UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark one)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2013

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number: 001-34686

Hawaiian Telcom Holdco, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**16-1710376**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1177 Bishop Street
Honolulu, Hawaii 96813
(Address of principal executive offices)

808-546-4511
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer ☐	Accelerated Filer ☒
Non-Accelerated Filer ☐ (Do not check if smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☒ No ☐

As of May 6, 2013, 10,336,187 shares of the registrant's common stock were outstanding.

Table of Contents

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

Hawaiian Telcom Holdco, Inc.
Condensed Consolidated Statements of Income
(Unaudited, dollars in thousands, except per share amounts)

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Operating revenues	$ 95,965	$ 97,574
Operating expenses:		
Cost of revenues (exclusive of depreciation and amortization)	40,284	40,799
Selling, general and administrative	28,379	29,026
Depreciation and amortization	18,717	16,588
Total operating expenses	87,380	86,413
Operating income	8,585	11,161
Other income (expense):		
Interest expense	(5,540)	(5,986)
Loss on early extinguishment of debt	—	(5,112)
Interest income and other	15	12
Total other expense	(5,525)	(11,086)
Income before income tax provision (benefit)	3,060	75
Income tax provision (benefit)	1,212	(132)
Net income	$ 1,848	$ 207
Net income per common share -		
Basic	$ 0.18	$ 0.02
Diluted	$ 0.17	$ 0.02
Weighted average shares used to compute net income per common share -		
Basic	10,291,897	10,201,039
Diluted	10,890,917	10,434,026

See accompanying notes to condensed consolidated financial statements.

Hawaiian Telcom Holdco, Inc.
Condensed Consolidated Statements of Comprehensive Income
(Unaudited, dollars in thousands)

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Net income	$ 1,848	$ 207
Other comprehensive income, net of tax -		
Unrealized holding losses arising during period	(19)	(3)
Retirement plan	222	33,388
Income tax charge on comprehensive income	(88)	—
Other comprehensive income, net of tax	115	33,385
Comprehensive income	$ 1,963	$ 33,592

See accompanying notes to condensed consolidated financial statements.

Hawaiian Telcom Holdco, Inc.
Condensed Consolidated Balance Sheets
(Unaudited, dollars in thousands, except per share amounts)

	March 31, 2013	December 31, 2012
Assets		
Current assets		
Cash and cash equivalents	$ 55,942	$ 66,993
Receivables, net	34,354	34,082
Material and supplies	12,148	11,352
Prepaid expenses	4,658	5,161
Deferred income taxes, current	5,727	5,727
Other current assets	1,768	2,181
Total current assets	114,597	125,496
Property, plant and equipment, net	508,907	507,197
Intangible assets, net	38,001	39,075
Goodwill	1,415	1,569
Deferred income taxes	101,295	102,680
Other assets	9,720	9,075
Total assets	$ 773,935	$ 785,092
Liabilities and Stockholders' Equity		
Current liabilities		
Current portion of long-term debt	$ 1,612	$ 3,000
Accounts payable	29,804	36,351
Accrued expenses	17,731	20,537
Advance billings and customer deposits	15,633	15,185
Other current liabilities	3,963	3,961
Total current liabilities	68,743	79,034
Long-term debt	291,865	292,410
Employee benefit obligations	129,060	132,004
Other liabilities	5,383	4,784
Total liabilities	495,051	508,232
Commitments and contingencies (Note 12)		
Stockholders' equity		
Common stock, par value of $0.01 per share, 245,000,000 shares authorized and 10,291,897 shares issued and outstanding at March 31, 2013 and December 31, 2012	103	103
Additional paid-in capital	166,002	165,941
Accumulated other comprehensive loss	(28,335)	(28,450)
Retained earnings	141,114	139,266
Total stockholders' equity	278,884	276,860
Total liabilities and stockholders' equity	$ 773,935	$ 785,092

See accompanying notes to condensed consolidated financial statements.

Hawaiian Telcom Holdco, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited, dollars in thousands)

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Cash flows from operating activities:		
Net income	$ 1,848	$ 207
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	18,717	16,588
Loss on early extinguishment of debt	—	5,112
Employee retirement benefits	(2,722)	(1,796)
Provision for uncollectibles	553	889
Stock based compensation	423	340
Deferred income taxes	1,297	—
Changes in operating assets and liabilities:		
Receivables	(825)	(1,487)
Material and supplies	(796)	(1,421)
Prepaid expenses and other current assets	605	100
Accounts payable and accrued expenses	(4,987)	(7,064)
Advance billings and customer deposits	448	809
Other current liabilities	2	105
Other	303	92
Net cash provided by operating activities	14,866	12,474
Cash flows from investing activities:		
Capital expenditures	(23,254)	(19,814)
Net cash used in investing activities	(23,254)	(19,814)
Cash flows from financing activities:		
Repayment of capital lease and installment liability	(163)	—
Repayment of debt including premium	(2,138)	(306,000)
Proceeds from borrowing	—	295,500
Loan refinancing costs	—	(4,130)
Taxes paid related to net share settlement of equity awards	(362)	(45)
Net cash used in financing activities	(2,663)	(14,675)
Net change in cash and cash equivalents	(11,051)	(22,015)
Cash and cash equivalents, beginning of period	66,993	82,063
Cash and cash equivalents, end of period	$ 55,942	$ 60,048
Supplemental disclosure of cash flow information:		
Interest paid, net of amounts capitalized	$ 5,236	$ 10,556

See accompanying notes to condensed consolidated financial statements.

Hawaiian Telcom Holdco, Inc.
Condensed Consolidated Statement of Changes in Stockholders' Equity
(Unaudited, dollars in thousands)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Stockholders' Equity
Balance, January 1, 2013	10,291,897	$ 103	$ 165,941	$ (28,450)	$ 139,266	$ 276,860
Stock based compensation	—	—	423	—	—	423
Common stock issued for stock compensation plans, net of shares withheld and withholding paid for employee taxes	—	—	(362)	—	—	(362)
Net income	—	—	—	—	1,848	1,848
Other comprehensive income, net of tax	—	—	—	115	—	115
Balance, March 31, 2013	10,291,897	$ 103	$ 166,002	$ (28,335)	$ 141,114	$ 278,884
Balance, January 1, 2012	10,190,526	$ 102	$ 164,328	$ (57,518)	$ 29,284	$ 136,196
Stock based compensation	—	—	340	—	—	340
Common stock issued for stock compensation plans, net of shares withheld and withholding paid for employee taxes	50,350	—	(45)	—	—	(45)
Net income	—	—	—	—	207	207
Other comprehensive income, net of tax	—	—	—	33,385	—	33,385
Balance, March 31, 2012	10,240,876	$ 102	$ 164,623	$ (24,133)	$ 29,491	$ 170,083

See accompanying notes to condensed consolidated financial statements.

Hawaiian Telcom Holdco, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Description of Business

Business Description
Hawaiian Telcom Holdco, Inc. and subsidiaries (the "Company") is the incumbent local exchange carrier for the State of Hawaii with an integrated telecommunications network. The Company offers a variety of telecommunication services to residential and business customers in Hawaii including local telephone, network access and data transport, long distance, Internet, television and wireless phone service. The Company also provides communications equipment sales and maintenance, and network managed services.

Organization
The Company has one direct wholly-owned subsidiary, Hawaiian Telcom Communications, Inc. which has two direct wholly-owned subsidiaries — Hawaiian Telcom, Inc. and Hawaiian Telcom Services Company, Inc. Hawaiian Telcom, Inc. operates the regulated local exchange carrier and Hawaiian Telcom Services Company, Inc. operates all other businesses.

2. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared by the Company in accordance with accounting principles generally accepted in the United States of America. Certain information and disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been omitted and condensed. In the opinion of the Company's management, all adjustments (consisting of only normal and recurring accruals) have been made to present fairly the financial position, the results of operations and cash flows for the periods presented. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year. Although the Company believes that the disclosures are adequate to make the information presented not misleading, these financial statements should be read in conjunction with the Company's audited consolidated financial statements as of and for the year ended December 31, 2012.

Cash and Cash Equivalents
Cash and cash equivalents include cash and money market accounts with maturities at acquisition of three months or less. The majority of cash balances at March 31, 2013 are held in one bank in demand deposit accounts.

Supplemental Non-Cash Investing and Financing Activities
Accounts payable included $3.0 million and $1.3 million at March 31, 2013 and 2012, respectively, for additions to property, plant and equipment.

Taxes Collected from Customers
The Company presents taxes collected from customers and remitted to governmental authorities on a gross basis, including such amounts in the Company's reported operating revenues. Such amounts represent primarily Hawaii state general excise taxes and Hawaii Public Utility Commission fees. Such taxes and fees amounted to $1.8 million and $2.0 million for the three months ended March 31, 2013 and 2012, respectively.

Earnings per Share

Basic earnings per share is based on the weighted effect of all common shares issued and outstanding, and is calculated by dividing earnings by the weighted average shares outstanding during the period. Diluted earnings per share is calculated by dividing earnings, adjusted for the effect, if any, from assumed conversion of all potentially dilutive common shares outstanding, by the weighted average number of common shares used in the basic earnings per share calculation plus the number of common shares that would be issued assuming conversion of all potentially dilutive common shares outstanding. The denominator used to compute basic and diluted earnings per share was as follows:

	Three Months Ended March 31,	
	2013	**2012**
Basic earnings per share - weighted average shares	10,291,897	10,201,039
Effect of dilutive securities:		
Employee and director restricted stock units	139,264	73,388
Warrants	459,756	159,599
Diluted earnings per share - weighted average shares	10,890,917	10,434,026

The computation of weighted average dilutive shares outstanding excluded restrictive stock units to acquire 75,047 shares of common stock for the three month period ended March 31, 2012. The unrecognized compensation on a per unit basis for these restricted stock units was greater than the average market price of the Company's common stock for the period presented. Therefore, the effect would be anti-dilutive. There was no such exclusion for the three month period ended March 31, 2013.

Recently Adopted Accounting Pronouncements

Effective for the first quarter of 2013, we adopted new accounting guidance on the presentation of comprehensive income. This guidance requires companies to present reclassification adjustments out of accumulated other comprehensive income by component in both the statement in which net income is presented and the statement in which other comprehensive income is presented. As this guidance only amends the presentation of the components of comprehensive income, the adoption did not have an impact on the Company's consolidated financial position or results of operations.

3. Wavecom Solutions Corporation Acquisition

On December 31, 2012, the Company completed its acquisition of Wavecom Solutions Corporation ("Wavecom") for $8.7 million in cash, net of cash acquired and final purchase adjustments. Wavecom provides telecommunication services in the State of Hawaii which are complementary to the Company's operations.

The Company followed the acquisition method of accounting and allocated the purchase price to the tangible and intangible assets acquired and liabilities assumed based on their preliminary fair values, and the estimates and assumptions are subject to change within the measurement period, which is one year from the acquisition date. The excess of the purchase price over those fair values was recorded as goodwill. During the three months ended March 31, 2013, the Company made adjustments to the preliminary purchase price allocation based on additional information as to the existence and value of certain assets. In addition, the net acquisition price changed with the final purchase adjustments agreed to by the seller. The measurement period adjustments did not have a significant impact on the Company's condensed consolidated statements of income for the three months ended March 31, 2013. In addition, these adjustments did not have a significant impact on the Company's consolidated balance sheets as of December 31, 2012. Therefore, the Company has not retrospectively adjusted the comparative 2012 financial information presented herein. The adjustments are as follows (dollars in thousands):

	Recognized as of Acqusition	Measurement Period Adjustments	Recognized as of Acqusition As Revised
Assets -			
Property and equipment	$ 11,898	$ 876	$ 12,774
Intangible assets	1,060	(410)	650
Goodwill	1,569	(154)	1,415
Other assets	1,663	—	1,663
	16,190	312	16,502
Liabilities -			
Current liabilities	2,360	—	2,360
Payable from Wavecom to the Company	4,037	—	4,037
Non-current liabilities	1,450	—	1,450
	7,847	—	7,847
Net acquisition price	$ 8,343	$ 312	$ 8,655

4. Receivables

Receivables consisted of the following (dollars in thousands):

	March 31, 2013	December 31, 2012
Customers and other	$ 37,687	$ 36,713
Allowance for doubtful accounts	(3,333)	(2,631)
	$ 34,354	$ 34,082

5. Long-Lived Assets

Property, plant and equipment consisted of the following (dollars in thousands):

	March 31, 2013	December 31, 2012
Property, plant and equipment	$ 658,831	$ 639,343
Less accumulated depreciation and amortization	(149,924)	(132,146)
	$ 508,907	$ 507,197

Depreciation expense amounted to $18.0 million and $15.9 million for the three months ended March 31, 2013 and 2012, respectively.

