

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Form 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **May 9, 2013**

DISH NETWORK CORPORATION

(Exact name of registrant as specified in its charter)

NEVADA

(State or other jurisdiction
of incorporation)

0-26176

(Commission File Number)

88-0336997

(IRS Employer
Identification No.)

**9601 SOUTH MERIDIAN BLVD.
ENGLEWOOD, COLORADO**

(Address of principal executive offices)

80112

(Zip Code)

(303) 723-1000

(Registrant's telephone number, including area code)

DISH DBS CORPORATION

(Exact name of registrant as specified in its charter)

COLORADO

(State or other jurisdiction of
incorporation)

333-31929

(Commission File Number)

84-1328967

(IRS Employer
Identification No.)

**9601 SOUTH MERIDIAN BLVD.
ENGLEWOOD, COLORADO**

(Address of principal executive offices)

80112

(Zip Code)

(303) 723-1000

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On May 9, 2013, DISH Network Corporation issued a press release reporting financial results for the quarter ended March 31, 2013. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference. DISH Network Corporation's quarterly investor summary for the quarter ended March 31, 2013 is attached hereto as Exhibit 99.2 and incorporated herein by reference.

The information contained in this Current Report on Form 8-K, including Exhibits 99.1 and 99.2, is being furnished and shall not be deemed "filed" with the Securities and Exchange Commission or otherwise incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit 99.1 Press Release "DISH Network Reports First Quarter 2013 Financial Results" dated May 9, 2013.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

DISH NETWORK CORPORATION
DISH DBS CORPORATION

Date: May 9, 2013

By: /s/ Robert E. Olson
Robert E. Olson
Executive Vice President and Chief
Financial Officer

EXHIBIT INDEX

| <u>Exhibit Number</u> | <u>Description</u> |
|---------------------------|--|
| Exhibit 99.1 | Press Release "DISH Network Reports First Quarter 2013 Financial Results" dated May 9, 2013. |
| Exhibit 99.2 | Quarterly Investor Summary for the quarter ended March 31, 2013. |

DISH Network Reports First Quarter 2013 Financial Results

ENGLEWOOD, Colo., May 9, 2013 — DISH Network Corporation (NASDAQ: DISH) today reported revenue totaling \$3.56 billion for the quarter ending March 31, 2013 compared to \$3.58 billion for the corresponding period in 2012. The decline was driven by reductions in our Blockbuster segment. During these same periods, subscriber-related revenue for our DISH segment increased from \$3.22 billion to \$3.35 billion, or 4.0 percent.

Net income attributable to DISH Network totaled \$216 million for the quarter ending March 31, 2013, compared to \$360 million from the year-ago quarter. The decrease in year-over-year net income was primarily due to higher subscriber-related expenses driven by increased programming and subscriber acquisition costs. Additionally, results from the first quarter 2012 were favorably impacted by a non-cash gain of \$99 million related to the conversion of certain DBSD North America notes.

“We have been pleased with the market’s response to our Hopper® with Sling® roll out, despite headwinds from our first price increase in two years,” said Joseph P. Clayton, DISH president and CEO. “Broadband sales are encouraging, especially given that almost all of our dishNET™ customers have bundled with our pay-TV service.”

DISH added about 654,000 gross new pay-TV subscribers compared to approximately 673,000 gross new pay-TV subscribers in the prior year’s first quarter. Net subscribers grew by approximately 36,000 in the first quarter. The company closed the first quarter with 14.092 million pay-TV subscribers compared to 14.071 million pay-TV subscribers at the end of first quarter 2012.

Pay-TV ARPU for the first quarter totaled \$78.54, an improvement over the first quarter 2012 pay-TV ARPU of \$76.24. Pay-TV subscriber churn rate was 1.47 percent versus 1.35 percent for first quarter 2012.

DISH also added about 66,000 net broadband subscribers in the first quarter, compared to the addition of approximately 6,000 broadband subscribers in the year-ago period.

Detailed financial data and other information are available in DISH Network’s Form 10-Q for the quarter ended March 31, 2013, filed today with the Securities and Exchange Commission.

About DISH

DISH Network Corporation (NASDAQ: DISH), through its subsidiary DISH Network L.L.C., provides approximately 14.092 million satellite TV customers, as of March 31, 2013, with the highest quality programming and technology with the most choices at the best value, including HD Free for Life®. Subscribers enjoy the largest high definition line-up with more than 200 national HD channels, the most international channels, and award-winning HD and DVR technology. DISH Network Corporation’s subsidiary, Blockbuster L.L.C., delivers family entertainment to millions of customers around the world. DISH Network Corporation is a Fortune 200 company. Visit www.dish.com.

