

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): August 3, 2005

GENERAL COMMUNICATION, INC.

(Exact Name of Registrant as Specified in its Charter)

Alaska	0-15279	92-0072737
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(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
2550 Denali Street Suite 1000 Anchorage, Alaska		99503
-----		-----
(Address of principal executive offices)		(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))

Section 2 - Financial Information

Item 2.02 Results of Operations and Financial Condition

On August 3, 2005, General Communication, Inc. (GCI) issued a press release announcing earnings for the three months ended June 30, 2005. 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 EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization). EBITDA has been reconciled to the closely related GAAP financial measure, Net Income, within the earnings release.

EBITDA is the sum of Net Income, Interest Expense, Amortization and Write-off of Loan and Senior Notes Fees, Interest Income, Income Tax Expense, and Depreciation, Amortization and Accretion. 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.

Section 9 - Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits

- (a) Financial statements of businesses acquired: Not Applicable
- (b) Pro forma financial information: Not Applicable
- (c) Exhibit:

99.1 Press release dated August 3, 2005

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: August 3, 2005

By /s/

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 of General Communication, Inc. dated August 3, 2005.

August 3, 2005

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 SECOND QUARTER 2005 FINANCIAL RESULTS

- Consolidated revenue of \$110.7 million
- Net income of \$5.3 million or \$0.09 per diluted share
- EBITDA of \$36.4 million

ANCHORAGE, AK -- GCI (NASDAQ:GNCMA) today reported net income of \$5.3 million, or earnings per diluted share of \$0.09, for the second quarter of 2005. The company's second quarter net income compares to income of \$7.7 million, or earnings per diluted share of \$0.13 in the same period of 2004.

GCI's second quarter 2005 revenues totaled \$110.7 million, an increase of 6.6 percent over the second quarter of 2004. GCI's second quarter 2005 revenues increased 3.9 percent from the first quarter 2005 revenues of \$106.5 million.

Second quarter 2005 earnings before interest, taxes, depreciation, amortization and accretion (EBITDA) totaled \$36.4 million. EBITDA increased \$1.5 million or 4.3 percent over \$34.9 million in the second quarter of 2004. Second quarter 2005 EBITDA of \$36.4 million compares to EBITDA of \$34.5 million in the first quarter of 2005, an increase of \$1.9 million or 5.5 percent over the first quarter of 2005.

For the second quarter of 2005, GCI met its revenue and EBITDA guidance. The company expected revenues and EBITDA to exceed the first quarter results, excluding the effects of any receivable recovery from MCI. GCI recorded \$1.0 million in EBITDA relating to the use of the MCI credit during the quarter.

Both revenue and EBITDA for the second quarter were in line with guidance provided by the company. GCI expects third quarter revenue and EBITDA to exceed those achieved in the second quarter and still anticipates revenues of \$430 million to \$440 million and EBITDA of \$145 million for 2005, including the expected recovery of the remaining MCI receivable.

"The second quarter continues our solid performance for the year. Revenue, EBITDA and free cash flow all increased over the first quarter and we repurchased 359,125 shares of our stock," said Ron Duncan, GCI president. "We expect continued growth in all three measurements during the third quarter."

"I'm also pleased to announce that the Board of Directors elected Steve Brett to serve as our chairman at our most recent meeting. Steve succeeds Donne Fisher who has served as our chairman since 2002. Mr. Fisher will continue to serve as a director."

Highlights

- Long-distance billable minutes increased 18.3 percent to 347.6 million minutes for the second quarter as compared to the same quarter of 2004, and increased 14.9 percent sequentially.
- Cable customers increased by 1,328 during the period and average revenue per equivalent basic subscriber grew to \$81.75 per month. Revenue generating units (RGUs) for the quarter increased by 15 percent over the prior year.
- GCI has provisioned approximately 12,800 customers on its Digital Local Phone Service (DLPS) facilities at the end of the second quarter and expects to have more than 25,000 customers using that technology by the end of 2005.
- During the second quarter GCI repurchased 359,125 shares of its Class A Common shares at an average price of \$8.34. Since the inception of the stock repurchase program in the third quarter of 2004 the company repurchased more than 9 percent of its diluted shares outstanding at an average price of \$9.02 per share.

