

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

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**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 1, 2017

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**GENERAL COMMUNICATION, INC.**

(Exact name of registrant as specified in its charter)

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**State of Alaska**

(State or other Jurisdiction of  
Incorporation or organization)

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**0-15279**

Commission File Number

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**92-0072737**

(I.R.S Employer  
Identification No.)

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

(Address of principal executive offices)

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**99503**

(Zip Code)

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

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**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))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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## **Section 2 - Financial Information**

### **Item 2.02 Results of Operations and Financial Condition**

On November 1, 2017, General Communication, Inc. ("GCI") issued a press release announcing earnings for the three and nine months ended September 30, 2017. A copy of the press release (the "Earnings Release") is attached as Exhibit 99.1.

The information in this Item 2.02 of Form 8-K and Exhibit 99.1 attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall such Item 2.02 or Exhibit 99.1 be deemed incorporated by reference in any filing under the Securities Act of 1933 (the "Securities Act"), 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 (defined as earnings plus imputed interest on financed devices before net interest expense, income taxes, depreciation and amortization expense, loss on extinguishment of debt, derivative instrument unrealized income (loss), share-based compensation expense, accretion expense, loss attributable to non-controlling interest resulting from New Markets Tax Credit transactions, gains and impairment losses on equity and cost method investments, and other non-cash adjustments) and Pro Forma EBITDA (defined as Adjusted EBITDA plus transaction costs relating to the previously announced agreement with Liberty Interactive Corporation to combine GCI with certain assets of the Liberty Ventures Group) for the three and nine months ended September 30, 2017 and 2016 and the three months ended June 30, 2017. Adjusted EBITDA and Pro Forma EBITDA have been reconciled to the closely related GAAP financial measure, net income (loss), within the earnings release.

Adjusted EBITDA and Pro Forma EBITDA are 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 Adjusted EBITDA and Pro Forma EBITDA to evaluate the operating performance of its business, and as a measure of performance for incentive compensation purposes. GCI believes Adjusted EBITDA and Pro Forma EBITDA are useful to investors and other users of our financial information in understanding and evaluating operating performance as an analytical indicator of income generated to service debt and fund capital expenditures. In addition, multiples of current or projected Adjusted EBITDA and Pro Forma EBITDA are used to estimate current or prospective enterprise value. Adjusted EBITDA and Pro Forma EBITDA do not give effect to cash used for debt service requirements, and thus do not reflect funds available for investment or other discretionary uses. Adjusted EBITDA and Pro Forma EBITDA as presented herein may not be comparable to similarly titled measures reported by other companies.

## **Section 8 - Other Events**

### **Item 8.01 Other Events**

The section of the Earnings Release that is set forth under the heading "Liberty Interactive Transaction Update" is being filed herewith as Exhibit 99.2 to this Current Report on Form 8-K in compliance with Rule 425 of the Securities Act, and is hereby incorporated by reference into this Item 8.01. The complete Earnings Release is archived on GCI's website.

## **Section 9 - Financial Statements and Exhibits**

### **Item 9.01 Financial Statements and Exhibits**

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(d) Exhibits

Exhibit

Number

Description

[99.1](#)

[Press Release issued by General Communication, Inc. on November 1, 2017](#)

[99.2](#)

[Excerpts of Press Release issued by General Communication, Inc. under the heading "Liberty Interactive Transaction Update"](#)

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**SIGNATURES**

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 2, 2017

By /s/ Peter J. Pounds

\_\_\_\_\_  
Name: Peter J. Pounds

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

## GCI REPORTS THIRD QUARTER 2017 FINANCIAL RESULTS

Net Loss of \$9 million

Consolidated Revenue of \$231 million

Pro Forma EBITDA of \$81 million

**November 1, 2017, Anchorage, Alaska** - General Communication, Inc. ("GCI") (NASDAQ: GNCMA) announces its results for the third quarter of 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. The following summarizes our progress on outstanding closing related requirements:

*Regulatory Approvals:* As previously reported, we have made the required filings with each of the Federal Communications Commission ("FCC") and the Regulatory Commission of Alaska seeking approval of the transaction.

*Shareholder vote:* We are responding to additional requests from the SEC on the S-4.

We are now expecting to close the transaction in the first quarter of 2018 rather than the fourth quarter of 2017, subject to the satisfaction of customary closing conditions, including the regulatory and shareholder approvals.

