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, 2014

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 7, 2014, 10,586,041 shares of the registrant's common stock were outstanding.

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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, 2014	Three Months Ended March 31, 2013
Operating revenues	$ 97,072	$ 95,965
Operating expenses:		
Cost of revenues (exclusive of depreciation and amortization)	40,948	40,284
Selling, general and administrative	29,266	28,379
Depreciation and amortization	18,720	18,717
Total operating expenses	88,934	87,380
Operating income	8,138	8,585
Other income (expense):		
Interest expense	(4,188)	(5,540)
Interest income and other	10	15
Total other expense	(4,178)	(5,525)
Income before income tax provision	3,960	3,060
Income tax provision	1,592	1,212
Net income	$ 2,368	$ 1,848
Net income per common share -		
Basic	$ 0.22	$ 0.18
Diluted	$ 0.21	$ 0.17
Weighted average shares used to compute net income per common share -		
Basic	10,528,039	10,291,897
Diluted	11,271,827	10,890,917

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,	
	2014	2013
Net income	$ 2,368	$ 1,848
Other comprehensive income (loss)-		
Unrealized holding losses arising during period	(3)	(19)
Retirement plan gain (loss)	(289)	222
Income tax credit (charge) on comprehensive income	117	(88)
Other comprehensive income (loss), net of tax	(175)	115
Comprehensive income	$ 2,193	$ 1,963

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, 2014	December 31, 2013
Assets		
Current assets		
Cash and cash equivalents	$ 36,738	$ 49,551
Receivables, net	33,050	34,521
Material and supplies	11,737	15,939
Prepaid expenses	3,445	3,724
Deferred income taxes	8,146	8,146
Other current assets	2,321	2,851
Total current assets	95,437	114,732
Property, plant and equipment, net	533,528	524,375
Intangible assets, net	39,500	40,225
Goodwill	12,104	12,104
Deferred income taxes	73,705	75,274
Other assets	10,841	11,305
Total assets	$ 765,115	$ 778,015
Liabilities and Stockholders' Equity		
Current liabilities		
Current portion of long-term debt	$ 3,000	$ 3,000
Accounts payable	34,533	40,228
Accrued expenses	13,594	18,787
Advance billings and customer deposits	15,912	16,122
Other current liabilities	6,500	6,412
Total current liabilities	73,539	84,549
Long-term debt	291,111	291,679
Employee benefit obligations	77,136	80,321
Other liabilities	8,055	8,454
Total liabilities	449,841	465,003
Commitments and contingencies (Note 12)		
Stockholders' equity		
Common stock, par value of $0.01 per share, 245,000,000 shares authorized and 10,584,191 and 10,495,856 shares issued and outstanding at March 31, 2014 and December 31, 2013, respectively	106	105
Additional paid-in capital	167,937	167,869
Accumulated other comprehensive loss	(4,891)	(4,716)
Retained earnings	152,122	149,754
Total stockholders' equity	315,274	313,012
Total liabilities and stockholders' equity	$ 765,115	$ 778,015

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
Cash flows from operating activities:		
Net income	$ 2,368	$ 1,848
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	18,720	18,717
Employee retirement benefits	(3,475)	(2,722)
Provision for uncollectibles	513	553
Stock based compensation	1,074	423
Deferred income taxes	1,685	1,297
Changes in operating assets and liabilities:		
Receivables	957	(825)
Material and supplies	459	(796)
Prepaid expenses and other current assets	810	605
Accounts payable and accrued expenses	(10,010)	(4,987)
Advance billings and customer deposits	(210)	448
Other current liabilities	89	2
Other	390	303
Net cash provided by operating activities	13,370	14,866
Cash flows from investing activities:		
Capital expenditures	(23,939)	(23,254)
Net cash used in investing activities	(23,939)	(23,254)
Cash flows from financing activities:		
Repayment of capital lease and installment liability	(489)	(163)
Repayment of debt including premium	(750)	(2,138)
Taxes paid related to net share settlement of equity awards	(1,005)	(362)
Net cash used in financing activities	(2,244)	(2,663)
Net change in cash and cash equivalents	(12,813)	(11,051)
Cash and cash equivalents, beginning of period	49,551	66,993
Cash and cash equivalents, end of period	$ 36,738	$ 55,942
Supplemental disclosure of cash flow information:		
Interest paid, net of amounts capitalized	$ 3,824	$ 5,236

See accompanying notes to condensed consolidated financial statements.