Long Distance Results

For the second quarter of 2005, long distance revenues totaled \$64.2 million as compared to revenues of \$60.9 million in the second quarter of 2004 and \$60.00 million in the first quarter of 2005. The increase in revenues is primarily attributable to an increase in minutes sold to other carriers.

Long distance EBITDA increased 4.8 percent for the second quarter of 2005 to \$22.0 million as compared to \$21.0 million in the second quarter of the prior year. Long distance EBITDA for the second quarter of 2005 was up \$3.2 million sequentially, an increase of 17.0 percent, from \$18.8 million in the first quarter. Long distance EBITDA included MCI bad debt recoveries of \$1.0 million in the second quarter of 2005, \$1.1 million in the second quarter of 2004 and \$0.9 million in the first quarter of 2005. The increase in EBITDA for the first quarter of 2005 is primarily due to an increase in minutes carried on the network.

Total minutes-of-use were up 18.3 percent in the second quarter of 2005 when compared to the second quarter of 2004. Minutes-of-use are up 14.9 percent compared to the first quarter of 2005.

The number of billed long distance customers totaled 91,300 at the end of the second quarter of 2005, an increase of 0.7 percent from 90,700 at the end of the second quarter of 2004. Billed long distance customers decreased 0.5 percent from 91,800 at the end of the first quarter of 2005.

Cable Television Results

Cable television revenues for the second quarter increased 4.4 percent to \$26.3 million from \$25.2 million in the second quarter of 2004, and increased 1.5 percent from \$25.9 million in the first quarter of 2005. EBITDA of \$11.0 million for the second quarter of 2005 decreased \$0.5 million as compared to \$11.5 million in the second quarter of 2004, and decreased \$0.6 million when compared to \$11.6 million in the first quarter of 2005. The year-over-year and sequential increases in revenues are due primarily to the sales of new video and cable modem services. The decrease in EBITDA in the second quarter as compared to the prior year is primarily due to refunds and rebates received from cable television programmers in second quarter of 2004 that were significantly greater than similar credits received in the second quarter of 2005. EBITDA for the

second quarter of 2005 decreased sequentially from the first quarter of 2005 due to an increase in operating costs of approximately \$0.5 million.

Gross margins in the second quarter of 2005, as a percentage of revenues, decreased by 354 basis points from the second quarter of 2004 and by 170 basis points sequentially. The decrease in gross margins is primarily due to the smaller programming refunds and rebates received in the second quarter of 2005.

As of June 30, 2005, the company's cable television operations passed 210,950 homes and served 137,428 subscribers (106,787 equivalent basic subscribers). For the second quarter, average revenue per equivalent basic subscriber was \$81.75, an increase of 4.4 percent when compared to second quarter 2004 average revenue of \$78.27. Average revenue increased 2.6 percent, from \$79.64, from the first quarter of 2005. The company experienced an increase of 1,328 subscribers from the first quarter of 2005. The increase in subscribers for the second quarter of 2005 compares to an increase of 1,192 subscribers in the second quarter of 2004. The increase in subscribers is primarily due to the seasonal increase in hotel customers partially offset by a seasonal decline in residential customers.

The company offers digital programming tiers in all of its major markets. The Anchorage, Mat-Su Valley, Fairbanks, Kodiak and Ketchikan systems have been fully converted to digital. Eighty percent of GCI's basic cable subscribers receive service through a digital set-top box. More than 97 percent of the set top boxes deployed in GCI's systems are digital and 48,745 customers purchase additional special interest programming through a digital tier. GCI offers 10 channels of HDTV to customers in the Anchorage area.

GCI cable modem service is available to more than 90 percent of the homes in Alaska. Approximately 33.3 percent of homes passed and 60 percent of GCI residential subscribers have cable modem service.

