

Uniti

**Third Quarter
2018 Financial Results
Conference Call Presentation**

November 1, 2018

Safe Harbor

Certain statements in this presentation 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, additional lease-up of our fiber assets, anticipated benefits of the ITS and M² transactions, and our 2018 financial results.

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

This presentation may 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.

Agenda

- **Company Update**
- **Third Quarter 2018 Financial Results**
- **2018 Updated Outlook**
- **ITS Transaction**
- **Q&A**

Company Update

▪ **Secular Tailwinds in All Segments**

- Fiber, Tower and Small Cell Demand Continues to Grow
- Lease-Up, Especially at Uniti Leasing, is Growing Steadily
- Windstream's Improved Balance Sheet Management and Improved Outlook

▪ **Growing Contractual Backlog and Asset Quality in All Segments**

- Nearly \$10 Billion of Revenue Under Contract for Uniti Fiber, Uniti Towers and Uniti Leasing Combined
- Positive Growth Trajectory Continues
- Hurricane Michael Restoration to Affect 4Q18 Installs but Contractual Revenue Remains Intact

▪ **Enhanced Strategic Flexibility**

- Proprietary M&A Deal Flow Continues
- Signed/Closed ITS Acquisition at 7.7x 2018E Adjusted EBITDA
- Signed M² Acquisition at 12.8x 2018E Adjusted EBITDA
- OpCo/PropCo Partnership Opportunities Progressing
- Strategic Private Capital Relationships Developing

Organic and M&A Growth Driving Diversification

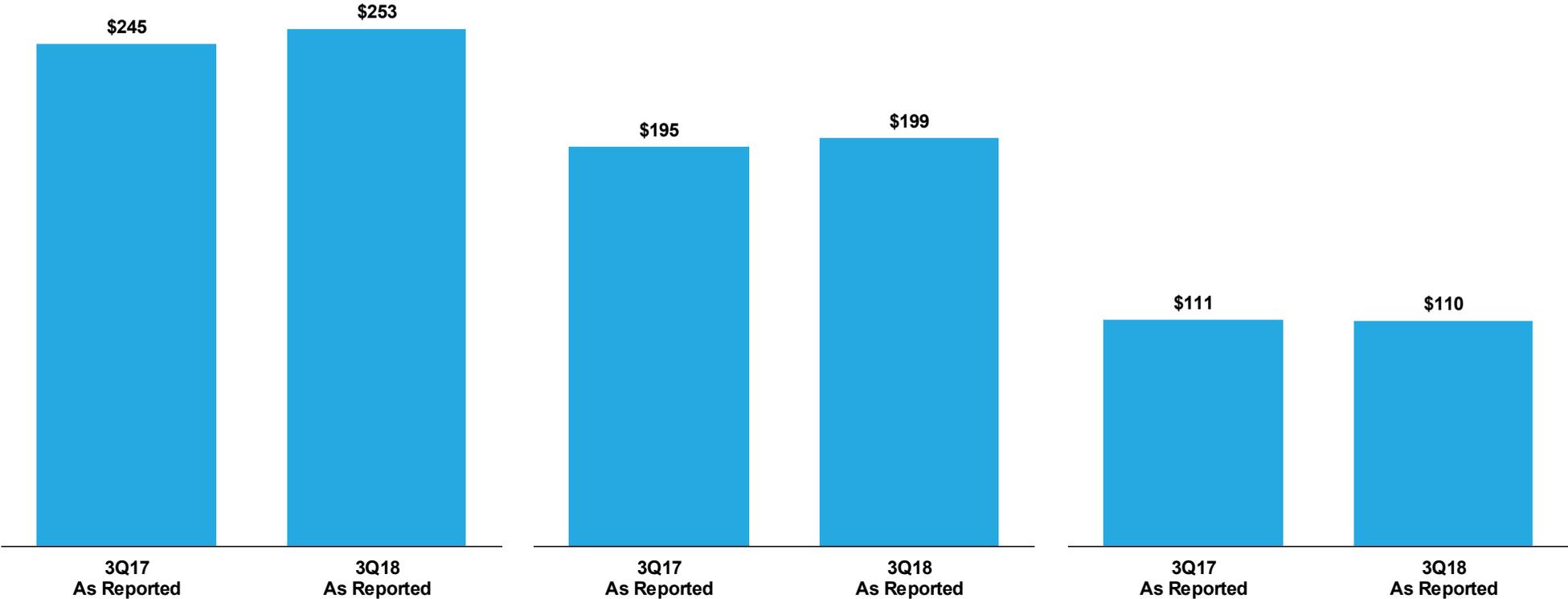
Third Quarter 2018 Consolidated Results

(\$ in millions)

Revenue

Adjusted EBITDA⁽¹⁾

AFFO⁽¹⁾



Solid Results From All Business Units

⁽¹⁾ See Appendix for a reconciliation of non-GAAP metrics to the most closely comparable GAAP metric.