### **Operating and Financial Highlights**

Our third quarter revenues were \$231 million, an increase of \$7 million sequentially and a \$5 million decrease from the third quarter of 2016. The year-over-year decline was due largely to a \$5 million decline in wireless equipment revenue. Pro Forma EBITDA, which is Adjusted EBITDA plus \$2 million of one-time Liberty transaction costs in the quarter, was \$81 million. This is up \$6 million from the previous quarter and \$3 million year-over-year.

As we have stated previously, we are focusing on operating efficiencies and cost savings as we expect muted revenue growth in the context of the Alaska recession. This quarter we had Pro Forma EBITDA margins of 34.9 percent compared to 33.0 percent in the third quarter of 2016 and 33.4 percent in the second quarter of 2017.

### **Consumer**

Consumer revenues of \$110 million in the third quarter were up \$4 million or 3.5 percent sequentially and down \$5 million or 4.1 percent year-over-year. Wireless revenues were down \$5 million year-over-year with the declines primarily from handset sales. During the

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quarter we experienced subscriber declines of 1,900 cable modems, 2,300 video subscribers and 300 wireless subscribers. The recession in Alaska is a significant contributing factor in our subscriber headwinds. However, we also completed our rate plan simplification project effective September 30, 2017. This was an important project to complete as we move to our new billing system in 2018 although it did result in elevated customer churn throughout the process.

## **Business**

GCI Business revenues of \$121 million in the third quarter were up \$3 million or 2.6 percent sequentially and down \$1 million or 0.6 percent year-over-year. The year-over-year decline is due to declines in voice revenues. On a sequential basis, second quarter revenue was affected by a \$5 million reduction from the Universal Services Rural Health Care adjustment. Excluding this adjustment, third quarter sequential revenues would have declined \$2 million due to lower time and materials revenue.

## **SG&A**

SG&A expenses were \$91 million during the quarter. Excluding the one-time Liberty transaction costs of \$2 million, expenses were level year-over-year and up \$2 million or 2.0 percent sequentially.

## **Capital Expenditures**

On a year to date basis we have made \$120 million of capital expenditures excluding capitalized interest.

## **Leverage**

After adding back the roaming adjustment and Liberty transaction costs, our net debt to trailing 12 months Adjusted EBITDA was 4.6x as of September 30, 2017.

## **2017 Guidance**

We are affirming our Pro Forma EBITDA guidance to be between \$300 million and \$315 million in 2017, excluding costs related to the Liberty transaction.

Capital expenditures are expected to be approximately \$165 million in 2017.

## 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.

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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

The company will hold a conference call to discuss the financial results on Thursday, November 2, at 2:00 p.m. (Eastern). To access the call, call the conference operator between 1:45-2:00 p.m. (Eastern) at 844-850-0551 (International callers should dial +1-412-902-4197) and identify your call as "GCI".

In addition to dial-up access, GCI will make available net conferencing. To access the call via net conference, log on to [ir.gci.com](http://ir.gci.com) and follow the instructions.

After appropriate filings have been made with the SEC, a rebroadcast of the briefing will be available by logging onto our investor relations site at [www.gci.com](http://www.gci.com).

#### 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](http://www.gci.com).

#### Contact:

Media / Investors: Heather Handyside, 907.868.6838, [hhandyside@gci.com](mailto:hhandyside@gci.com)

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

(Amounts in thousands)

ASSETS	September 30, 2017	December 31, 2016
<b>Current assets:</b>		
Cash and cash equivalents	\$ 19,203	19,297
Receivables	183,785	184,296
Less allowance for doubtful receivables	4,282	4,407
Net receivables	179,503	179,889
Prepaid expenses	23,162	18,599
Inventories	9,394	11,945
Other current assets	62	167
Total current assets	231,324	229,897
Property and equipment	2,714,782	2,614,875
Less accumulated depreciation	1,561,039	1,452,957
Net property and equipment	1,153,743	1,161,918
Goodwill	242,264	239,263
Cable certificates	191,635	191,635
Wireless licenses	93,753	92,347
Other intangible assets, net of amortization	74,371	74,444
Other assets	76,200	76,435
Total other assets	678,223	674,124
Total assets	\$ 2,063,290	2,065,939



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

(Amounts in thousands)

