

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): February 27, 2018

GCI LIBERTY, INC.

(Exact name of registrant as specified in its charter)

State of Alaska

(State or other Jurisdiction of
Incorporation or organization)

001-38385

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))

Indicate by check mark whether the registrant is an emerging growth company 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.

Item 2.02 Results of Operations and Financial Condition

On February 28, 2018, GCI Liberty, Inc. ("GCI"), formerly known as General Communication, Inc., issued a press release announcing earnings for the three months and year ended December 31, 2017. 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 (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) for the three months and years ended December 31, 2017 and 2016, and the three months ended September 30, 2017. Adjusted EBITDA has 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.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation Under an Off-Balance Sheet Arrangement

On February 28, 2018, GCI Holdings, Inc. (the "Borrower"), a wholly owned, indirect subsidiary of GCI Liberty, Inc., Credit Agricole Corporate and Investment Bank and certain lenders entered into a Revolving Increase Supplement (the "Supplement") to the Fourth Amended and Restated Credit and Guarantee Agreement dated as of February 2, 2015 among the Borrower, GCI, Inc. (the "Parent"), a wholly owned subsidiary of GCI Liberty, Inc., the subsidiary guarantors party thereto, the lenders party thereto, Credit Agricole Corporate and Investment Bank, as administrative agent, MUFG Union Bank, N.A. and SunTrust Bank, as co-syndication agents, and Bank of America, N.A., as documentation agent, as amended (the "Credit Agreement"). The Supplement increased the revolving credit facility under the Credit Agreement from \$200.0 million to \$300.0 million.

On February 27, 2018, the Parent and the Borrower entered into a Seventh Amendment (the "Amendment") to the Credit Agreement. The Amendment, among other things, increased the maximum secured leverage ratio permitted under the Credit Agreement from 3:00:1.00 to 3:50:1.00.

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.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit

Number

Description

99.1

[Press Release issued by GCI Liberty, Inc. on February 28, 2018.](#)

99.2

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

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.

GCI LIBERTY, INC.

(Registrant)

Date: February 28, 2018

By /s/ Peter J. Pounds

Name: Peter J. Pounds

Title: Senior Vice President,
Chief Financial Officer,
and Secretary

(Principal Financial Officer)

GCI REPORTS FOURTH QUARTER 2017 FINANCIAL RESULTS

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.

Contact:

Media / Investors: Heather Handyside, 907.868.6838, hhandyside@gci.com

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GCI LIBERTY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Amounts in thousands)

ASSETS	December 31,	
	2017	2016
Current assets:		
Cash and cash equivalents	\$ 15,622	19,297
Receivables	188,580	184,296
Less allowance for doubtful receivables	3,992	4,407
Net receivables	184,588	179,889
Prepaid expenses	21,206	18,599
Inventories	12,996	11,945
Other current assets	71	167
Total current assets	234,483	229,897
Property and equipment	2,754,667	2,614,875
Less accumulated depreciation	1,599,956	1,452,957
Net property and equipment	1,154,711	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	75,697	74,444
Other assets	100,957	76,435
Total other assets	704,306	674,124
Total assets	\$ 2,093,500	2,065,939

GCI LIBERTY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)
(Continued)

(Amounts in thousands)