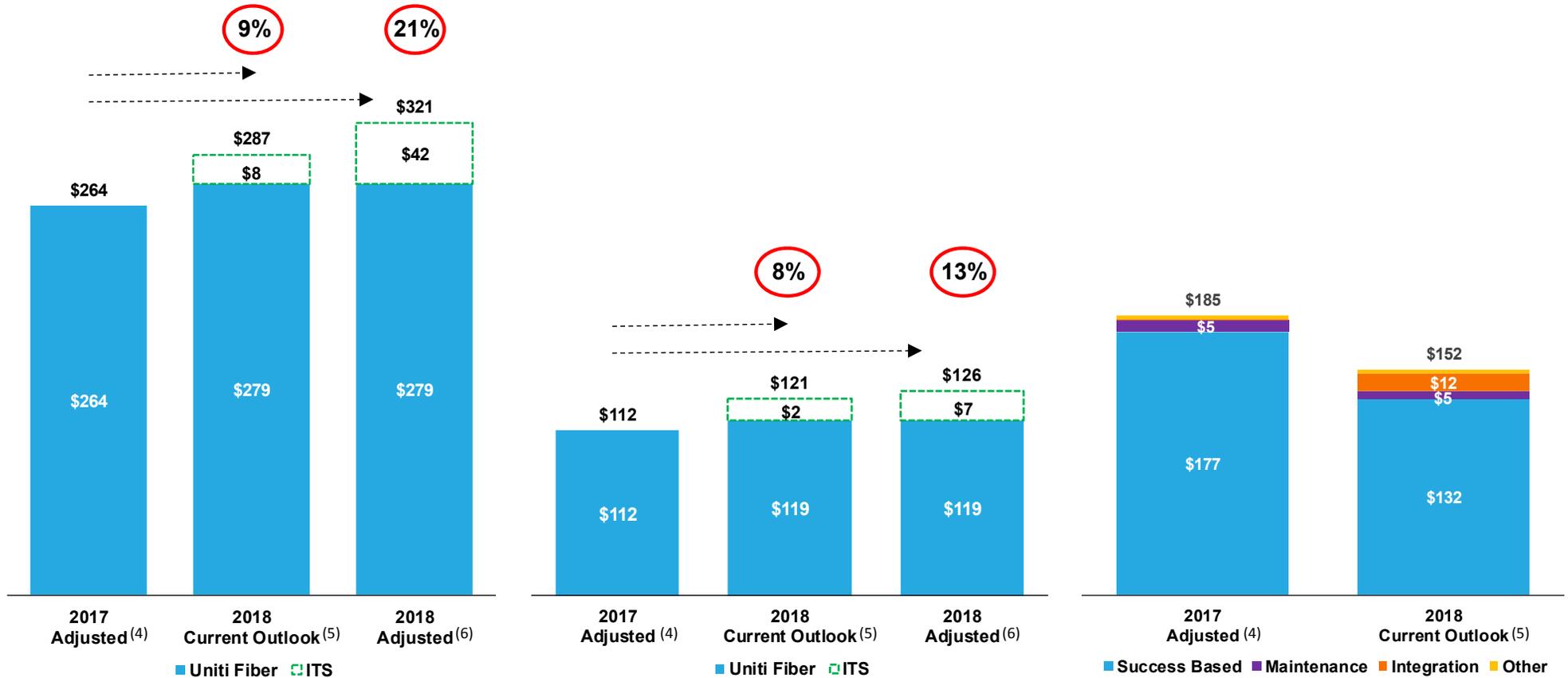
Uniti Fiber 2018 Outlook⁽¹⁾

(\$ in millions)

Revenue

Adjusted EBITDA⁽²⁾

Net Capex⁽³⁾



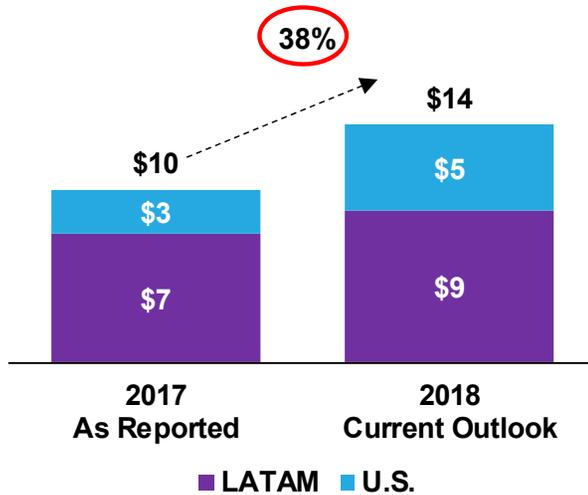
Expanding Products and Services Driving Growth

- (1) 2018 Current Outlook is based on the mid-point of 2018 Outlook range provided in the Company's Earnings Release dated November 1, 2018. 2018 Current Outlook excludes any potential impact from Hurricane Michael as we are still assessing the situation.
- (2) See Appendix for a reconciliation of Adjusted EBITDA to Net Income, the most closely comparable GAAP metric.
- (3) Net Capex is defined as gross capital expenditures less up-front payments from customers.
- (4) 2017 adjusted revenue, Adjusted EBITDA and net capex are illustrative for the impact of Southern Light and Hunt as if the transactions had closed on January 1, 2017. No other changes to financial information or transactions have been assumed. 2017 adjusted results have not been prepared in accordance with Article 11 of Regulation S-X.
- (5) Current Outlook includes the acquisition of ITS, which closed on October 19, 2018.
- (6) 2018 adjusted revenue and Adjusted EBITDA are illustrative of our 2018 outlook, adjusted for the impact of ITS as if the transaction had closed on January 1, 2018. No other changes to financial information or transactions have been assumed. 2018 adjusted results have not been prepared in accordance with Article 11 of Regulation S-X.

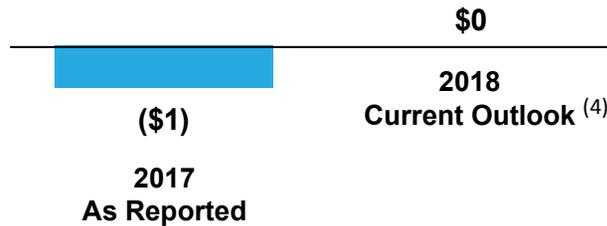
Uniti Towers 2018 Outlook⁽¹⁾

(\$ in millions)

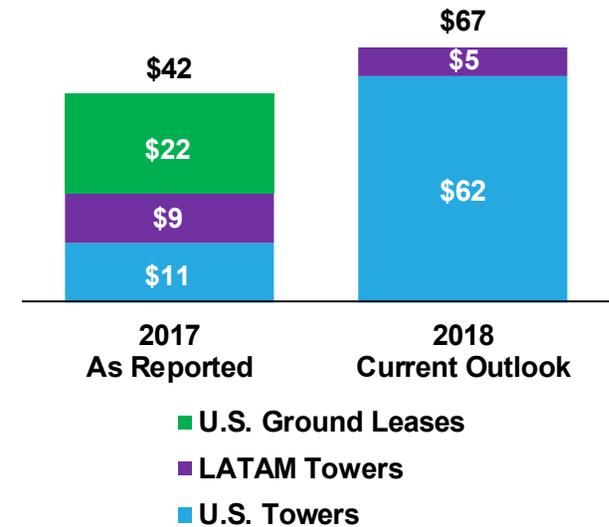
Revenue



Adjusted EBITDA⁽²⁾



Net Capex⁽³⁾



Expect LATAM Lease-up and U.S. BTS Towers to Drive Organic Growth

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(2) See Appendix for a reconciliation of Adjusted EBITDA to Net Income, the most closely comparable GAAP metric.