The operating statistics below include capital expenditures and customer information from cable services and the components of our local services and Internet services utilizing our cable services' facilities.

GCI's capital expenditures by standard reporting category for the six-month periods ending June 30, 2005 and 2004 follow (amounts in thousands):

	2005	2004
Customer premise equipment	\$ 7,138	6,970
Commercial	169	213
Scalable infrastructure	1,818	2,805
Line extensions	1,362	149
Upgrade/rebuild	7,442	3,355
Support capital	508	595
Sub-total	18,437	14,087
Remaining capital expenditures	29,253	50,060
	\$ 47,690	64,147

At June 30, 2005 and 2004, GCI's cable business had 125,400 and 123,300 customer relationships, respectively. The standard definition of a customer relationship is the number of customers who receive at least one level of service, encompassing voice, video, and data services, without regard to which services customers purchase. These relationships do not include local telephone customers except those receiving phone service through the cable television plant.

At June 30, 2005 and 2004, GCI's cable business had 220,500 and 192,000 revenue generating units, respectively. The increase in the revenue generating units of 4,700 and 28,500 from March 31, 2005 and June 30, 2004, respectively, is due to an increase in the number of cable modem and Digital Local Phone Service (DLPS) customers. The definition of a revenue-generating unit is the sum of all primary analog video, digital video, high-speed data and telephony customers, not counting additional outlets.

Local Telephone Results

For the second quarter of 2005, local telephone service revenues totaled \$12.7 million, an increase of 13.4 percent, when compared to \$11.2 million in the second quarter of 2004. Revenue was down \$0.6 million or 4.5 percent from \$13.3 million in the first quarter of 2005. The increase in year-over-year revenues is primarily attributable to increased receipts from the Universal Service Fund (USF.) The decrease in sequential revenues is primarily attributable to an adjustment of USF during the first quarter, which added \$1.2 million in out-of-period revenues.

In the second quarter, local services generated EBITDA of \$0.4 million, an improvement of \$0.2 million over the \$0.2 million of EBITDA in the second quarter of 2004. The second quarter EBITDA of \$0.4 million compares to EBITDA of \$1.1 million in the first quarter of 2005. The sequential decrease in EBITDA is due primarily to the \$1.2 million out-of-period adjustment in the first quarter of 2005.

The rates paid by GCI to lease loops and UNE access elements from ACS were approximately 20 percent higher during the second quarter of 2005 as compared to the second quarter of 2004. This resulted primarily from a rate increase granted to ACS by state regulators in the second half of 2004. GCI estimates that conversion of customers from leased ACS facilities to its own network offset approximately 65 percent of the impact of this rate increase in the second quarter of 2005.

GCI began converting customers to its own network using its DLPS technology in 2004. The roll out of DLPS enables GCI to avoid wholesale and loop rental costs from local phone lines leased from the incumbent local exchange carrier. GCI has provisioned approximately 12,800 customers completely on its DLPS facilities at the end of the second quarter of 2005 and expects to have more than 25,000 customers similarly provisioned by the end of 2005.

At the end of the second quarter of 2005, GCI provided local service to approximately 111,900 access lines statewide. This represents a net decrease of 700 access lines when compared to the 112,600 access lines reported at the end of the first quarter of 2005. The decrease in residential and Internet Service Provider access lines was partially offset by an increase in business voice access lines. The decrease in access lines were expected as fewer residential customers are maintaining second voice lines and are migrating from dial-up internet service to cable modem. The company estimates it maintains a 24 percent share of the total access line market in Alaska. Approximately 85 percent of GCI's access lines are provisioned on its own facilities or on resold local loops.

Internet Access Results

Internet access revenues for the second quarter of 2005 totaled \$7.5 million. Revenues were up 15.4 percent as compared to second quarter 2004 revenues of \$6.5 million and 2.7 percent as compared to the prior quarter revenue of \$7.3 million. EBITDA for the second quarter of 2005 totaled \$3.0

million, an improvement of \$0.8 million year-over-year and relatively unchanged from the first quarter of 2005. Second quarter 2004 EBITDA was \$2.2 million and first quarter 2005 EBITDA was \$3.0 million. The increase in Internet access revenues and EBITDA results from the migration of existing customers to cable modem access, customers adding more features and services and increasing economies of scale.