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

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Stockholders' Equity
	Shares	Amount				
Balance, January 1, 2014	10,495,856	$ 105	$ 167,869	$ (4,716)	$ 149,754	$ 313,012
Stock based compensation	—	—	1,074	—	—	1,074
Exercise of warrant agreement	13,511	—	—	—	—	—
Common stock issued for stock compensation plans, net of shares withheld and withholding paid for employee taxes	74,824	1	(1,006)	—	—	(1,005)
Net income	—	—	—	—	2,368	2,368
Other comprehensive loss, net of tax	—	—	—	(175)	—	(175)
Balance, March 31, 2014	10,584,191	$ 106	$ 167,937	$ (4,891)	$ 152,122	$ 315,274
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

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, data center colocation 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 and pursuant to rules and regulations of the U.S. Securities and Exchange Commission. 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 results of operations, comprehensive income (loss), financial position 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, 2013.

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, 2014 are held in one bank in demand deposit accounts.

Supplemental Non-Cash Investing and Financing Activities

Accounts payable included $13.3 million and $3.0 million at March 31, 2014 and 2013, 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 for both the three months ended March 31, 2014 and 2013.

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,	
	2014	**2013**
Basic earnings per share - weighted average shares	10,528,039	10,291,897
Effect of dilutive securities:		
Employee and director restricted stock units	124,012	139,264
Warrants	619,776	459,756
Diluted earnings per share - weighted average shares	11,271,827	10,890,917

The computation of weighted average dilutive shares outstanding excluded restricted stock units to acquire 86,608 shares of common stock for the three month period ended March 31, 2014. 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. For the three month period ended March 31, 2013 the restricted stock units excluded were not significant.

3. SystemMetrics Corporation Acquisition

On September 30, 2013, the Company completed its acquisition of all of the voting stock of SystemMetrics Corporation ("SystemMetrics") for $16.3 million in cash, net of cash acquired and purchase price adjustments. Of the total purchase price, $11.9 million was paid at closing with the balance subject to an earn-out over a three year period. Payment of the earn-out is contingent on SystemMetrics meeting certain performance metrics and continued employment of the SystemMetrics' key executive. For financial reporting purposes, the earn-out will be accounted for as compensation expense as earned.

SystemMetrics provides virtual and physical data center colocation services in the State of Hawaii along with other telecommunication services that 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 provisional fair values, and the estimates and assumptions are subject to change within the measurement period, which shall not be more than one year from the acquisition date. The measurement period remains open as of March 31, 2014 as the Company continues to evaluate additional information obtained related to the amount recognized for certain assets and estimated liabilities.

For the three months ended March 31, 2014, SystemMetrics revenue amounted to $2.4 million and net income was less than $0.1 million.

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4. Receivables

Receivables consisted of the following (dollars in thousands):

	March 31, 2014	December 31, 2013
Customers and other	$ 36,893	$ 38,463
Allowance for doubtful accounts	(3,843)	(3,942)
	$ 33,050	$ 34,521

5. Long-Lived Assets

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

	March 31, 2014	December 31, 2013
Property, plant and equipment	$ 756,210	$ 729,364
Less accumulated depreciation	(222,682)	(204,989)
	$ 533,528	$ 524,375

Depreciation expense amounted to $18.0 million for both the three months ended March 31, 2014 and 2013.

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 a purchase price, as amended, of $13.9 million. The sale was subject to due diligence by the buyer and approval of the Hawaii Public Utilities Commission ("HPUC"). The HPUC approval was received in May 2013 and the sale was consummated in June 2013.

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

	March 31, 2014			December 31, 2013		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Subject to amortization —						
Customer relationships	$ 21,709	$ 9,688	$ 12,021	$ 21,709	$ 8,983	$ 12,726
Trade name and other	320	141	179	320	121	199
	22,029	9,829	12,200	22,029	9,104	12,925
Not subject to amortization —						
Brand name	27,300	—	27,300	27,300	—	27,300
	27,300	—	27,300	27,300	—	27,300
	$ 49,329	$ 9,829	$ 39,500	$ 49,329	$ 9,104	$ 40,225

Amortization expense amounted to $0.7 million for both the three months ended March 31, 2014 and 2013. Estimated amortization expense for the next five years and thereafter is as follows (dollars in thousands):

2014 (remaining months)	$	2,171
2015		2,498
2016		2,101
2017		1,703
2018		1,308
Thereafter		2,419
	$	12,200

In conjunction with the acquisition of Wavecom Solutions Corporation, the Company adjusted the carrying value of goodwill in the first quarter of 2013. The revised goodwill amounted to $1.6 million and is included in the telecommunications segment.

