Uniti Group Inc. Announces Strategic Transactions

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Enters Strategic OpCo-PropCo Sale-Leaseback with Macquarie Infrastructure Partners to Acquire Bluebird Network, LLC and Combine with Uniti Fiber's Midwest Business

Evaluating Potential Sale of Latin America Tower Portfolio

Acquisition of Bluebird Network, LLC Fiber Network Presentation: Acquisition of Bluebird Network, LLC Fiber Network

LITTLE ROCK, Ark., Jan. 15, 2019 (GLOBE NEWSWIRE) -- Uniti Group Inc. ("Uniti" or the "Company") (Nasdaq: UNIT) announced today strategic transactions involving its leasing and fiber business units. Kenny Gunderman, President and Chief Executive Officer of Uniti, commented, "We are excited about the announcement of these strategic transactions. We believe they will create value for our investors and sharpen our strategic focus."

STRATEGIC PARTNERSHIP WITH MACQUARIE

Uniti has entered into an OpCo-PropCo partnership with Macquarie Infrastructure Partners ("MIP") to acquire Bluebird Network, LLC ("Bluebird"). MIP operates within the Macquarie Infrastructure and Real Assets ("MIRA") division of Macquarie Group. Bluebird's network consists of approximately 178,000 fiber strand miles in the Midwest across Missouri, Kansas, Illinois, and Oklahoma. In the transaction, Uniti has agreed to purchase the Bluebird fiber network and MIP has agreed to purchase the Bluebird operations. In addition, Uniti has agreed to sell Uniti Fiber's Midwest operations to MIP, while Uniti will retain its existing Midwest fiber network.

Concurrently with the closing of these transactions, Uniti will lease the Bluebird fiber network and its Midwest fiber network, on a combined basis, to MIP under a long-term triple net lease. The initial lease term will be 20 years with multiple renewal options at MIP's discretion. Initial annual cash rent will be approximately $20.3 million representing an initial cash yield of 9.6%.

Kenny Gunderman commented, "MIP is a highly respected investor in communications infrastructure assets, and we are excited to enter into this strategic partnership with them. We believe the deal structure can be replicated with other operating partners in the future and today's announcement lays the foundation for similar transactions."

"We are pleased to enter this partnership with Uniti's experienced leadership as MIP expands its portfolio of investments in communications infrastructure," said Karl Kuchel, CEO of MIP. "We look forward to the continued growth of this platform in the years to come."

Uniti is acquiring the fiber network of Bluebird for $319 million, of which $175 million will be funded by Uniti in cash and $144 million from pre-paid rent to be received from MIP at closing. As mentioned earlier, MIP has agreed to purchase the Bluebird operations for an undisclosed purchase price. In connection with the sale of the Company's Midwest operations, Uniti will receive total upfront cash of approximately $37 million, including related prepaid rent to be received from MIP at closing. The transactions are subject to regulatory and other customary closing conditions, and are expected to close by the end of the third quarter of 2019.

Wells Fargo Securities, LLC acted as exclusive financial advisor to MIP and Uniti. Barclays provided committed financing to Uniti in connection with the transaction.

EVALUATING POTENTIAL SALE OF LATIN AMERICA TOWER PORTFOLIO

Separately, Uniti is evaluating the potential sale of its Uniti Towers' business in Latin America as the Company has received inquiries from interested third parties in acquiring its approximately 500 towers located across Mexico, Colombia and Nicaragua.

Kenny Gunderman commented, "We are currently in discussions regarding the potential sale of our Latin America tower business, which we believe would realize substantial value for our stockholders, and allow us to focus on communications infrastructure growth opportunities in the U.S. Uniti Towers continues to be a significant component of our strategy to provide a full suite of solutions to wireless carriers and other customers."

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 September 30, 2018, Uniti owns 5.4 million fiber strand miles, approximately 850 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, and the closings and anticipated benefits of the sale-leaseback transaction with MIP and the potential disposition of the Uniti Towers Latin America tower portfolio.

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; the adverse impact of litigation affecting us or our customers; 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; the risk that the agreements relating to our pending transactions may be modified or terminated prior to closing; the risks related to satisfying the conditions to our pending transactions; 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 to reflect any change in its expectations or any change in events, conditions or circumstances on which any statement is based.

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