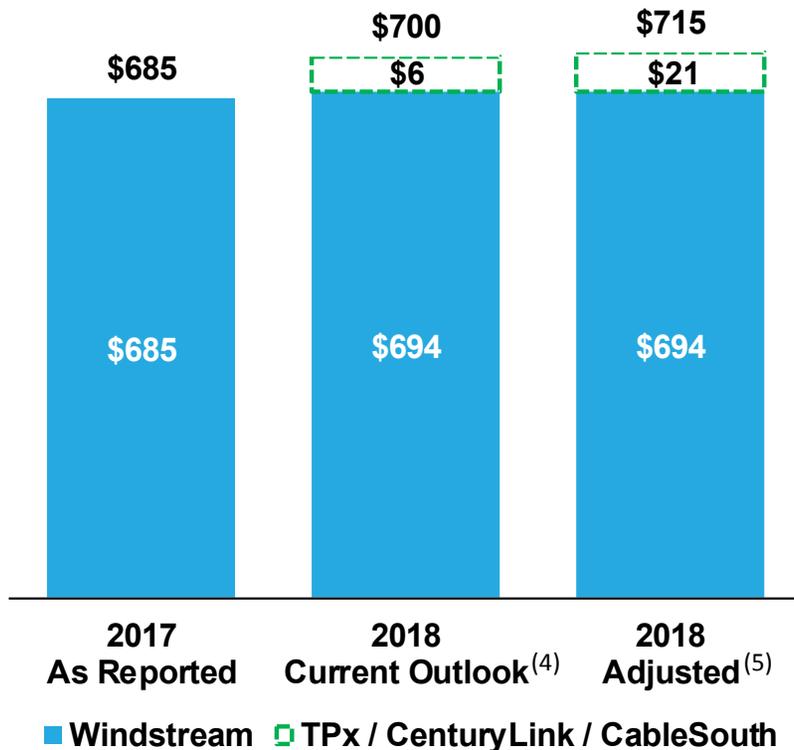
(3) Net Capex is defined as gross capital expenditures less up-front payments from customers.

(4) 2018 Outlook includes the write-off of approximately \$1.6 million of costs related to development projects that were cancelled by our customers. We have been reimbursed for \$0.4 million of costs related to development projects that were cancelled and we do not expect to recover any additional costs in the future.

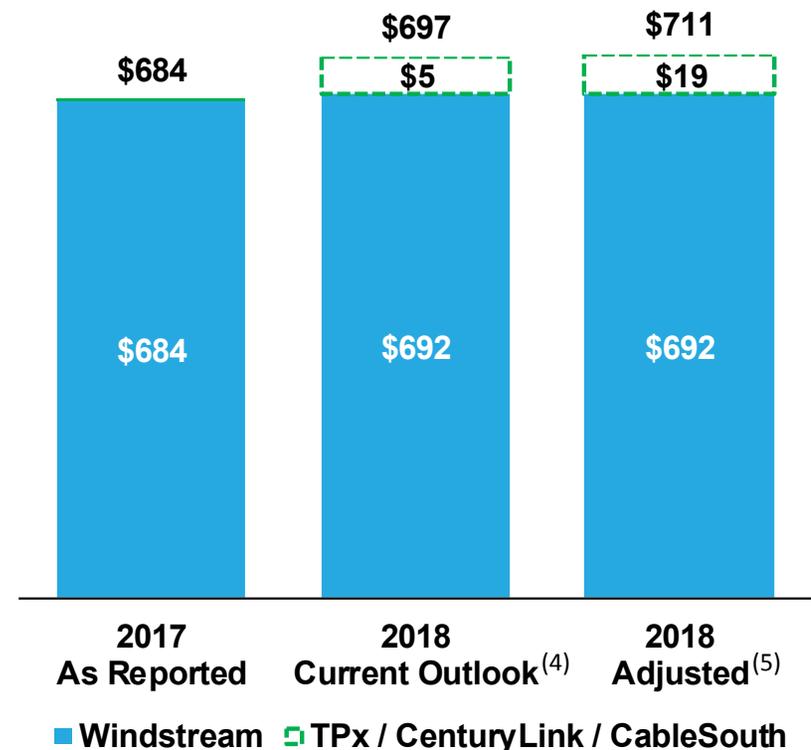
Uniti Leasing 2018 Outlook⁽¹⁾

(\$ in millions)

Leasing Revenue⁽²⁾



Leasing Adjusted EBITDA⁽³⁾



Expect Leasing Activity to Accelerate

(1) 2018 Outlook is based on the mid-point of 2018 Outlook range provided in the Company's Earnings Release dated November 1, 2018.

(2) TPx, CenturyLink, and CableSouth include \$1.2 million of non-cash revenue in 2018 Current Outlook and \$3.8 million in 2018 Adjusted.

(3) See Appendix for a reconciliation of Adjusted EBITDA to Net Income, the most closely comparable GAAP metric.

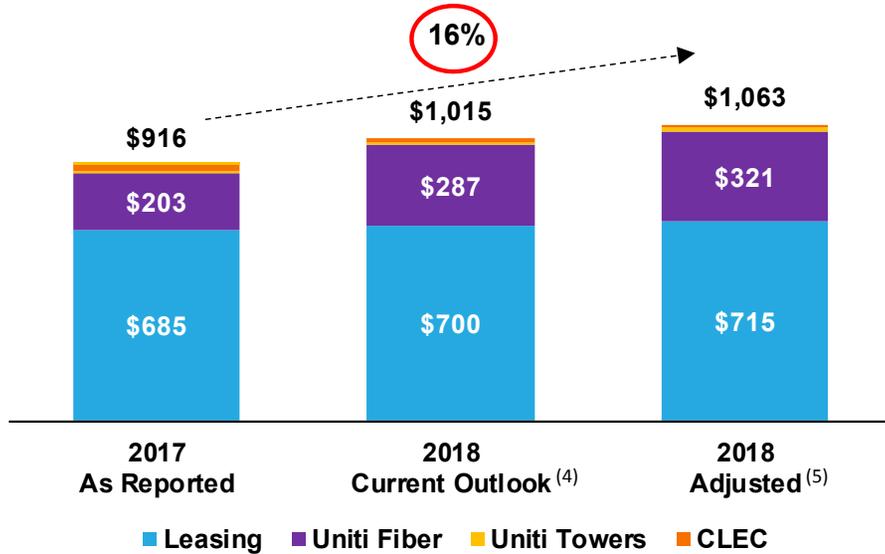
(4) Current Outlook includes the acquisition of TPx, the fiber acquisition from CenturyLink, as well as anchor tenant and additional lease-up activity, the acquisition of CableSouth, and the National MSO dark fiber lease. The Non-CA assets in the TPx transaction closed on May 1, 2018 while the CA assets closed on September 19, 2018. The fiber acquisition from CenturyLink and the anchor tenant lease closed in early May 2018. The CableSouth transaction closed on October 9, 2018.