6. Accrued Expenses

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

		March 31, 2014		December 31, 2013
Salaries and benefits	$	10,088	$	15,160
Interest		2,487		2,576
Other taxes		1,019		1,051
	$	13,594	$	18,787

7. Long-Term Debt

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

	Interest Rate at March 31, 2014	Final Maturity		March 31, 2014		December 31, 2013
Term loan	5.00%	June 6, 2019	$	298,388	$	299,138
Original issue discount				(4,277)		(4,459)
				294,111		294,679
Current				3,000		3,000
Noncurrent			$	291,111	$	291,679

The term loan outstanding at March 31, 2014 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 3.00% or a Eurocurrency rate on deposits of one, two, three or six months but no less than 1.00% per annum plus a margin of 4.00%. The Company has selected the Eurocurrency rate as of March 31, 2014 resulting in an interest rate currently at 5.00%.

The term loan provides for interest payments no less than quarterly. In addition, quarterly principal payments of $0.8 million are required. The balance of the loan is due at maturity on June 6, 2019. 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. No excess cash flow payment was due for the year ended December 31, 2013. The Company must also make prepayments on loans in the case of certain events such as large asset sales.

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, 2014 and 2013. 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, 2014 are as follows (dollars in thousands):

Year ended December 31,		
2014 (remainder of year)	$	2,250
2015		3,000
2016		3,000
2017		3,000
2018		3,000
Thereafter		284,138
	$	298,388

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 following provides the components of benefit costs for the three months ended March 31, 2014 and 2013 (dollars in thousands):

Pension

	Three Months Ended March 31,			
	2014		2013	
Interest cost	$	2,208	$	2,055
Expected asset return		(3,178)		(2,935)
Amortization of loss		29		148
Net periodic benefit income	$	(941)	$	(732)

Other Postretirement Benefits

	Three Months Ended March 31,	
	2014	2013
Service cost	$ 230	$ 277
Interest cost	602	516
Amortization of loss	15	74
Net periodic benefit cost	$ 847	$ 867

The Company previously disclosed in its consolidated financial statements for the year ended December 31, 2013 that it expected to contribute $13.1 million to its pension plan in 2014. As of March 31, 2014, the Company has contributed $2.6 million. The Company presently anticipates contributing the full amount during the remainder of 2014.

9. Income Taxes

The income tax expense 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,	
	2014	2013
Income tax at federal rate	$ 1,346	$ 1,040
Increase (decrease) resulting from:		
State income taxes, net of federal income tax	167	122
Permanent differences	180	135
Capital goods excise tax credit	(101)	(85)
Total income tax expense	$ 1,592	$ 1,212

The Company evaluates its tax positions for liability recognition. As of March 31, 2014, 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, 2014 or 2013. All tax years from 2010 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 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, 2014, all awards were restricted stock units. Activity with respect to outstanding restricted stock units for the three months ended March 31, 2014 and 2013 was as follows:

	Shares	Weighted-Average Grant-Date Fair Value
2014		
Nonvested at January 1, 2014	260,734	$ 18
Granted	157,481	29
Vested	(109,399)	25
Nonvested at March 31, 2014	308,816	$ 23
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

The Company recognized compensation expense of $1.1 million and $0.4 million for the three months ended March 31, 2014 and 2013, respectively.   The fair value as of the vesting date for the restricted stock units that vested during the three months ended March 31, 2014 and 2013 was $2.7 million and $1.2 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 34,573 and 17,986 for the three months ended March 31, 2014 and 2013, 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 $1.0 million and $0.4 million for the three months ended March 31, 2014 and 2013, respectively. Other than reimbursements for tax withholdings, there was no cash received under all share-based arrangements. In March 2014, the terms of certain restricted stock units were modified which resulted in the restricted stock units vesting as of the date of the modification. The Company recognized the incremental value of $0.6 million as additional expense during the three months ended March 31, 2014.

