# 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, 2017**

# Uniti Group Inc.
**(Exact name of registrant as specified in its charter)**

| **Maryland** | **001-36708** | **46-5230630** |
|---|---|---|
| **(State or other jurisdiction of incorporation)** | **(Commission File Number)** | **(IRS Employer Identification No.)** |

| | |
|---|---|
| **10802 Executive Center Drive**<br>**Benton Building Suite 300**<br>**Little Rock, Arkansas** | **72211** |
| **(Address of principal executive offices)** | **(Zip Code)** |

**Registrant's telephone number, including area code: (501) 850-0820**

**Not Applicable**
**(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 obligation 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 August 3, 2017, Uniti Group Inc. (the "Company") issued a press release announcing the Company's results for its fiscal quarter ended June 30, 2017. A copy of the Company's press release is attached to this Current Report on Form 8-K as Exhibit 99.1 and is incorporated herein solely for purposes of this Item 2.02 disclosure.

The information contained in this Item 2.02, including the exhibit attached hereto, is being "furnished" and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of Section 18 of the Exchange Act. The information in this Item 2.02 shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, or into any filing or other document pursuant to the Exchange Act, except as otherwise expressly stated in any such filing.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

| Exhibit Number | Description |
|---|---|
| 99.1 | Press Release issued August 3, 2017 |

## 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.

| | | | |
|---|---|---|---|
| Date: August 3, 2017 | UNITI GROUP INC. | | |
| | By: | /s/ Daniel L. Heard | |
| | | Name: | Daniel L. Heard |
| | | Title: | Executive Vice President – General Counsel and Secretary |

**EXHIBIT INDEX**

| Exhibit Number | Description |
| --- | --- |
| 99.1 | Press Release issued August 3, 2017 |

Exhibit 99.1

# Press Release

Release date: August 3, 2017

## Uniti Group Inc. Reports Second Quarter 2017 Results

- **Revenues of $213.0 Million; Net Loss of $0.11 Per Diluted Common Share**
- **AFFO Per Diluted Common Share of $0.60 For the Quarter**
- **Completed Acquisitions of Southern Light and Hunt Telecommunications**

LITTLE ROCK, Ark., August 3, 2017 (GLOBE NEWSWIRE) – Uniti Group Inc. ("Uniti" or the “Company”) (Nasdaq: UNIT) today announced its results for the second quarter of 2017.

“The acquisitions of Hunt and Southern Light strengthen Uniti Fiber’s standing as a leading provider of data transport services with a network encompassing over 30,000 route miles, 1.2 million fiber miles, and 3,000 route miles of dark fiber presently under construction. Uniti Fiber now serves customers across the wireless, military, E-Rate, wholesale and enterprise sectors focusing on infrastructure solutions including fiber-to-the-tower, small cell networks, and dark fiber deployments.” commented Kenny Gunderman, President and Chief Executive Officer.

Mr. Gunderman continued, “Wireless carriers continue to densify their fiber networks, deploy new technologies and architectures, and accelerate small cell deployment initiatives. Uniti is increasingly well positioned to capitalize on the substantial long-term investment required in critical communication infrastructure assets to support the rapid growth in data traffic.”

**QUARTERLY RESULTS**

Revenues for the second quarter of 2017 were $213.0 million. Net loss and Adjusted EBITDA was $16.5 million and $179.6 million, respectively, for the same period. Net loss attributable to common shares was $18.2 million, or $0.11 per diluted share, for the period, including a $2.1 million non-cash charge for a change in the fair value of contingent consideration related to the Tower Cloud acquisition and achievement of certain small cell deployment milestones.

Adjusted Funds From Operations (“AFFO”) attributable to common shares was $101.4 million, or $0.60 per diluted common share. Excluding the impact of pre-funding capital markets transactions related to our acquisitions of Southern Light, LLC (“Southern Light”) and Hunt Telecommunications, LLC (“Hunt”), AFFO per diluted common share was $0.66 for the quarter.