Cautionary Statement Concerning Forward-Looking Statements

Certain statements contained herein may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of DISH Network Corporation to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. More information about such risks, uncertainties and other factors is set forth in DISH Network Corporation’s Disclosure Regarding Forward-Looking Statements included in its recent filings with the Securities and Exchange Commission, including its annual report on Form 10-K for the year ended December 31, 2012 and its quarterly report on Form 10-Q for the three months ended March 31, 2013. The forward-looking statements speak only as of the date made, and DISH Network Corporation expressly disclaims any obligation to update these forward-looking statements.

QUARTERLY INVESTOR SUMMARY

1Q13 - May 9, 2013

The logo for Dish Network, featuring the word "dish" in a white, lowercase, sans-serif font. The letter "i" is stylized with a solid white dot above it and a series of four white curved lines below it, resembling a satellite dish or signal waves. A registered trademark symbol (®) is located at the bottom right of the word "dish".

dish®

DISH NETWORK REPORTS FIRST QUARTER 2013 FINANCIAL RESULTS

ENGLEWOOD, Colo., May 9, 2013 – DISH Network Corporation (NASDAQ: DISH) today reported revenue totaling \$3.56 billion for the quarter ending March 31, 2013, compared to \$3.58 billion for the corresponding period in 2012. The decline was driven by reductions in our Blockbuster segment. During these same periods, subscriber-related revenue for our DISH segment increased from \$3.22 billion to \$3.35 billion, or 4.0 percent.

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The decrease in year-over-year net income was primarily due to higher subscriber-related expenses driven by increased programming and subscriber acquisition costs. Additionally, results from the first quarter 2012 were favorably impacted by a non-cash gain of \$99 million related to the conversion of certain DBSD North America notes.

"We have been pleased with the market's response to our Hopper® with Sling® roll out, despite headwinds from our first price increase in two years," said Joseph P. Clayton, DISH president and CEO. "Broadband sales are encouraging, especially given that almost all of our dishNET™ customers have bundled with our Pay-TV service."

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million Pay-TV subscribers compared to 14.071 million Pay-TV subscribers at the end of first quarter 2012.

Pay-TV ARPU for the first quarter totaled \$78.54, an improvement over the first quarter 2012 Pay-TV ARPU of \$76.24. Pay-TV subscriber churn rate was 1.47 percent versus 1.35 percent for first quarter 2012.

DISH also added about 66,000 net broadband subscribers in the first quarter, compared to the addition of approximately 6,000 broadband subscribers in the year-ago period.

Detailed financial data and other information are available in DISH Network's Form 10-Q for the quarter ended March 31, 2013, filed today with the Securities and Exchange Commission.



"DISH is on the right path ... Growing high-value customers and increasing subscriber-related revenue as well as making the strategic investments for our long-term growth."

- Joe Clayton, CEO

About DISH

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than 200 national HD channels, the most international channels, and award-winning HD and DVR technology. DISH Network Corporation's subsidiary, Blockbuster L.L.C., delivers family entertainment to millions of customers around the world. DISH Network Corporation is a Fortune 200 company. Visit www.dish.com.



DISH 1Q13 Financial Results
Conference Call – Noon ET Today
U.S. or Canada 800-616-6729
Internationally 763-488-9145
Conference ID: 55771347

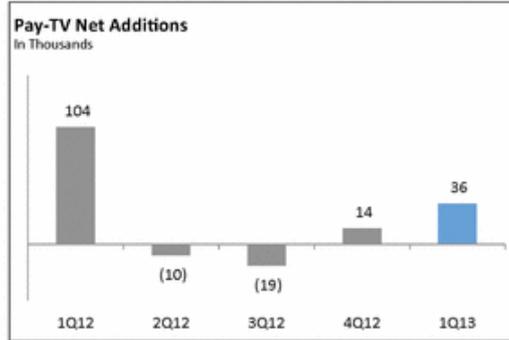
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PAY-TV METRICS

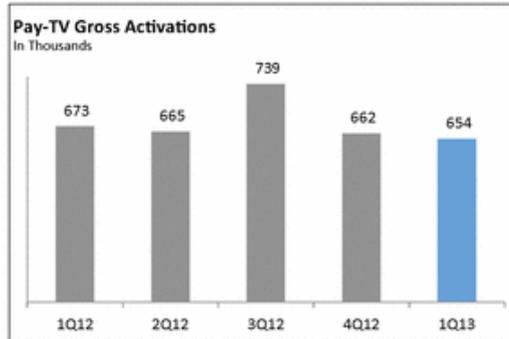
Pay-TV Net Additions

DISH added approximately 36,000 net Pay-TV subscribers during 1Q13, compared to the addition of approximately 104,000 net Pay-TV subscribers during the same period in 2012. The decrease versus the same period in 2012 primarily resulted from an increase in our Pay-TV churn rate and lower gross new Pay-TV subscriber activations.