11. Stockholders' Equity

Warrants

In 2010, the Company issued warrants to purchase 1,481,055 shares of common stock for $14.00 per share. The warrants to purchase shares may be exercised anytime from January 26, 2011 to the maturity on October 28, 2015. The warrants may be exercised on a cashless basis whereby additional warrants are tendered in lieu of payment for the exercise price. During the three months ended March 31, 2014, warrants were exercised on a cashless basis resulting in the issuance of 13,511 shares of common stock.

Accumulated Other Comprehensive Income (Loss)

The components of accumulated other comprehensive income (loss) are as follows (dollars in thousands):

	Unrealized Gain (Loss) on Investments	Retirement Plans	Total
January 1, 2014	$ (60)	$ (4,656)	$ (4,716)
Other comprehensive loss for 2014	(3)	(172)	(175)
March 31, 2014	$ (63)	$ (4,828)	$ (4,891)
January 1, 2013	$ (36)	$ (28,414)	$ (28,450)
Other comprehensive income (loss) for 2013	(19)	134	115
March 31, 2013	$ (55)	$ (28,280)	$ (28,335)

Reclassifications out of other comprehensive income (loss) for the three months ended March 31, 2014 and 2013 were as follows (dollars in thousands):

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
Retirement plans		
Amortization of (gain) loss	(289)	222
Income tax credit (charge) on comprehensive income	117	(88)
Net of tax	$ (172)	$ 134

The amortization of (gain) loss was recognized primarily in selling, general and administrative expense for both the years ended March 31, 2014 and 2013.

12. Commitments and Contingencies

Collective Bargaining Agreement

The Company has a collective bargaining agreement with the International Brotherhood of Electrical Workers Local 1357 ("IBEW") with an effective date of January 1, 2013 for a term of five years. The agreement covers approximately half of the Company's work force.

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 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, 2014		
Assets - investment in U.S. Treasury obligations	$ 808	$ 808
Liabilities - long-term debt (carried at cost)	294,111	300,066
December 31, 2013		
Assets - investment in U.S. Treasury obligations	$ 807	$ 807
Liabilities - long-term debt (carried at cost)	294,679	299,886

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, 2014	December 31, 2013
Asset value measurements using:		
Quoted prices in active markets for identical assets (Level 1)	$ 808	$ 807
Signficant other observable inputs (Level 2)	—	—
Significant unobservable inputs (Level 3)	—	—
	$ 808	$ 807
Liability value measurements using:		
Quoted prices in active markets for identical liabilities (Level 1)	$ —	$ —
Signficant other observable inputs (Level 2)	300,066	299,886
Significant unobservable inputs (Level 3)	—	—
	$ 300,066	$ 299,886

14. Segment Information

The Company operates in two reportable segments of telecommunications and data center colocation. This conclusion is based on how resources are allocated and performance is assessed by the Chief Executive Officer, the Company's chief operating decision maker. The telecommunications segment provides local voice services, long distance voice services, high-speed internet and video. In addition, the segment provides network access which includes data transport. Various related telephony services are provided including equipment and managed services. The data center colocation segment provides physical colocation, virtual colocation and various related telephony services.

In the fourth quarter of 2013, the Company reevaluated its reportable segments. This was prompted by the acquisition of SystemMetrics and the Company's current strategic focus. Previously, the Company presented a wireline and other segment (which was primarily wireless services). With the diminishing significance of the wireless segment, the Company no longer provides separate wireless information to the Company's chief operating decision maker. Both these segments are now combined into the telecommunications segment. Prior to the acquisition of SystemMetrics on September 30, 2013, the Company did not have data center colocation operations. Hence, the Company was in a single segment prior to September 30, 2013 under the revised reportable segment structure.

The following table provides operating financial information for the Company's reportable segments for the three months ended and as of March 31, 2014 (dollars in thousands):

	Tele-communications	Data Center Colocation	Intersegment Elimination	Total
Operating revenues	$ 94,876	$ 2,405	$ (209)	$ 97,072
Depreciation and amortization	18,313	407	—	18,720
Operating income	8,042	96	—	8,138
Capital expeditures	23,061	345	—	23,406

Intersegment revenue represents primarily network access services provided by the telecommunications segment for data center colocation. For the three months ended March 31, 2014 total operating income above reconciles to the condensed consolidated statement of income as follows:

Operating income	$ 8,138
Corporate other expense	(4,178)
Income before income tax provision	$ 3,960

The following table provides information on the Company's revenue, net of intersegment eliminations, by product group (dollars in thousands):

	Three Months Ended March 31, 2014	2013
Local voice and other retail services	$ 62,936	$ 62,890
Network access services	31,731	33,075
Data center colocation	2,405	—
	$ 97,072	$ 95,965

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 for network enhancements;
- 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;
- our ability to retain experienced personnel;
- economic conditions in Hawaii;
- 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 (telecommunication and data center colocation) 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.