In January 2013, the Company entered into an agreement to sell most of its radio towers for $3.6 million. The agreement includes a leaseback by the Company for a minimum period of 10 years to allow it to continue to use the towers for its radio equipment. Closing of the sale is expected by the third quarter of 2013 subject to due diligence by the buyer and approval by the Hawaii Public Utilities Commission ("HPUC").

In February 2013, the Company entered into an agreement to sell a parcel of land and warehouse not actively used in the Company's operations for $13.7 million. Closing of this sale is expected by the third quarter of 2013 subject to due diligence by the buyer and approval by the HPUC.

The gross carrying amount and accumulated amortization of identifiable intangible assets are as follows (dollars in thousands):

	March 31, 2013			December 31, 2012		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Subject to amortization —						
Customer relationships	$ 17,440	$ 6,922	$ 10,518	$ 17,850	$ 6,285	$ 11,565
Trade name and other	210	27	183	210	—	210
	17,650	6,949	10,701	18,060	6,285	11,775
Not subject to amortization —						
Brand name	27,300	—	27,300	27,300	—	27,300
	27,300	—	27,300	27,300	—	27,300
	$ 44,950	$ 6,949	$ 38,001	$ 45,360	$ 6,285	$ 39,075

Amortization expense amounted to $0.7 million for both the three months ended March 31, 2013 and 2012. Estimated amortization expense for the next five years and thereafter is as follows (dollars in thousands):

2013 (remaining months)	$ 1,993
2014	2,257
2015	1,917
2016	1,577
2017	1,237
Thereafter	1,720
	$ 10,701

In conjunction with the acquisition of Wavecom, the Company adjusted the carrying value of goodwill in the first quarter of 2013 as further discussed in Note 3. The revised goodwill amounted to $1.4 million and is included in the wireline segment.

6. Accrued Expenses

Accrued expenses consisted of the following (dollars in thousands):

	March 31, 2013	December 31, 2012
Salaries and benefits	$ 13,280	$ 15,642
Interest	3,456	3,607
Other taxes	995	1,288
	$ 17,731	$ 20,537

7. Long-Term Debt

Long-term debt consists of the following (dollars in thousands):

	Interest Rate at March 31, 2013	Final Maturity	March 31, 2013	December 31, 2012
Term loan	7.00%	February 28, 2017	$ 297,112	$ 299,250
Original issue discount			(3,635)	(3,840)
			293,477	295,410
Current			1,612	3,000
Noncurrent			$ 291,865	$ 292,410

The term loan outstanding at March 31, 2013 provides for interest at the Alternate Base Rate, a rate which is indexed to the prime rate with certain adjustments as defined, plus a margin of 4.75% or a Eurocurrency rate on deposits of one, two, three or six months but no less than 1.25% per annum plus a margin of 5.75%. The Company has selected the Eurocurrency rate as of March 31, 2013 resulting in a nominal interest rate currently at 7.00%.

The term loan provides for interest payments no less than quarterly. In addition, quarterly principal payments of $0.8 million are required which began December 2012. The balance of the loan is due at maturity on February 28, 2017. The Company must prepay, generally within three months after year end, 50% or 25% of excess cash flow, as defined. The percent of excess cash flow required is dependent on the Company's leverage ratio. The excess cash flow payment for the year ended December 31, 2012 amounted to $2.1 million and was paid in March 2013. The Company must also make prepayments on loans in the case of certain events such as large asset sales.

In connection with the February 2012 refinancing of the term loan debt, the Company paid a premium on the repayment of the old term loan of $6.0 million. In addition, the Company paid $4.1 million in underwriting fees and legal costs. The premium on repayment of debt, and underwriting fees and legal costs were accounted for in accordance with accounting standards for modification of debt instruments with different terms. The Company compared each syndicated lenders' loan under the old term loan with the syndicated lenders' loan under the new term loans. For loans under the new term loan that were substantially different, the Company recognized the exchange of debt instruments as a debt extinguishment. For loans under the new term loan that were not substantially different, the Company accounted for the exchange of debt instruments as a modification. As a result of the refinancing, the Company capitalized $5.0 million of the premium on the repayment of debt and refinancing fees and expensed the remainder resulting in a loss on early extinguishment of debt of $5.1 million.

The Company also has a revolving credit facility which matures on October 3, 2015. The facility has an available balance of $30.0 million with no amounts drawn as of or for the periods ended March 31, 2013 and 2012. A commitment fee is payable quarterly to the lender under the facility. Interest on amounts outstanding is based on, at the Company's option, the bank prime rate plus a margin of 3.0% to 6.0% or the Eurocurrency rate for one, two, three or six month periods plus a margin of 4.0% to 5.5%. The margin is dependent on the Company's leverage, as defined in the agreement, at the time of the borrowing.

Maturities

The annual requirements for principal payments on long-term debt as of March 31, 2013 are as follows (dollars in thousands):

Year ended December 31,		
2013 (remainder of year)	$	862
2014		3,000
2015		3,000
2016		3,000
2017		287,250
	$	297,112

8. Employee Benefit Plans

The Company sponsors a defined benefit pension plan, with benefits frozen as of March 1, 2012, and postretirement health and life insurance benefits for union employees. The Company also sponsors a cash balance pension plan for nonunion employees, with benefits frozen as of April 1, 2007, and certain management employees receive postretirement health and life insurance under grandfathered provisions of a terminated plan.

The Company amended its union pension plan on January 24, 2012 for the freeze of benefits effective March 1, 2012. This resulted in a reduction of the projected benefit obligation by $30.2 million which is the difference between the accumulated benefit obligation and projected benefit obligation at that date. The liability as of January 24, 2012 was measured using a discount rate of 4.54%. The union pension trust assets were also measured as of this date. The reduction in the net recorded liability of $33.4 million was used to offset actuarial losses previously recognized in the accumulated other comprehensive loss.

The Company accrues the costs of pension and postretirement benefits over the period from the date of hire until the date the employee becomes fully eligible for benefits. The following provides the components of benefit costs for the three months ended March 31, 2013 and 2012 (dollars in thousands):

Pension

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Service cost	$ —	$ 1,550
Interest cost	2,055	2,496
Expected asset return	(2,935)	(2,829)
Amortization of loss	148	222
Net periodic benefit cost	(732)	1,439

Table of Contents

Other Postretirement Benefits

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Service cost	$ 277	$ 252
Interest cost	516	598
Amortization of loss	74	41
Net periodic benefit cost	$ 867	$ 891

The Company previously disclosed in its consolidated financial statements for the year ended December 31, 2012 that it expected to contribute $12.1 million to its pension plan in 2013. As of March 31, 2013, the Company has contributed $2.4 million. The Company presently anticipates contributing the full amount during the remainder of 2013.

9. Income Taxes

The income tax provision differs from the amounts determined by applying the statutory federal income tax rate of 34% to the income before income tax provision for the following reasons (dollars in thousands):

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Income tax provision	$ 1,040	$ 26
Increase (decrease) resulting from:		
State income taxes, net of federal income tax	37	(129)
Other	135	—
Valuation allowance	—	(29)
Income tax provision (benefit)	$ 1,212	$ (132)

The Company evaluates its tax positions for liability recognition. As of March 31, 2013, the Company had no unrecognized tax benefits. No interest or penalties related to tax assessments were recognized in the Company's condensed consolidated statements of operations for the three months ended March 31, 2013 or 2012. All tax years from 2009 remain open for both federal and Hawaii state purposes.

10. Stock Compensation

The Company has an equity incentive plan. The Compensation Committee of the Company's Board of Directors may grant awards under the plan in the form of incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock, restricted stock units and other stock-based awards. The maximum number of shares issuable under the new equity incentive plan is 1,400,000 shares. All grants under the equity incentive plan will be issued to acquire shares at the fair value on date of grant.

As of March 31, 2013, all awards were restricted stock units. Activity with respect to outstanding restricted stock units for the three months ended March 31, 2013 and 2012 was as follows:

	Shares	Weighted-Average Grant-Date Fair Value
2013		
Nonvested at January 1, 2013	223,224	$ 15
Granted	181,330	20
Vested	(62,485)	16
Forfeited	(14,629)	16
Nonvested at March 31, 2013	327,440	$ 17
2012		
Nonvested at January 1, 2012	248,951	$ 17
Granted	116,987	16
Vested	(53,060)	26
Forfeited	(1,539)	26
Nonvested at March 31, 2012	311,339	$ 15

The Company recognized compensation expense of $0.4 million and $0.3 million for the three months ended March 31, 2013 and 2012, respectively. The fair value as of the vesting date for the restricted stock units that vested during the three months ended March 31, 2013 and 2012 was $1.2 million and $0.9 million, respectively. Upon vesting, unit holders have the option to net share-settle to cover the required withholding tax and the remaining amount is converted into an equivalent number of shares of common stock. The total shares withheld were 17,986 and 2,715 for the three months ended March 31, 2013 and 2012, respectively, and were based on the value of the restricted stock units as determined by the Company's closing stock price. Total payments for the employees' tax obligations to the tax authorities amounted to $0.4 million and less than $0.1 million for the three months ended March 31, 2013 and 2012, respectively. Other than reimbursements for tax withholdings, there was no cash received under all share-based arrangements.

For the three months ended March 31, 2013, shares vested for restricted stock units, net of shares withheld for tax withholding, amounted to 44,499. While the shares vested per the terms of the restricted stock units in March 2013, for administrative purposes the shares were not issued by the Company's stock transfer agent until April 2013. The shares are not reflected as issued on the Company's condensed consolidated balance sheet as of March 31, 2013. However, the shares have been reflected in the computation of diluted earnings per share.

11. Other Comprehensive Income

Reclassifications out of other comprehensive income (loss) for the three months ended March 31, 2013 and 2012 were as follows (dollars in thousands):

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Retirement plans		
Amortization of loss	222	263
Income tax charge on comprehensive income	(88)	—
Net of tax	$ 134	$ 263

The amortization of loss was recognized primarily in selling, general and administrative expense for both the years ended March 31, 2013 and 2012.

12. Commitments and Contingencies

Collective Bargaining Agreement

The Company maintains a collective bargaining agreement with the International Brotherhood of Electrical Workers Local 1357 ("IBEW"). The agreement covers approximately half of the Company's work force. In December 2012, the IBEW announced their members had ratified a new collective bargaining agreement with the Company with an effective date of January 1, 2013 for a term of five years.

Third Party Claims

In the normal course of conducting its business, the Company is involved in various disputes with third parties, including vendors and customers. The outcome of such disputes is generally uncertain and subject to commercial negotiations. The Company periodically assesses its liabilities in connection with these matters and records reserves for those matters where it is probable that a loss has been incurred and the loss can be reasonably estimated. Based on management's most recent assessment, the Company believes that the risk of loss in excess of liabilities recorded is not material for all outstanding claims and disputes and the ultimate outcome of such matters will not have a material adverse effect on the Company's results of operations, cash flows or financial position.