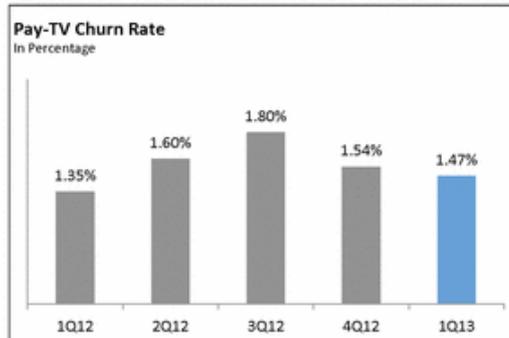
Pay-TV Gross Activations

In 1Q13, DISH added approximately 654,000 gross new Pay-TV subscribers compared to the addition of approximately 673,000 gross new Pay-TV subscribers during the same period in 2012, a decrease of 2.8%. Our gross new Pay-TV subscriber activations continue to be negatively impacted by increased competitive pressures, including aggressive marketing and discounted promotional offers. In addition, our gross new Pay-TV subscriber activations continue to be adversely affected by sustained economic weakness and uncertainty.



Pay-TV Churn

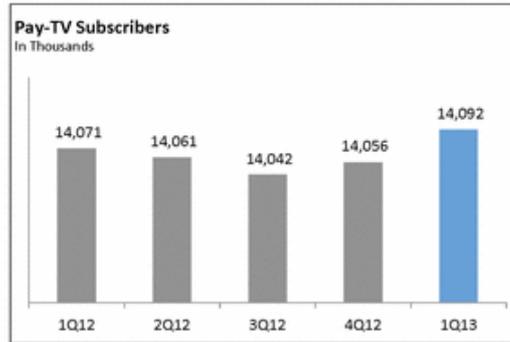
Our Pay-TV churn rate for 1Q13 was 1.47% compared to 1.35% for the same period in 2012. Our Pay-TV churn rate was negatively impacted in part because we had a programming package price increase in 1Q13 and did not during the same period in 2012. Our Pay-TV churn rate is also impacted by, among other things, the credit quality of previously acquired subscribers, our ability to consistently provide outstanding customer service, the aggressiveness of competitor subscriber acquisition efforts, and our ability to control piracy and other forms of fraud.



PAY-TV METRICS—CONTINUED

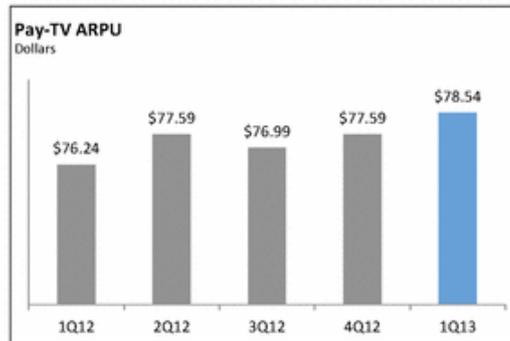
Pay-TV Subscribers

DISH closed the first quarter with 14.092 million Pay-TV subscribers compared to 14.071 million total Pay-TV subscribers at the end of first quarter 2012.



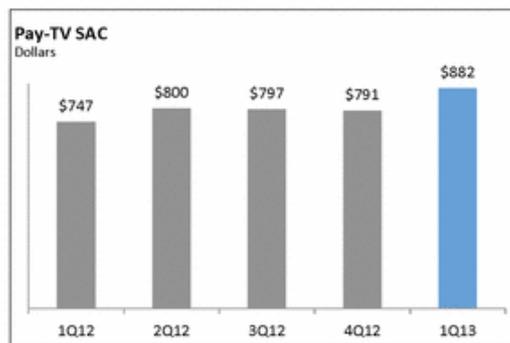
Pay-TV ARPU

Pay-TV average monthly revenue per subscriber (Pay-TV ARPU) was \$78.54 during 1Q13 versus \$76.24 during the same period in 2012. The \$2.30 or 3.0% increase in Pay-TV ARPU was primarily attributable to the programming package price increase in February 2013 and higher hardware-related revenue.



