

**DISH NETWORK CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
(Dollars in thousands, except share amounts)

	As of	
	December 31, 2018	December 31, 2017
<b>Assets</b>		
<i>Current Assets:</i>		
Cash and cash equivalents	\$ 887,346	\$ 1,479,508
Marketable investment securities	1,181,471	501,165
Trade accounts receivable, net of allowance for doubtful accounts of \$16,966 and \$15,511, respectively	639,855	653,948
Inventory	290,733	321,008
Other current assets	289,800	329,394
Total current assets	3,289,205	3,285,023
<i>Noncurrent Assets:</i>		
Restricted cash, cash equivalents and marketable investment securities	67,597	72,407
Property and equipment, net	1,928,180	2,183,661
FCC authorizations	24,736,961	23,725,789
Other investment securities	118,992	113,460
Other noncurrent assets, net	446,077	393,426
Total noncurrent assets	27,297,807	26,488,743
Total assets	\$ 30,587,012	\$ 29,773,766
<b>Liabilities and Stockholders' Equity (Deficit)</b>		
<i>Current Liabilities:</i>		
Trade accounts payable	\$ 233,753	\$ 393,305
Deferred revenue and other	655,312	709,074
Accrued programming	1,474,207	1,571,273
Accrued interest	268,479	282,006
Other accrued expenses	802,388	803,822
Current portion of long-term debt and capital lease obligations	1,341,993	1,068,524
Total current liabilities	4,776,132	4,828,004
<i>Long-Term Obligations, Net of Current Portion:</i>		
Long-term debt and capital lease obligations, net of current portion	13,810,784	15,134,441
Deferred tax liabilities	2,474,907	2,019,538
Long-term deferred revenue and other long-term liabilities	470,932	470,487
Total long-term obligations, net of current portion	16,756,623	17,624,466
Total liabilities	21,532,755	22,452,470
Commitments and Contingencies (Note 14)		
Redeemable noncontrolling interests (Note 2)	460,068	383,390
<i>Stockholders' Equity (Deficit):</i>		
Class A common stock, \$.01 par value, 1,600,000,000 shares authorized, 229,448,857 and 228,033,671 shares issued and outstanding, respectively	2,295	2,280
Class B common stock, \$.01 par value, 800,000,000 shares authorized, 238,435,208 shares issued and outstanding	2,384	2,384
Additional paid-in capital	3,379,093	3,296,488
Accumulated other comprehensive income (loss)	(874)	882
Accumulated earnings (deficit)	5,212,790	3,635,380
Total DISH Network stockholders' equity (deficit)	8,595,688	6,937,414
Noncontrolling interests	(1,499)	492
Total stockholders' equity (deficit)	8,594,189	6,937,906
Total liabilities and stockholders' equity (deficit)	\$ 30,587,012	\$ 29,773,766

The accompanying notes are an integral part of these consolidated financial statements.

**DISH NETWORK CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)**  
(Dollars in thousands, except per share amounts)

	For the Years Ended December 31,		
	2018	2017	2016
<b>Revenue:</b>			
Subscriber-related revenue	\$ 13,456,088	\$ 14,260,412	\$ 15,033,939
Equipment sales and other revenue	165,214	130,963	178,363
Total revenue	13,621,302	14,391,375	15,212,302
<b>Costs and Expenses</b> (exclusive of depreciation shown separately below - Note 8):			
Subscriber-related expenses	8,544,577	8,919,985	8,913,624
Satellite and transmission expenses	576,568	658,017	710,719
Cost of sales - equipment and other	145,604	95,116	133,902
<i>Subscriber acquisition costs:</i>			
Cost of sales - subscriber promotion subsidies	50,253	74,145	143,507
Other subscriber acquisition costs	292,824	579,272	709,772
Subscriber acquisition advertising	426,230	550,844	603,213
Total subscriber acquisition costs	769,307	1,204,261	1,456,492
General and administrative expenses	725,601	687,054	735,954
Litigation expense (Note 14)	—	295,695	21,148
Depreciation and amortization (Note 8)	712,024	817,564	921,202
Impairment of long-lived assets (Note 8)	—	145,918	—
Total costs and expenses	11,473,681	12,823,610	12,893,041
Operating income (loss)	2,147,621	1,567,765	2,319,261
<b>Other Income (Expense):</b>			
Interest income	44,759	41,006	31,168
Interest expense, net of amounts capitalized	(15,006)	(63,172)	(53,141)
Other, net	11,801	104,488	119,315
Total other income (expense)	41,554	82,322	97,342
Income (loss) before income taxes	2,189,175	1,650,087	2,416,603
Income tax (provision) benefit, net	(533,684)	515,320	(865,818)
Net income (loss)	1,655,491	2,165,407	1,550,785
Less: Net income (loss) attributable to noncontrolling interests, net of tax	80,400	66,718	52,846
Net income (loss) attributable to DISH Network	\$ 1,575,091	\$ 2,098,689	\$ 1,497,939
<b>Weighted-average common shares outstanding - Class A and B common stock:</b>			
Basic	467,350	466,021	464,807
Diluted	525,832	522,596	484,162
<b>Earnings per share - Class A and B common stock:</b>			
Basic net income (loss) per share attributable to DISH Network	\$ 3.37	\$ 4.50	\$ 3.22
Diluted net income (loss) per share attributable to DISH Network	\$ 3.00	\$ 4.07	\$ 3.15
<b>Comprehensive Income (Loss):</b>			
Net income (loss)	\$ 1,655,491	\$ 2,165,407	\$ 1,550,785
<i>Other comprehensive income (loss):</i>			
Foreign currency translation adjustments	(1,343)	1,027	—
Unrealized holding gains (losses) on available-for-sale securities	(529)	9,671	3,050
Recognition of previously unrealized (gains) losses on available-for-sale securities included in net income (loss)	(8)	(11,129)	(99,312)
Deferred income tax (expense) benefit, net	124	532	35,062
Total other comprehensive income (loss), net of tax	(1,756)	101	(61,200)
Comprehensive income (loss)	1,653,735	2,165,508	1,489,585
Less: Comprehensive income (loss) attributable to noncontrolling interests, net of tax	80,400	66,718	52,846
Comprehensive income (loss) attributable to DISH Network	\$ 1,573,335	\$ 2,098,790	\$ 1,436,739

