



GCI Reports Fourth Quarter 2017 Financial Results

February 27, 2018

Net Income of \$48 million for the quarter and Net Loss of \$25 million for the year

Consolidated Revenue of \$236 million for the quarter and \$919 million for the year

Pro Forma EBITDA of \$76 million for the quarter and \$305 million for the year

February 27, 2018, Anchorage, Alaska - GCI Liberty, Inc. ("GCI") (NASDAQ: GNCMA) formerly known as General Communication, Inc. announces its results for the fourth quarter and year-end 2017.

Liberty Interactive Transaction Update:

As previously announced, GCI and Liberty Interactive Corporation signed an agreement to combine GCI with certain assets of the Liberty Ventures Group. We expect to close the transaction on March 9, 2018.

Operating and Financial Highlights

Our fourth quarter revenues were \$236 million, an increase of \$4 million sequentially and \$3 million from the fourth quarter of 2016. Pro Forma EBITDA, which is Adjusted EBITDA plus \$1 million of one-time transaction costs in the quarter, was \$76 million. This is down \$4 million from the previous quarter and up \$8 million year-over-year.

This quarter we had Pro Forma EBITDA margins of 32 percent compared to 29 percent in the fourth quarter of 2016 and 35 percent in the third quarter of 2017.

Consumer

Consumer revenues of \$113 million in the fourth quarter were up \$3 million or 3 percent sequentially and \$2 million or 2 percent year-over-year. Data and wireless revenues were up \$2 million each year-over-year. During the quarter we experienced subscriber declines of 500 cable modems, 2,600 video subscribers and 4,100 wireless subscribers. The recession in Alaska is a significant contributing factor in our subscriber headwinds. The wireless subscriber losses were exacerbated by seasonal prepaid disconnects.

Business

GCI Business revenues of \$122 million in the fourth quarter were up \$1 million or 1 percent on both a sequential and year over year basis.

SG&A

SG&A expenses were \$90 million during the quarter. Excluding the one-time transaction costs of \$1 million, expenses were level sequentially and down \$4 million or 4 percent year-over-year.

Leverage

After adding back the roaming adjustment and transaction costs, our net debt to Adjusted EBITDA was 4.65x for 2017.

2017 Guidance

With Pro Forma EBITDA of \$305 million we achieved our guidance of \$300 to \$315 million excluding costs related to the Liberty transaction.

Capital expenditures of \$167 million hit guidance of approximately \$165 million in 2017.

2018 Guidance

Capital expenditures are expected to be approximately \$170 million in 2018.

Use of Non-GAAP Measure

Pro-Forma and Adjusted EBITDA are presented herein and are non-GAAP measures. See our attached financials for a reconciliation of these non-GAAP measures to the nearest GAAP measure.

Pro-Forma EBITDA guidance is a forward-looking non-GAAP financial measure presented herein. Reconciliation to the most directly comparable GAAP financial measure is not provided because we are unable to provide such reconciliation without unreasonable effort. The inability to provide a reconciliation is due to the uncertainty and inherent difficulty regarding the occurrence, the financial impact and the periods with respect to recognition of future GAAP financial measures. We also believe that such a reconciliation would imply an inappropriate degree of precision. For the same reasons, we are unable to address the probable significance of the unavailable information.

Conference Call

Due to the pending transactions between GCI and Liberty Interactive Corporation, GCI will not hold a conference call to review these results.

Forward-Looking Statement Disclosure

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 Forms 10-K and 10-Q filed with the Securities and Exchange Commission.

About GCI

GCI is the largest communications provider in Alaska, providing data, wireless, video, voice and managed services to consumer and business customers throughout Alaska and nationwide. Headquartered in Alaska, GCI has delivered services for nearly 40 years to some of the most remote communities and in some of the most challenging conditions in North America. Learn more about GCI at www.gci.com.

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