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	September 30, 2017	December 31, 2016
<b>Current liabilities:</b>		
Current maturities of obligations under long-term debt, capital leases, and tower obligation	\$ 13,756	13,229
Accounts payable	58,288	72,937
Deferred revenue	41,348	37,618
Accrued payroll and payroll related obligations	31,460	30,305
Accrued interest (including \$3,714 and \$5,132 to a related party at September 30, 2017 and December 31, 2016, respectively)	25,968	13,926
Accrued liabilities	13,988	14,729
Subscriber deposits	1,239	917
Total current liabilities	186,047	183,661
Long-term debt, net (including \$58,177 and \$56,640 to a related party at September 30, 2017 and December 31, 2016, respectively)	1,333,485	1,333,446
Obligations under capital leases, excluding current maturities (including \$1,721 and \$1,769 due to a related party at September 30, 2017 and December 31, 2016, respectively)	42,864	50,316
Deferred income taxes	133,610	137,982
Long-term deferred revenue	136,722	135,877
Tower obligation	93,842	87,653
Derivative stock appreciation rights with related party	83,670	29,700
Other liabilities	55,741	54,056
Total liabilities	2,065,981	2,012,691
Commitments and contingencies		
Stockholders' equity (deficit):		
Common stock (no par):		
Class A. Authorized 100,000 shares; issued 33,072 and 32,668 shares at September 30, 2017 and December 31, 2016, respectively; outstanding 33,046 and 32,642 shares at September 30, 2017 and December 31, 2016, respectively	—	—
Class B. Authorized 10,000 shares; issued and outstanding 3,052 and 3,153 shares at September 30, 2017 and December 31, 2016, respectively; convertible on a share-per-share basis into Class A common stock	2,578	2,663
Less cost of 26 Class A common shares held in treasury at September 30, 2017 and December 31, 2016	(249)	(249)
Paid-in capital	16,512	3,237
Retained earnings (deficit)	(54,417)	17,068
Total General Communication, Inc. stockholders' equity (deficit)	(35,576)	22,719
Non-controlling interests	32,885	30,529
Total stockholders' equity (deficit)	(2,691)	53,248
Total liabilities and stockholders' equity (deficit)	\$ 2,063,290	2,065,939

**GENERAL COMMUNICATION, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

(Amounts in thousands, except per share amounts)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2017	2016	2017	2016
Revenues	\$ 231,214	236,655	683,675	701,519
Cost of goods sold (exclusive of depreciation and amortization shown separately below)	67,496	73,494	205,099	227,926
Selling, general and administrative expenses	90,691	88,974	280,478	264,642
Depreciation and amortization expense	48,853	47,819	147,547	143,033
Operating income	24,174	26,368	50,551	65,918
<b>Other income (expense):</b>				
Interest expense (including amortization of deferred loan fees)	(21,595)	(19,666)	(62,377)	(58,199)
Interest expense with related party	(1,953)	(1,881)	(5,745)	(5,558)
Derivative instrument unrealized income (loss) with related party	(12,270)	4,800	(53,970)	15,840
Other	(69)	613	1,203	1,702
Other expense, net	(35,887)	(16,134)	(120,889)	(46,215)
Income (loss) before income taxes	(11,713)	10,234	(70,338)	19,703
Income tax (expense) benefit	2,864	(2,407)	(2,757)	(7,596)
Net income (loss)	(8,849)	7,827	(73,095)	12,107
Net loss attributable to non-controlling interests	(118)	(116)	(353)	(350)
Net income (loss) attributable to General Communication, Inc.	\$ (8,731)	7,943	(72,742)	12,457
Basic net income (loss) attributable to General Communication, Inc. common stockholders per Class A common share	\$ (0.25)	0.21	(2.12)	0.33
Basic net income (loss) attributable to General Communication, Inc. common stockholders per Class B common share	\$ (0.25)	0.21	(2.12)	0.33
Diluted net income (loss) attributable to General Communication, Inc. common stockholders per Class A common share	\$ (0.25)	0.14	(2.12)	0.08
Diluted net income (loss) attributable to General Communication, Inc. common stockholders per Class B common share	\$ (0.25)	0.14	(2.12)	0.08
Common shares used to calculate Class A basic EPS	31,374	32,033	31,291	33,008
Common shares used to calculate Class A diluted EPS	34,426	35,478	34,385	36,793