(5) 2018 adjusted revenue and Adjusted EBITDA are illustrative of our 2018 outlook, adjusted for the impact of the above mentioned transactions as if they had closed on January 1, 2018. No other changes to financial information or transactions have been assumed. 2018 adjusted results have not been prepared in accordance with Article 11 of Regulation S-X.

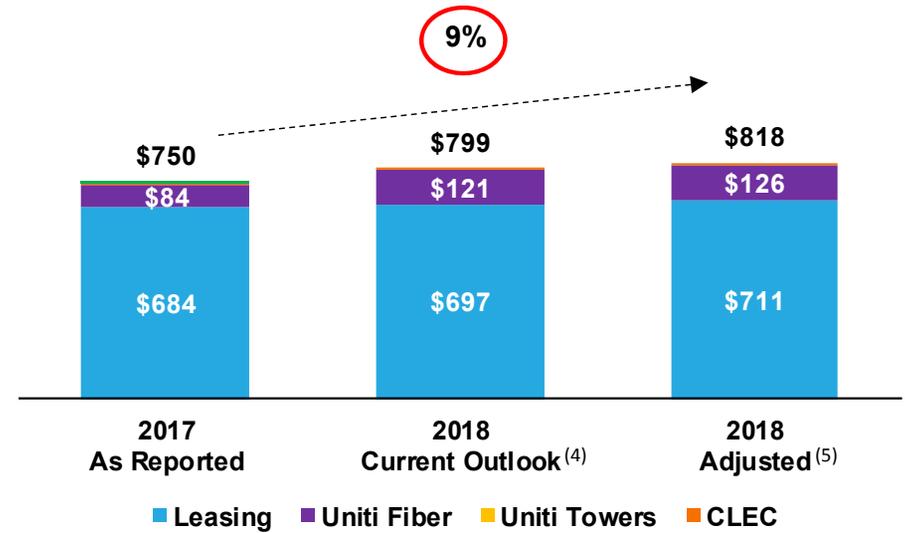
Full Year 2018 Consolidated Outlook⁽¹⁾

(\$ in millions, except per share data)

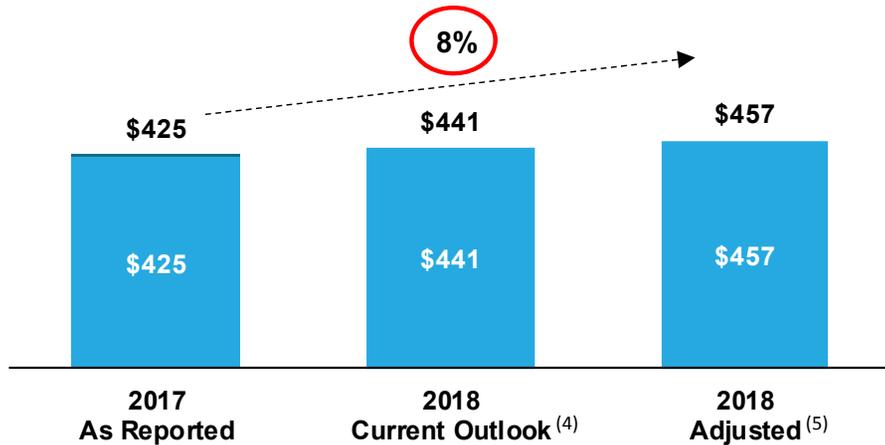
Revenue



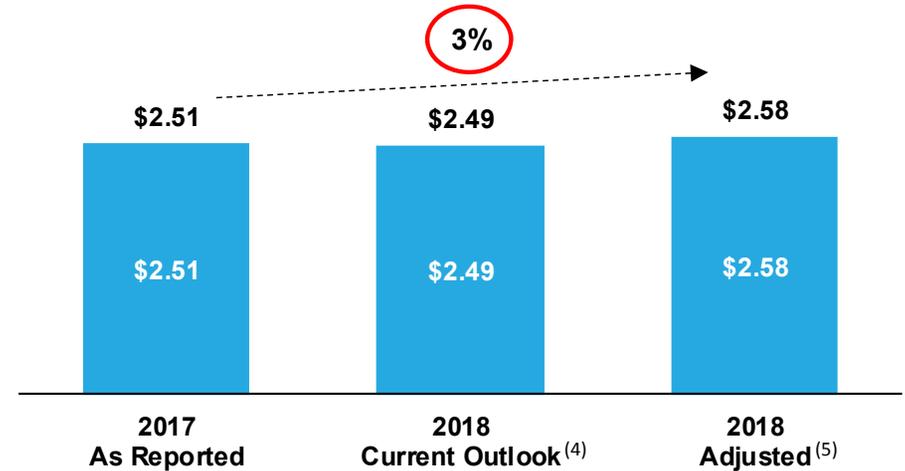
Adjusted EBITDA^{(2) (3)}



AFFO⁽²⁾



AFFO/Share⁽²⁾



2018 Outlook Reflects ITS and Uniti Leasing Transactions

- (1) 2018 Outlook is based on the mid-point of 2018 Outlook range provided in the Company's Earnings Release dated November 1, 2018. 2018 Current Outlook excludes any potential impact from Hurricane Michael as we are still assessing the situation.
- (2) See Appendix for a reconciliation of non-GAAP metrics to the most closely comparable GAAP metric.
- (3) Adjusted EBITDA is net of corporate expenses of \$22 million in both 2017 and 2018.
- (4) Current Outlook includes the acquisition of TPx, the fiber acquisition from CenturyLink, as well as anchor tenant and additional lease-up activity, the acquisitions of CableSouth and ITS, and the National MSO dark fiber lease. The Non-CA assets in the TPx transaction closed on May 1, 2018 while the CA assets closed on September 19, 2018. The fiber acquisition from CenturyLink and the anchor tenant lease closed in early May 2018. The CableSouth transaction closed on October 9, 2018. The ITS transaction closed on October 19, 2018.
- (5) 2018 adjusted revenue, Adjusted EBITDA, AFFO and AFFO/share are illustrative of our 2018 outlook, adjusted for the impact of the above mentioned transactions as if they had closed on January 1, 2018. No other changes to financial information or transactions have been assumed. 2018 adjusted results have not been prepared in accordance with Article 11 of Regulation S-X.