At the end of the second quarter of 2005, GCI had 70,200 cable modem customers, an increase of 23.6 percent from the second quarter of 2004 and 1.9 percent from the first quarter of 2005. Dial-up access customers decreased by 4,700 as a result of customers migrating to cable modems and due to a data base clean-up of "Free Net" customers. GCI is implementing a new customer service information system and further non-revenue affecting adjustments to the Free Net customer data base may occur before the transition is completed by the end of the third quarter of 2005.

Total cable modem revenues for the second quarter of 2005 increased 2.1 percent when compared to the first quarter of 2005 and increased 6.3 percent year-over-year. At the end of the second quarter of 2005 GCI's average revenue per cable modem (ARPM) was \$30.87 as compared to \$30.97 at the end of the first quarter of 2005 and \$36.84 at the end of the second quarter of 2004. The increase in sequential and year-over-year revenues is due to the increase in the number of modem customers. The decline in ARPM is due to an increase in the percentage of total customers taking GCI's discounted cable modem products.

Other Items

During the second quarter of 2005 GCI's capital expenditures totaled \$23.3 million as compared to \$24.4 million in the first quarter of 2005.

GCI will hold a conference call to discuss the quarter's results on Thursday, August 4, 2005 beginning at 2 p.m. (Eastern). To access the briefing on August 5, dial 888-603-6970 (international callers should dial 517-308-9002) 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 866-475-8043, access code 7461 (international callers should dial 203-369-1516.)

GCI is the largest telecommunications company in Alaska. A pioneer in bundled services, GCI provides local, wireless, and long distance telephone, cable television, Internet and data communication services throughout Alaska. 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 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

(Amounts in thousands)	(Unaudited) June 30, 2005	December 31, 2004
Assets		
Current assets:		
Cash and cash equivalents	\$ 17,625	31,452
Receivables	75,723	74,429
Less allowance for doubtful receivables	2,489	2,317
Net receivables	73,234	72,112
Deferred income taxes, net	14,279	13,893
Prepaid expenses	7,211	7,907
Property held for sale	3,414	2,282
Inventories	1,499	1,215
Notes receivable from related parties	399	475
Other current assets	1,297	2,429
Total current assets	118,958	131,765
Property and equipment in service, net of depreciation	428,425	432,249
Construction in progress	36,972	22,505
Net property and equipment	465,397	454,754
Cable certificates	191,241	191,241
Goodwill	41,972	41,972
Other intangible assets, net of amortization of \$2,230 and \$1,625 at June 30, 2005 and December 31, 2004, respectively	6,496	6,265
Deferred loan and senior notes costs, net of amortization of \$3,532 and \$2,602 at June 30, 2005 and December 31, 2004, respectively	9,497	10,341
Notes receivable from related parties	3,395	3,345
Other assets	12,010	9,508
Total other assets	264,611	262,672
Total assets	\$ 848,966	849,191

(Continued)

GENERAL COMMUNICATION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Continued)