Uniti Fiber contributed $35.0 million of revenues and $12.6 million of Adjusted EBITDA for the second quarter of 2017. Uniti Fiber’s net success based capital expenditures during the quarter were $25.0 million, principally deployed towards dark fiber builds in Georgia and Florida. Maintenance capital expenditures were $1.4 million.

## INVESTMENT TRANSACTIONS

The Company closed the acquisitions of Southern Light and Hunt on July 3, 2017 for aggregate initial consideration of approximately $762 million of cash and the issuance of 4.2 million operating partnership units.

## LIQUIDITY AND FINANCING TRANSACTIONS

In April 2017, the Company completed two capital market transactions to pre-fund the Hunt and Southern Light acquisitions:

- The Company issued 19.5 million shares of common stock at $26.50 per share in an underwritten public offering. Net proceeds to the Company were approximately $500 million, after underwriter discounts and other transaction costs.

- The Company issued $200 million principal amount of 7.125% Senior Secured Notes (“Notes”) due 2024 at an issue price of 100.500% of par. Net proceeds to the Company, after underwriter discounts and transaction costs, were approximately $197 million.

During the second quarter, the Company amended its revolving credit agreement to increase the borrowing capacity to $750 million.

At quarter-end, the Company had approximately $934 million of unrestricted cash and cash equivalents, a portion of which was used to fund the Southern Light and Hunt acquisitions, and $515 million undrawn on its revolving credit agreement. The Company’s leverage ratio at quarter end was 5.2x based on Net Debt to Annualized Adjusted EBITDA.

As previously reported, on August 2, 2017, the Company’s Board of Directors declared a quarterly cash dividend of $0.60 per common share, payable on October 13, 2017 to stockholders of record on September 29, 2017.

## FULL YEAR 2017 OUTLOOK

The Company’s 2017 outlook reflects the consolidation of Hunt and Southern Light for the six-month period following the closing of these acquisitions on July 3, 2017. We expect these transactions to contribute aggregate revenues and Adjusted EBITDA of approximately $64.0 million and $34.0 million, respectively, during such period.

Our current outlook excludes the impact of any other future acquisitions, capital market transactions, and transaction costs. Furthermore, our outlook is subject to adjustment based on the finalization of purchase price allocations related to the acquisitions, and actual results could differ materially from these forward-looking statements.

The Company’s consolidated outlook for 2017 is as follows (in millions):

| | Full Year 2017 | | | | |
|---|---|---|---|---|---|
| Revenue | $ | 913 | to | $ | 918 |
| Adjusted EBITDA (1) | | 748 | to | | 753 |
| Interest expense (2) | | 306 | to | | 306 |
| Applicable to common shareholders: | | | | | |
| Net loss | | (35) | to | | (29) |
| FFO (1) | | 337 | to | | 342 |
| AFFO (1) | | 424 | to | | 430 |
| Weighted-average common shares outstanding - diluted | | 169 | to | | 169 |

(1)See “Non-GAAP Financial Measures” below.
(2)Includes amortization of deferred financing costs and debt discounts.

At the midpoint of its outlook, the Company expects full year 2017 net loss attributable to common shares to be approximately $(0.19) per diluted share and AFFO per diluted common share to be $2.53. The following table provides a reconciliation of the Company’s outlook for AFFO before the impact of pre-funding transactions.

| | Full Year 2017 Midpoint Outlook | |
|---|---|---|
| Current 2017 outlook – AFFO (1) | $ | 2.53 |
| Pre-funding capital market transactions (2) | | 0.07 |
| Current 2017 outlook – AFFO before pre-funding transactions | | 2.60 |

(1)Includes $2.5 million of estimated post-closing cost savings related to the Hunt and Southern Light acquisitions.
(2)Represents the dilutive impact to AFFO per diluted common share from the effective date of the aforementioned pre-funding capital market transactions to the July 3, 2017 closing date of the Hunt and Southern Light acquisitions.