Reconciliation of Prior Outlook to Current Outlook⁽¹⁾

\$ in Millions

	Uniti 2018 Revenue	Uniti 2018 Adjusted EBITDA	Uniti 2018 AFFO	Uniti 2018 AFFO/Share
Full Year 2018 Midpoint Prior Outlook	\$1,010.2	\$801.8	\$443.9	\$2.52
ITS Transaction ⁽²⁾	8.3	1.6	1.6	0.01
Uniti Fiber – Deployment Delays, Primarily Dark Fiber and Small Cells ⁽³⁾	(1.7)	(1.7)	(1.7)	(0.01)
Uniti Fiber – Customer Service Credits, Timing of Disconnects & Other	(2.6)	(3.4)	(3.3)	(0.02)
Change in Weighted Average Common Shares Outstanding	-	-	-	(0.01)
Other	0.8	0.2	0.4	-
Full Year 2018 Midpoint Current Outlook	\$1,015.0	\$798.5	\$440.9	\$2.49

Deployment and Lease-Up Delays are Predominantly Contractual Revenue and We Expect the Majority will be Recognized by the End of 2019

- (1) Amounts may not foot due to rounding.
 (2) Based on closing date of October 19, 2018.
 (3) Primarily permitting delays.

Information Transport Solutions, Inc. (“ITS”) Overview

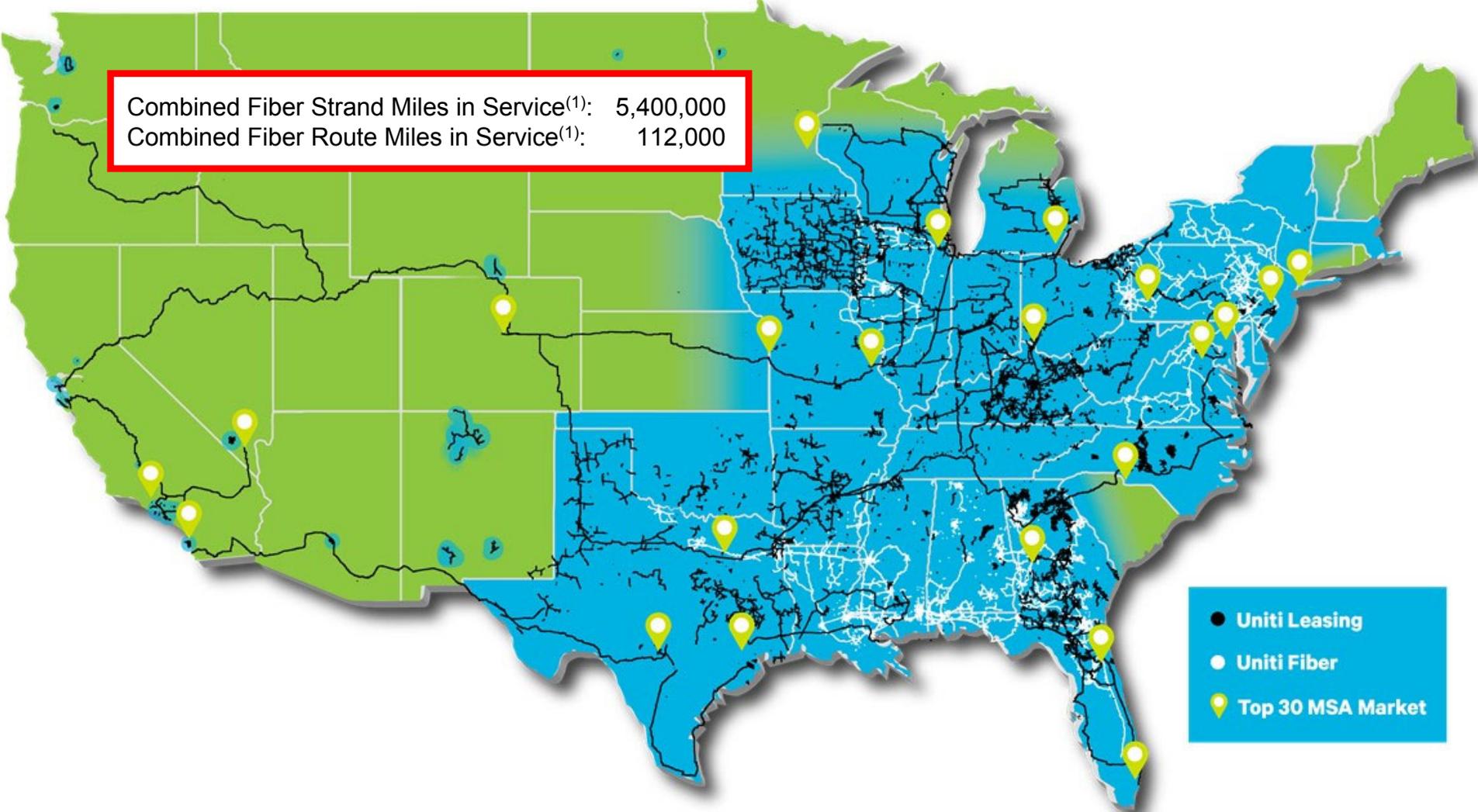
- **ITS is a Provider of Technology Solutions Primarily to Educational Institutions**
- **Purchase Price of \$54.0 Million**
 - 7.7x 2018E Adjusted EBITDA
 - Expect Full Run-Rate Annual Cost Synergies of \$2.6 million⁽¹⁾
- **Expands Uniti’s Product Offerings to Better Serve Our E-Rate and Enterprise Customers**
 - Acquiring ITS’ Existing Relationships with Schools, Universities and Government Agencies
 - Integrate and Manage Technology Solutions for Schools, Universities and Government Offices
 - Margin Expansion Expected from Transitioning Off-Net Services onto Uniti’s Fiber Network
- **Over 30% of ITS’ \$45 Million in Total Revenue is on Uniti Fiber’s Network**
 - Expect On-Net Revenue to Grow Materially Under Uniti Fiber’s Ownership
- **Strengthens Vendor Relationship with State & Local Governments**
 - Pre-Approved Vendor with the States of Alabama and Florida
 - Strong Customer Relationships with Minimal Historical Monthly Churn of 0.3%
- **Transaction Closed on October 19, 2018**

Transaction Expands and Strengthens ERATE Customer Relationships



(1) Expected to be fully realized by 2022.