LIABILITIES AND STOCKHOLDERS' EQUITY	December 31,	
	2017	2016
Current liabilities:		
Current maturities of obligations under long-term debt, capital leases, and tower obligations	\$ 13,972	13,229
Accounts payable	54,073	72,937
Deferred revenue	38,047	37,618
Accrued payroll and payroll related obligations	32,044	30,305
Accrued liabilities	14,147	14,729
Accrued interest (including \$5,132 to a related party at December 31, 2017 and 2016)	13,975	13,926
Subscriber deposits	1,271	917
Total current liabilities	167,529	183,661
Long-term debt, net (including \$58,731 and \$56,640 due to a related party at December 31, 2017 and 2016, respectively)	1,379,059	1,333,446
Obligations under capital leases, excluding current maturities (including \$1,702 and \$1,769 due to a related party at December 31, 2017 and 2016, respectively)	40,288	50,316
Long-term deferred revenue	138,022	135,877
Tower obligations	93,606	87,653
Deferred income taxes	90,571	137,982
Derivative stock appreciation rights with related party	78,330	29,700
Other liabilities	60,093	54,056
Total liabilities	2,047,498	2,012,691
Commitments and contingencies		
Stockholders' equity:		
Common stock (no par):		
Class A-1. Authorized 100,000 shares; issued 32,924 and 32,668 shares at December 31, 2017 and 2016, respectively; outstanding 32,898 and 32,642 shares at December 31, 2017 and 2016, respectively	—	—
Class B-1. Authorized 10,000 shares; issued and outstanding 3,052 and 3,153 shares at December 31, 2017 and 2016, respectively; convertible on a share-per-share basis into Class A-1 common stock	2,578	2,663
Less cost of 26 Class A-1 common shares held in treasury at December 31, 2017 and 2016	(249)	(249)
Paid-in capital	19,133	3,237
Retained earnings (deficit)	(12,296)	17,068
Total GCI Liberty, Inc. stockholders' equity	9,166	22,719
Non-controlling interests	36,836	30,529
Total stockholders' equity	46,002	53,248
Total liabilities and stockholders' equity	\$ 2,093,500	2,065,939

GCI LIBERTY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2017, 2016, AND 2015
(Unaudited)

(Amounts in thousands, except per share amounts)	2017	2016	2015
Revenues:			
Non-related party	\$ 919,204	933,812	973,251
Related party	—	—	5,283
Total revenues	919,204	933,812	978,534
Cost of goods sold (exclusive of depreciation and amortization shown separately below):			
Non-related party	280,200	302,578	321,457
Related party	—	—	881
Total cost of goods sold	280,200	302,578	322,338
Selling, general and administrative expenses			
Non-related party	370,639	358,356	337,839
Related party	—	—	540
Total selling, general and administrative expenses	370,639	358,356	338,379
Depreciation and amortization expense	197,115	193,775	181,767
Software impairment charge	—	—	29,839
Operating income	71,250	79,103	106,211
Other income (expense):			
Interest expense (including amortization of deferred loan fees)	(83,341)	(78,628)	(78,786)
Related party interest expense	(7,716)	(7,455)	(6,602)
Derivative instrument unrealized income (loss) with related party	(48,630)	3,120	(11,160)
Loss on extinguishment of debt	(649)	(640)	(27,700)
Impairment of equity method investment	—	—	(12,593)
Other	2,938	5,569	2,917
Other expense, net	(137,398)	(78,034)	(133,924)
Income (loss) before income taxes	(66,148)	1,069	(27,713)
Income tax (expense) benefit	41,426	(5,205)	1,847
Net loss	(24,722)	(4,136)	(25,866)
Net income (loss) attributable to non-controlling interests	(476)	(469)	159
Net loss attributable to GCI Liberty, Inc.	\$ (24,246)	(3,667)	(26,025)
Basic net loss attributable to GCI Liberty, Inc. common stockholders per Class A-1 common share	\$ (0.70)	(0.10)	(0.69)
Basic net loss attributable to GCI Liberty, Inc. common stockholders per Class B-1 common share	\$ (0.70)	(0.10)	(0.69)
Diluted net loss attributable to GCI Liberty, Inc. common stockholders per Class A-1 common share	\$ (0.70)	(0.15)	(0.69)
Diluted net loss attributable to GCI Liberty, Inc. common stockholders per Class B-1 common share	\$ (0.70)	(0.15)	(0.69)
Common shares used to calculate Class A basic EPS	31,344	32,526	34,764
Common shares used to calculate Class A diluted EPS	34,427	36,318	37,921

GCI LIBERTY, INC. AND SUBSIDIARIES
SUPPLEMENTAL SCHEDULES
(Unaudited)

(Amounts in thousands)