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**CONFERENCE CALL**

Uniti will hold a conference call today to discuss this earnings release at 4:15 PM Eastern Time (3:15 PM Central Time). The dial-in number for the conference call is (844) 513-7153 (or (508) 637-5603 for international callers) and the conference ID 37446966. The conference call will be webcast live and can be accessed on the Company’s website at www.uniti.com. A replay of the webcast will be available following the call on the Company’s website, beginning today at approximately 8:00 PM Eastern Time and will remain available for 14 days.

**ABOUT UNITI**

Uniti, an internally managed real estate investment trust, is engaged in the acquisition and construction of mission critical communications infrastructure, and is a leading provider of wireless infrastructure solutions for the communications industry. As of July 3, 2017, Uniti owns 4.8 million fiber strand miles, 631 wireless towers, and other communications real estate throughout the United States and Mexico. Additional information about Uniti can be found on its website at www.uniti.com.

**FORWARD-LOOKING STATEMENTS**

*Certain statements in this press release and today's conference call may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended from time to time. Those forward-looking statements include all statements that are not historical statements of fact, including, without limitation, those regarding our business strategies, growth prospects, industry trends, sales opportunities, operating and financial performance, 2017 financial results and the anticipated benefits of the Hunt and Southern Light transactions.*

*Words such as "anticipate(s)," "expect(s)," "intend(s)," "estimate(s)," "foresee(s)," "plan(s)," "believe(s)," "may," "will," "would," "could," "should," "seek(s)" and similar expressions, or the negative of these terms, are intended to identify such forward-looking statements. These statements are based on management's current expectations and beliefs and are subject to a number of risks and uncertainties that could lead to actual results differing materially from those projected, forecasted or expected. Although we believe that the assumptions underlying the forward-looking statements are reasonable, we can give no assurance that our expectations will be attained. Factors which could materially alter our expectations include, but are not limited to, the ability and willingness of our customers to meet and/or perform their obligations under any contractual arrangements entered into with us; the ability and willingness of our customers to renew their leases with us upon their expiration, and the ability to reposition our properties on the same or better terms in the event of nonrenewal or in the event we replace an existing tenant; our ability to renew, extend or obtain contracts with significant customers (including customers of the businesses we acquire); the availability of and our ability to identify suitable acquisition opportunities and our ability to acquire and lease the respective properties on favorable terms; the risk that we fail to fully realize the potential benefits of acquisitions or have difficulty integrating acquired companies; our ability to generate sufficient cash flows to service our outstanding indebtedness; our ability to access debt and equity capital markets; the impact on our business or the business of our customers as a result of credit rating downgrades and fluctuating interest rates; our ability to retain our key management personnel; our ability to qualify or maintain our status as a real estate investment trust ("REIT"); changes in the U.S. tax law and other state, federal or local laws, whether or not specific to REITs; covenants in our debt agreements that may limit our operational flexibility; other risks inherent in the communications industry and in the ownership of communications distribution systems, including potential liability relating to environmental matters and illiquidity of real estate investments; and additional factors described in our reports filed with the SEC.*

*Uniti expressly disclaims any obligation to release publicly any updates or revisions to any of the forward-looking statements set forth in this press release and today's conference call to reflect any change in its expectations or any change in events, conditions or circumstances on which any statement is based.*

**NON-GAAP PRESENTATION**

*This release and today's conference call contain certain supplemental measures of performance that are not required by, or presented in accordance with, accounting principles generally accepted in the United States ("GAAP"). Such measures should not be considered as alternatives to GAAP. Further information with respect to and reconciliations of such measures to the nearest GAAP measure can be found herein.*