Litigation

The Company is involved in litigation arising in the normal course of business. The outcome of this litigation is not expected to have a material adverse impact on the Company's condensed consolidated financial statements.

13. Fair Value of Financial Instruments

The following method and assumptions were used to estimate the fair value of each class of financial instruments for which it is practical to estimate the fair value.

Cash and cash equivalents, accounts receivable and accounts payable — The carrying amount approximates fair value. The valuation is based on settlements of similar financial instruments all of which are short-term in nature and generally settled at or near cost. Cash is measured at Level 1.

Investment securities — The fair value of investment securities is based on quoted market prices. Investment securities are included in other assets on the condensed consolidated balance sheets.

Debt — The fair value of debt is based on the value at which the debt is trading among holders.

The estimated fair value of financial instruments is as follows (dollars in thousands):

	Carrying Value	Fair Value
March 31, 2013		
Assets - investment in U.S. Treasury obligations (Level 1)	$ 904	$ 904
Liabilities - long-term debt (carried at cost, Level 2)	293,477	299,000
December 31, 2012		
Assets - investment in U.S. Treasury obligations (Level 1)	$ 905	$ 905
Liabilities - long-term debt (carried at cost, Level 2)	295,410	302,000

Fair Value Measurements

Fair value for accounting purposes is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price).

Accounting standards establish a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

Assets measured at fair value on a recurring basis represent investment securities included in other assets. Liabilities carried at cost with fair value disclosure on a recurring basis represent long-term debt. A summary is as follows (dollars in thousands):

	March 31, 2013	December 31, 2012
Asset value measurements using:		
Quoted prices in active markets for identical assets (Level 1)	$ 904	$ 905
Signficant other observable inputs (Level 2)	—	—
Significant unobservable inputs (Level 3)		—
	$ 904	$ 905
Liability value measurements using:		
Quoted prices in active markets for identical liabilities (Level 1)	$ —	$ —
Signficant other observable inputs (Level 2)	299,000	302,000
Significant unobservable inputs (Level 3)	—	—
	$ 299,000	$ 302,000

14. Segment Information

The Company operates in two reportable segments (Wireline Services and Wireless) based on how resources are allocated and performance is assessed by the Company's Chief Executive Officer, the Company's chief operating decision maker. The Wireline Services segment provides local telephone service including voice and data transport, enhanced custom calling features, network access, directory assistance and private lines. In addition, the Wireline Services segment provides Internet, long distance services, television, managed services, customer premise equipment, data solutions, billing and collection, and pay telephone services. The Other segment consists primarily of wireless services.

The following table provides operating financial information for the Company's two reportable segments (dollars in thousands):

	Wireline Services	Other	Intersegment Elimination	Total
For the three months ended March 31, 2013				
Operating revenues				
Local voice and other retail services	$ 62,178	$ 1,099	$ (387)	$ 62,890
Network access services	33,075	—	—	33,075
	$ 95,253	$ 1,099	$ (387)	$ 95,965
Depreciation and amortization	$ 18,717	$ —	$ —	$ 18,717
Net income (loss)	1,718	130	—	1,848
Capital expenditures	18,887	—	—	18,887
Assets as of December 31, 2012	$ 784,585	$ 507	$ —	$ 785,092
For the three months ended March 31, 2012				
Operating revenues				
Local voice and other retail services	$ 63,507	$ 1,252	$ (343)	$ 64,416
Network access services	33,158	—	—	33,158
	$ 96,665	$ 1,252	$ (343)	$ 97,574
Depreciation and amortization	$ 16,588	$ —	$ —	$ 16,588
Net income (loss)	(3)	210	—	207
Capital expenditures	17,105	—	—	17,105

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This quarterly report contains forward-looking statements. These statements relate to future events or our future financial performance (including our anticipated cost structure) and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continues," "assumption" or the negative of these terms or other comparable terminology. These statements (including statements related to our anticipated cost structure) are only predictions. Actual events or results may differ materially from those anticipated or projected due to a number of factors. These factors include, but are not limited to:

- failures in critical back-office systems and IT infrastructure or a breach of our cyber security systems;
- our ability to fund capital expenditures to improve our network and other facilities;
- our ability to maintain arrangements with third-party service providers;
- changes in regulations and legislation applicable to providers of telecommunications services;
- changes in demand for our products and services;
- technological changes affecting the telecommunications industry; and
- our indebtedness could adversely affect our financial condition.

These and other factors may cause our actual results to differ materially from any forward-looking statement. Refer to our Annual Report on Form 10-K for a detailed discussion of risks that could materially adversely affect our business, financial condition or results of operations. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our business operations.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. These forward-looking statements are made as of the date of issuance of these quarterly condensed consolidated financial statements, we assume no obligation to update or revise them or to provide reasons why actual results may differ.

We do not undertake any responsibility to release any revisions to these forward-looking statements to take into account events or circumstances that occur after the date of issuance of these quarterly condensed consolidated financial statements. Additionally, we do not undertake any responsibility to update you on the occurrence of any unanticipated events which may cause actual results to differ from those expressed or implied by the forward-looking statements contained in this quarterly report.

Background

In the following discussion and analysis of financial condition and results of operations, unless the context otherwise requires, "we," "us" or the "Company" refers, collectively, to Hawaiian Telcom Holdco, Inc. and its subsidiaries.

Segments and Sources of Revenue

We operate in two reportable segments (Wireline Services and Wireless) based on how resources are allocated and performance is assessed by our chief operating decision maker. Our chief operating decision maker is our Chief Executive Officer.

Wireline Services
The Wireline Services segment derives revenue from the following sources:

Local Voice Services — We receive revenue from providing local exchange telephone services. These revenues include monthly charges for basic service, local private line services and enhanced calling features such as voice mail, caller ID and 3-way calling.

Network Access Services — We receive revenue for access to our network for wholesale carrier data, business customer data including Dedicated Internet Access, switched carrier access and subscriber line charges imposed on end users. Switched carrier access revenue compensates us for origination, transport and termination of calls for long distance and other interexchange carriers.

Long Distance Services — We receive revenue from providing long distance services to our customers.

High-Speed Internet (“HSI”) Services — We provide HSI to our residential and business customers.

Video Services — Our video services marketed as Hawaiian Telcom TV is an advanced entertainment service offered to customers in select areas.

Equipment and managed services — We provide installation and maintenance of customer premise equipment as well as managed service for customer telephone and IT networks.

Wireless
We receive revenue from wireless services, including the sale of wireless handsets and other wireless accessories.

Results of Operations for the Three Months Ended March 31, 2013 and 2012

Operating Revenues

The following tables summarize our volume information as of March 31, 2013 and 2012, and our operating revenues for the three months ended March 31, 2013 and 2012. For comparability, we also present volume information as of March 31, 2013 compared to December 31, 2012. In the third quarter of 2012, certain reclassifications were made to the channel information for operating revenues to align to the way we manage our business. The information for the three months ended March 31, 2012, presented for comparative purposes, has been reclassified to conform to the new presentation.

Volume Information

March 2013 compared to March 2012

	March 31, 2013	March 31, 2012	Change Number	Change Percentage
Voice access lines				
Residential	199,044	217,470	(18,426)	-8.5%
Business (1)	196,970	186,854	10,116	5.4%
Public	4,350	4,559	(209)	-4.6%
	400,364	408,883	(8,519)	-2.1%
High-Speed Internet lines				
Residential	89,464	85,518	3,946	4.6%
Business	18,810	17,714	1,096	6.2%
Wholesale	1,013	1,126	(113)	-10.0%
	109,287	104,358	4,929	4.7%
Long distance lines				
Residential	124,072	133,648	(9,576)	-7.2%
Business (1)	80,659	76,197	4,462	5.9%
	204,731	209,845	(5,114)	-2.4%
Video services				
Subscribers	11,671	3,866	7,805	201.9%
Homes Enabled	83,000	41,200	41,800	101.5%

(1) Business voice access lines and business long distance lines included approximately 11,800 and 6,200 lines, respectively, as of March 31, 2013 related to the acquisition of Wavecom.

March 2013 compared to December 2012

	March 31, 2013	December 31, 2012	Change Number	Change Percentage
Voice access lines				
Residential	199,044	203,330	(4,286)	-2.1%
Business (1)	196,970	185,142	11,828	6.4%
Public	4,350	4,405	(55)	-1.2%
	400,364	392,877	7,487	1.9%
High-Speed Internet lines				
Residential	89,464	88,016	1,448	1.6%
Business	18,810	18,575	235	1.3%
Wholesale	1,013	1,020	(7)	-0.7%
	109,287	107,611	1,676	1.6%
Long distance lines				
Residential	124,072	126,551	(2,479)	-2.0%
Business (1)	80,659	74,781	5,878	7.9%
	204,731	201,332	3,399	1.7%
Video services				
Subscribers	11,671	9,829	1,842	18.7%
Homes Enabled	83,000	65,000	18,000	27.7%

(1) Business voice access lines and business long distance lines included approximately 11,800 and 6,200 lines, respectively, as of March 31, 2013 related to the acquisition of Wavecom.

Operating Revenues (dollars in thousands)

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012	Change Amount	Change Percentage
Wireline Services				
Local voice services	$ 35,028	$ 35,697	$ (669)	-1.9%
Network access services				
Business data	6,186	4,761	1,425	29.9%
Wholesale carrier data	15,464	16,177	(713)	-4.4%
Subscriber line access charge	9,657	9,836	(179)	-1.8%
Switched carrier access	1,768	2,384	(616)	-25.8%
	33,075	33,158	(83)	-0.3%
Long distance services	6,574	7,448	(874)	-11.7%
High-Speed Internet	9,616	8,976	640	7.1%
Video	2,204	497	1,707	343.5%
Equipment and managed services	5,379	8,509	(3,130)	-36.8%
Other	3,377	2,380	997	41.9%
	95,253	96,665	(1,412)	-1.5%
Wireless	712	909	(197)	-21.7%
	$ 95,965	$ 97,574	$ (1,609)	-1.6%
Channel				
Business	$ 40,516	$ 42,097	$ (1,581)	-3.8%
Consumer	34,647	33,942	705	2.1%
Wholesale	17,232	18,561	(1,329)	-7.2%
Other	3,570	2,974	596	20.0%
	$ 95,965	$ 97,574	$ (1,609)	-1.6%

The decrease in local services revenues was caused primarily by the decline of $1.8 million of legacy voice offset by $1.1 million of revenue from Wavecom customers acquired in December 2012. Continued competition in the telecommunications industry has increasingly resulted in customers using technologies other than traditional phone lines for voice and data. Residential customers are increasingly using wireless services in place of traditional wireline phone services as well as moving local voice service to VoIP technology offered by competitors. Generally, VoIP technology offered by cable providers is less expensive than traditional wireline phone service, requiring us to respond with more competitive pricing. Additionally, Competitive Local Exchange Carriers (CLECs) and our cable competitor continue to focus on business customers and selling services to our customer base.

Business data revenues for the three months ended March 31, 2013 increased when compared to the prior year period because of $1.4 million of revenue from Wavecom customers acquired in December 2012. Wholesale carrier data revenue decreased because of revenues received from Wavecom in 2012 which we no longer recognize as Wavecom is a wholly-owned subsidiary. In addition, the impact of the decline in voice access lines is reflected in subscriber line access charges and switched carrier access charges.

The decrease in long distance revenue was primarily because of the decline in long distance lines and customers moving to wireless and VoIP based technologies for long distance calling.

HSI revenues increased when compared to the prior year primarily because an approximate 4.7% growth in our HSI subscribers ($0.4 million of the increase in revenue).

On July 1, 2011, we commercially launched our video service on the island of Oahu. We are rolling out Hawaiian Telcom TV gradually to selected areas to ensure delivery of superior service and an ongoing excellent customer experience. We have initiated targeted marketing efforts resulting in penetration rates exceeding expectations. Our volume is anticipated to ramp up significantly as more homes become enabled for video service. We expect to expand both the availability and the capabilities of our Hawaiian Telcom TV service over the next several years through additional capital investment and innovation.