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

(Amounts in thousands)	Third Quarter 2017	Third Quarter 2016	Second Quarter 2017
<b>Revenues</b>			
Wireless	\$ 69,452	74,398	66,695
Data	113,845	110,032	109,069
Video	29,355	30,770	29,731
Voice	18,562	21,455	18,851
Total	<u>231,214</u>	<u>236,655</u>	<u>224,346</u>
<b>Cost of goods sold</b>	<u>67,496</u>	<u>73,494</u>	<u>68,329</u>
Contribution	163,718	163,161	156,017
Less SG&A	(90,691)	(88,974)	(96,229)
Plus share-based compensation	4,858	2,810	5,745
Plus imputed interest on financed devices	608	651	630
Plus accretion	425	406	437
Other	227	131	(533)
Adjusted EBITDA	<u>79,145</u>	<u>78,185</u>	<u>66,067</u>
Liberty transaction costs	1,620	—	8,943
Pro Forma EBITDA	<u>\$ 80,765</u>	<u>78,185</u>	<u>75,010</u>

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

(Amounts in thousands)	Nine Months Ended September 30,	
	2017	2016
<b>Revenues</b>		
Wireless	\$ 201,609	214,506
Data	337,068	325,010
Video	88,147	95,824
Voice	56,851	66,179
Total	683,675	701,519
<b>Cost of goods sold</b>	205,099	227,926
Contribution	478,576	473,593
Less SG&A	(280,478)	(264,642)
Plus share-based compensation	13,741	7,820
Plus imputed interest on financed devices	1,919	1,885
Plus accretion	1,352	1,240
Other	(1,089)	435
Adjusted EBITDA	214,021	220,331
Liberty transaction costs	14,771	—
Pro Forma EBITDA	\$ 228,792	220,331

**General Communication, Inc.**

**Non-GAAP Financial Reconciliation Schedule**

(Unaudited, Amounts in Thousands)

	Three Months Ended			Nine Months Ended	
	September 30, 2017	September 30, 2016	June 30, 2017	September 30, 2017	September 30, 2016
Net income (loss)	\$ (8,849)	7,827	(9,000)	(73,095)	12,107
Income tax expense (benefit)	(2,864)	2,407	(40,975)	2,757	7,596
Income (loss) before income taxes	(11,713)	10,234	(49,975)	(70,338)	19,703
Other (income) expense:					
Interest expense (including amortization of deferred loan fees)	21,595	19,666	20,946	62,377	58,199
Related party interest expense	1,953	1,881	1,915	5,745	5,558
Derivative instrument unrealized (income) loss with related party	12,270	(4,800)	38,790	53,970	(15,840)
Other	69	(613)	(645)	(1,203)	(1,702)
Other expense, net	35,887	16,134	61,006	120,889	46,215
Operating income	24,174	26,368	11,031	50,551	65,918
Plus depreciation and amortization expense	48,853	47,819	48,757	147,547	143,033
Plus share-based compensation expense	4,858	2,810	5,745	13,741	7,820
Plus imputed interest on financed devices	608	651	630	1,919	1,885
Plus accretion expense	425	406	437	1,352	1,240
Other	227	131	(533)	(1,089)	435
Adjusted EBITDA (Note 1)	79,145	78,185	66,067	214,021	220,331
Liberty transaction costs	1,620	—	8,943	14,771	—
Pro Forma EBITDA (Note 2)	\$ 80,765	78,185	75,010	228,792	220,331

Note:

(1) Earnings plus imputed interest on financed devices before:

- Net interest expense,
- Income taxes,
- Depreciation and amortization expense,
- Loss on extinguishment of debt,
- Derivative instrument unrealized income (loss),
- Share-based compensation expense,
- Accretion expense,
- Loss attributable to non-controlling interest resulting from NMTC transactions,
- Gains and impairment losses on equity and cost method investments, and
- Other non-cash adjustments.

(2) Adjusted EBITDA plus Liberty transaction costs.