Pay-TV SAC

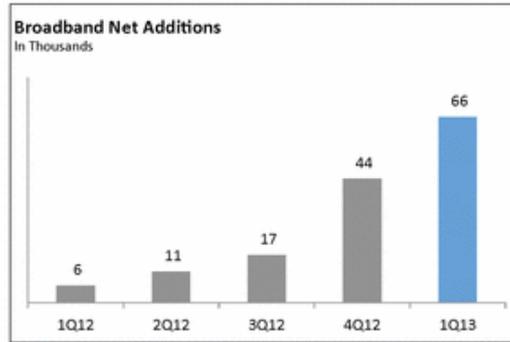
Pay-TV Subscriber Acquisition Cost (Pay-TV SAC) was \$882 during 1Q13 compared to \$747 during the same period in 2012, an increase of \$135 or 18.1%. This increase was primarily attributable to increased advertising and equipment costs. Advertising costs were up \$44 per activation reflecting increased brand spending related to the launch of our new Hopper with Sling set-top box in February 2013. Other non-capitalized subscriber acquisition costs increased \$25 per activation primarily due to increases in the level of inventory subsidies provided to third party sales channels. Capitalized equipment costs increased \$66 per activation, primarily due to three factors. First, the percentage of new subscriber activations with new Hopper receiver systems increased. Second, the Hopper with Sling set-top box cost per unit is currently higher than the original Hopper set-top box. Finally, for new subscriber activations with set-top boxes other than the Hopper set-top boxes, we disproportionately deployed new rather than remanufactured set-top boxes during 1Q13.



BROADBAND METRICS

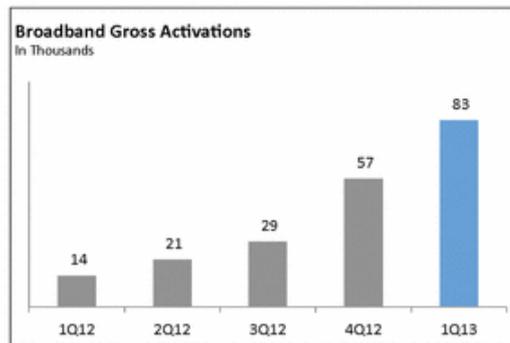
Broadband Net Additions

DISH added approximately 66,000 net Broadband subscribers during 1Q13 compared to the addition of approximately 6,000 net Broadband subscribers during the same period in 2012. This increase versus the same period in 2012 primarily resulted from higher gross new Broadband subscriber activations driven by increased advertising related to the dishNET branded broadband services.



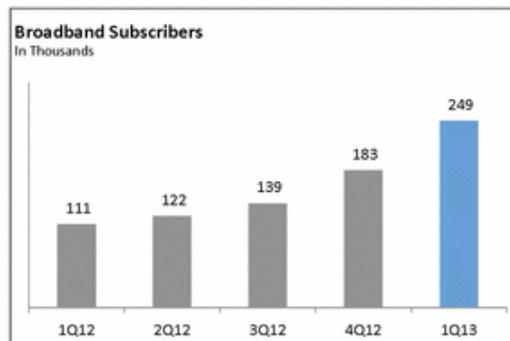
Broadband Gross Activations

During 1Q13, DISH added approximately 83,000 gross new Broadband subscribers compared to approximately 14,000 gross new Broadband subscribers during the same period in 2012.



Broadband Subscribers

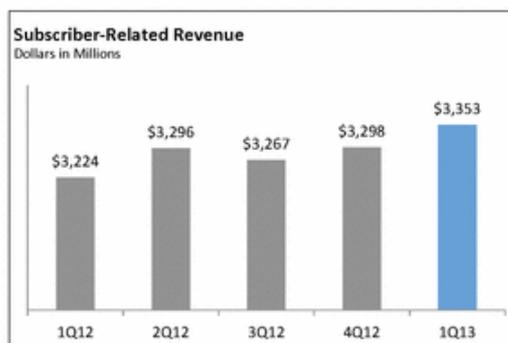
DISH closed the first quarter with 249,000 Broadband subscribers compared to 111,000 total Broadband subscribers at the end of first quarter 2012.



SELECTED FINANCIAL RESULTS

Subscriber-Related Revenue

Subscriber-related revenue totaled \$3.353 billion for 1Q13, an increase of \$128 million or 4.0% compared to the same period in 2012. The increase in Subscriber-related revenue was primarily related to the increase in Pay-TV ARPU previously discussed. Included in Subscriber-related revenue is \$40 million and \$20 million of revenue related to our broadband services for the three months ended March 31, 2013 and 2012, respectively.