Equipment and managed services sales have decreased because of fewer sales and installations of customer premise equipment for certain large government customers during the three months ended March 31, 2013 compared to the same period in the prior year. Revenue from equipment sales varies from period to period based on the volume of large installation projects. The volume of such projects in future periods is uncertain.

Wireless revenues were comparable to the same period in the prior year.

Operating Costs and Expenses

The following tables summarize our costs and expenses for the three months ended March 31, 2013 compared to the costs and expenses for the three months ended March 31, 2012 (dollars in thousands):

	Three Months Ended March 31,		Change	
	2013	**2012**	**Amount**	**Percentage**
Cost of revenues (exclusive of depreciation and amortization)	$ 40,284	$ 40,799	$ (515)	-1.3%
Selling, general and administrative expenses	28,379	29,026	(647)	-2.2%
Depreciation and amortization	18,717	16,588	2,129	12.8%
	$ 87,380	$ 86,413	$ 967	1.1%

The Company's total headcount as of March 31, 2013 was 1,382 compared to 1,323 as of March 31, 2012. Employee related costs are included in both cost of revenues and selling, general and administrative expenses.

Cost of revenues consists of costs we incur to provide our products and services including those for operating and maintaining our networks, installing and maintaining customer premise equipment, and cost of goods sold directly associated with various products. The decrease for the three month period ended March 31, 2013 compared to the same period in the prior year was because of lower customer premise equipment costs of $2.9 million as a result of decreased customer premise equipment revenues partially offset by an increase in video content costs on a ramp up in Hawaiian Telcom TV subscribers.

Selling, general and administrative expenses include costs related to sales and marketing, information systems and other administrative functions. The expenses for the three months ended March 31, 2013 compared to the same period in the prior year decreased on reduced pension costs.

Depreciation and amortization for the three month period ended March 31, 2013 increased compared to the same period in the prior year because of new property additions placed into service.

Table of Contents

Other Income and (Expense)

The following table summarizes other income (expense) for the three months ended March 31, 2013 and 2012 (dollars in thousands).

	Three Months Ended March 31,		Change	
	2013	2012	Amount	Percentage
Interest expense	$ (5,540)	$ (5,986)	$ 446	-7.5%
Loss on early extinguishment of debt	—	(5,112)	5,112	-100.0%
Interest income and other	15	12	3	25.0%
	$ (5,525)	$ (11,086)	$ 5,561	-50.2%

Interest expense decreased for the three month period ended March 31, 2013 compared to the same period in the prior year primarily because of the benefit of the refinancing which occurred in the first quarter of 2012.

In connection with the refinancing of debt in the first quarter of 2012, we incurred a $5.1 million charge to income which consisted of the premium on the repayment of the old debt and certain refinancing costs.

Income Tax Provision

As of December 31, 2011, we had maintained a full valuation allowance over our net deferred income tax assets. This situation resulted from our having a short history as a new entity (post Chapter 11). From emergence in 2010 through 2012, we have generated earnings in all periods. As a result of our continued positive annual earnings, as well as positive forecasted earnings in the future, management concluded that it was more likely than not that we will realize our deferred income tax assets, and therefore, we released our valuation allowance as of December 31, 2012. If there is a decline in the level of actual future or forecasted earnings, the conclusion regarding the need for a valuation allowance may change in future periods resulting in the establishment of a valuation allowance for some or all of our deferred income tax assets.

Liquidity and Capital Resources

As of March 31, 2013, we had cash of $55.9 million. From an ongoing operating perspective, our cash requirements in 2013 consist of supporting the development and introduction of new products, capital expenditure projects, pension funding obligations and other changes in working capital. A combination of cash-on-hand and cash generated from operating activities will be used to fund our operating activities.

We have continued to take actions to conserve cash and improve liquidity. Efforts have also been taken to generate further operating efficiencies and focus on expense management. We have focused on improving operating results, including efforts to simplify product offerings, improve our customer service experience and increase our revenue enhancement activities. There can be no assurance that these additional actions will result in improved overall cash flow. We continue to have sizable retirement obligations for our existing employee base. Any sustained declines in the value of pension trust assets or higher levels of pension lump sum benefit payments will increase the magnitude of future plan contributions.

Agreements with the Hawaii Public Utilities Commission and the debt agreements of Hawaiian Telcom Communications, Inc. limit the ability of our subsidiaries to pay dividends to the parent company and restrict the net assets of all of our subsidiaries. This can limit our ability to pay dividends to our shareholders. As the parent company has no operations, debt or other obligations, this restriction has no other immediate impact on our operations.

Cash Flows for Three Months Ended March 31, 2013 and 2012

Our primary source of funds continues to be cash generated from operations. We use the net cash generated from operations to fund network expansion and modernization. We expect that our capital spending requirements will continue to be financed through internally generated funds. We also expect to use cash generated in future periods for debt service. Additional debt or equity financing may be needed to fund additional development activities or to maintain our capital structure to ensure financial flexibility.

Net cash provided by operations amounted to $14.9 million for the three months ended March 31, 2013. Our cash flows from operations are impacted by our results of operations, changes in working capital and payments on certain long-term liabilities. Net cash provided by operations amounted to $12.5 million for the three months ended March 31, 2012. The increase in cash provided by operations was because of improved management of working capital.

Cash used in investing activities was $23.3 million for the three months ended March 31, 2013 and was comprised of capital expenditures. Cash used in investing activities was $19.8 million of capital expenditures for the three months ended March 31, 2012. The level of capital expenditures for 2013 is expected to be comparable to 2012 as we invest in systems to support new product introductions and transform our network to enable next-generation technologies.

Cash used in financing activities for the three months ended March 31, 2013 was related primarily to the repayment of our debt. Cash used in financing activities for the three months ended March 31, 2012 was related primarily to the refinancing of our debt.

Outstanding Debt and Financing Arrangements

As of March 31, 2013, we had outstanding $297.1 million in aggregate long-term debt. The term loan has a maturity date of 2017. We do not expect to generate the necessary cash flow from operations to repay the facility in its entirety by the maturity date and repayment is dependent on our ability to refinance the credit facility at reasonable terms. The ability to refinance the indebtedness at reasonable terms before maturity cannot be assured.

Contractual Obligations

During the three months ended March 31, 2013, the Company's future contractual obligations have not changed materially from the amounts disclosed as of December 31, 2012 in our Form 10-K.

We do not maintain any off balance sheet financing or other arrangements.

Critical Accounting Policies and Estimates

The preparation of condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in consolidated financial statements. Changes in these estimates and assumptions are considered reasonably possible and may have a material effect on the condensed consolidated financial statements and thus actual results could differ from the amounts reported and disclosed herein. The Company's critical accounting policies that require the use of estimates and assumptions were discussed in detail in our Annual Report on Form 10-K for the year ended December 31, 2012, and have not changed materially from that discussion.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As of March 31, 2013, our floating rate obligations consisted of $297.1 million of debt outstanding under our term loan facility. Accordingly, our earnings and cash flow are affected by changes in interest rates. Based on our borrowings at March 31, 2013 and assuming a 1.0 percentage point increase in the average interest rate under these borrowings, we estimate that our annual interest expense would increase by approximately $3.0 million.

Item 4. Controls and Procedures

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Eric K. Yeaman, Chief Executive Officer, and Robert F. Reich, Chief Financial Officer, have evaluated the disclosure controls and procedures of Hawaiian Telcom Holdco, Inc. (the "Company') as of March 31, 2013. Based on their evaluations, as of March 31, 2013, they have concluded that the disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) were effective in ensuring that information required to be disclosed by the Company in reports the Company files or submits under the Securities Exchange Act of 1934:

(1) is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and

(2) is accumulated and communicated to the Company's management, including the Company's principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There have been no changes in internal control over financial reporting during the quarter ended March 31, 2013 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Certifications

The certifications attached hereto as Exhibits 31.1, 31.2, 32.1 and 32.2 should be read in conjunction with the disclosures set forth herein.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

Other than ordinary routine litigation incidental to the business, we are not involved in any material pending legal proceedings that are likely to have a material adverse effect on us.

Item 5. Other Information.

Hawaiian Telcom Holdco, Inc. issued a press release on May 6, 2013 announcing its 2013 first quarter earnings. This information, attached as Exhibit 99.1, is being furnished to the SEC pursuant to Item 2.02 of Form 8-K.

Item 6. Exhibits

See Exhibit Index following the signature page of this Report.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	HAWAIIAN TELCOM HOLDCO, INC.
May 6, 2013	/s/ Eric K. Yeaman
	Eric K. Yeaman Chief Executive Officer
May 6, 2013	/s/ Robert F. Reich
	Robert F. Reich Senior Vice President and Chief Financial Officer

EXHIBIT INDEX

10.1	Form of Restricted Stock Unit Agreement for Executives pursuant to the Hawaiian Telcom 2010 Equity Incentive Plan
10.2	Form of Restricted Stock Unit Agreement for Non-Employee Directors pursuant to the Hawaiian Telcom 2010 Equity Incentive Plan
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1	Press Release dated May 6, 2013 announcing first quarter earnings.
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema Document*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document*

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* Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

Exhibit 10.1

RESTRICTED STOCK UNIT AGREEMENT FOR EXECUTIVES
PURSUANT TO THE
HAWAIIAN TELCOM 2010 EQUITY INCENTIVE PLAN

* * * * *

Participant:

Grant Date:

Total Maximum Number of Restricted Stock Units granted: (the "Total Maximum RSUs")

Total Target Number of Restricted Stock Units: (the "Total Target RSUs")

* * * * *

THIS RESTRICTED STOCK UNIT AWARD AGREEMENT (this "Agreement"), dated as of the Grant Date specified above, is entered into by and between Hawaiian Telcom Holdco, Inc., a Delaware corporation (the "Company"), and the Participant specified above, pursuant to the Hawaiian Telcom 2010 Equity Incentive Plan (the "Plan"), which is administered by the Compensation Committee of the Board of Directors of the Company (the " Committee"); and

WHEREAS, it has been determined under the Plan that it would be in the best interests of the Company to grant the Restricted Stock Units ("RSUs") provided herein to the Participant, each of which is a bookkeeping entry representing the equivalent in value of one (1) Share.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth and for other good and valuable consideration, the parties hereto hereby mutually covenant and agree as follows:

1. **Incorporation By Reference; Plan Document Receipt**. This Agreement is subject in all respects to the terms and provisions of the Plan (including, without limitation, any amendments thereto adopted at any time and from time to time unless such amendments are expressly intended not to apply to the grant of the RSUs hereunder), all of which terms and provisions are made a part of and incorporated in this Agreement as if they were each expressly set forth herein. The Participant hereby acknowledges receipt of a true copy of the Plan and that the Participant has read the Plan carefully and fully understands its content. In the event of any conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall control. Any capitalized term not defined in this Agreement shall have the same meaning as is ascribed thereto in the Plan.

2. **Grant of Restricted Stock Unit Award**. The Company hereby grants to the Participant, as of the Grant Date specified above, the Total Maximum RSUs specified above. The Total Maximum RSUs is determined by adding the Time-Based RSUs and the Maximum Performance-Based RSUs as defined in Section 3(a) below. Except as otherwise provided by the

Plan, the Participant agrees and understands that nothing contained in this Agreement provides, or is intended to provide, the Participant with any protection against potential future dilution of the Participant's interest in the Company for any reason. The Participant shall not have the rights of a stockholder in respect of the Shares underlying this Award until such Shares are delivered to the Participant in accordance with Section 4.

3. **Vesting**.