Adjusted and Pro Forma EBITDA are 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 Adjusted EBITDA and Pro Forma EBITDA to evaluate the operating performance of its business, and as a measure of performance for incentive compensation purposes. GCI believes Adjusted EBITDA and Pro Forma EBITDA are useful to investors and other users of our financial information in understanding and evaluating operating performance as an analytical indicator of income generated to service debt and fund capital expenditures. In addition, multiples of current or projected Adjusted EBITDA and Pro Forma EBITDA are used to estimate current or prospective enterprise value. Adjusted EBITDA and Pro Forma EBITDA do not give effect to cash used for debt service requirements, and thus do not reflect funds available for investment or other discretionary uses. Adjusted EBITDA and Pro Forma EBITDA as presented herein may not be comparable to similarly titled measures reported by other companies.

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

(Amounts in thousands)

	Third Quarter 2017			Third Quarter 2016		
	Consumer	Business	Total	Consumer	Business	Total
<b>Revenues</b>						
Wireless	\$ 42,224	27,228	69,452	46,900	27,498	74,398
Data	36,991	76,854	113,845	35,255	74,777	110,032
Video	24,991	4,364	29,355	26,134	4,636	30,770
Voice	5,939	12,623	18,562	6,551	14,904	21,455
Total	\$ 110,145	121,069	231,214	114,840	121,815	236,655

(Amounts in thousands)

	Third Quarter 2017			Second Quarter 2017		
	Consumer	Business	Total	Consumer	Business	Total
<b>Revenues</b>						
Wireless	\$ 42,224	27,228	69,452	40,115	26,580	66,695
Data	36,991	76,854	113,845	35,418	73,651	109,069
Video	24,991	4,364	29,355	24,937	4,794	29,731
Voice	5,939	12,623	18,562	5,910	12,941	18,851
Total	\$ 110,145	121,069	231,214	106,380	117,966	224,346

(Amounts in thousands)

	Nine Months Ended September 30, 2017			Nine Months Ended September 30, 2016		
	Consumer	Business	Total	Consumer	Business	Total
<b>Revenues</b>						
Wireless	\$ 122,439	79,170	201,609	134,449	80,057	214,506
Data	108,497	228,571	337,068	105,033	219,977	325,010
Video	74,867	13,280	88,147	81,294	14,530	95,824
Voice	17,910	38,941	56,851	20,357	45,822	66,179
Total	\$ 323,713	359,962	683,675	341,133	360,386	701,519

**GENERAL COMMUNICATION, INC. AND SUBSIDIARIES**  
**KEY PERFORMANCE INDICATORS**  
(Unaudited)

	September 30, 2017	September 30, 2016	June 30, 2017	September 30, 2017 as compared to September 30, 2016		September 30, 2017 as compared to September 30, 2016	
				June 30, 2017	June 30, 2017	June 30, 2017	June 30, 2017
<b>Consumer</b>							
<b>Data</b>							
Cable modem subscribers <sup>1</sup>	125,400	128,900	127,300	(3,500)	(1,900)	(2.7)%	(1.5)%
<b>Video</b>							
Basic subscribers <sup>2</sup>	99,800	108,800	102,100	(9,000)	(2,300)	(8.3)%	(2.3)%
Homes passed	251,600	250,200	251,200	1,400	400	0.6 %	0.2 %
<b>Voice</b>							
Local access lines in service <sup>3</sup>	50,200	53,800	51,700	(3,600)	(1,500)	(6.7)%	(2.9)%
<b>Business</b>							
<b>Data</b>							
Cable modem subscribers <sup>1</sup>	10,000	10,100	10,000	(100)	—	(1.0)%	— %
<b>Voice</b>							
Local access lines in service <sup>3</sup>	39,600	41,300	40,200	(1,700)	(600)	(4.1)%	(1.5)%
<b>Video</b>							
Hotel and mini-headend subscribers	17,200	17,100	19,100	100	(1,900)	0.6 %	(9.9)%
Basic subscribers <sup>2</sup>	1,300	1,900	1,300	(600)	—	(31.6)%	— %
Total basic subscribers	18,500	19,000	20,400	(500)	(1,900)	(2.6)%	(9.3)%
<b>Consumer and Business Combined</b>							
<b>Wireless</b>							
Consumer wireless lines in service <sup>4</sup>	200,900	203,000	201,200	(2,100)	(300)	(1.0)%	(0.1)%
Business wireless lines in service <sup>4</sup>	22,800	23,400	23,300	(600)	(500)	(2.6)%	(2.1)%
Total wireless lines in service	223,700	226,400	224,500	(2,700)	(800)	(1.2)%	(0.4)%

<sup>1</sup> On January 1, 2017, we transferred 3,100 small business cable modem subscribers from Business to Consumer. We adjusted the previously reported subscriber numbers as of September 30, 2016 for the number of subscribers that were transferred on January 1, 2017 and for database cleanup in preparation for our new billing system.

