

Key Financial Highlights

(\$ in Millions)	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Total Revenue	\$2,199	\$2,162	\$2,126	\$2,124	\$2,101	\$2,067	\$1,997
Customer	\$2,102	\$2,065	\$2,031	\$2,030	\$2,009	\$1,972	\$1,906
Subsidy	\$97	\$97	\$95	\$94	\$92	\$95	\$91
Net Income (Loss)	\$20	(\$18)	(\$426)	(\$219)	(\$87)	(\$5,317)	(\$345)
Net Cash Provided from Operating Activities	\$251	\$672	\$286	\$603	\$282	\$575	\$246
Adjusted Operating Expenses*	\$1,291	\$1,278	\$1,248	\$1,229	\$1,228	\$1,185	\$1,193
Adjusted EBITDA*	\$908	\$884	\$878	\$895	\$873	\$882	\$804
Adjusted EBITDA Margin*	41.3%	40.9%	41.3%	42.1%	41.6%	42.7%	40.3%
CapEx	\$297	\$321	\$329	\$245	\$305	\$275	\$318
LTM Operating Free Cash Flow*	\$632	\$721	\$604	\$620	\$643	\$592	\$563

- **Q3 revenue** declined 3.4% sequentially and 6.1% yr/yr
- **Q3 operating expenses** include a \$10 million sequential increase driven by higher USF billing rates
- **Goodwill impairment** of \$276 million and loss on asset sale of \$30 million
- **Operating FCF* of \$563M** for trailing four quarters

* Adjusted Operating Expenses, Adjusted EBITDA, Adjusted EBITDA Margin and Operating Free Cash Flow are non-GAAP measures - see Appendix for their calculations