(a) General. Except as otherwise provided in this Section 3, RSUs subject to this Award shall vest as follows:

(i) Time-Based RSUs. Fifty percent (50%) of the Total Target RSUs (the "Time-Based RSUs") shall vest in equal installments of twelve and one-half percent (12.5%) of the Total Target RSUs on March 12, 2014, March 12, 2015, March 12, 2016, and March 12, 2017 (or if the Company's shares are not traded such day on an established national or regional securities exchange, the vesting date shall be the immediately prior day on which the Company's shares are traded on an established national or regional securities exchange), subject to the Participant's continued employment by the Company or one of its Subsidiaries through each such vesting date; and

(ii) Performance-Based RSUs. An amount of RSUs equal to the Target PBRSUs (as defined below) multiplied by 1.5625 (the "Maximum Performance-Based RSUs" or "Maximum PBRSUs") shall vest on the vesting dates and in the amounts set forth in this Section 3(a)(ii) based upon the Company's performance over one year for revenue and Adjusted EBITDA and over two years for total shareholder return of the Company in comparison to the NASDAQ Telecommunications Index (the " Index"), subject to the Participant's continued employment with the Company or one of its Subsidiaries through each vesting date, and provided further, in no event may the Participant vest in any of the PBRSUs pursuant to this Section 3(a)(ii) in the event the FY2013 Adjusted EBITDA performance is below Threshold (as shown in the table below). " Target PBRSUs" shall mean the Total Target RSUs less the Time-Based RSUs. The Committee shall determine the extent to which the performance goals set forth herein are achieved and the total number of PBRSUs that will vest pursuant to this Section 3(a)(ii) in its sole and absolute discretion. For purposes of clarity, in no event may Participant vest in more than the Maximum PBRSUs pursuant to this Section 3(a)(ii).

On the Determination Date (as defined below) and on each of the first two annual anniversaries of the Determination Date, an amount of PBRSUs shall vest equal to the product of A times B times C, where:

A = Total Base Percentage of Target PBRSUs Vested (as defined below);

B = TSR Award Modifier (as defined below); and

C = Sixteen and two-thirds percent (16 2/3%) of the Total Target RSUs.

Notwithstanding the foregoing, the Committee in its sole discretion, after consideration of such factors as it deems appropriate, may reduce the number of Performance-Based RSUs that otherwise would vest pursuant to this Section 3(a)(ii).

For purposes of this Section 3(a)(ii), "Total Base Percentage of Target PBRSUs Vested" shall mean (1) Weighted % Vested from Revenue Performance, plus (2) Weighted % Vested from Adjusted EBITDA Performance, each of which shall be determined as follows:

Weighted % Vested from Revenue Performance

Measurement	Weighting	Factor		Amount ($ in mils)	Base % of Target PBRSUs Vested
FY2013 Revenue	40%				
Threshold		95%	$	382.40	75%
Target		100%	$	402.50	100%
Maximum		105%	$	422.60	125%

Weighted % Vested from Adjusted EBITDA Performance

Measurement	Weighting	Factor		Amount ($ in mils)	Base % of Target PBRSUs Vested
FY2013 Adjusted EBITDA	60%				
Threshold		95%	$	116.30	75%
Target		100%	$	122.40	100%
Maximum		105%	$	128.50	125%

In the event of performance between Threshold and Target or between Target and Maximum, straight-line interpolation will determine the weighted percentages set forth above. If performance is below Threshold, the applicable weighted percentage will equal zero percent (0%). In no event may the Weighted % Vested from Revenue Performance or the Weighted % Vested from Adjusted EBITDA Performance exceed 125%.

For purposes of this Section 3(a)(ii), "TSR Award Modifier" shall have the meaning set forth below based on the Company's TSR relative performance which shall be equal to the Company TSR, minus the Index TSR (each, as defined below), multiplied by 100%:

Level	TSR Relative Performance (Company TSR minus Index TSR)	TSR Award Modifier
High	+15% and higher	125%
Target	0%	100%
Low	-15% and lower	75%

In the event of TSR relative performance between levels, straight-line interpolation will determine the TSR Award Modifier. The TSR Award Modifier shall never exceed 125% or go below 75%.

For purposes of this Section 3(a)(ii), "TSR" shall mean the aggregate total shareholder return on Shares over the two-year period beginning January 1, 2013 and ending on December 31, 2014 (the " TSR Performance Period") against the total shareholder return over the same two-year period for the Index. TSR shall be calculated for the Company and Index using:

- A beginning price for the Shares and the Index equal to the trading volume weighted average price over the first 5 trading days in January 2013 ("Beginning Price"), and

- An ending price for the Shares and the Index equal to the trading volume weighted average price over the last 5 trading days in December 2014, and accounting for the reinvestment of dividends over this period (" Ending Price").

TSR shall be calculated for the Company and the Index as follows:

Company TSR = (Share Ending Price/Share Beginning Price) — 1

Index TSR = (Index Ending Price/ Index Beginning Price) — 1

The "Determination Date" for the Performance-Based RSUs shall be March 12, 2015 or, if later, the date in fiscal year 2015 on which the Committee determines the Total Base Percentage of PBRSUs Vested, the TSR Award Modifier and the total number of RSUs that will be eligible to vest pursuant to this Section 3(a)(ii), if any; provided, however, the Determination Date shall not be later than the earlier of (i) thirty (30) days following the completion of the Company's final audited financial statement for fiscal year 2014, and (ii) April 30, 2015.

EXAMPLE: Executive is awarded a grant of 10,000 Total Target RSUs (i.e., 5,000 Target PBRSUs). The FY2013 Revenue and FY2013 Adjusted EBITDA both equal or exceed their respective Maximum levels, and the Company TSR outperforms the Index TSR by more than 15%. Accordingly, on the Determination Date and on each of the first two annual anniversaries of the Determination Date, the following amount of PBRSUs (equal to one-third of Executive's Maximum Performance-Based RSUs) would vest, as follows:

No. of Target PBRSUs		Total Base Percentage of Target PBRSUs Vested		TSR Award Modifier			
1,666.66	x	125%	x	125%	=	2,604	(rounded down to nearest whole share)

The Shares delivered in respect of PBRSUs that vest pursuant to this Section 3(a)(ii) shall be non-transferable, provided such transfer restrictions shall lapse in equal installments on each of the first three (3) annual anniversaries of the date on which such PBRSUs became vested, except as provided in Sections 3(b) and 3(c) below.

Any determinations made pursuant to Section 3 by the Committee shall be made in the sole and absolute discretion of the Committee and shall be conclusive and binding on the parties for all purposes.

(b) Certain Terminations.

(i) Upon a Participant's Termination due to the Participant's death or Disability, unvested RSUs on the date of death or Disability (as determined by the Committee in its sole discretion) shall become vested at the time specified in, and in the pro-rated amount determined pursuant to, Section 3(b)(iii) below. Any such vested RSUs shall be paid as provided in Section 4 and any transfer restrictions applicable to any Shares previously issued upon vesting of Performance-Based RSUs shall immediately lapse upon the Participant's Termination.

(ii) Upon a Participant's Termination due to the Participant's Termination by the Company without Cause or Termination by the Participant for Good Reason, unvested RSUs on the date of Termination shall become vested at the time specified in, and in the pro-rated amount determined pursuant to, Section 3(b)(iii) below. Any such vested RSUs shall be paid as provided in Section 4 and any transfer restrictions applicable to any Shares previously issued upon vesting of Performance-Based RSUs shall immediately lapse upon the Participant's Termination.

(iii) For purposes of Sections 3(b)(i) and 3(b)(ii) above, (I) the following number of Time-Based RSUs shall become vested immediately upon Termination (and any remaining unvested Time-Based RSUs shall be forfeited immediately upon Termination): (x) the number of Time-Based RSUs scheduled to vest on the next annual anniversary of the Grant Date, multiplied by (y) the ratio, the numerator of which is the number of days that have elapsed from the immediately preceding anniversary of the Grant Date (or the applicable Grant Date, in the event the date of Termination is less than one year following the Grant Date) to the date of Termination and the denominator of which is 365, and (II) the following number of Performance-Based RSUs shall become vested upon the regularly scheduled vesting date (e.g., the Determination Date or the first or second annual anniversary thereof) next to occur on or after the Termination (and any remaining unvested Performance-Based RSUs shall be forfeited immediately following such Determination Date): (x) the number of Performance-Based RSUs that would otherwise vest on such vesting date based on actual performance as determined pursuant to the provisions of Section 3(a)(ii) above, multiplied by (y) the ratio (A) if the Termination occurs on or before December 31, 2014, the numerator of which is the number of days that elapsed between January 1, 2013 and the Termination and the denominator of which is 730, or (B) if the Termination occurs on or after January 1, 2015, the numerator of which is the number of days that elapsed between the first day of the fiscal year in which the Termination occurred and the Termination and the denominator of which is 365.

(c) Change in Control. Upon the occurrence of a Change in Control while the Participant is employed by the Company or its Subsidiaries, all unvested Time-Based RSUs on the date of the Change in Control shall immediately become vested and be paid as provided in Section 4, and all unvested Maximum Performance-Based RSUs on the date of the Change in Control shall immediately become vested based upon performance as of the date of the Change in Control and be paid as provided in Section 4, and any transfer restrictions applicable to any Shares previously issued upon vesting of Performance-Based RSUs or issued pursuant to this Section 3(c) shall immediately lapse upon the Change in Control.

(d) Leaves of Absence. Notwithstanding anything stated herein or the Plan to the contrary, if the Participant takes a leave of absence, the Company may, at its discretion, suspend vesting during the period of leave to the extent permitted under applicable local law.

(e) Forfeiture. Except as set forth in Section 3(b) above, all unvested RSUs shall be immediately forfeited upon the Participant's Termination for any reason.

4. **Delivery of Shares**. Subject to Sections 10 and 13, RSUs shall be automatically settled in Shares upon vesting of such RSUs. In connection with the delivery of the Shares pursuant to this Agreement, the Participant agrees to execute any documents reasonably requested by the Company. In no event shall a Participant be entitled to receive any Shares with respect to any unvested or forfeited portion of the RSU award.

5. **Dividends and Other Distributions**. The Participant shall be entitled to receive all dividends and other distributions paid with respect to the Shares underlying the RSUs, provided that any such dividends or other distributions will be subject to the same vesting requirements as the underlying RSUs and shall be paid at the time the Shares are delivered pursuant to Section 4.

6. **Non-transferability**.

(a) Restriction on Transfers. All RSUs, and any rights or interests therein, (i) shall not be sold, exchanged, transferred, assigned or otherwise disposed of in any way at any time by the Participant (or any beneficiary(ies) of the Participant), other than by testamentary disposition by the Participant or by the laws of descent and distribution, (ii) shall not be pledged or encumbered in any way at any time by the Participant (or any beneficiary(ies) of the Participant) and (iii) shall not be subject to execution, attachment or similar legal process. Any attempt to sell, exchange, pledge, transfer, assign, encumber or otherwise dispose of these RSUs, or the levy of any execution, attachment or similar legal process upon these RSUs, contrary to the terms of this Agreement and/or the Plan, shall be null and void and without legal force or effect.

(b) Other Rights. Notwithstanding anything herein to the contrary, the Participant, and any permitted transferee, shall not, directly or indirectly, Transfer any Shares acquired by the Participant or permitted transferee (or his or her estate or legal representative), unless in each such instance the Participant or permitted transferee (or his or her estate or legal representative) shall have first offered to the Company the Shares proposed to be Transferred pursuant to a bona fide offer from a third party. The right of first refusal must be exercised by the Company by delivering to the Participant or permitted transferee (or his or her estate or legal representative) written notice of such exercise within twenty (20) business days of the Company's receipt of written notification of the proposed sale. Upon the exercise of a right of first refusal, the Shares proposed to be sold shall be purchased by the Company at the price per share offered to be paid by the prospective transferee. The notice of exercise of the right of first refusal shall specify the date and location for the closing of such purchase. This right of first refusal shall expire immediately upon the effectiveness of the filing of a Form 10 with the Securities and Exchange Committee or, if later, the date that the Company's shares otherwise become registered with the Securities and Exchange Commission.

