

...and based on Liberty Ventures' reference price of \$43.65 and a par value of \$25. Regarding the preferred, it's going to start with a 5% initial dividend and post-closing increase to 7% once GCI Liberty is reincorporated in Delaware. The preferred stock is redeemable 21 years after closing.

This transaction values GCI at \$2.68 billion, as an undiluted enterprise value, and \$1.12 billion of undiluted equity value. Now, some of you may question the issuance of Liberty Ventures shares at this price with the perception that there's a discount. And we can tell you that we spent a long time thinking about the long-term value and \$2.68 b

Ronald A. Duncan, President, Chief Executive Officer & Co-Founder, General Communication, Inc.

Well, thank you Mark and thank you Greg for the opportunity to join with Liberty and Liberty Ventures in the next phase of creating value for GCI and its shareholders. This has been a long road for us. Bob Walp and I startFdr sl





estimated and anticipated reattribution impact. At the time we complete the

transaction, the actual numbers will be trued up. But if you have further questions, I encourage you to call Courtnee and her team, and she can walk you through how the structure will work.

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Stephen John Errico, Locust Wood Capital Advisers LLC

... Could you guys just clarify for me, I'm a little confused on the potential margin loan that would be taken out at GCI. Does that only get taken out if the Charter exchangeable does not vote to reside at the new GCI?

Gregory B. Maffei

Steve, that's being done for some structural reasons, and it will just put cash on the balance sheet, and debt on the other side. So it's not really impacted or caused by the Charter exchangeables. The Charter exchangeables are — and how those are handled are another matter, this has really just to do some structural things on our side.

Stephen John Errico

Okay. And then on the QVC side, you weren't active in the market because of the blackout period, but is it still your intention to use the cash flow from QVC to repurchase shares over there?

Gregory B. Maffei

We have been a consistent share repurchaser and we've had a consistent philosophy of share repurchase. I don't anticipate that changing going forward. But, as others have noted, we have on occasion gone after both some tuck-in acquisitions and then larger acquisitions like zulily, which was done basically half cash, where we saw ... a business that was consistent with the performance characteristics and nature of the customer characteristics at QVC. So I would say in general ... we'll repurchase, but I don't want to preclude other opportunities.

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Priya Ohri-Gupta, Analyst, Barclays Capital, Inc.

Hey. Thank you so much for the question, and really appreciate the details around the leverage movement at QVC. But just a follow-up on that part, given that the leverage is expected to come down on a consolidated basis, how should we think about the rating agency view around the transaction? Is there a potential to see either an improvement in the ratings outlook or potentially the ratings longer-term? And then if you could just speak to how we should think about the use of any of the attributed cash to share repurchase versus debt pay down in the context of where you'd like to manage the QVC Group leverage going forward, that'd be helpful.

Gregory B. Maffei

So I'll throw it to Neal in a second to talk about our interactions with the agencies. But I think in general you should consider we're going to use the cash attributed out of the blocks to pay down revolver and reduce the bank debt at QVC. On an ongoing basis, I don't anticipate changing our general view that free cash flow equal to share buyback, which is where we've been over — averaged out — there have been periods when it's more or less partly driven by things like blackouts, but in general that's been our plan and I don't anticipate that changing. Neal you want to add anything to talk about the agencies?

Neal Dermer

Yeah. I don't think we can really comment on that. You'll just have to wait for their reports to come out, but we don't expect any changes, I think.

Gregory B. Maffei

And of course we have been in dialog with them. This is a not a surprise to them.

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[Question from Wells Fargo]

Hi. Thanks for taking the question. Similar questioning on the GCI side. Just curious how you're thinking about the long-term cost of capital there? Do you think that's something you can improve on? I'm thinking specifically about the six handle bonds at GCI and is the existing bank debt going to stay outstanding?

Gregory B. Maffei

I think that the GCI team has done a great job, but this is going to be part of a larger consolidated entity. And as good a job that the GCI team has done, Liberty has perhaps broader banking relationships and financial relationships that should not hurt in terms of lowering overall cost of capital. Neal, you want to add something to that?

Neal Dermer

Yeah. And in our view this is a significant credit enhancement for the credit — for GCI credit, as Greg mentioned, not just the GCI credit and their cash flow. Now there's an injection of about \$5 billion of net equity and that element should be an enhancement and we believe that that should help improve the cost of capital, cost of debt.

Gregory B. Maffei

Yeah. Going forward, I think GCI Liberty will have a lower average cost of debt than GCI did.

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Holding constant for rates, obviously it changes.



Right. Let me finish there. Thank you all very much for joining us. We know this is a complicated transaction. We're available . . . the IR team at Liberty is just waiting for your call. Thank you so much for being up early, or at least early for those on the West Coast. And as I said, thank you to the GCI team. We have been happy to work with them, I think have a consistent view and a similar view of the world and how to operate going forward and we're very excited that they'll be a part of the Liberty family, and we think this transaction, as you see, offers something of great benefit to both the Liberty Ventures side and the QVC side, and I hope you all agree. And we look forward to talking to you again soon. Thank you.

Forward-Looking Statements

The foregoing communication 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, the contemplated reincorporation of GCI Liberty, the proposed reattribution of assets and liabilities at Liberty Interactive in connection with the proposed transactions, the renaming of Liberty Interactive, GCI Liberty's entry into a margin loan arrangement prior to the completion of the proposed split-off, leverage at Liberty Interactive, GCI and GCI Liberty, Liberty Interactive's anticipated offer to exchange any or all of its outstanding 1.75% exchangeable debentures due 2046, the realization of estimated synergies and benefits from the proposed transactions, business strategies, market potential, future financial prospects, future share repurchase activity 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 foregoing communication, and Liberty Interactive expressly disclaims 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 expectations with regard thereto or any change in events, conditions or circumstances on which we have based any of our forward-looking statements.