In the fourth quarter of 2013, we reevaluated our reportable segments. This was prompted by the acquisition of SystemMetrics and our current strategic focus. Previously, we presented a wireline and other segment (which was primarily wireless services). With the diminishing significance of the wireless segment, we no longer provide separate wireless information to our chief operating decision maker. Both these segments are now combined into the telecommunications segment. Prior to the acquisition of SystemMetrics on September 30, 2013, we did not have data center colocation operations. Hence, we were in a single segment prior to September 30, 2013 under the revised reportable segment structure.

Telecommunications

The telecommunications segment derives revenue from the following sources:

Local Telephone 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.

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

Data Center Colocation

The data center colocation segment provides physical colocation, virtual colocation and various related telephony services.

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Results of Operations for the Three Months Ended March 31, 2014 and 2013

Operating Revenues

The following tables summarize our volume information (lines or subscribers) as of March 31, 2014 and 2013, and our operating revenues for the three months ended March 31, 2014 and 2013. For comparability, we also present volume information as of March 31, 2014 compared to December 31, 2013.

Volume Information

As of March 31, 2014 compared to March 31, 2013

	March 31, 2014	March 31, 2013	Change Number	Change Percentage
Voice access lines				
Residential	182,375	199,044	(16,669)	-8.4%
Business	192,202	196,970	(4,768)	-2.4%
Public	4,073	4,350	(277)	-6.4%
	378,650	400,364	(21,714)	-5.4%
High-Speed Internet lines				
Residential	91,429	89,464	1,965	2.2%
Business	19,404	18,810	594	3.2%
Wholesale	936	1,013	(77)	-7.6%
	111,769	109,287	2,482	2.3%
Long distance lines				
Residential	115,019	124,072	(9,053)	-7.3%
Business	79,108	80,659	(1,551)	-1.9%
	194,127	204,731	(10,604)	-5.2%
Video services				
Subscribers	20,279	11,671	8,608	73.8%
Homes Enabled	130,000	83,000	47,000	56.6%

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As of March 31, 2014 compared to December 31, 2013

	March 31, 2014	December 31, 2013	Change	
			Number	Percentage
Voice access lines				
Residential	182,375	186,415	(4,040)	-2.2%
Business	192,202	193,027	(825)	-0.4%
Public	4,073	4,155	(82)	-2.0%
	378,650	383,597	(4,947)	-1.3%
High-Speed Internet lines				
Residential	91,429	91,437	(8)	0.0%
Business	19,404	19,320	84	0.4%
Wholesale	936	963	(27)	-2.8%
	111,769	111,720	49	0.0%
Long distance lines				
Residential	115,019	117,282	(2,263)	-1.9%
Business	79,108	79,496	(388)	-0.5%
	194,127	196,778	(2,651)	-1.3%
Video services				
Subscribers	20,279	18,393	1,886	10.3%
Homes Enabled	130,000	120,000	10,000	8.3%

Operating Revenues (dollars in thousands)

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013	Change Amount	Change Percentage
Wireline Services				
Local voice services	$ 33,059	$ 35,028	$ (1,969)	-5.6%
Network access services				
Business data	6,624	6,186	438	7.1%
Wholesale carrier data	14,386	15,464	(1,078)	-7.0%
Subscriber line access charge	9,169	9,657	(488)	-5.1%
Switched carrier access	1,552	1,768	(216)	-12.2%
	31,731	33,075	(1,344)	-4.1%
Long distance services	5,906	6,574	(668)	-10.2%
High-Speed Internet	10,544	9,616	928	9.7%
Video	4,754	2,204	2,550	115.7%
Equipment and managed services	4,489	5,379	(890)	-16.5%
Wireless	593	712	(119)	-16.7%
Other	3,591	3,377	214	6.3%
	94,667	95,965	(1,298)	-1.4%
Data center colocation	2,405	—	2,405	NA
	$ 97,072	$ 95,965	$ 1,107	1.2%
Channel				
Business	$ 42,512	$ 40,516	$ 1,996	4.9%
Consumer	35,823	34,647	1,176	3.4%
Wholesale	15,937	17,232	(1,295)	-7.5%
Other	2,800	3,570	(770)	-21.6%
	$ 97,072	$ 95,965	$ 1,107	1.2%

The decrease in local voice services revenues was caused primarily by the decline of voice access lines. 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.