**Uniti Group Inc.**
**Consolidated Balance Sheets**
**(In thousands, except per share data)**

| | June 30, 2017 | | December 31, 2016 | |
|---|---|---|---|---|
| **Assets:** | | | | |
| Property, plant and equipment, net | $ | 2,689,500 | $ | 2,670,037 |
| Cash and cash equivalents | | 934,096 | | 171,754 |
| Accounts receivable, net | | 12,737 | | 15,281 |
| Goodwill | | 262,086 | | 262,334 |
| Intangible assets, net | | 211,155 | | 160,584 |
| Straight-line revenue receivable | | 37,728 | | 29,088 |
| Other assets | | 13,859 | | 9,674 |
| **Total Assets** | $ | 4,161,161 | $ | 3,318,752 |
| | | | | |
| **Liabilities, Convertible Preferred Stock and Shareholders' Deficit** | | | | |
| **Liabilities:** | | | | |
| Accounts payable, accrued expenses and other liabilities | $ | 68,222 | $ | 40,977 |
| Accrued interest payable | | 28,037 | | 27,812 |
| Deferred revenue | | 371,707 | | 261,404 |
| Derivative liability | | 12,231 | | 6,102 |
| Dividends payable | | 106,709 | | 94,607 |
| Deferred income taxes | | 46,405 | | 28,394 |
| Capital lease obligations | | 54,770 | | 54,535 |
| Contingent consideration | | 92,833 | | 98,600 |
| Notes and other debt, net | | 4,439,245 | | 4,028,214 |
| **Total Liabilities** | | 5,220,159 | | 4,640,645 |
| | | | | |
| Commitments and contingencies | | | | |
| | | | | |
| **Convertible preferred stock**, Series A, $0.0001 par value, 88 shares authorized, issued and outstanding, $87,500 liquidation value | | 82,041 | | 80,552 |
| | | | | |
| **Shareholder's Deficit:** | | | | |
| Preferred stock, $ 0.0001 par value, 50,000 shares authorized, no shares issued and outstanding | | - | | - |
| Common stock, $ 0.0001 par value, 500,000 shares authorized, issued and outstanding: 174,813 shares at June 30, 2017 and 155,139 at December 31, 2016 | | 17 | | 15 |
| Additional paid-in capital | | 641,810 | | 141,092 |
| Accumulated other comprehensive loss | | (7,500) | | (6,369) |
| Distributions in excess of accumulated earnings | | (1,775,366) | | (1,537,183) |
| **Total shareholders' deficit** | | (1,141,039) | | (1,402,445) |
| **Total Liabilities, Convertible Preferred Stock and Shareholders' Deficit** | $ | 4,161,161 | $ | 3,318,752 |

# Uniti Group Inc.
# Consolidated Statements of Operations
# (In thousands, except per share data)

| | Three Months Ended June 30, 2017 | Three Months Ended June 30, 2016 | Six Months Ended June 30, 2017 | Six Months Ended June 30, 2016 |
|---|---|---|---|---|
| **Revenues:** | | | | |
| Leasing | $ 170,914 | $ 168,966 | $ 341,220 | $ 337,579 |
| Fiber Infrastructure | 34,983 | 13,776 | 69,795 | 13,776 |
| Towers | 2,455 | 84 | 3,883 | 112 |
| Consumer CLEC | 4,661 | 5,747 | 9,588 | 11,781 |
| Total revenues | 213,013 | 188,573 | 424,486 | 363,248 |
| **Costs and expenses:** | | | | |
| Interest expense | 75,086 | 68,036 | 148,451 | 134,085 |
| Depreciation and amortization | 102,599 | 92,385 | 203,960 | 178,725 |
| General and administrative expense | 13,503 | 8,239 | 27,481 | 13,428 |
| Operating expense (exclusive of depreciation and amortization) | 21,961 | 9,911 | 44,086 | 14,618 |
| Transaction related costs | 14,017 | 11,210 | 23,701 | 15,120 |
| Other expenses | 2,232 | - | 13,571 | - |
| Total costs and expenses | 229,398 | 189,781 | 461,250 | 355,976 |
| (Loss) income before income taxes | (16,385) | (1,208) | (36,764) | 7,272 |
| Income tax expense (benefit) | 75 | 327 | (304) | 771 |
| **Net (loss) income** | (16,460) | (1,535) | (36,460) | 6,501 |
| Participating securities' share in earnings | (381) | (402) | (768) | (757) |
| Dividends declared on convertible preferred stock | (656) | (438) | (1,312) | (438) |
| Amortization of discount on convertible preferred stock | (745) | (496) | (1,490) | (496) |
| **Net (loss) income applicable to common shareholders** | $ (18,242) | $ (2,871) | $ (40,030) | $ 4,810 |
| **(Loss) earnings per common share:** | | | | |
| Basic | $ (0.11) | $ (0.02) | $ (0.25) | $ 0.03 |
| Diluted | $ (0.11) | $ (0.02) | $ (0.25) | $ 0.03 |
| **Weighted average number of common shares outstanding:** | | | | |
| Basic | 169,655 | 150,913 | 162,460 | 150,416 |
| Diluted | 169,655 | 150,913 | 162,460 | 150,661 |
| **Dividends declared per common share** | $ 0.60 | $ 0.60 | $ 1.20 | $ 1.20 |

