2	22.4
Depreciation and amortization expense	<u>30.7</u>	<u>30.3</u>	<u>30.6</u>
EBITDA (Note 2)	62.6	60.5	53.0
Share-based compensation	0.4	2.2	1.7
Accretion	0.1	---	0.2
Adjusted EBITDA (Note 1)	<u>\$ 63.1</u>	<u>62.7</u>	<u>54.9</u>

General Communication, Inc.
Non-GAAP Financial Reconciliation Schedule
(Unaudited, Amounts in Millions)

	Nine Months Ended	
	September 30, 2011	September 30, 2010
Net income	\$ 6.7	11.2
Income tax expense	7.4	10.2
Income before income tax expense	<u>14.1</u>	<u>21.4</u>
Other (income) expense:		
Interest expense (including amortization of deferred loan fees)	51.4	53.2
Interest income	---	(0.2)
Loss on extinguishment of debt	9.1	---
Other	0.1	---
Other expense, net	<u>60.6</u>	<u>53.0</u>
Operating income	74.7	74.4
Depreciation and amortization expense	<u>93.1</u>	<u>92.2</u>
EBITDA (Note 2)	167.8	166.6
Share-based compensation	3.2	4.7
Accretion	0.4	---
Non-cash contribution adjustment	---	(0.1)
Adjusted EBITDA (Note 1)	<u>\$ 171.4</u>	<u>171.2</u>

General Communication, Inc.
Non-GAAP Financial Reconciliation Schedule
(Unaudited, Amounts in Millions)

Notes:

(1) EBITDA (as defined in Note 2 below) before deducting share-based compensation and accretion expense.

(2) Earnings Before Interest, Taxes, Depreciation and Amortization is the sum of Net Income, Interest Expense (including Amortization of Deferred Loan Fees), Interest Income, Income Tax Expense, and Depreciation and Amortization Expense. EBITDA is 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 EBITDA to evaluate the operating performance of its business, and as a measure of performance for incentive compensation purposes. GCI believes EBITDA is a measure used as an analytical indicator of income generated to service debt and fund capital expenditures. In addition, multiples of current or projected EBITDA are used to estimate current or prospective enterprise value. EBITDA does not give effect to cash used for debt service requirements, and thus does not reflect funds available for investment or other discretionary uses. EBITDA as presented herein may not be comparable to similarly titled measures reported by other companies.
