Uniti Group Inc. to Acquire Southern Light

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Leading data transport provider across 5 states and 12 Southeast markets

Expansive fiber network spanning over 540,000 fiber strand miles

Uniti's revenue diversification advances over key milestone to 30% away from Windstream

Substantial synergies expected with Uniti Fiber and recently announced Hunt Telecom acquisition

LITTLE ROCK, Ark., April 10, 2017 (GLOBE NEWSWIRE) -- Uniti Group Inc. ("Uniti" or the "Company") (Nasdaq:UNIT) announced today that it has entered into a definitive agreement to acquire privately-held Southern Light, LLC ("Southern Light") for aggregate consideration of approximately $700 million in cash and equity, subject to adjustment in accordance with the acquisition agreement.

"This acquisition transforms Uniti Fiber into a more competitive provider of fiber infrastructure solutions. Southern Light scales our products and capacity with wireless carriers, enterprise, wholesale, and E-Rate customers across a significantly expanded Uniti Fiber network, and launches us into the important military sector," said Kenny Gunderman, President and Chief Executive Officer of Uniti.

Mr. Gunderman continued, "Southern Light's revenues are well diversified, with 50% from national wireless carriers, 30% from wholesale and enterprises, and 14% from government and E-Rate customers. Pro-forma for this transaction and our recently announced acquisition of Hunt Telecommunications, LLC ("Hunt"), Uniti is expected to increase non-Windstream revenue to approximately 30% of total revenues."

Andy Newton, Southern Light's Chief Executive Officer, commented, "We're thrilled that this next step in our evolution will benefit our customers and our employees. Combining Uniti's broad reach and financial capacity with our local market experience and company culture represents a tremendous platform for continued growth. We share similar objectives and values and have great respect for what Uniti has achieved and are excited about our future together."

Southern Light is a leading provider of data transport services along the Gulf Coast region serving twelve attractive Tier II and Tier III markets across Florida, Alabama, Louisiana, Georgia, and Mississippi. Southern Light's dense regional fiber network comprises nearly 540,000 fiber strand miles, 5,700 fiber route miles, and over 4,500 on-net locations. Southern Light and Hunt will double Uniti Fiber's operational network to encompass over one million fiber strand miles, and increase Uniti's aggregate strand miles to over 4.8 million. Southern Light's infrastructure solutions include fiber-to-the-tower backhaul, dark fiber, and small cells, and it is currently deploying nearly 1,000 route miles of dark fiber for a major wireless carrier.

Pro forma for both Southern Light and Hunt, Uniti Fiber's revenues under contract will exceed $1.2 billion. Southern Light enters 2017 with revenues under contract exceeding $435 million and an average remaining contract life of over 10 years, providing excellent forward revenue visibility.

Southern Light's organization and operations are highly complementary to Hunt and both will be tightly integrated into Uniti Fiber. The Company expects to achieve annual run-rate cost savings related to its acquisition of Southern Light of $10 million within 24 months after closing, as well as additional capital expenditure and revenue synergies. These cost savings are incremental to the previously announced savings of $2.5 million associated with the acquisition of Hunt.

TRANSACTION TERMS AND APPROVALS

Aggregate consideration for this transaction will be $700 million, consisting of $635 million in cash, subject to certain adjustments set forth in the transaction documents, and the issuance of approximately 2.5 million operating partnership units, convertible on a one-for-one basis into shares of Uniti's common stock. The transaction is expected to close during the third quarter of 2017 and is subject to customary closing conditions.

The Company has received committed financing from Citigroup Global Markets Inc. ("Citigroup"), JPMorgan Chase Bank, N.A. and RBC Capital Markets, LLC ("RBC") for the entire cash portion of the purchase price. The Company expects to fund the transaction with cash on hand, proceeds from potential debt or equity financings and borrowings under its revolving credit facility. The Company's permanent financing is expected to include approximately $250 million in debt and approximately $450 million in equity with proceeds to pay the cash consideration for Southern Light, and the cash consideration for the previously announced Hunt acquisition. This transaction is intended to be leverage neutral on a pro forma basis following the expected permanent financing.

This press release does not constitute an offer to sell or the solicitation of any offer to buy securities.

ADVISORS

Citigroup and RBC served as financial advisors and Davis Polk & Wardwell LLP served as legal counsel to Uniti in connection with this transaction.

SunTrust Robinson Humphrey, Inc. served as exclusive financial advisor and Morgan Lewis & Bockius LLP and McDowell Knight Roedder & Sledge served as legal counsel to Southern Light.

CONFERENCE WEBCAST

Uniti will hold a conference call today to discuss the terms of this transaction at 8:30 AM Eastern Time (7:30 AM 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 is 90535132. 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 2:00 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 January 31, 2017, Uniti owns 4.2 million fiber strand miles, 468 wireless towers, and other communications real estate throughout the United States and Latin America. Additional information about Uniti can be found on its website at www.uniti.com.

FORWARD-LOOKING STATEMENTS

Certain statements in this press release 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 and the anticipated benefits of closing of the Southern Light and Hunt 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 possibility that the terms of the Southern Light or Hunt transactions as described in this press release are modified; the risk that the Southern Light or Hunt transaction agreements may be terminated prior to expiration; risks related to satisfying the conditions to the transactions, including timing (including possible delays) and receipt of regulatory approvals from various governmental entities (including any conditions, limitations or restrictions placed on these approvals) and the risk that one or more governmental entities may deny approval; and the risk that we may be unable to properly integrate Southern Light or Hunt or achieve anticipated benefits and/or synergies.

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 to reflect any change in its expectations or any change in events, conditions or circumstances on which any statement is based.

Unaudited results for Southern Light and Hunt are preliminary and subject to audit and purchase accounting adjustments. Actual results could differ materially. Investors should not place undue reliance on such numbers. Operating metrics have been provided by Southern Light and Hunt without verification and investors should not place undue reliance on those operating metrics.

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Uniti
The Communications REIT

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