(Amounts in thousands)	(Unaudited) June 30, 2005	December 31, 2004
Liabilities, Redeemable Preferred Stock, and Stockholders' Equity		
Current liabilities:		
Current maturities of obligations under long-term debt and capital leases	\$ 22,467	6,407
Accounts payable	28,305	28,742
Accrued payroll and payroll related obligations	15,896	15,350
Deferred revenue	15,147	16,253
Accrued interest	8,724	8,747
Accrued liabilities	5,787	6,849
Subscriber deposits	389	437
Total current liabilities	<u>96,715</u>	<u>82,785</u>
Long-term debt	421,352	436,969
Obligations under capital leases, excluding current maturities	29,664	32,750
Obligation under capital lease due to related party, excluding current maturity	652	672
Deferred income taxes, net of deferred income tax benefit	56,906	49,111
Other liabilities	9,541	8,385
Total liabilities	<u>614,830</u>	<u>610,672</u>
Redeemable preferred stock	<u>-</u>	<u>4,249</u>
Stockholders' equity		
Common stock (no par):		
Class A. Authorized 100,000 shares; issued 51,028 and 51,825 shares at June 30, 2005 and December 31, 2004, respectively	178,814	186,883
Class B. Authorized 10,000 shares; issued 3,850 and 3,862 shares at June 30, 2005 and December 31, 2004, respectively; convertible on a share-per-share basis into Class A common stock	3,248	3,248
Less cost of 295 and 288 Class A common shares held in treasury at June 30, 2005 and December 31, 2004, respectively	(1,732)	(1,702)
Paid-in capital	15,157	14,957
Notes receivable with related parties issued upon stock option exercise	(2,978)	(3,016)
Retained earnings	41,627	33,900
Total stockholders' equity	<u>234,136</u>	<u>234,270</u>
Commitments and contingencies		
Total liabilities, redeemable preferred stock, and stockholders' equity	<u>\$ 848,966</u>	<u>849,191</u>

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

(Amounts in thousands, except per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
Revenues	\$ 110,665	103,786	217,175	212,702
Cost of goods sold (exclusive of depreciation, amortization and accretion shown separately below)	36,045	33,257	71,245	72,002
Selling, general and administrative expenses	38,019	36,102	75,199	71,506
Bad debt expense (recovery)	194	(487)	(159)	(884)
Depreciation, amortization and accretion expense	18,397	15,704	36,151	31,462
Operating income	18,010	19,210	34,739	38,616
Other income (expense):				
Interest expense	(8,354)	(6,036)	(16,636)	(13,553)
Loss on early extinguishment of debt	-	-	-	(6,136)
Amortization and write-off of loan and senior notes fees	(448)	(387)	(931)	(3,014)
Interest income	112	79	291	187
Other expense, net	(8,690)	(6,344)	(17,276)	(22,516)
Net income before income taxes	9,320	12,866	17,463	16,100
Income tax expense	4,036	5,141	7,516	6,450
Net income	5,284	7,725	9,947	9,650
Preferred stock dividends	55	363	148	847
Net income available to common shareholders	\$ 5,229	7,362	9,799	8,803
Basic net income per common share	\$ 0.10	0.13	0.18	0.15
Diluted net income per common share	\$ 0.09	0.13	0.18	0.15
Common shares used to calculate basic EPS	54,637	56,994	54,815	56,873
Common shares used to calculate diluted EPS	55,612	60,380	55,919	58,072

GENERAL COMMUNICATION, INC. AND SUBSIDIARIES
SUPPLEMENTAL SCHEDULE
(Unaudited)

Traditional Summary

	Six Months Ended June 30, 2005					Six Months Ended June 30, 2004				
	Long Distance	Cable	Local Services	Internet	Combined	Long Distance	Cable	Local Services	Internet	Combined
Revenues	\$ 124,216	52,243	25,996	14,720	217,175	126,736	50,033	23,010	12,923	212,702
Cost of goods sold (exclusive of depreciation, amortization and accretion shown separately below)	38,419	14,588	14,479	3,759	71,245	41,652	13,414	13,368	3,568	72,002
Contribution	85,797	37,655	11,517	10,961	145,930	85,084	36,619	9,642	9,355	140,700
Selling, general and administrative expenses	45,881	14,707	9,800	4,811	75,199	43,666	13,666	8,928	5,246	71,506
Bad debt expense (recovery)	(856)	351	221	125	(159)	(1,286)	402	-	-	(884)
EBITDA, as adjusted	40,772	22,597	1,496	6,025	70,890	42,704	22,551	714	4,109	70,078
Less loss on early extinguishment of debt	-	-	-	-	-	6,136	-	-	-	6,136
EBITDA	40,772	22,597	1,496	6,025	70,890	36,568	22,551	714	4,109	63,942
Add loss on early extinguishment of debt	-	-	-	-	-	6,136	-	-	-	6,136
Less depreciation, amortization and accretion expense	20,829	10,222	3,281	1,819	36,151	18,266	9,370	1,963	1,863	31,462
Operating income (loss)	\$ 19,943	12,375	(1,785)	4,206	34,739	24,438	13,181	(1,249)	2,246	38,616