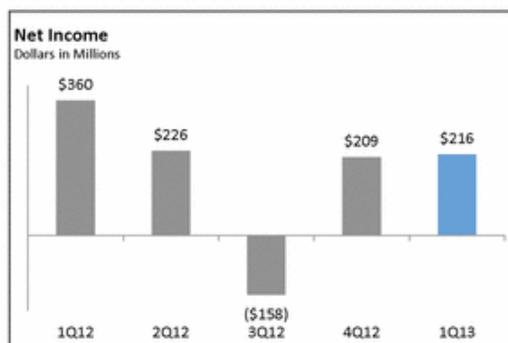
Subscriber-Related Expenses

Subscriber-related expenses totaled \$1.912 billion during 1Q13, an increase of \$150 million or 8.5% compared to the same period in 2012. The increase in Subscriber-related expenses was primarily attributable to higher Pay-TV programming and retention costs and higher broadband Subscriber-related expenses due to the increase in our broadband subscriber base. The increase in programming costs was driven by rate increases in certain of our programming contracts, including the renewal of certain contracts at higher rates. Included in Subscriber-related expenses is \$28 million and \$10 million of expense related to our broadband services for 1Q13 and 1Q12, respectively.



Net Income

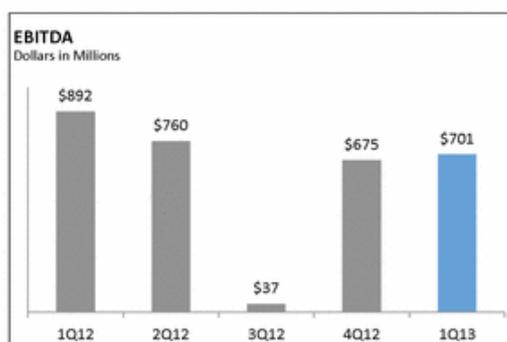
Net income (loss) attributable to DISH Network was \$216 million during 1Q13, a decrease of \$145 million compared to \$360 million for the same period in 2012. Net income for 1Q12 was favorably impacted by the non-cash gain of \$99 million related to the conversion of our DBSD North America 7.5% Convertible Senior Secured Notes due 2009 in connection with the completion of the DBSD Transaction. Note that the \$730 million estimated fair value of the Voom Settlement Agreement was recorded as Litigation expense on our Condensed Consolidated Statement of Operations and Comprehensive Income (Loss) for 3Q12.



SELECTED FINANCIAL RESULTS—CONTINUED

EBITDA

EBITDA was \$701 million during 1Q13, a decrease of \$190 million or 21.3% compared to the same period in 2012. EBITDA for 1Q12 was favorably impacted by the non-cash gain of \$99 million related to the conversion of our DBSD North America 7.5% Convertible Senior Secured Notes due 2009 in connection with the completion of the DBSD Transaction. Note that the \$730 million estimated fair value of the Voom Settlement Agreement was recorded as Litigation expense on our Condensed Consolidated Statement of Operations and Comprehensive Income (Loss) for 3Q12.



Non-GAAP Reconciliation— EBITDA to Net Income

| | Quarter To Date | | | | |
|---|-----------------|------------|--------------|------------|------------|
| | 3/31/2012 | 6/30/2012 | 9/30/2012 | 12/31/2012 | 3/31/2013 |
| | (In thousands) | | | | |
| EBITDA..... | \$ 891,575 | \$ 760,159 | \$ 37,073 | \$ 675,315 | \$ 701,242 |
| Interest expense, net | (130,924) | (89,097) | (109,514) | (107,822) | (123,892) |
| Income tax (provision) benefit, net..... | (191,643) | (146,211) | 149,383 | (118,558) | (127,425) |
| Depreciation and amortization..... | (208,698) | (299,119) | (235,403) | (239,829) | (234,327) |
| Net income (loss) attributable to DISH Network..... | \$ 360,310 | \$ 225,732 | \$ (158,461) | \$ 209,106 | \$ 215,598 |