7. **Code Section 409A.** For purposes of Code Section 409A, the regulations and other guidance there under and any state law of similar effect (collectively "Section 409A"), each distribution that is made pursuant to this Agreement is hereby designated as a separate payment. The Participant and the Company intend that all distributions made or to be made under this Agreement comply with, or are exempt from, the requirements of Section 409A so that none of the distributions will be subject to the adverse tax penalties imposed under Section 409A, and any ambiguities herein will be interpreted to so comply or be so exempt. Specifically, any distribution made in connection with the Participant's Termination and paid on or before the 15th day of the 3rd month following the end of the Participant's first tax year in which the Participant's Termination occurs or, if later, the 15th day of the 3rd month following the end of the Company's first tax year in which the Participant's Termination occurs, shall be exempt from Section 409A to the maximum extent permitted pursuant to Treasury Regulation Section 1.409A-1(b)(4) and any additional distribution made in connection with the Participant's Termination under this Agreement shall be exempt from Section 409A to the maximum extent permitted pursuant to Treasury Regulation Section 1.409A-1(b)(9)(iii) (to the extent it is exempt pursuant to such section it will in any event be paid no later than the last day of the Participant's

2nd taxable year following the taxable year in which the Participant's Termination occurs). Notwithstanding the foregoing, if any of the distributions provided in connection with the Participant's Termination do not qualify for any reason to be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(4), Treasury Regulation Section 1.409A-1(b)(9)(iii), or any other applicable exemption and the Participant is, at the time of the Participant's Termination, a "specified employee," as defined in Treasury Regulation Section 1.409A-1(i), each such distribution will not be made until the first regularly scheduled payroll date of the 7th month after the Participant's Termination and, on such date (or, if earlier, the date of the Participant's death), the Participant will receive all distributions that would have been made during such period in a single distribution. Any remaining distributions due under this Agreement shall be made as otherwise provided herein. The determination of whether the Participant is a "specified employee" for purposes of Code Section 409A(a)(2)(B)(i) as of the time of such Termination shall made by the Committee in accordance with the terms of Section 409A.

8. **Entire Agreement; Amendment**. This Agreement, together with the Plan contains the entire agreement between the parties hereto with respect to the subject matter contained herein, and supersedes all prior agreements or prior understandings, whether written or oral, between the parties relating to such subject matter. The Committee shall have the right, in its sole discretion, to modify or amend this Agreement from time to time in accordance with and as provided in the Plan. This Agreement may also be modified or amended by a writing signed by both the Company and the Participant. The Company shall give written notice to the Participant of any such modification or amendment of this Agreement as soon as practicable after the adoption thereof.

9. **Acknowledgment of Employee**. This award of RSUs does not entitle Participant to any benefit other than that granted under this Agreement. Any benefits granted under this Agreement are not part of the Participant's ordinary salary, and shall not be considered as part of such salary in the event of severance, redundancy or resignation. Participant understands and accepts that the benefits granted under this Agreement are entirely at the discretion of the Company and that the Company retains the right to amend or terminate this Agreement and the Plan at any time, at its sole discretion and without notice.

10. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of Hawaii, without reference to the principles of conflict of laws thereof.

11. **Withholdings and Required Deductions**. Prior to any relevant tax, withholding or required deduction event, as applicable, the Participant agrees to make arrangements satisfactory to the Company for the satisfaction of any applicable tax, withholding, required deduction and payment on account obligations of the Company and/or any Affiliate that arise in connection with the RSUs. In this regard, the Participant authorizes the Company and/or any Affiliate, or their respective agents, at their discretion, to satisfy any obligations related to any taxes or other required deductions applicable to the RSUs by one or a combination of the following: (1) withholding from the Participant's wages or other cash compensation payable to the Participant by the Company or any Affiliate; (2) withholding from proceeds of the sale of Shares acquired upon settlement of the RSUs either through a voluntary sale or through a mandatory sale

arranged by the Company (on the Participant's behalf pursuant to this authorization); (3) withholding of Shares that otherwise would be issued upon settlement of the RSUs; or (4) any other arrangement approved by the Company. Unless the tax obligations or other required deductions described herein are satisfied, the Company shall have no obligation to issue a certificate or book-entry transfer for such Shares.

12. **No Right to Employment**. Any questions as to whether and when there has been a termination of such employment and the cause of such termination shall be determined in the sole discretion of the Committee. Nothing in this Agreement or in the Plan shall interfere with or restrict in any way the rights of the Company or its Subsidiaries to terminate the Participant's employment or service at any time, for any reason and with or without cause.

13. **Notices**. Any notice which may be required or permitted under this Agreement shall be in writing, and shall be delivered in person or via facsimile transmission, overnight courier service or certified mail, return receipt requested, postage prepaid, properly addressed as follows:

(a) If such notice is to the Company, to the attention of the General Counsel of the Company or at such other address as the Company, by notice to the Participant, shall designate in writing from time to time.

(b) If such notice is to the Participant, at his/her address as shown on the Company's records, or at such other address as the Participant, by notice to the Company, shall designate in writing from time to time.

14. **Compliance with Laws**. This issuance of RSUs (and the Shares underlying the RSUs) pursuant to this Agreement shall be subject to, and shall comply with, any applicable requirements of any foreign and U.S. federal and state securities laws, rules and regulations (including, without limitation, the provisions of the Securities Act of 1933, as amended, the 1934 Act and in each case any respective rules and regulations promulgated thereunder) and any other law or regulation applicable thereto. The Company shall not be obligated to issue these RSUs or any of the Shares pursuant to this Agreement if any such issuance would violate any such requirements.

15. **Binding Agreement; Assignment**. This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the Company and its successors and assigns. The Participant shall not assign (except as provided by Section 6 hereof) any part of this Agreement without the prior express written consent of the Company.

16. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

17. **Headings**. The titles and headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

18. **Further Assurances**. Each party hereto shall do and perform (or shall cause to be done and performed) all such further acts and shall execute and deliver all such other agreements, certificates, instruments and documents as either party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the Plan and the consummation of the transactions contemplated thereunder.

19. **Severability**. The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

HAWAIIAN TELCOM HOLDCO, INC.

By: ____________________________

Name: ____________________________

Title: ____________________________

PARTICIPANT

____

Name:

Exhibit 10.2

RESTRICTED STOCK UNIT AGREEMENT FOR NON-EMPLOYEE DIRECTORS

PURSUANT TO THE

HAWAIIAN TELCOM 2010 EQUITY INCENTIVE PLAN

* * * * *

Participant:

Grant Date:

Number of Restricted Stock Units granted:

* * * * *

THIS RESTRICTED STOCK UNIT AWARD AGREEMENT (this "Agreement"), dated as of the Grant Date specified above, is entered into by and between Hawaiian Telcom Holdco, Inc., a Delaware corporation (the "Company"), and the Participant specified above, pursuant to the Hawaiian Telcom 2010 Equity Incentive Plan (the "Plan"), which is administered by the Committee; and

WHEREAS, it has been determined under the Plan that it would be in the best interests of the Company to grant the Restricted Stock Units ("RSUs") provided herein to the Participant, each of which is a bookkeeping entry representing the equivalent in value of one (1) Share.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth and for other good and valuable consideration, the parties hereto hereby mutually covenant and agree as follows:

1. **Incorporation By Reference; Plan Document Receipt**. This Agreement is subject in all respects to the terms and provisions of the Plan (including, without limitation, any amendments thereto adopted at any time and from time to time unless such amendments are expressly intended not to apply to the grant of the RSUs hereunder), all of which terms and provisions are made a part of and incorporated in this Agreement as if they were each expressly set forth herein. The Participant hereby acknowledges receipt of a true copy of the Plan and that the Participant has read the Plan carefully and fully understands its content. In the event of any conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall control. Any capitalized term not defined in this Agreement shall have the same meaning as is ascribed thereto in the Plan.

2. **Grant of Restricted Stock Unit Award**. The Company hereby grants to the Participant, as of the Grant Date specified above, the number of RSUs specified above. Except as otherwise provided by the Plan, the Participant agrees and understands that nothing contained in this Agreement provides, or is intended to provide, the Participant with any protection against potential future dilution of the Participant's interest in the Company for any reason. The Participant shall not have the rights of a stockholder in respect of the Shares underlying this Award until such Shares are delivered to the Participant in accordance with Section 4.

3. **Vesting**.

(a) General. Except as otherwise provided in this Section 3, one hundred percent (100%) of the total RSUs subject to this Award shall vest on March 12, 2014; provided that the Participant provides services as an Independent Director to the Company or one of its Subsidiaries through such vesting date.

(b) Certain Terminations. Upon a Participant's Termination due to the Participant's (i) death or (ii) Disability, all unvested RSUs on the date of Termination shall immediately become vested and be paid as provided in Section 4.

(c) Change in Control. All unvested RSUs shall immediately become vested upon a Change in Control; provided the Participant is providing services as Independent Director to the Company or its Subsidiaries through such date.

(d) Leaves of Absence. Notwithstanding anything stated herein or the Plan to the contrary, if the Participant takes a leave of absence, the Company may, at its discretion, suspend vesting during the period of leave to the extent permitted under applicable local law.

(e) Forfeiture. All unvested RSUs shall be immediately forfeited upon the Participant's Termination for any reason.

4. **Delivery of Shares**. Subject to Sections 10 and 13, RSUs shall be automatically settled in Shares upon vesting of such RSUs. In connection with the delivery of the Shares pursuant to this Agreement, the Participant agrees to execute any documents reasonably requested by the Company. In no event shall a Participant be entitled to receive any Shares with respect to any unvested or forfeited portion of the RSU award.

5. **Dividends and Other Distributions**. The Participant shall be entitled to receive all dividends and other distributions paid with respect to the Shares underlying the RSUs, provided that any such dividends or other distributions will be subject to the same vesting requirements as the underlying RSUs and shall be paid at the time the Shares are delivered pursuant to Section 4.

6. **Non-transferability**.

(a) Restriction on Transfers. All RSUs, and any rights or interests therein, (i) shall not be sold, exchanged, transferred, assigned or otherwise disposed of in any way at any time by the Participant (or any beneficiary(ies) of the Participant), other than by testamentary disposition by the Participant or by the laws of descent and distribution, (ii) shall not be pledged or encumbered in any way at any time by the Participant (or any beneficiary(ies) of the Participant) and (iii) shall not be subject to execution, attachment or similar legal process. Any attempt to sell, exchange, pledge, transfer, assign, encumber or otherwise dispose of these RSUs, or the levy of any execution, attachment or similar legal process upon these RSUs, contrary to the terms of this Agreement and/or the Plan, shall be null and void and without legal force or effect.

(b) Other Rights. Notwithstanding anything herein to the contrary, the Participant, and any permitted transferee, shall not, directly or indirectly, Transfer any Shares acquired by the Participant or permitted transferee (or his or her estate or legal representative), unless in each such instance the Participant or permitted transferee (or his or her estate or legal representative) shall have first offered to the Company the Shares proposed to be Transferred pursuant to a bona fide offer from a third party. The right of first refusal must be exercised by the Company by delivering to the Participant or permitted transferee (or his or her estate or legal representative) written notice of such exercise within twenty (20) business days of the Company's receipt of written notification of the proposed sale. Upon the exercise of a right of first refusal, the Shares proposed to be sold shall be purchased by the Company at the price per share offered to be paid by the prospective transferee. The notice of exercise of the right of first refusal shall specify the date and location for the closing of such purchase. This right of first refusal shall expire immediately upon the effectiveness of the filing of a Form 10 with the Securities and Exchange Commission or, if later, the date that the Company's shares otherwise become registered with the Securities and Exchange Commission.