<sup>2</sup> On January 1, 2017, we transferred 500 small business basic subscribers from Business to Consumer. We adjusted the previously reported subscriber numbers as of September 30, 2016 for the number of subscribers that were transferred on January 1, 2017 and for database cleanup in preparation for our new billing system.

<sup>3</sup> On January 1, 2017, we transferred 4,800 small business local access lines from Business to Consumer. We adjusted the previously reported subscriber numbers as of September 30, 2016 for the number of subscribers that were transferred on January 1, 2017.

<sup>4</sup> On January 1, 2017, we transferred 3,700 small business wireless lines from Business to Consumer. We adjusted the previously reported subscriber numbers as of September 30, 2016 for the number of subscribers that were transferred on January 1, 2017.

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Subject Company: General Communication, Inc.  
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**Excerpts from the Earnings Press Release, Dated November 1, 2017, of General Communication, Inc.**

**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. The following summarizes our progress on outstanding closing related requirements:

*Regulatory Approvals:* As previously reported, we have made the required filings with each of the Federal Communications Commission ("FCC") and the Regulatory Commission of Alaska seeking approval of the transaction.

*Shareholder vote:* We are responding to additional requests from the SEC on the S-4.

We are now expecting to close the transaction in the first quarter of 2018 rather than the fourth quarter of 2017, subject to satisfaction of customary closing conditions, including the regulatory and shareholder approvals.

**Forward-Looking Statements**

The foregoing earnings release excerpts includes certain forward-looking statements, including statements about the proposed acquisition of General Communication, Inc. ("GCI") by Liberty Interactive Corporation ("Liberty Interactive") and the proposed split-off of Liberty Interactive's interest in the combined company ("GCI Liberty") (the "proposed split-off" and together with the proposed acquisition of GCI, the "proposed transactions"), the timing of the proposed transactions and other matters that are not historical facts. These forward-looking statements involve many risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements, including, without limitation, the satisfaction of conditions to the proposed transactions. These forward-looking statements speak only as of the date of the earnings release, and each of Liberty Interactive and GCI expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in Liberty Interactive's or GCI's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Please refer to the publicly filed documents of Liberty Interactive and GCI,

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including the most recent Forms 10-K and 10-Q, for additional information about Liberty Interactive and GCI and about the risks and uncertainties related to the business of each of Liberty Interactive and GCI which may affect the statements made in the foregoing excerpts.

### **Additional Information**

Nothing in the foregoing earnings release excerpts shall constitute a solicitation to buy or an offer to sell shares of GCI Liberty, Inc. ("GCI Liberty"), GCI common stock or any tracking stocks of Liberty Interactive. The offer and issuance of shares in the proposed transactions will only be made pursuant to GCI Liberty's effective registration statement. Liberty Interactive stockholders, GCI stockholders and other investors are urged to read the registration statement and the joint proxy statement/prospectus regarding the proposed transactions (a preliminary filing of which has been made with the SEC) and any other relevant documents filed with the Securities and Exchange Commission ("SEC"), as well as any amendments or supplements to those documents, because they contain important information about the proposed transactions. Copies of these SEC filings will be available free of charge at the SEC's website (<http://www.sec.gov>). Copies of the filings together with the materials incorporated by reference therein will also be available, without charge, by directing a request to Liberty Interactive Corporation, 12300 Liberty Boulevard, Englewood, Colorado 80112, Attention: Investor Relations, Telephone: (720) 875- 5420. GCI investors can access additional information at [ir.gci.com](http://ir.gci.com).

### **Participants in a Solicitation**

The directors and executive officers of Liberty Interactive and GCI and other persons may be deemed to be participants in the solicitation of proxies in respect of proposals to approve the proposed transactions. Information regarding the directors and executive officers of Liberty Interactive is available in its definitive proxy statement, which was filed with the SEC on April 20, 2017. Information regarding the directors and executive officers of GCI is available as part of its Annual Report on Form 10-K filed with the SEC on March 2, 2017. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be available in the proxy materials regarding the foregoing to be filed with the SEC. Free copies of these documents may be obtained as described in the preceding paragraph.