Combined Network Footprint



Top 5 Competitive Fiber Owner in 22 of the Top 30 Markets⁽²⁾

(1) Combined fiber strand and fiber route miles in service give effect for the TPx, CenturyLink and CableSouth transactions as if they had closed on January 1, 2018.
(2) Based on data from Cowen Equity Research.

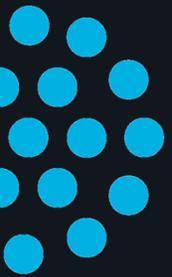
Uniti Strategic Asset Portfolio

Business Units	Uniti Towers	Uniti Fiber			Uniti Leasing
Assets	Macro Towers	Small Cell Nodes	Backhaul Tower Connections	Fiber Strand Miles	Fiber Strand Miles ⁽¹⁾
Units Owned	767	2,600 ⁽²⁾	6,250 ⁽²⁾	1,600,000	3,800,000
Utilization Rate ⁽³⁾	25%	15%	29%	22%	21%
Incremental Gross Margin %	~ 100%	70% - 95%	80% - 90%	85% - 100%	90% - 100%
Incremental Yield ⁽⁴⁾	~ 100%	10% - 40%	15% - 45%	30% - 100%	~ 100%

Significant Leasable Capacity with Attractive Incremental Yields



(1) Uniti Leasing fiber strand miles give effect for the TPx, CenturyLink and CableSouth transactions as if they had closed on January 1, 2018.
 (2) Represents unique small cell nodes and unique backhaul tower connections that are in-service and part of Uniti Fiber's backlog.
 (3) Utilization rate provided by tenants without verification and investors should not place undue reliance on the utilization rate.
 (4) Incremental yield is calculated as annual gross margin divided by incremental net capex.



Appendix

Key 2018 Outlook Ranges⁽¹⁾

\$ in Millions

	Leasing	Uniti Fiber	Uniti Towers	CLEC	Uniti Consolidated
Revenue	\$700	\$286 - \$289	\$14 - \$15	\$13 - \$14	\$1,012 - \$1,017
Adjusted EBITDA	\$697	\$118 - \$123	\$0	\$3	\$796 - \$801
Net Success-Based Capex	-	\$120 - \$140	\$65 - \$70	-	-
AFFO to Common Shareholder	-	-	-	-	\$438 - \$443
AFFO / Common Share	-	-	-	-	\$2.48 - \$2.51

Reconciliation of Uniti Non-GAAP Financial Measures⁽¹⁾

\$ in Millions

	Uniti 3Q17 As Reported	Uniti 3Q18
Net income	\$4.8	\$4.2
Depreciation and amortization	113.4	112.7
Interest expense	78.8	80.4
Income tax benefit	(8.7)	(1.5)
EBITDA	\$188.4	\$195.9
Stock-based compensation	2.0	2.0
Transaction related costs & Other	4.6	1.3
Adjusted EBITDA	\$194.9	\$199.2

(1) Amounts may not foot due to rounding.

Reconciliation of Uniti Non-GAAP Financial Measures⁽¹⁾

\$ in Millions

	2017					
	Leasing	Uniti Fiber	Uniti Towers	CLEC	Corporate	Uniti
Net (loss) income	\$335.6	\$31.3	(\$5.8)	\$1.9	(\$69.1)	(\$8.8)
Depreciation and amortization	348.0	78.3	4.9	2.6	0.4	434.2
Interest expense	-	3.3	-	-	-	306.0
Income tax expense (benefit)	0.1	(38.8)	(0.4)	-	0.3	(38.8)
EBITDA	\$683.7	\$74.0	(\$1.3)	\$4.6	(\$68.5)	\$692.5
Stock-based compensation	-	1.3	0.3	-	6.1	7.7
Transaction related costs & Other	-	8.7	0.1	-	40.5	49.3
Adjusted EBITDA	\$683.7	\$84.0	(\$0.8)	\$4.6	(\$21.8)	\$749.5

Reconciliation of Uniti Non-GAAP Financial Measures⁽¹⁾

\$ in Millions

	2017 Uniti Fiber As Reported	1H17 Southern Light ⁽²⁾	1H17 Hunt ⁽²⁾	Other Adjustments ⁽²⁾	2017 Uniti Fiber Adjusted ⁽²⁾
Net income	\$31.3	\$6.1	\$5.1	\$0.3	\$42.8
Depreciation and amortization	78.3	13.6	2.0	-	93.8
Interest expense	3.3	0.1	0.3	-	3.6
Income tax benefit	(38.8)	-	-	-	(38.8)
EBITDA	\$74.0	\$19.8	\$7.3	\$0.3	\$101.4
Stock-based compensation	1.3	-	-	-	1.3
Transaction related costs & Other	8.7	0.4	0.2	-	9.3
Adjusted EBITDA	\$84.0	\$20.1	\$7.5	\$0.3	\$111.9

(1) Amounts may not foot due to rounding.

(2) 2017 adjusted results are illustrative for the impact of Hunt and Southern Light as if they had closed on January 1, 2017. 1H17 Hunt and Southern Light amounts are unaudited. No other changes to financial information or transactions have been assumed. 2017 adjusted results have not been prepared in accordance with Article 11 of Regulation S-X.