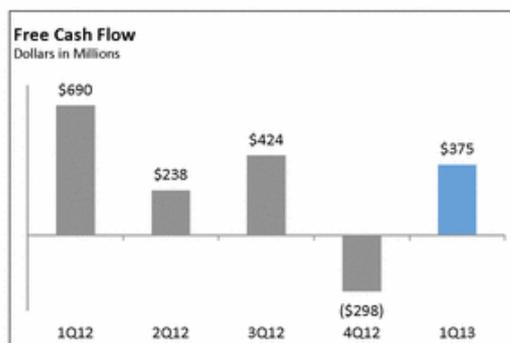
Earnings before interest, taxes, depreciation and amortization ("EBITDA") is not a measure determined in accordance with accounting principles generally accepted in the United States ("GAAP") and should not be considered a substitute for operating income, net income or any other measure determined in accordance with GAAP. EBITDA is used as a measurement of operating efficiency and overall financial

performance and we believe it to be a helpful measure for those evaluating companies in the Pay-TV industry. Conceptually, EBITDA measures the amount of income generated each period that could be used to service debt, pay taxes and fund capital expenditures. EBITDA should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

SELECTED FINANCIAL RESULTS—CONTINUED

Free Cash Flow (“FCF”)

During 1Q13 and 1Q12, free cash flow was significantly impacted by changes in operating assets and liabilities and in Purchases of property and equipment as shown in the Net cash flows from operating activities and Net cash flows from investing activities sections, respectively, of our Condensed Consolidated Statements of Cash Flows included herein. Note that 4Q12 includes the negative impact of \$676 million of payments for the Voom Settlement Agreement.



Non-GAAP Reconciliation— FCF to Cash From Operations

| | Quarter To Date | | | | |
|---|-----------------|------------|------------|--------------|------------|
| | 3/31/2012 | 6/30/2012 | 9/30/2012 | 12/31/2012 | 3/31/2013 |
| | (in thousands) | | | | |
| Free cash flow..... | \$ 689,622 | \$ 238,257 | \$ 424,238 | \$ (297,808) | \$ 374,935 |
| Add back: | | | | | |
| Purchases of property and equipment..... | 168,928 | 251,257 | 261,740 | 275,641 | 311,527 |
| Net cash flows from operating activities..... | \$ 858,550 | \$ 489,514 | \$ 685,978 | \$ (22,167) | \$ 686,462 |

FCF is defined as Net cash flows from operating activities less Purchases of property and equipment, as shown on our Condensed Consolidated Statements of Cash Flows. We believe free cash flow is an important liquidity metric because it measures, during a given period, the amount of cash generated that is available to repay debt obligations, make investments, fund acquisitions and for certain other activities. Free cash flow is not a measure determined in accordance with GAAP and

should not be considered a substitute for Operating income, Net income, Net cash flows from operating activities or any other measure determined in accordance with GAAP. Since free cash flow includes investments in operating assets, we believe this non-GAAP liquidity measure is useful in addition to the most directly comparable GAAP measure Net cash flows from operating activities.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in thousands, except share amounts)

(Unaudited)