Integrated Summary EBITDA, as Adjusted
(Unaudited)

	Six Months Ended June 30, 2005				Six Months Ended June 30, 2004			
	Voice	Data	Video	Combined	Voice	Data	Video	Combined
Traditional Summary EBITDA, as Adjusted:								
Long Distance	\$ 40,772			40,772	42,704			42,704
Cable			22,597	22,597			22,551	22,551
Local Services	1,496			1,496	714			714
Internet		6,025		6,025		4,109		4,109
	42,268	6,025	22,597	70,890	43,418	4,109	22,551	70,078
EBITDA, as Adjusted, Reallocations:								
Long Distance	(24,510)	24,510		-	(23,523)	23,523		-
Cable		5,625	(5,625)	-		5,502	(5,502)	-
Local Services	(152)	152		-	(88)	88		-
Integrated Summary EBITDA, as Adjusted	\$ 17,606	36,312	16,972	70,890	19,807	33,222	17,049	70,078

GENERAL COMMUNICATION, INC. AND SUBSIDIARIES
SUPPLEMENTAL SCHEDULE
(Unaudited)

Traditional Summary

	Three Months Ended June 30, 2005					Three Months Ended June 30, 2004				
	Long Distance	Cable	Local Services	Internet	Combined	Long Distance	Cable	Local Services	Internet	Combined
Revenues	\$ 64,209	26,344	12,701	7,411	110,665	60,870	25,181	11,218	6,517	103,786
Cost of goods sold (exclusive of depreciation, amortization and accretion shown separately below)	19,386	7,578	7,203	1,878	36,045	18,274	6,352	6,822	1,809	33,257
Contribution	44,823	18,766	5,498	5,533	74,620	42,596	18,829	4,396	4,708	70,529
Selling, general and administrative expenses	23,103	7,590	4,943	2,383	38,019	22,276	7,115	4,246	2,465	36,102
Bad debt expense (recovery)	(233)	179	159	89	194	(678)	191	-	-	(487)
EBITDA	21,953	10,997	396	3,061	36,407	20,998	11,523	150	2,243	34,914
Less depreciation, amortization and accretion expense	10,875	5,124	1,674	724	18,397	9,003	4,691	1,071	939	15,704
Operating income (loss)	\$ 11,078	5,873	(1,278)	2,337	18,010	11,995	6,832	(921)	1,304	19,210

Integrated Summary EBITDA

(Unaudited)

	Three Months Ended June 30, 2005				Three Months Ended June 30, 2004			
	Voice	Data	Video	Combined	Voice	Data	Video	Combined
Traditional Summary EBITDA:								
Long Distance	\$ 21,953			21,953	20,998			20,998
Cable			10,997	10,997			11,523	11,523
Local Services	396			396	150			150
Internet		3,061		3,061		2,243		2,243
	22,349	3,061	10,997	36,407	21,148	2,243	11,523	34,914
EBITDA, Reallocations:								
Long Distance	(12,557)	12,557		-	(11,648)	11,648		-
Cable		2,826	(2,826)	-		2,764	(2,764)	-
Local Services	(84)	84		-	(57)	57		-
Integrated Summary EBITDA	\$ 9,708	18,528	8,171	36,407	9,443	16,712	8,759	34,914

GENERAL COMMUNICATION, INC. AND SUBSIDIARIES
SUPPLEMENTAL SCHEDULE
(Unaudited)