Reconciliation of Uniti Non-GAAP Financial Measures⁽¹⁾

\$ in Millions

	2018 Current Outlook					
	Leasing ⁽²⁾	Uniti Fiber ⁽²⁾	Uniti Towers ⁽²⁾	CLEC ⁽²⁾	Corporate ⁽²⁾	Uniti ⁽²⁾
Net (loss) income	\$359.6	\$15.1	(\$5.3)	\$1.0	(\$356.4)	\$14.0
Depreciation and amortization	336.9	107.2	6.7	2.0	0.2	453.0
Interest expense (income)	-	(1.1)	(0.5)	-	320.6	319.0
Income tax expense (benefit)	0.6	(6.1)	(0.1)	0.3	(0.6)	(5.9)
EBITDA	\$697.1	\$115.1	\$0.7	\$3.3	(\$36.1)	\$780.1
Stock-based compensation	-	1.3	0.5	-	6.2	8.0
Transaction related costs & Other	-	4.1	(1.1)	-	7.4	10.4
Adjusted EBITDA	\$697.1	\$120.5	\$0.2	\$3.3	(\$22.5)	\$798.5

(1) Amounts may not foot due to rounding.

(2) Represents mid-point of management's best estimate based on underlying assumptions as of the date of this presentation. Final purchase price allocations, future acquisitions, capital markets transactions, changes in market conditions, and other factors are excluded from our projections. There can be no assurance that our actual results will not differ materially from the estimates set forth above.

Reconciliation of Uniti Non-GAAP Financial Measures⁽¹⁾

\$ in Millions

	Uniti 2018 Current Outlook ⁽²⁾	Adjustments ⁽³⁾	Uniti 2018 Adjusted ⁽³⁾
Net income	\$14.0	\$11.0	\$25.0
Depreciation and amortization	453.0	6.1	459.1
Interest expense	319.0	1.7	320.7
Income tax benefit	(5.9)	-	(5.9)
EBITDA	\$780.1	\$18.8	\$798.9
Stock-based compensation	8.0	-	8.0
Transaction related costs & Other	10.4	0.3	10.7
Adjusted EBITDA	\$798.5	\$19.1	\$817.7

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(3) 2018 adjusted results are illustrative of our 2018 outlook, adjusted for the impact of the TPx, CenturyLink, CableSouth, National MSO dark fiber lease, and ITS transactions as if they had closed on January 1, 2018. No other changes in financial information or transactions have been assumed. 2018 adjusted results have not been prepared in accordance with Article 11 of Regulation S-X.

Reconciliation of Uniti Non-GAAP Financial Measures⁽¹⁾

<i>\$ in Millions</i>	Uniti 3Q17 As Reported	Uniti 3Q18
Net income attributable to common shares	\$2.9	\$2.1
Real estate depreciation and amortization	95.5	93.3
Participating securities' share in earnings	0.4	0.7
Participating securities' share in FFO	(0.4)	(0.7)
Adjustments for noncontrolling interests	(2.2)	(2.1)
FFO attributable to common shareholders	\$96.2	\$93.2
Transaction related costs	8.5	2.3
Change in fair value of contingent consideration	(3.9)	(0.2)
Amortization of deferred financing costs and debt discount	6.1	6.2
Stock based compensation	2.0	2.0
Non-real estate depreciation and amortization	17.9	19.5
Straight-line revenues	(3.6)	(3.5)
Maintenance capital expenditures	(1.5)	(1.0)
Amortization of discount on convertible preferred stock	0.7	0.7
Adjustment to deferred tax valuation allowance and tax rate change	(8.0)	-
Other non-cash revenue, net	(3.5)	(8.7)
Adjustments for noncontrolling interests	(0.3)	(0.4)
Adjusted FFO attributable to common shareholders	\$110.7	\$110.0

(1) Amounts may not foot due to rounding.

Reconciliation of Uniti Non-GAAP Financial Measures⁽¹⁾

\$ in Millions	Uniti 2017	Uniti 2018⁽²⁾
Net (loss) income attributable to common shares	(\$16.6)	\$5.4
Real estate depreciation and amortization	373.5	375.4
Participating securities' share in earnings	1.5	2.7
Participating securities' share in FFO	(1.5)	(2.7)
Adjustments for noncontrolling interests	(4.4)	(8.6)
FFO attributable to common shareholders	\$352.5	\$372.2
Transaction related costs	38.0	12.0
Change in fair value of contingent consideration	10.7	(0.7)
Amortization of deferred financing costs and debt discount	23.1	24.6
Stock based compensation	7.7	8.0
Non-real estate depreciation and amortization	60.8	77.7
Straight-line revenues	(15.1)	(14.8)
Maintenance capital expenditures	(4.4)	(5.2)
Amortization of discount on convertible preferred stock	3.0	3.0
Adjustment to deferred tax valuation allowance and tax rate change	(36.2)	-
Other non-cash revenue, net	(14.9)	(34.4)
Adjustments for noncontrolling interests	(0.3)	(1.5)
Adjusted FFO attributable to common shareholders	\$424.8	\$440.9

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Reconciliation of Uniti Non-GAAP Financial Measures⁽¹⁾

\$ in Millions	Uniti 2018 Current Outlook⁽²⁾	Adjustments⁽³⁾	Uniti 2018 Adjusted⁽³⁾
Net income attributable to common shares	\$5.4	\$10.8	\$16.2
Real estate depreciation and amortization	375.4	5.3	380.7
Participating securities' share in earnings	2.7	-	2.7
Participating securities' share in FFO	(2.7)	-	(2.7)
Adjustments for noncontrolling interests	(8.6)	-	(8.6)
FFO attributable to common shareholders	\$372.2	\$16.0	\$388.2
Transaction related costs	12.0	0.3	12.3
Change in fair value of contingent consideration	(0.7)	-	(0.7)
Amortization of deferred financing costs and debt discount	24.6	-	24.6
Stock based compensation	8.0	-	8.0
Non-real estate depreciation and amortization	77.7	0.7	78.4
Straight-line revenues	(14.8)	(1.1)	(15.9)
Maintenance capital expenditures	(5.2)	-	(5.2)
Amortization of discount on convertible preferred stock	3.0	-	3.0
Other non-cash revenue, net	(34.4)	-	(34.4)
Adjustments for noncontrolling interests	(1.5)	-	(1.5)
Adjusted FFO attributable to common shareholders	\$440.9	\$15.9	\$456.8

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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 attributable 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, non-cash income taxes, 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.

Glossary

4G: The fourth generation of cellular wireless standards that is widely deployed by cellular operators today with the ability to transport data at rates up to 100 MBPS Internet access for mobile users.