	Fourth Quarter 2017	Fourth Quarter 2016	Third Quarter 2017
Revenues			
Wireless	\$ 70,738	68,650	69,452
Data	117,169	111,388	113,845
Video	29,501	31,583	29,355
Voice	18,121	20,672	18,562
Total	235,529	232,293	231,214
Cost of goods sold	75,101	74,652	67,496
Contribution	160,428	157,641	163,718
Less SG&A	(90,161)	(93,714)	(90,691)
Plus share-based compensation expense	3,712	3,223	4,858
Plus imputed interest on financed devices	621	672	608
Plus accretion	420	(11)	425
Other	256	(98)	227
Adjusted EBITDA	75,276	67,713	79,145
Transaction costs	686	—	1,620
Pro Forma EBITDA	\$ 75,962	67,713	80,765

GCI LIBERTY, INC. AND SUBSIDIARIES
SUPPLEMENTAL SCHEDULES
(Unaudited)

(Amounts in thousands)

	Twelve Months Ended December 31,	
	2017	2016
Revenues		
Wireless	\$ 272,347	283,156
Data	454,237	436,398
Video	117,648	127,407
Voice	74,972	86,851
Total	<u>919,204</u>	<u>933,812</u>
Cost of goods sold	<u>280,200</u>	<u>302,578</u>
Contribution	639,004	631,234
Less SG&A	(370,639)	(358,356)
Plus share-based compensation expense	17,453	11,043
Plus imputed interest on financed devices	2,540	2,557
Plus accretion	1,772	1,229
Other	(833)	337
Adjusted EBITDA	<u>289,297</u>	<u>288,044</u>
Transaction costs	<u>15,457</u>	<u>—</u>
Pro Forma EBITDA	<u>\$ 304,754</u>	<u>288,044</u>

GCI Liberty, Inc.
Non-GAAP Financial Reconciliation Schedule
(Unaudited)

(Amounts in Thousands)

	Three Months Ended			Twelve Months Ended	
	December 31, 2017	December 31, 2016	September 30, 2017	December 31, 2017	December 31, 2016
Net income (loss)	\$ 48,373	(16,243)	(8,849)	(24,722)	(4,136)
Income tax expense (benefit)	(44,183)	(2,391)	(2,864)	(41,426)	5,205
Income (loss) before income taxes	4,190	(18,634)	(11,713)	(66,148)	1,069
Other (income) expense:					
Interest expense (including amortization of deferred loan fees)	20,964	20,429	21,595	83,341	78,628
Related party interest expense	1,971	1,897	1,953	7,716	7,455
Derivative instrument unrealized income (loss) with related party	(5,340)	12,720	12,270	48,630	(3,120)
Loss on extinguishment of debt	—	640	—	649	640
Other	(1,086)	(3,867)	69	(2,938)	(5,569)
Other expense, net	16,509	31,819	35,887	137,398	78,034
Operating income	20,699	13,185	24,174	71,250	79,103
Plus depreciation and amortization expense	49,568	50,742	48,853	197,115	193,775
Plus share-based compensation expense	3,712	3,223	4,858	17,453	11,043
Plus imputed interest on financed devices	621	672	608	2,540	2,557
Plus (less) accretion expense	420	(11)	425	1,772	1,229
Other	256	(98)	227	(833)	337
Adjusted EBITDA (Note 1)	75,276	67,713	79,145	289,297	288,044
Transaction costs	686	—	1,620	15,457	—
Pro Forma EBITDA (Note 2)	\$ 75,962	67,713	80,765	304,754	288,044

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,
- Other non-cash adjustments.

(2) Adjusted EBITDA plus 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.

GCI LIBERTY, INC. AND SUBSIDIARIES
SUPPLEMENTAL REVENUE SCHEDULES
(Unaudited)

(Amounts in thousands)

	Fourth Quarter 2017			Fourth Quarter 2016		
	Consumer	Business	Total	Consumer	Business	Total
Revenues						
Wireless	\$ 45,294	25,444	70,738	43,352	25,298	68,650
Data	37,260	79,909	117,169	35,163	76,225	111,388
Video	24,742	4,759	29,501	26,011	5,572	31,583
Voice	5,873	12,248	18,121	6,377	14,295	20,672
Total	\$ 113,169	122,360	235,529	110,903	121,390	232,293

(Amounts in thousands)