| | As of | |
|---|----------------------|----------------------|
| | March 31, 2013 | December 31, 2012 |
| Assets | | |
| <i>Current Assets:</i> | | |
| Cash and cash equivalents | \$ 2,930,842 | \$ 3,606,140 |
| Marketable investment securities | 4,164,228 | 3,631,637 |
| Trade accounts receivable - other, net of allowance for doubtful accounts of \$14,226 and \$16,945, respectively | 866,676 | 842,905 |
| Trade accounts receivable - EchoStar, net of allowance for doubtful accounts of zero | 9,784 | 26,960 |
| Inventory | 571,383 | 623,720 |
| Deferred tax assets | 99,854 | 99,854 |
| Prepaid income taxes | 19,883 | 110,608 |
| Other current assets | 673,911 | 117,329 |
| Total current assets | 9,336,561 | 9,059,153 |
| <i>Noncurrent Assets:</i> | | |
| Restricted cash and marketable investment securities | 90,977 | 134,410 |
| Property and equipment, net of accumulated depreciation of \$3,099,006 and \$3,043,609, respectively | 4,455,415 | 4,402,360 |
| FCC authorizations | 3,296,665 | 3,296,665 |
| Marketable and other investment securities | 125,353 | 119,051 |
| Other noncurrent assets, net | 349,428 | 367,969 |
| Total noncurrent assets | 8,317,838 | 8,320,455 |
| Total assets | \$ 17,654,399 | \$17,379,608 |
| Liabilities and Stockholders' Equity (Deficit) | | |
| <i>Current Liabilities:</i> | | |
| Trade accounts payable - other | \$ 266,999 | \$ 298,722 |
| Trade accounts payable - EchoStar | 309,927 | 281,875 |
| Deferred revenue and other | 903,359 | 857,280 |
| Accrued programming | 1,155,324 | 1,096,908 |
| Accrued interest | 197,556 | 224,383 |
| Litigation accrual | - | 70,999 |
| Other accrued expenses | 502,991 | 556,599 |
| Current portion of long-term debt and capital lease obligations | 536,404 | 537,701 |
| Total current liabilities | 3,872,560 | 3,924,467 |
| <i>Long-Term Obligations, Net of Current Portion:</i> | | |
| Long-term debt and capital lease obligations, net of current portion | 11,343,229 | 11,350,399 |
| Deferred tax liabilities | 1,715,917 | 1,662,732 |
| Long-term deferred revenue, distribution and carriage payments and other long-term liabilities | 402,739 | 370,382 |
| Total long-term obligations, net of current portion | 13,461,885 | 13,383,513 |
| Total liabilities | 17,334,445 | 17,307,980 |
| Commitments and Contingencies | | |
| <i>Stockholders' Equity (Deficit):</i> | | |
| Class A common stock, \$0.01 par value, 1,600,000,000 shares authorized, 271,161,841 and 270,613,262 shares issued, 215,043,581 and 214,495,002 shares outstanding, respectively | 2,712 | 2,706 |
| Class B common stock, \$0.01 par value, 800,000,000 shares authorized, 238,435,208 shares issued and outstanding | 2,384 | 2,384 |
| Class C common stock, \$0.01 par value, 800,000,000 shares authorized, none issued and outstanding | - | - |
| Additional paid-in capital | 2,463,205 | 2,440,626 |
| Accumulated other comprehensive income (loss) | 203,689 | 188,803 |
| Accumulated earnings (deficit) | (812,595) | (1,028,193) |
| Treasury stock, at cost | (1,569,459) | (1,569,459) |
| Total DISH Network stockholders' equity (deficit) | 289,936 | 36,867 |
| Noncontrolling interest | 30,018 | 34,761 |
| Total stockholders' equity (deficit) | 319,954 | 71,628 |
| Total liabilities and stockholders' equity (deficit) | \$ 17,654,399 | \$17,379,608 |

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in thousands, except per share amounts)
(Unaudited)

| | For the Three Months Ended March 31, | |
|--|---|-------------------|
| | 2013 | 2012 |
| Revenue: | | |
| Subscriber-related revenue..... | \$3,352,550 | \$3,224,465 |
| Equipment and merchandise sales, rental and other revenue..... | 200,534 | 350,737 |
| Equipment sales, services and other revenue - EchoStar..... | 2,140 | 6,667 |
| Total revenue..... | <u>3,555,224</u> | <u>3,581,869</u> |
| Costs and Expenses (exclusive of depreciation shown separately below): | | |
| Subscriber-related expenses..... | 1,911,593 | 1,761,252 |
| Satellite and transmission expenses: | | |
| EchoStar..... | 112,933 | 109,854 |
| Other..... | 10,248 | 11,679 |
| Cost of sales - equipment, merchandise, services, rental and other..... | 99,526 | 142,262 |
| Subscriber acquisition costs: | | |
| Cost of sales - subscriber promotion subsidies..... | 77,487 | 84,769 |
| Other subscriber acquisition costs..... | 386,413 | 314,769 |
| Total subscriber acquisition costs..... | 463,900 | 399,538 |
| General and administrative expenses - EchoStar..... | 18,880 | 12,082 |
| General and administrative expenses..... | 251,564 | 364,093 |
| Depreciation and amortization..... | 234,327 | 208,698 |
| Total costs and expenses..... | <u>3,102,971</u> | <u>3,009,458</u> |
| Operating income (loss)..... | <u>452,253</u> | <u>572,411</u> |
| Other Income (Expense): | | |
| Interest income..... | 37,494 | 7,089 |
| Interest expense, net of amounts capitalized..... | (161,386) | (138,013) |
| Other, net..... | 9,740 | 110,282 |
| Total other income (expense)..... | <u>(114,152)</u> | <u>(20,642)</u> |
| Income (loss) before income taxes..... | 338,101 | 551,769 |
| Income tax (provision) benefit, net..... | (127,425) | (191,643) |
| Net income (loss)..... | 210,676 | 360,126 |
| Less: Net income (loss) attributable to noncontrolling interest..... | (4,922) | (184) |
| Net income (loss) attributable to DISH Network..... | <u>\$ 215,598</u> | <u>\$ 360,310</u> |
| Weighted-average common shares outstanding - Class A and B common stock: | | |
| Basic..... | 453,242 | 447,289 |
| Diluted..... | 456,192 | 449,880 |
| Earnings per share - Class A and B common stock: | | |
| Basic net income (loss) per share attributable to DISH Network..... | \$ 0.48 | \$ 0.81 |
| Diluted net income (loss) per share attributable to DISH Network..... | \$ 0.47 | \$ 0.80 |
| Comprehensive Income (Loss): | | |
| Net income (loss)..... | \$ 210,676 | \$ 360,126 |
| Other comprehensive income (loss): | | |
| Foreign currency translation adjustments..... | 2,737 | 3,253 |
| Unrealized holding gains (losses) on available-for-sale securities..... | 17,783 | 51,021 |
| Recognition of previously unrealized (gains) losses on available-for-sale securities included in net income (loss)..... | 1,362 | (80,887) |
| Deferred income tax (expense) benefit..... | (6,996) | - |
| Total other comprehensive income (loss), net of tax..... | 14,886 | (26,613) |
| Comprehensive income (loss)..... | 225,562 | 333,513 |
| Less: Comprehensive income (loss) attributable to noncontrolling interest..... | (4,922) | (184) |
| Comprehensive income (loss) attributable to DISH Network..... | <u>\$ 230,484</u> | <u>\$ 333,697</u> |