## Uniti Group Inc.
## Consolidated Statements of Cash Flows
## (In thousands)

| | Six Months Ended June 30, | |
|---|---|---|
| | 2017 | 2016 |
| **Cash flow from operating activities:** | | |
| Net (loss) income | $ (36,460) | $ 6,501 |
| Adjustments to reconcile net (loss) income to net cash provided by operating activities: | | |
| Depreciation and amortization | 203,960 | 178,725 |
| Amortization of deferred financing costs | 5,075 | 3,681 |
| Amortization of debt discount | 5,906 | 3,926 |
| Deferred income taxes | (1,607) | (599) |
| Straight-line revenues | (7,248) | (8,627) |
| Stock based compensation | 3,653 | 2,147 |
| Other | 590 | (6) |
| Changes in assets and liabilities, net of acquisitions: | | |
| Accounts receivable | 4,468 | 485 |
| Other assets | (2,671) | (2,104) |
| Change in fair value of contingent consideration | 13,024 | - |
| Accounts payable, accrued expenses and other liabilities | 7,712 | (318) |
| Net cash provided by operating activities | 196,402 | 183,811 |
| **Cash flows from investing activities:** | | |
| Acquisition of businesses, net of cash acquired | 248 | (316,133) |
| Acquisition of ground lease investments | (9,355) | (5,693) |
| NMS asset acquisitions | (67,924) | - |
| Capital expenditures - other | (46,234) | (3,759) |
| Net cash used in investing activities | (123,265) | (325,585) |
| **Cash flows from financing activities:** | | |
| Principal payment on debt | (10,540) | (11,394) |
| Dividends paid | (188,347) | (180,694) |
| Payments of contingent consideration | (18,791) | - |
| Proceeds from issuance of Notes | 201,000 | 148,875 |
| Borrowings under revolving credit facility | 360,000 | 321,000 |
| Payments under revolving credit facility | (125,000) | (278,936) |
| Capital lease payments | (1,345) | (469) |
| Deferred financing costs | (25,411) | (2,998) |
| Common stock issuance, net of costs | 498,977 | 54,836 |
| Net share settlement | (1,694) | (2,055) |
| Net cash provided by financing activities | 688,849 | 48,165 |
| Effect of exchange rate changes on cash and cash equivalents | 356 | (76) |
| **Net increase (decrease) in cash and cash equivalents** | 762,342 | (93,685) |
| Cash and cash equivalents at beginning of period | 171,754 | 142,498 |
| Cash and cash equivalents at end of period | $ 934,096 | $ 48,813 |
| **Non-cash investing and financing activities:** | | |
| Property and equipment acquired but not yet paid | $ 2,892 | $ 1,188 |
| Tenant capital improvements | 113,785 | 70,603 |
| Acquisition of businesses through non-cash consideration | - | 102,881 |