Traditional Summary

	Three Months Ended June 30, 2005					Three Months Ended March 31, 2005				
	Long Distance	Cable	Local Services	Internet	Combined	Long Distance	Cable	Local Services	Internet	Combined
Revenues	\$ 64,209	26,344	12,701	7,411	110,665	60,007	25,899	13,295	7,309	106,510
Cost of goods sold (exclusive of depreciation, amortization and accretion shown separately below)	19,386	7,578	7,203	1,878	36,045	19,033	7,010	7,276	1,881	35,200
Contribution	44,823	18,766	5,498	5,533	74,620	40,974	18,889	6,019	5,428	71,310
Selling, general and administrative expenses	23,103	7,590	4,943	2,383	38,019	22,778	7,117	4,857	2,428	37,180
Bad debt expense (recovery)	(233)	179	159	89	194	(623)	172	62	36	(353)
EBITDA	21,953	10,997	396	3,061	36,407	18,819	11,600	1,100	2,964	34,483
Less depreciation, amortization and accretion expense	10,875	5,124	1,674	724	18,397	9,954	5,098	1,607	1,095	17,754
Operating income (loss)	\$ 11,078	5,873	(1,278)	2,337	18,010	8,865	6,502	(507)	1,869	16,729

Integrated Summary EBITDA

(Unaudited)

	Three Months Ended June 30, 2005				Three Months Ended March 31, 2005			
	Voice	Data	Video	Combined	Voice	Data	Video	Combined
Traditional Summary EBITDA:								
Long Distance	\$ 21,953			21,953	18,819			18,819
Cable			10,997	10,997			11,600	11,600
Local Services	396			396	1,100			1,100
Internet		3,061		3,061		2,964		2,964
	22,349	3,061	10,997	36,407	19,919	2,964	11,600	34,483
EBITDA Reallocations								
Long Distance	(12,557)	12,557		-	(11,953)	11,953		-
Cable		2,826	(2,826)	-		2,799	(2,799)	-
Local Services	(84)	84		-	(68)	68		-
Integrated Summary EBITDA	\$ 9,708	18,528	8,171	36,407	7,898	17,784	8,801	34,483

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

		Three Months Ended		
		June 30, 2005	June 30, 2004	March 31, 2005
EBITDA (Note 1)	\$	36.4	34.9	34.5
Depreciation, amortization and accretion expense		(18.4)	(15.7)	(17.8)
Operating income		18.0	19.2	16.7
Other income (expense):				
Interest expense		(8.4)	(6.0)	(8.3)
Amortization of loan and senior notes fee expense		(0.4)	(0.4)	(0.5)
Interest income		0.1	0.1	0.2
Other expense, net		(8.7)	(6.3)	(8.6)
Net income before income taxes		9.3	12.9	8.1
Income tax expense		(4.0)	(5.2)	(3.5)
Net income	\$	5.3	7.7	4.6
		Six Months Ended		
		June 30, 2005	June 30, 2004	
EBITDA, as adjusted (Note 2)	\$	70.9	70.1	
Loss on early extinguishment of debt		---	(6.1)	
EBITDA (Note 1)		70.9	64.0	
Depreciation, amortization and accretion expense		(36.2)	(31.5)	
Loss on early extinguishment of debt		---	6.1	
Operating income		34.7	38.6	
Other income (expense):				
Interest expense		(16.7)	(13.6)	
Loss on early extinguishment of debt		---	(6.1)	
Amortization and write-off of loan and senior notes fee expense		(0.9)	(3.0)	
Interest income		0.3	0.2	
Other expense, net		(17.3)	(22.5)	
Net income before income taxes		17.4	16.1	
Income tax expense		(7.5)	(6.4)	
Net income	\$	9.9	9.7	

Notes:

- (1) EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is the sum of Net Income, Interest Expense, Amortization and Write-off of Loan and Senior Notes Fees, Interest Income, Income Tax Expense, and Depreciation, Amortization and Accretion 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.

- (2) EBITDA (as defined in Note 1 above) before deducting Loss on Early Extinguishment of Debt during the six months ended June 30, 2004.