In an effort to slow the rate of line loss, we are continuing retention and acquisition programs, and are increasingly focusing efforts on bundling of services. We have instituted various “saves” campaigns designed to focus on specific circumstances where we believe customer churn is controllable. These campaigns include targeted offers to “at risk” customers as well as other promotional tools designed to enhance customer retention. We also emphasize win-back and employee referral programs. Additionally, we are intensifying our efforts relative to developing tools and training to enhance our customer service capability to improve customer retention and growth.

Business data revenues for the three months ended March 31, 2014 increased when compared to the prior year period because of business win-backs and increasing bandwidth needs from our customers. Wholesale carrier data revenue declined for the three months ended March 31, 2014 compared to the prior year period because of one-time service termination and other fees amounting to $0.8 million in 2013. 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 with premium pricing on higher bandwidth offerings.

We are continuing the roll out of Hawaiian Telcom TV on the island of Oahu focusing on the delivery of superior service and an ongoing excellent customer experience. Our volume is ramping up 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 institutional customers during the three months ended March 31, 2014 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 and other service revenues were comparable to the same period in the prior year.

Data center colocation revenues are the result of the acquisition of SystemMetrics on September 30, 2013.

Operating Costs and Expenses

The following tables summarize our costs and expenses for the three months ended March 31, 2014 compared to the costs and expenses for the three months ended March 31, 2013 (dollars in thousands):

	Three Months Ended March 31,		Change	
	2014	2013	Amount	Percentage
Cost of revenues (exclusive of depreciation and amortization)	$ 40,948	$ 40,284	$ 664	1.6%
Selling, general and administrative expenses	29,266	28,379	887	3.1%
Depreciation and amortization	18,720	18,717	3	0.0%
	$ 88,934	$ 87,380	$ 1,554	1.8%

There were no first quarter 2013 operations for the data center colocation segment as it was newly acquired on September 30, 2013. Hence, a separate discussion for the telecommunications and data center colocation segment is not provided for the current period.

The Company's total headcount as of March 31, 2014 was 1,380 compared to 1,382 as of March 31, 2013. 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. Cost of revenues for the three month period ended March 31, 2014 increased because of costs related to the operations of SystemMetrics which was acquired on September 30, 2013.

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, 2014 compared to the same period in the prior year increased because of expenses related to SystemMetrics which was acquired on September 30, 2013 and certain expenses not expected to be recurring including incremental stock compensation of $0.6 million, partially offset by a damage claim recovery of $0.9 million.

Depreciation and amortization for the three month period ended March 31, 2014 was comparable to the same period in the prior year.

Other Income and (Expense)

The following table summarizes other income (expense) for the three months ended March 31, 2014 and 2013 (dollars in thousands).

	Three Months Ended March 31,		Change	
	2014	2013	Amount	Percentage
Interest expense	$ (4,188)	$ (5,540)	$ 1,352	-24.4%
Interest income and other	10	15	(5)	-33.3%
	$ (4,178)	$ (5,525)	$ 1,347	-24.4%

Interest expense decreased primarily because of the lower interest rates on the debt which was refinanced in the second quarter of 2013.

Income Tax Provision

We had effective tax rates of 40.2% and 39.6% for the three months ended March 31, 2014 and 2013, respectively. We consider a variety of factors in determining the effective tax rate, including our forecasted full-year pretax results, the U.S. federal statutory rate, expected nondeductible expenses and estimated state taxes.

As of December 31, 2013, net operating losses available for carry forward through 2033 amounted to $60.0 million for federal purposes and $66.3 million for state purposes. Availability of net operating losses in future periods may be subject to additional limitations if there is a deemed change in control for income tax reporting purposes. Such change in control will be determined for income tax reporting purposes based on future changes in stock ownership.