## Uniti Group Inc.
## Reconciliation of Net Income to FFO and AFFO
## (In thousands, except per share data)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 |
| **Net (loss) income applicable to common shareholders** | $ (18,242) | $ (2,871) | $ (40,030) | $ 4,810 |
| Real estate depreciation and amortization | 92,181 | 87,331 | 183,195 | 172,832 |
| Participating securities' share in earnings | 381 | 402 | 768 | 757 |
| Participating securities' share in FFO | (381) | (402) | (768) | (770) |
| **FFO applicable to common shareholders** | 73,939 | 84,460 | 143,165 | 177,629 |
| Transaction related costs | 14,017 | 11,210 | 23,701 | 15,120 |
| Change in fair value of contingent consideration | 2,114 | - | 13,024 | - |
| Amortization of deferred financing costs | 2,588 | 1,863 | 5,075 | 3,681 |
| Amortization of debt discount | 3,128 | 1,980 | 5,906 | 3,926 |
| Stock based compensation | 2,021 | 1,217 | 3,653 | 2,147 |
| Non-real estate depreciation and amortization | 10,418 | 5,054 | 20,765 | 5,893 |
| Straight-line revenues | (3,619) | (4,305) | (7,248) | (8,627) |
| Maintenance capital expenditures | (1,442) | (680) | (1,978) | (680) |
| Amortization of discount on convertible preferred stock | 745 | 496 | 1,490 | 496 |
| Other non-cash (revenue) expense, net | (2,467) | (1,692) | (5,795) | (2,509) |
| **Adjusted FFO applicable to common shareholders** | $ 101,442 | $ 99,603 | $ 201,758 | $ 197,076 |
| | | | | |
| **Per diluted common share:** | | | | |
| EPS | $ (0.11) | $ (0.02) | $ (0.25) | $ 0.03 |
| FFO | $ 0.44 | $ 0.56 | $ 0.88 | $ 1.18 |
| AFFO | $ 0.60 | $ 0.66 | $ 1.24 | $ 1.31 |
| | | | | |
| Weighted average common shares used to calculate basic (loss) earnings per common share | 169,655 | 150,913 | 162,460 | 150,416 |
| Effect of dilutive non-participating securities | 121 | 283 | 153 | 245 |
| Weighted average common shares used to calculate diluted FFO and AFFO per common share | 169,776 | 151,196 | 162,613 | 150,661 |

# Uniti Group Inc.
# Reconciliation of EBITDA and Adjusted EBITDA
# (In thousands)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 |
| **Net (loss) income** | $ (16,460) | $ (1,535) | $ (36,460) | $ 6,501 |
| Depreciation and amortization | 102,599 | 92,385 | 203,960 | 178,725 |
| Interest expense | 75,086 | 68,036 | 148,451 | 134,085 |
| Income tax expense (benefit) | 75 | 327 | (304) | 771 |
| **EBITDA** | 161,300 | 159,213 | 315,647 | 320,082 |
| Stock based compensation | 2,021 | 1,217 | 3,653 | 2,147 |
| Transaction related costs | 14,017 | 11,210 | 23,701 | 15,120 |
| Other expenses | 2,232 | - | 13,571 | - |
| **Adjusted EBITDA** | $ 179,570 | $ 171,640 | $ 356,572 | $ 337,349 |
| **Adjusted EBITDA:** | | | | |
| Leasing | $ 170,528 | $ 168,629 | $ 340,588 | $ 336,837 |
| Fiber Infrastructure | 12,618 | 5,500 | 24,185 | 5,500 |
| Towers | (242) | (297) | (977) | (599) |
| Consumer CLEC | 1,323 | 1,330 | 2,489 | 2,662 |
| Corporate | (4,657) | (3,522) | (9,713) | (7,051) |
| | $ 179,570 | $ 171,640 | $ 356,572 | $ 337,349 |
| **Annualized Adjusted EBITDA** (1) | $ 718,280 | | | |
| **As of June 30, 2017:** | | | | |
| Total Debt (2) | $ 4,647,197 | | | |
| Cash and cash equivalents | 934,096 | | | |
| **Net Debt** | $ 3,713,101 | | | |
| **Total Debt/Annualized Adjusted EBITDA** | 6.5x | | | |
| **Net Debt/Annualized Adjusted EBITDA** | 5.2x | | | |

(1) Calculated as Adjusted EBITDA for the most recently reported three-month period, multiplied by four. Annualized Adjusted EBITDA has not been prepared on a pro forma basis in accordance with Article 11 of Regulation S-X.