	Fourth Quarter 2017			Third Quarter 2017		
	Consumer	Business	Total	Consumer	Business	Total
Revenues						
Wireless	\$ 45,294	25,444	70,738	42,224	27,228	69,452
Data	37,260	79,909	117,169	36,991	76,854	113,845
Video	24,742	4,759	29,501	24,991	4,364	29,355
Voice	5,873	12,248	18,121	5,939	12,623	18,562
Total	\$ 113,169	122,360	235,529	110,145	121,069	231,214

(Amounts in thousands)

	Twelve Months Ended December 31, 2017			Twelve Months Ended December 31, 2016		
	Consumer	Business	Total	Consumer	Business	Total
Revenues						
Wireless	\$ 167,733	104,614	272,347	177,801	105,355	283,156
Data	145,757	308,480	454,237	140,196	296,202	436,398
Video	99,609	18,039	117,648	107,305	20,102	127,407
Voice	23,783	51,189	74,972	26,734	60,117	86,851
Total	\$ 436,882	482,322	919,204	452,036	481,776	933,812

	December 31, 2017	December 31, 2016	September 30, 2017	December 31, 2017 as compared to		December 31, 2017 as compared to	
				December 31, 2016	September 30, 2017	December 31, 2016	September 30, 2017
Consumer							
Data:							
Cable modem subscribers ¹	124,900	129,500	125,400	(4,600)	(500)	(3.6)%	(0.4)%
Video:							
Basic subscribers ²	97,200	107,600	99,800	(10,400)	(2,600)	(9.7)%	(2.6)%
Homes passed	252,500	250,800	251,600	1,700	900	0.7 %	0.4 %
Voice:							
Total local access lines in service ³	48,900	53,400	50,200	(4,500)	(1,300)	(8.4)%	(2.6)%
Business							
Data:							
Cable modem subscribers ¹	9,900	10,100	10,000	(200)	(100)	(2.0)%	(1.0)%
Voice:							
Total local access lines in service ³	38,500	41,100	39,600	(2,600)	(1,100)	(6.3)%	(2.8)%
Consumer and Business Combined							
Wireless							
Consumer wireless lines in service ⁴	196,800	198,600	200,900	(1,800)	(4,100)	(0.9)%	(2.0)%
Business wireless lines in service ⁴	22,600	23,900	22,800	(1,300)	(200)	(5.4)%	(0.9)%
Total wireless lines in service	219,400	222,500	223,700	(3,100)	(4,300)	-1.4 %	-1.9 %

¹ A cable modem subscriber is defined by the purchase of cable modem service regardless of the level of service purchased. If one entity purchases multiple cable modem service access points, each access point is counted as a subscriber. 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 December 31, 2016 for the number of subscribers that were transferred on January 1, 2017 and for database cleanup in preparation for our new billing system.

² A basic subscriber is defined as one basic tier of service delivered to an address or separate subunits thereof regardless of the number of outlets purchased. On January 1, 2017, we transferred 500 small business basic subscribers from Business to Consumer. We adjusted the previously reported subscriber numbers as of December 31, 2016 for the number of subscribers that were transferred on January 1, 2017 and for database cleanup in preparation for our new billing system.

³ A local access line in service is defined as a revenue generating circuit or channel connecting a customer to the public switched telephone network. 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 December 31, 2016 for the number of subscribers that were transferred on January 1, 2017.

⁴ A wireless line in service is defined as a revenue generating wireless device. 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 December 31, 2016 for the number of subscribers that were transferred on January 1, 2017.

Filed by GCI Liberty, Inc.
Pursuant to Rule 425
Under the Securities Act of 1933

Subject Company: Liberty Interactive Corporation
Commission File No. 001-33982

Subject Company: GCI Liberty, Inc.
Commission File No. 001-38385

Excerpt from the Earnings Press Release, Dated February 28, 2018, of GCI Liberty, 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. We expect to close the transaction on March 9, 2018.

Forward-Looking Statements

The foregoing earnings release excerpt includes certain forward-looking statements, including statements about the proposed acquisition of GCI Liberty, Inc. (formerly known as 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, including the most recent Form 10-K, 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 excerpt.

Additional Information

Nothing in the foregoing earnings release excerpt shall constitute a solicitation to buy or an offer to sell shares of 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.