5G: The fifth generation of cellular wireless standards that is in trial stages today with expected wide scale deployment in 2018-2020 with ability to transport data at rates up to 1 GBPS for initially stationary users and eventually mobile users.

Adjusted EBITDA: Adjusted EBITDA is defined as EBITDA less stock-based compensation expense and the impact, which may be recurring in nature, of acquisition and transaction and integration related expenses, 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.

Backbone: A major fiber optic network that interconnects smaller networks including regional and metropolitan networks. It is the through-portion of a transmission network, as opposed to laterals and spurs which branch off to connect customer locations.

Bandwidth Infrastructure: Lit and dark bandwidth provided over fiber networks. These services are commonly used to transport telecom services, such as wireless, data, voice, Internet and video traffic between locations. These locations frequently include cellular towers, network-neutral and network specific data centers, carrier hotels, mobile switching centers, CATV head ends and satellite uplink sites, ILEC central offices, and other key buildings that house telecommunications and computer equipment. Bandwidth Infrastructure services that are lit (i.e., provided by using optronics that “light” the fiber) include Ethernet and Wavelength services. Bandwidth Infrastructure services that are not lit are sold as dark-fiber capacity.

Cell Site: A site where antennae and electronic communications equipment are placed on a radio mast or tower generally 200 to 400 feet above the ground to create a cell in a cellular network. A cell site is composed of a tower or other elevated structure for mounting antennae, and one or more sets of transmitter/receiver transceivers, digital signal processors, control electronics, a GPS receiver, regular and backup electrical power sources, and sheltering.

Glossary

Churn: Decline in Recurring Revenue, such as disconnects, bandwidth downgrades and price reductions.

Conduit: A pipe, usually made of metal, ceramic or plastic, that protects buried fiber optic cables.

Core Recurring Revenue: Represents recurring revenue principally generated from leasing and lit services of the fiber network. Excludes non-recurring revenues that are ancillary to the fiber network, including construction, equipment sales, and consulting revenue.

Dark Fiber: Fiber that has not yet been connected to telecommunications transmission equipment or optronics and, therefore, has not yet been activated or “lit”.

Enterprise Value: Net Debt plus fair value of preferred equity plus market value of outstanding common stock and OP units.

Ethernet: Ethernet is the standard local area network (LAN) protocol. Ethernet was originally specified to connect devices on a company or home network as well as to a cable modem or DSL modem for Internet access. Due to its ubiquity in the LAN, Ethernet has become a popular transmission protocol in metropolitan, regional and long haul networks as well.

Fiber Optics: Fiber, or fiber optic cables, are thin filaments of glass through which light beams are transmitted over long distances.

Fiber Strand Miles: Fiber strand miles are the number of route miles in a network multiplied by the number of fiber strands within each cable on the network. For example, if a ten mile network segment has a 24 count fiber installed, it would represent 10 x 24 or 240 fiber miles.

FTT (Fiber-to-the-Tower): FTT are laterals or spurs that connect cell sites to the wider terrestrial network via fiber optic connections.

Integration Capex: Capital expenditures made specifically with respect to recent acquisitions that are essential to integrating acquired companies in our business.

Glossary

Lateral/Spur: An extension from the main or core portion of a network to a customer's premises or other connection point.

LTE Network: Long-term evolution network can be used to provide 4G cellular networks that are capable of providing high speed (up to 100 Mbps) cellular data services.

Maintenance Capex: Capital expenditures related to maintaining and preserving the existing network.

MAR (Monthly amortized revenue): Monthly revenue recognized related to the amortization of upfront payments by customers and straight-line accounting adjustments related to contractual escalators or price discounts.

Mbps: A measure of telecommunications transmission speed. One megabit equals one million bits of information.

Mobile Switching Centers: Buildings where wireless service providers house their Internet routers and voice switching equipment.

Monthly Churn Rate: Monthly churn rate is calculated as monthly Churn divided by Core Recurring Revenue on the last day of the preceding period.

MRR (Monthly recurring revenue): Monthly recurring revenue recognized based on the price that the customer is expected to pay.

Net Debt: Principal amount of debt outstanding, less unrestricted cash and cash equivalents.

Net Secured Debt: Principal amount of secured debt outstanding, less unrestricted cash and cash equivalents.

Net Success-Based Capex: Success-Based Capex less associated upfront customer payments.

NOC: Network operations center is a location that is used to monitor networks, troubleshoot network degradations and outages, and ensure customer network outages and other network degradations are restored.

Glossary

Nodes: Points on a network that can receive, create, or transmit communication services.

Optronics: Various types of equipment that are commonly used to light fiber. Optronics include systems that are capable of providing Ethernet, Wavelengths, and other service over fiber optic cable.

Recurring Revenue: Total MRR and MAR at a given point in time.

Revenues Under Contract: Total revenue contract value entitled to be received pursuant to existing contracts, some of which may be past their expiration date and currently on a month to month basis. A portion of these contracts is subject to renewal each year, and there can be no assurances that the contracts will be renewed at all or, if they are renewed, that the renewal will not provide for lower rates. Accordingly, our presentation of contractual revenue is not a guarantee of future revenues and should not be viewed as a predictor of future annual revenues.

Route miles: Route miles are the length, measured in non-overlapping miles, of a fiber network. Route miles are distinct from fiber strand miles, which is the number of route miles in a network multiplied by the number of fiber strands within each conduit on the network.

Small Cells: A site where antennae, electronic communications equipment and power are placed on a utility pole, street light pole or other structure that are generally 25 feet from the ground to create a cell with a smaller radius than that of a Cell Site. By reducing the distance between the antennae, electronic communication equipment and mobile user equipment, small cells can transport data at faster speeds than from a Cell Site. Small cells are connected the cellular network by fiber to a close Cell Site.

Success-Based Capex: Gross capital expenditures directly related to installing contractual customer service orders.

Switch: A switch is an electronic device that selects the path that voice, data, and Internet traffic take or use on a network.

Glossary

Tower: A free standing tower made of steel generally 200 to 400 feet above the ground with a triangular base and three to four sides built on leased parcels of land. Most towers can accommodate Multiple Cell Sites (and multiple tenants).

Transport: A telecommunication service to move data, Internet, voice, video, or wireless traffic from one location to another.

Wavelength: A channel of light that carries telecommunications traffic through the process of wavelength division multiplexing.