(2) Includes $54.8 million of capital leases, but excludes $153.2 million of unamortized discounts and deferred financing costs.

**Uniti Group Inc.**
**Projected Future Results (1)**
**(In millions)**

| | Year Ended December 31, 2017 |
|---|---|
| **Net loss applicable to common shareholders** | ($35) to ($29) |
| Noncontrolling interest share in earnings | 0 |
| Participating securities' share in earnings | 1 |
| Dividends declared on convertible preferred stock | 3 |
| Amortization of discount on convertible preferred stock | 3 |
| **Net Loss (2)** | ($28) to ($22) |
| Interest expense | 306 |
| Depreciation and amortization | 426 |
| Income tax benefit | (2) |
| **EBITDA (2)** | $703 to $708 |
| Stock based compensation | 8 |
| Transaction related cost | 24 |
| Other expenses | 13 |
| **Adjusted EBITDA (2)** | $748 to $753 |

(1) The foregoing projections reflect management's outlook after the impacts of the recent acquisitions of Hunt and Southern Light. Final purchase price allocations, future acquisitions, capital market transactions, changes in market conditions, and other factors are excluded from our projections. These ranges represent management's best estimates based on the underlying assumptions as of the date of this press release. There can be no assurance that our actual results will not differ materially from the estimates set forth above.

(2) The components of projected future results may not add due to rounding.

## Uniti Group Inc.
## Projected Future Results (1)
## (Per Diluted Share)

| | Year Ended December 31, 2017 |
|---|---|
| **Net loss applicable to common shareholders** | ($0.21) to ($0.17) |
| Real estate depreciation and amortization | 2.22 |
| Participating securities share in earnings | 0.01 |
| Participating securities share in FFO | (0.01) |
| Adjustments for noncontrolling interests | (0.03) |
| **FFO applicable to common shareholders (2)** | $1.99 to $2.02 |
| Transaction related costs | 0.14 |
| Amortization of deferred financing costs and debt discount | 0.14 |
| Stock based compensation | 0.05 |
| Non-real estate depreciation and amortization | 0.30 |
| Change in fair value of contingent consideration | 0.08 |
| Straight-line revenues | (0.09) |
| Maintenance capital expenditures | (0.04) |
| Amortization of discount on convertible preferred stock | 0.02 |
| Other non-cash revenue, net | (0.07) |
| Adjustments for noncontrolling interests | (0.00) |
| **AFFO applicable to common shareholders (2)** | $2.51 to $2.55 |

(1) The foregoing projections reflect management's outlook after the impacts of the recent acquisitions of Hunt and Southern Light. Final purchase price allocations, future acquisitions, capital market transactions, changes in market conditions, and other factors are excluded from our projections. These ranges represent management's best estimates based on the underlying assumptions as of the date of this press release. There can be no assurance that our actual results will not differ materially from the estimates set forth above.

(2) The components of projected future results may not add to FFO and AFFO applicable to common shareholders due to rounding.

## Components of Interest Expense (1)
## (In millions)

| | Year Ended December 31, 2017 |
|---|---|
| Interest expense on debt obligations | $283 |
| Amortization of deferred financing cost and debt discounts | 23 |
| **Interest expense (2)** | $306 |

(1) The foregoing projections reflect management's outlook after the impacts of the recent acquisitions of Hunt and Southern Light. Final purchase price allocations, future acquisitions, capital market transactions, changes in market conditions, and other factors are excluded from our projections. These ranges represent management's best estimates based on the underlying assumptions as of the date of this press release. There can be no assurance that our actual results will not differ materially from the estimates set forth above.

(2) The components of interest expense may not add to the total due to rounding.