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)
(Unaudited)

| | For the Three Months Ended March 31, | |
|--|---|---------------------|
| | 2013 | 2012 |
| Cash Flows From Operating Activities: | | |
| Net income (loss)..... | \$ 210,676 | \$ 360,126 |
| <i>Adjustments to reconcile net income (loss) to net cash flows from operating activities:</i> | | |
| Depreciation and amortization..... | 234,327 | 208,698 |
| Realized and unrealized losses (gains) on investments..... | (11,262) | (110,062) |
| Non-cash, stock-based compensation..... | 11,320 | 23,182 |
| Deferred tax expense (benefit)..... | 46,795 | 3,597 |
| Other, net..... | 18,427 | 6,273 |
| Change in noncurrent assets..... | 11,994 | 15,567 |
| Change in long-term deferred revenue, distribution and carriage payments and other long-term liabilities..... | 32,357 | (6,014) |
| Changes in current assets and current liabilities, net..... | 131,828 | 357,183 |
| Net cash flows from operating activities | 686,462 | 858,550 |
| Cash Flows From Investing Activities: | | |
| Purchases of marketable investment securities..... | (1,316,229) | (289,168) |
| Sales and maturities of marketable investment securities..... | 817,230 | 428,300 |
| Purchases and prepaid funding of derivative financial instruments..... | (550,000) | - |
| Purchases of property and equipment..... | (311,527) | (168,928) |
| Change in restricted cash and marketable investment securities..... | 42,948 | (1,581) |
| DBSD North America Transaction, less cash acquired of \$5,230..... | - | (40,015) |
| TerreStar Transaction..... | - | (36,942) |
| Other..... | (47,158) | (903) |
| Net cash flows from investing activities | (1,364,736) | (109,237) |
| Cash Flows From Financing Activities: | | |
| Repayment of long-term debt and capital lease obligations..... | (8,527) | (8,458) |
| Net proceeds from Class A common stock options exercised and stock issued under the Employee Stock Purchase Plan..... | 10,887 | 5,751 |
| Other..... | 388 | 1,045 |
| Net cash flows from financing activities | 2,748 | (1,662) |
| Effect of exchange rates on cash and cash equivalents | 228 | 1,909 |
| Net increase (decrease) in cash and cash equivalents..... | (675,298) | 749,560 |
| Cash and cash equivalents, beginning of period..... | 3,606,140 | 609,108 |
| Cash and cash equivalents, end of period..... | \$ 2,930,842 | \$ 1,358,668 |
| Supplemental Disclosure of Cash Flow Information: | | |
| Cash paid for interest (including capitalized interest)..... | \$ 219,959 | \$ 114,226 |
| Capitalized interest..... | \$ 35,290 | \$ - |
| Cash received for interest..... | \$ 15,292 | \$ 10,108 |
| Cash paid for income taxes..... | \$ 2,025 | \$ 13,788 |

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Certain statements contained herein may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of DISH Network Corporation to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. More information about such risks, uncertainties and other factors is

set forth in DISH Network Corporation's Disclosure Regarding Forward-Looking Statements included in its recent filings with the Securities and Exchange Commission, including its annual report on Form 10-K for the year ended December 31, 2012 and its quarterly report on Form 10-Q for the three months ended March 31, 2013. The forward-looking statements speak only as of the date made, and DISH Network Corporation expressly disclaims any obligation to update these forward-looking statements.