7. **Entire Agreement; Amendment**. This Agreement, together with the Plan contains the entire agreement between the parties hereto with respect to the subject matter contained herein, and supersedes all prior agreements or prior understandings, whether written or oral, between the parties relating to such subject matter. The Committee shall have the right, in its sole discretion, to modify or amend this Agreement from time to time in accordance with and as provided in the Plan. This Agreement may also be modified or amended by a writing signed by both the Company and the Participant. The Company shall give written notice to the Participant of any such modification or amendment of this Agreement as soon as practicable after the adoption thereof.

8. **Acknowledgment**. This award of RSUs does not entitle Participant to any benefit other than that granted under this Agreement. Participant understands and accepts that the benefits granted under this Agreement are entirely at the discretion of the Company and that the Company retains the right to amend or terminate this Agreement and the Plan at any time, at its sole discretion and without notice.

9. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of Hawaii, without reference to the principles of conflict of laws thereof.

10. **Withholdings and Required Deductions**. Prior to any relevant tax, withholding or required deduction event, as applicable, the Participant agrees to make arrangements satisfactory to the Company for the satisfaction of any applicable tax, withholding, required deduction and payment on account obligations of the Company and/or any Affiliate that arise in connection with the RSUs. In this regard, the Participant authorizes the Company and/or any Affiliate, or their respective agents, at their discretion, to satisfy any obligations related to any taxes or other required deductions applicable to the RSUs by one or a combination of the following: (1) withholding from the Participant's wages or other cash compensation payable to the Participant by the Company or any Affiliate; (2) withholding from proceeds of the sale of Shares acquired upon settlement of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization); (3) withholding of Shares that otherwise would be issued upon settlement of the RSUs; or (4) any other arrangement approved by the Company. Unless the tax obligations or other required deductions described herein are satisfied, the Company shall have no obligation to issue a certificate or book-entry transfer for such Shares.

11. **No Contract for Service**. Nothing in this Agreement or in the Plan shall confer upon the Participant any right to continue in the service of the Company or any Subsidiary (as a director or otherwise) or shall interfere with or restrict in any way the rights of the Company or its Subsidiaries, as the case may be, to increase or decrease the Participant's fees as an Independent Director at any time and for any reason.

12. **Notices**. Any notice which may be required or permitted under this Agreement shall be in writing, and shall be delivered in person or via facsimile transmission, overnight courier service or certified mail, return receipt requested, postage prepaid, properly addressed as follows:

(a) If such notice is to the Company, to the attention of the General Counsel of the Company or at such other address as the Company, by notice to the Participant, shall designate in writing from time to time.

(b) If such notice is to the Participant, at his/her address as shown on the Company's records, or at such other address as the Participant, by notice to the Company, shall designate in writing from time to time.

13. **Compliance with Laws**. This issuance of RSUs (and the Shares underlying the RSUs) pursuant to this Agreement shall be subject to, and shall comply with, any applicable requirements of any foreign and U.S. federal and state securities laws, rules and regulations (including, without limitation, the provisions of the Securities Act of 1933, as amended, the 1934 Act and in each case any respective rules and regulations promulgated thereunder) and any other law or regulation applicable thereto. The Company shall not be obligated to issue these RSUs or any of the Shares pursuant to this Agreement if any such issuance would violate any such requirements.

14. **Binding Agreement; Assignment**. This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the Company and its successors and assigns. The Participant shall not assign (except as provided by Section 6 hereof) any part of this Agreement without the prior express written consent of the Company.

15. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

16. **Headings**. The titles and headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

17. **Further Assurances**. Each party hereto shall do and perform (or shall cause to be done and performed) all such further acts and shall execute and deliver all such other agreements, certificates, instruments and documents as either party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the Plan and the consummation of the transactions contemplated thereunder.

18. **Severability**. The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

HAWAIIAN TELCOM HOLDCO, INC.

By: ____________________________

Name: Eric K. Yeaman

Title: President & Chief Executive Officer

PARTICIPANT

____

Exhibit 31.1

Certification Pursuant To Section 302 of the Sarbanes-Oxley Act of 2002

I, Eric K. Yeaman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hawaiian Telcom Holdco, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 6, 2013

/s/ Eric K. Yeaman
Eric K. Yeaman
Chief Executive Officer

Exhibit 31.2

Certification Pursuant To Section 302 of the Sarbanes-Oxley Act of 2002

I, Robert F. Reich, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hawaiian Telcom Holdco, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 6, 2013

/s/ Robert F. Reich
Robert F. Reich
Senior Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C.§1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Hawaiian Telcom Holdco, Inc. (the “Company”) on Form 10-Q for the period ended March 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Eric K. Yeaman, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C.§1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 6, 2013	/s/ Eric K. Yeaman
	Eric K. Yeaman
	Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C.§1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Hawaiian Telcom Holdco, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert F. Reich, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C.§1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 6, 2013	/s/ Robert F. Reich
	Robert F. Reich
	Senior Vice President and Chief Financial Officer

Exhibit 99.1

Hawaiian Telcom

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For Immediate Release

Hawaiian Telcom Reports First Quarter 2013 Results

Strong Hawaiian Telcom TV and High-Speed Internet Results Drive Growth in Consumer Revenue

HONOLULU (Monday, May 6, 2013) — Hawaiian Telcom Holdco, Inc. (NASDAQ: HCOM) reported financial results for its first quarter ended March 31. The highlights are as follows:

- Revenue totaled $96.0 million, resulting in Adjusted EBITDA(1) of $29.2 million, up 2.0 percent from the same period a year ago.
- Generated net income of $1.8 million, or $0.17 per diluted share for the quarter, its tenth consecutive quarter of profitability.
- Consumer revenue increased 2.1 percent year-over-year to $34.6 million, driven by growth in video and high-speed Internet ("HSI") revenue of $1.7 million and $0.6 million, respectively.
- Enabled a record 18,000 households in the quarter increasing its total to 83,000 households enabled.
- *Hawaiian Telcom TV* subscribers more than tripled over the past year to approximately 11,700 resulting in penetration of approximately 14 percent of households enabled.
- Added approximately 1,700 HSI consumer and business subscribers, ending the quarter with approximately 109,300 subscribers, up 4.7 percent year-over-year.

"Our execution in the first quarter demonstrates a solid start to the year, highlighted by significant expansion of our enhanced broadband network and strong growth in *Hawaiian Telcom TV* and HSI subscribers," said Eric K. Yeaman, Hawaiian Telcom's president and CEO. "The reach of our enhanced broadband network footprint expanded 28 percent to 83,000 households in the quarter, allowing more Oahu consumers the opportunity to experience the future of home entertainment. *Hawaiian Telcom TV* continues to transform our consumer channel, driving our third consecutive quarter of year-over-year growth in consumer revenue.

"In the business channel, we continue to see growth in our IP-based services, driven by a 30 percent year-over-year increase in business data revenue, including revenue from Wavecom Solutions Corporation. The Wavecom integration efforts are on track and we remain excited by the synergies and value this transaction creates for us. In our wholesale channel, we expanded our product portfolio with the launch of additional Ethernet-based service offerings, providing our wholesale customers with cost-effective, viable options to existing legacy service offerings.

"We continue to make progress in executing our strategic plan and we remain focused on further improving performance in our key areas of growth to drive long-term shareholder value," concluded Yeaman.

First Quarter 2013 Results

First quarter revenue was $96.0 million, compared to $97.6 million in the first quarter of 2012. Revenue growth in the quarter, driven by video, HSI, and revenues related to the Wavecom acquisition, was more than offset by a 2.1 percent decline in access lines and a decrease in equipment and managed services revenue. Adjusted EBITDA was $29.2 million, up 2.0 percent from the same period a year ago.

The Company generated net income of $1.8 million, or $0.17 per diluted share for the quarter, up from $0.2 million, or $0.02 per diluted share in the same period a year ago. The increase was due primarily to a one-time $5.1 million loss on early extinguishment of debt in the first quarter of 2012, net of a $2.1 million increase in depreciation and amortization and a $1.2 million deferred tax provision in the first quarter of 2013.

Consumer Revenue

First quarter consumer revenue totaled $34.6 million, up 2.1 percent year-over-year driven primarily by revenue growth from the Company's *Hawaiian Telcom TV* service. Revenue growth in video and HSI services continues to more than offset lower revenue from legacy services. The first quarter marked the third consecutive quarter of year-over-year growth in consumer revenue.

Video service revenue grew to $2.2 million for the quarter, up from $0.5 million in the same period a year ago, driven by the addition of over 7,800 subscribers to reach a total of approximately 11,700 subscribers at the end of the first quarter. For the quarter, a record 18,000 additional homes were enabled, increasing the total number of homes enabled to 83,000. *Hawaiian Telcom TV* penetration of homes enabled was approximately 14 percent at the end of the first quarter.

Consumer HSI revenue also was up from the same period a year ago, led by a 4.6 percent year-over-year increase in consumer HSI subscribers to approximately 89,500, which was driven primarily by high HSI pull-through rates with new video subscribers, and standalone HSI subscriber additions. As of March 31, 2013, approximately 53 percent of all video subscribers had a triple-play and 87 percent had a double-play. Increases driven by next-generation consumer video and HSI services were partially offset by declines in legacy consumer access and long distance lines of 8.5 percent and 7.2 percent, respectively.

Business Revenue

First quarter business revenue totaled $40.5 million, down $1.6 million from the same period a year ago, due primarily to a $3.1 million year-over-year decrease in equipment and managed services revenue, mostly related to a $2.7 million sale of equipment to a large Hawaii-based public school in the first quarter of 2012. Additionally, the year-over-year decline in legacy business access and long distance revenues contributed to the decline in business revenue. These decreases were largely offset by revenues added as a result of the Wavecom acquisition.

Wholesale Revenue

First quarter wholesale revenue totaled $17.2 million, down 7.2 percent from the same period a year ago. Wholesale carrier data revenue declined $0.7 million year-over-year to $15.5 million, mainly due to the elimination of revenue previously recognized that related to Wavecom. Switched carrier access revenue declined $0.6 million year-over-year to $1.8 million, largely attributable to the overall declines in access lines and minutes of use, as well as the impact of intercarrier compensation reform.

Operating Expenses, Capital Expenditures and Liquidity

Operating expenses, exclusive of depreciation and amortization, one-time charges and non-cash stock compensation, decreased 3.2 percent to $66.8 million, primarily due to decreased cost of goods related to lower equipment sales, as well as a decline in costs related to employee benefits and various maintenance contracts, partially offset by increased direct cost of goods related to video and increased wages due to higher headcount primarily related to the Wavecom acquisition.

Capital expenditures totaled $23.3 million in the first quarter, up from $19.8 million in the first quarter 2012, due primarily to investments in broadband network infrastructure and expansion of video enabled households. Overall, total capital expenditures for 2013 are expected to be approximately $80.0 million.

At the end of first quarter 2013, the Company had $55.9 million in cash and cash equivalents compared to $67.0 million at the end of 2012. The reduction is related primarily to temporary uses of working capital, mandatory debt prepayment, and higher capital expenditures during the quarter. Net Debt(2) was $237.5 million, resulting in a Net Debt to Adjusted EBITDA ratio as of March 31, 2013 of 1.94x.

Conference Call

The Company will host a conference call to discuss its first quarter 2013 results at 8:00 a.m. (Hawaii Time), or 2:00 p.m. (Eastern Time) on Monday, May 6, 2013.

To access the call, participants should dial (800) 688-0836 (US/Canada), or (617) 614-4072 (International) ten minutes prior to the start of the call and enter passcode 42075535.

A live webcast of the conference call, including a slide presentation, will be available from the Investor Relations section of the Company's website at http://hawaiiantel.com. The webcast will be archived at the same location.

A telephonic replay of the conference call will be available one hour after the conclusion of the call until 11:59 p.m. (Eastern Time) May 13, 2013. Access the replay by dialing (888) 286-8010 and entering passcode 57648418. Alternatively, the replay can be accessed by dialing (617) 801-6888 and entering passcode 57648418.