## NON-GAAP FINANCIAL MEASURES

We refer to EBITDA, Adjusted EBITDA, Funds From Operations ("FFO") as defined by the National Association of Real Estate Investment Trusts ("NAREIT") and Adjusted Funds From Operations ("AFFO") in our analysis of our results of operations, which are not required by, or presented in accordance with, accounting principles generally accepted in the United States ("GAAP"). While we believe that net income, as defined by GAAP, is the most appropriate earnings measure, we also believe that EBITDA, Adjusted EBITDA, FFO and AFFO are important non-GAAP supplemental measures of operating performance for a REIT.

We define "EBITDA" as net income, as defined by GAAP, before interest expense, provision for income taxes and depreciation and amortization. We define "Adjusted EBITDA" as EBITDA before stock-based compensation expense and the impact, which may be recurring in nature, of transaction and integration related costs, collectively "Transaction Related Costs", the write off of unamortized deferred financing costs, costs incurred as a result of the early repayment of debt, changes in the fair value of contingent consideration and financial instruments, and other similar items. We believe EBITDA and Adjusted EBITDA are important supplemental measures to net income because they provide additional information to evaluate our operating performance on an unleveraged basis. In addition, Adjusted EBITDA is calculated similar to defined terms in our material debt agreements used to determine compliance with specific financial covenants. Since EBITDA and Adjusted EBITDA are not measures calculated in accordance with GAAP, they should not be considered as alternatives to net income determined in accordance with GAAP.

Because the historical cost accounting convention used for real estate assets requires the recognition of depreciation expense except on land, such accounting presentation implies that the value of real estate assets diminishes predictably over time. However, since real estate values have historically risen or fallen with market and other conditions, presentations of operating results for a REIT that use historical cost accounting for depreciation could be less informative. Thus, NAREIT created FFO as a supplemental measure of operating performance for REITs that excludes historical cost depreciation and amortization, among other items, from net income, as defined by GAAP. FFO is defined by NAREIT as net income applicable to common shareholders computed in accordance with GAAP, excluding gains or losses from real estate dispositions, plus real estate depreciation and amortization and impairment charges. We compute FFO in accordance with NAREIT's definition.

The Company defines AFFO, as FFO excluding (i) transaction and integration costs; (ii) certain non-cash revenues and expenses such as stock-based compensation expense, amortization of debt and equity discounts, amortization of deferred financing costs, depreciation and amortization of non-real estate assets, straight line revenues, and the amortization of other non-cash revenues to the extent that cash has not been received, such as revenue associated with the amortization of tenant capital improvements; (iii) the impact, which may be recurring in nature, of the write-off of unamortized deferred financing fees, additional costs incurred as a result of early repayment of debt, changes in the fair value of contingent consideration and financial instruments and similar items less maintenance capital expenditures. We believe that the use of FFO and AFFO, and their respective per share amounts, combined with the required GAAP presentations, improves the understanding of operating results of REITs among investors and analysts, and makes comparisons of operating results among such companies more meaningful. We consider FFO and AFFO to be useful measures for reviewing comparative operating performance. In particular, we believe AFFO, by excluding certain revenue and expense items, can help investors compare our operating performance between periods and to other REITs on a consistent basis without having to account for differences caused by unanticipated items and events, such as transaction and integration related costs. The Company uses FFO and AFFO, and their respective per share amounts, only as performance measures, and FFO and AFFO do not purport to be indicative of cash available to fund our future cash requirements. While FFO and AFFO are relevant and widely used measures of operating performance of REITs, they do not represent cash flows from operations or net income as defined by GAAP and should not be considered an alternative to those measures in evaluating our liquidity or operating performance.

Further, our computations of EBITDA, Adjusted EBITDA, FFO and AFFO may not be comparable to that reported by other REITs or companies that do not define FFO in accordance with the current NAREIT definition or that interpret the current NAREIT definition or define EBITDA, Adjusted EBITDA and AFFO differently than we do.

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