The accompanying notes are an integral part of these consolidated financial statements.

**DISH NETWORK CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)

	For the Years Ended December 31,		
	2018	2017	2016
<b>Cash Flows From Operating Activities:</b>			
Net income (loss)	\$ 1,655,491	\$ 2,165,407	\$ 1,550,785
<i>Adjustments to reconcile net income (loss) to net cash flows from operating activities:</i>			
Depreciation and amortization	712,024	817,564	921,202
Impairment of long-lived assets	—	145,918	—
Realized and unrealized losses (gains) on investments	(11,908)	(99,997)	(119,092)
Non-cash, stock-based compensation	36,261	29,941	13,037
Deferred tax expense (benefit)	454,699	(485,973)	506,808
Change in long-term deferred revenue and other long-term liabilities	(3,303)	29,750	76,203
Other, net	(70,900)	(29,632)	9,573
Changes in current assets and current liabilities, net			
Trade accounts receivable	14,724	126,848	109,364
Allowance for doubtful accounts	(1,270)	(2,888)	(4,566)
Prepaid and accrued income taxes	93,618	(46,599)	(144,212)
Inventory	14,788	37,895	(43,157)
Other current assets	(46,772)	(63,154)	13,111
Trade accounts payable	(160,952)	(131,399)	33,976
Deferred revenue and other	(98,179)	(64,909)	(98,019)
Accrued programming and other accrued expenses	(70,480)	350,735	29,234
<b>Net cash flows from operating activities</b>	<b>2,517,841</b>	<b>2,779,507</b>	<b>2,854,247</b>
<b>Cash Flows From Investing Activities:</b>			
Purchases of marketable investment securities	(1,403,890)	(566,373)	(345,210)
Sales and maturities of marketable investment securities	730,210	206,272	868,792
Settlement of derivative financial instruments	—	—	562,234
Purchases of property and equipment	(393,938)	(431,795)	(614,055)
Capitalized interest related to FCC authorizations (Note 2)	(922,759)	(953,498)	(724,329)
Purchases of FCC authorizations, including deposits (Note 14)	—	(4,711,154)	(1,500,000)
Purchases of strategic investments	—	(90,381)	—
Other, net	15,104	25,376	15,498
<b>Net cash flows from investing activities</b>	<b>(1,975,273)</b>	<b>(6,521,553)</b>	<b>(1,737,070)</b>
<b>Cash Flows From Financing Activities:</b>			
Proceeds from issuance of senior notes	—	—	2,000,000
Proceeds from issuance of convertible notes (Note 9)	—	1,000,000	3,000,000
Purchases of convertible note hedges (Note 9)	—	—	(635,100)
Proceeds from issuance of warrants (Note 9)	—	—	375,600
Redemption and repurchases of senior notes	(1,108,489)	(1,074,139)	(1,500,000)
Repayment of long-term debt and capital lease obligations	(42,767)	(42,422)	(43,521)
Payments made to parent of transferred businesses	—	(7,098)	(34,446)
Net proceeds from Class A common stock options exercised and stock issued under the Employee Stock Purchase Plan	19,981	28,574	18,625
Debt issuance costs	—	(6,158)	(26,622)
Other, net	(3,270)	(1,994)	(606)
<b>Net cash flows from financing activities</b>	<b>(1,134,545)</b>	<b>(103,237)</b>	<b>3,153,930</b>
<b>Net increase (decrease) in cash, cash equivalents, restricted cash and cash equivalents</b>	<b>(591,977)</b>	<b>(3,845,283)</b>	<b>4,271,107</b>
Cash, cash equivalents, restricted cash and cash equivalents, beginning of period (Note 6)	1,479,901	5,325,184	1,054,077
Cash, cash equivalents, restricted cash and cash equivalents, end of period (Note 6)	\$ 887,924	\$ 1,479,901	\$ 5,325,184

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