Use of Non-GAAP Financial Measures

This press release contains information about adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA) and Net Debt. These are non-GAAP financial measures used by Hawaiian Telcom management when evaluating results of operations. Management believes these measures also provide users of the financial statements with additional and useful comparisons of current results of operations with past and future periods. Non-GAAP financial measures should not be construed as being more important than comparable GAAP measures. Detailed reconciliations of Adjusted EBITDA and Net Debt to comparable GAAP financial measures have been included in the tables distributed with this release and are available in the Investor Relations section at www.hawaiiantel.com.

Forward-Looking Statements

In addition to historical information, this release includes certain statements and predictions that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In particular, any statement, projection or estimate that includes or references the words "believes", "anticipates", "intends", "expected", or any similar expression falls within the safe harbor of forward-looking statements contained in the Reform Act. Actual results or outcomes may differ materially from those indicated or suggested by any such forward-looking statement for a variety of reasons, including, but not limited to, Hawaiian Telcom's ability to maintain its market position in communications services, including voice, video, Internet, data, wireless, and advanced communication and network services; general economic trends affecting the purchase or supply of communication services; world and national events that may affect the ability to provide services; changes in the regulatory environment; any rulings, orders or decrees that may be issued by any court or arbitrator; restrictions imposed under various credit facilities and debt instruments; work stoppages caused by labor disputes; adjustments resulting from year-end audit procedures; and Hawaiian Telcom's ability to develop and launch new products and services. More information on potential risks and uncertainties is available in recent filings with the Securities and Exchange Commission, including Hawaiian Telcom's 2012 Annual Report on Form 10-K. The information contained in this release is as of May 6, 2013. It is anticipated that subsequent events and developments may cause estimates to change.

About Hawaiian Telcom

Hawaiian Telcom Holdco, Inc., headquartered in Honolulu, is Hawaii's leading provider of integrated communications solutions for business and residential customers. With roots in Hawaii beginning in 1883, the Company offers a full range of services including voice, video, Internet, data, wireless, and advanced communication and network services supported by the reach and reliability of its network and Hawaii's only 24/7 state-of-the-art network operations center. With employees statewide sharing a commitment to innovation and a passion for delivering superior service, Hawaiian Telcom provides an Always On℠ customer experience. For more information, visit www.hawaiiantel.com.

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(1) Adjusted EBITDA is EBITDA plus non-recurring costs not expected to occur regularly in the ordinary course of business. EBITDA is defined as net income plus interest expense (net of interest income and other), income taxes, depreciation and amortization, and non-cash stock compensation. The Company believes both of these non-GAAP measures, Adjusted EBITDA and EBITDA, are meaningful performance measures for investors because they are used by our Board and management to evaluate performance, enhance comparability between periods and make operating decisions. Our use of Adjusted EBITDA and EBITDA may not be comparable to similarly titled measures used by other companies in the telecommunications industry. A detailed reconciliation of Adjusted EBITDA to comparable GAAP financial measures has been included in the tables distributed with this release.

(2) Net Debt provides a useful measure of liquidity and financial health. The Company defines Net Debt as the sum of the face amount of short-term and long-term debt and unamortized premium and/or discount, offset by cash and cash equivalents. A detailed reconciliation of Net Debt has been included in the tables distributed with this release.

Hawaiian Telcom Holdco, Inc.
Consolidated Statements of Income
(Unaudited, dollars in thousands, except per share amounts)

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Operating revenues	$ 95,965	$ 97,574
Operating expenses:		
Cost of revenues (exclusive of depreciation and amortization)	40,284	40,799
Selling, general and administrative	28,379	29,026
Depreciation and amortization	18,717	16,588
Total operating expenses	87,380	86,413
Operating income	8,585	11,161
Other income (expense):		
Interest expense	(5,540)	(5,986)
Loss on early extinguishment of debt	—	(5,112)
Interest income and other	15	12
Total other expense	(5,525)	(11,086)
Income before income tax provision (benefit)	3,060	75
Income tax provision (benefit)	1,212	(132)
Net income	$ 1,848	$ 207
Net income per common share -		
Basic	$ 0.18	$ 0.02
Diluted	$ 0.17	$ 0.02
Weighted average shares used to compute net income per common share -		
Basic	10,291,897	10,201,039
Diluted	10,890,917	10,434,026

Hawaiian Telcom Holdco, Inc.
Consolidated Balance Sheets
(Unaudited, dollars in thousands, except per share amounts)

	March 31, 2013	December 31, 2012
Assets		
Current assets		
Cash and cash equivalents	$ 55,942	$ 66,993
Receivables, net	34,354	34,082
Material and supplies	12,148	11,352
Prepaid expenses	4,658	5,161
Deferred income taxes, current	5,727	5,727
Other current assets	1,768	2,181
Total current assets	114,597	125,496
Property, plant and equipment, net	508,907	507,197
Intangible assets, net	38,001	39,075
Goodwill	1,415	1,569
Deferred income taxes	101,295	102,680
Other assets	9,720	9,075
Total assets	$ 773,935	$ 785,092
Liabilities and Stockholders' Equity		
Current liabilities		
Current portion of long-term debt	$ 1,612	$ 3,000
Accounts payable	29,804	36,351
Accrued expenses	17,731	20,537
Advance billings and customer deposits	15,633	15,185
Other current liabilities	3,963	3,961
Total current liabilities	68,743	79,034
Long-term debt	291,865	292,410
Employee benefit obligations	129,060	132,004
Other liabilities	5,383	4,784
Total liabilities	495,051	508,232
Commitments and contingencies (Note 12)		
Stockholders' equity		
Common stock, par value of $0.01 per share, 245,000,000 shares authorized and 10,291,897 shares issued and outstanding at March 31, 2013 and December 31, 2012	103	103
Additional paid-in capital	166,002	165,941
Accumulated other comprehensive loss	(28,335)	(28,450)
Retained earnings	141,114	139,266
Total stockholders' equity	278,884	276,860
Total liabilities and stockholders' equity	$ 773,935	$ 785,092

Hawaiian Telcom Holdco, Inc.
Consolidated Statements of Cash Flows
(Unaudited, dollars in thousands)

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Cash flows from operating activities:		
Net income	$ 1,848	$ 207
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	18,717	16,588
Loss on early extinguishment of debt	—	5,112
Employee retirement benefits	(2,722)	(1,796)
Provision for uncollectibles	553	889
Stock based compensation	423	340
Deferred income taxes	1,297	—
Changes in operating assets and liabilities:		
Receivables	(825)	(1,487)
Material and supplies	(796)	(1,421)
Prepaid expenses and other current assets	605	100
Accounts payable and accrued expenses	(4,987)	(7,064)
Advance billings and customer deposits	448	809
Other current liabilities	2	105
Other	303	92
Net cash provided by operating activities	14,866	12,474
Cash flows from investing activities:		
Capital expenditures	(23,254)	(19,814)
Net cash used in investing activities	(23,254)	(19,814)
Cash flows from financing activities:		
Repayment of capital lease and installment liability	(163)	—
Repayment of debt including premium	(2,138)	(306,000)
Proceeds from borrowing	—	295,500
Loan refinancing costs	—	(4,130)
Taxes paid related to net share settlement of equity awards	(362)	(45)
Net cash used in financing activities	(2,663)	(14,675)
Net change in cash and cash equivalents	(11,051)	(22,015)
Cash and cash equivalents, beginning of period	66,993	82,063
Cash and cash equivalents, end of period	$ 55,942	$ 60,048
Supplemental disclosure of cash flow information:		
Interest paid, net of amounts capitalized	$ 5,236	$ 10,556

Hawaiian Telcom Holdco, Inc.
Revenue by Category and Channel
(Unaudited, dollars in thousands)

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012	Change Amount	Change Percentage
Wireline Services				
Local voice services	$ 35,028	$ 35,697	$ (669)	-1.9%
Network access services				
Business data	6,186	4,761	1,425	29.9%
Wholesale carrier data	15,464	16,177	(713)	-4.4%
Subscriber line access charge	9,657	9,836	(179)	-1.8%
Switched carrier access	1,768	2,384	(616)	-25.8%
	33,075	33,158	(83)	-0.3%
Long distance services	6,574	7,448	(874)	-11.7%
High-Speed Internet	9,616	8,976	640	7.1%
Video	2,204	497	1,707	343.5%
Equipment and managed services	5,379	8,509	(3,130)	-36.8%
Other	3,377	2,380	997	41.9%
	95,253	96,665	(1,412)	-1.5%
Wireless	712	909	(197)	-21.7%
	$ 95,965	$ 97,574	$ (1,609)	-1.6%
Channel				
Business	$ 40,516	$ 42,097	$ (1,581)	-3.8%
Consumer	34,647	33,942	705	2.1%
Wholesale	17,232	18,561	(1,329)	-7.2%
Other	3,570	2,974	596	20.0%
	$ 95,965	$ 97,574	$ (1,609)	-1.6%

Hawaiian Telcom Holdco, Inc.
Schedule of Adjusted EBITDA Calculation
(Unaudited, dollars in thousands)

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Net income	$ 1,848	$ 207
Income tax provision (benefit)	1,212	(132)
Interest expense and other income and expense, net	5,525	11,086
Depreciation and amortization	18,717	16,588
Non-cash stock compensation	423	340
EBITDA	27,725	28,089
Non-recurring costs	651	503
Severance costs	408	—
Wavecom integration costs	386	—
Adjusted EBITDA	$ 29,170	$ 28,592

Hawaiian Telcom Holdco, Inc.
Net Debt to LTM Adjusted EBITDA Ratio
(Unaudited, dollars in thousands)

Long-term debt as of March 31, 2013	$ 293,477
Less cash on hand	(55,942)
Total Net Debt as of March 31, 2013	$ 237,535
LTM Adjusted EBITDA as of March 31, 2013	$ 122,531
Total Net Debt to Adjusted EBITDA	1.94x

Hawaiian Telcom Holdco, Inc.
Volume Information
(Unaudited)

	March 31, 2013	March 31, 2012	Change Number	Change Percentage
Voice access lines				
Residential	199,044	217,470	(18,426)	-8.5%
Business *	196,970	186,854	10,116	5.4%
Public	4,350	4,559	(209)	-4.6%
	400,364	408,883	(8,519)	-2.1%
High-Speed Internet lines				
Residential	89,464	85,518	3,946	4.6%
Business	18,810	17,714	1,096	6.2%
Wholesale	1,013	1,126	(113)	-10.0%
	109,287	104,358	4,929	4.7%
Long distance lines				
Residential	124,072	133,648	(9,576)	-7.2%
Business *	80,659	76,197	4,462	5.9%
	204,731	209,845	(5,114)	-2.4%
Video services				
Subscribers	11,671	3,866	7,805	201.9%
Homes Enabled	83,000	41,200	41,800	101.5%

	March 31, 2013	December 31, 2012	Change Number	Change Percentage
Voice access lines				
Residential	199,044	203,330	(4,286)	-2.1%
Business *	196,970	185,142	11,828	6.4%
Public	4,350	4,405	(55)	-1.2%
	400,364	392,877	7,487	1.9%
High-Speed Internet lines				
Residential	89,464	88,016	1,448	1.6%
Business	18,810	18,575	235	1.3%
Wholesale	1,013	1,020	(7)	-0.7%
	109,287	107,611	1,676	1.6%
Long distance lines				
Residential	124,072	126,551	(2,479)	-2.0%
Business *	80,659	74,781	5,878	7.9%
	204,731	201,332	3,399	1.7%
Video services				
Subscribers	11,671	9,829	1,842	18.7%
Homes Enabled	83,000	65,000	18,000	27.7%

* Business voice access lines and business long distance lines included approximately 11,800 and 6,200 lines, respectively, as of March 31, 2013 related to the acquisition of Wavecom.