Liquidity and Capital Resources

As of March 31, 2014, we had cash of $36.7 million. From an ongoing operating perspective, our cash requirements in 2014 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 cash requirements.

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, 2014 and 2013

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 $13.4 million for the three months ended March 31, 2014. Our cash flows from operations are impacted by our results of operations, changes in working capital and payments on certain long-term pension liabilities. Net cash provided by operations amounted to $14.9 million for the three months ended March 31, 2013. The decrease in cash provided by operations was because of working capital needs.

Cash used in investing activities was $23.9 million for the three months ended March 31, 2014 and was comprised of capital expenditures. Cash used in investing activities was $23.3 million of capital expenditures for the three months ended March 31, 2013. The level of capital expenditures for 2014 is expected to be approximately $90 million which is slightly higher than 2013 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, 2014 and 2013 was related primarily to the repayment of our debt and satisfaction of other obligations.

Outstanding Debt and Financing Arrangements

As of March 31, 2014, we had outstanding $298.4 million in aggregate long-term debt. The term loan has a maturity date of June 2019. 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, 2014, the Company's future contractual obligations have not changed materially from the amounts disclosed as of December 31, 2013 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, 2013, and have not changed materially from that discussion.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As of March 31, 2014, our floating rate obligations consisted of $298.4 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, 2014 and assuming a 1.0 percentage point increase or decrease in the average interest rate under these borrowings, we estimate that our annual interest expense would increase or decrease 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, 2014. Based on their evaluations, as of March 31, 2014, 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, 2014 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 1A. Risk Factors

See Part I, Item 1a, “Risk Factors,” of our 2013 Annual Report for a detailed discussion of risk factors related to our business, results of operations and financial condition.

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Item 5. Other Information.

Hawaiian Telcom Holdco, Inc. issued a press release on May 7, 2014 announcing its 2014 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.

On May 6, 2014, the Company entered into new employment agreements, effective May 6,2014, with John T. Komeiji, Senior Vice President and General Counsel, and Kevin T. Paul, Senior Vice President - Technology, that replace their existing employment agreements so that all of the Company's executives at the Senior Vice President and higher level now have employment offer letters based on the Company's updated form. The new agreements for Messrs. Komeiji and Paul did not make any changes to their compensation packages.

On May 6, 2014, the Company held its Annual Meeting of Stockholders, at which the following matters were submitted to a vote of the stockholders:

	For	Withheld	Broker Non-Votes
1. Election of Directors			
Richard A. Jalkut	7,515,568	94,572	1,066,911
Kurt M. Cellar	7,305,619	304,521	1,066,911
Walter A. Dods, Jr.	7,515,772	94,368	1,066,911
Warren H. Haruki	7,514,772	95,368	1,066,911
Steven C. Oldham	7,515,652	94,488	1,066,911
Bernard R. Phillips III	7,515,652	94,488	1,066,911
Eric K. Yeaman	7,464,416	145,724	1,066,911

	For	Against	Abstain	Broker Non-Votes
2. Non-binding advisory vote on the Company's executive compensation	7,545,947	37,094	27,099	1,066,911

	For	Against	Abstain	Broker Non-Votes
3. Ratification of appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2014	8,659,828	17,423	0	0

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 7, 2014	/s/ Eric K. Yeaman
	Eric K. Yeaman Chief Executive Officer
May 7, 2014	/s/ Robert F. Reich
	Robert F. Reich Senior Vice President and Chief Financial Officer

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EXHIBIT INDEX

10.1*	Employment Offer Letter, dated May 6, 2014, by and between John T. Komeiji and Hawaiian Telcom Holdco, Inc.
10.2*	Employment Offer Letter, dated May 6, 2014, by and between Kevin T. Paul and Hawaiian Telcom Holdco, Inc.
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 7, 2014 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

* Identifies each management contract or compensatory plan or arrangement.

Exhibit 10.1

May 6, 2014

Mr. John T. Komeiji
1177 Bishop Street
Honolulu, HI 96813

Dear John:

This letter confirms our discussions regarding your employment with Hawaiian Telcom Holdco, Inc. and any of its subsidiaries and affiliates as may employ you from time to time (collectively, and together with any successor thereto, the " Company"). You and the Company are parties to an Employment Agreement dated as of July 15, 2008 that subsequently was amended by an amendment dated December 21, 2009 (as amended, the " Prior Agreement"). The parties desire to amend and restate the Prior Agreement in its entirety, effective as of May 6, 2014, as set forth herein. Notwithstanding anything herein to the contrary, you will be an at-will employee of the Company.

1. **Position**: Senior Vice President and General Counsel

2. **Direct Report**: You will report to the Chief Executive Officer.

3. **Base Salary**: $337,000 per year (the "Base Salary"), payable in accordance with the Company's customary payroll practices. Paydays are expected to be every other Friday (total of 26 pay days a year). Your paycheck will be delivered to you or made available to you on such dates. If a payday falls on a holiday or weekend, you may pick up your paycheck on the weekday immediately preceding the payday.

4. **Annual Performance Award:** You will be eligible to participate in an annual performance compensation plan ("Performance Compensation Plan") established by the Company's Board of Directors (the "Board") or Compensation Committee thereof, at a target level that is specified by the Compensation Committee (currently specified as 65% of your eligible salary) as it may be amended from time to time by the Board or Compensation Committee. The actual performance award, if any, shall be pursuant to the terms and conditions set forth in the Performance Compensation Plan and shall be payable at such time as performance awards are paid to other senior executive officers who participate therein. Payment of any annual performance award will be subject to your continued employment with the Company through the date the performance award is paid pursuant to the Performance Compensation Plan.

5. **Equity Award**: Subject to approval by the Board or the Compensation Committee, you will be eligible to receive equity awards from time to time pursuant to the Company's 2010 Equity Incentive Plan with such terms and conditions as determined by the Board or the Compensation Committee, in its sole discretion. It is expressly understood that your entitlement to participation in the 2010 Equity Incentive Plan is not a guarantee that the award referenced herein will attain any particular value in the future.

6. **Employee Benefits**: You will be eligible to participate in Company employee benefit plans and programs commensurate with your position and seniority. This currently includes three (3) weeks' vacation for each completed twelve (12) month period of service with a maximum carryover of six (6) weeks. Please note that the Company reserves the right to change its benefits package at its sole discretion.

7. **Severance Benefits**: You will be eligible to participate and receive the severance benefits provided in the Company's Executive Severance Plan, subject to all of the terms and conditions thereof. You hereby acknowledge and agree that the only severance benefits you are eligible to receive from the Company will be pursuant to the Executive Severance Plan and that you are not eligible to receive any severance benefits under the Prior Agreement.

8. **Certain Restrictions**: You must execute the Hawaiian Telcom Business Protection Agreement attached hereto as Exhibit A. Additionally, you will be subject to the policies, practices and procedures maintained by the Company as set forth in the Company's Code of Business Conduct, employee handbook and other Company policies, which may be modified from time to time.

9. **Arbitration**: You agree to sign the Arbitration Agreement attached hereto as Exhibit B.

10. **Interpretation and Severability**: The words of this letter will be interpreted according to their common meaning. If any provision of this letter is deemed unenforceable for any reason, said provision will not affect the remaining terms of this letter and a court, upon motion by the Company, may amend said provision so as to render it valid and enforceable while providing to the Company the maximum protections permitted by law. Hawaii law will govern the interpretation and enforcement of this letter.

If you agree with the terms of employment set forth in this letter, please indicate your understanding and agreement by executing in the space provided and returning this letter, complete with signed Exhibits A and B to me by May 7, 2014. By executing in the space provided, you acknowledge that no promises, representations, understandings or agreements, either oral or in writing, were made with you that are inconsistent with the terms of this letter and that this letter will, in any event, supersede any such prior or contemporaneous promises, representations, understandings, or agreements, including the Prior Agreement.

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I look forward to continuing to work with you in building, developing and integrating the Company into a strong business with a positive community presence.

Sincerely,

/s/ Eric K. Yeaman
Eric K. Yeaman
President and CEO

Understood, accepted and
agreed to on this 6th day
of May, 2014

/s/ John T. Komeiji
John T. Komeiji

EXHIBIT A

HAWAIIAN TELCOM BUSINESS PROTECTION AGREEMENT

This Agreement is between Hawaiian Telcom Holdco, Inc. and any of its subsidiaries and affiliates as may employ me from time to time ("Company") and John T. Komeiji (referred to herein as "I" or "my").

1. IN CONSIDERATION FOR MY EMPLOYMENT, I AGREE AS FOLLOWS:

1.1 Safeguard of Confidential Information.

My relationship with the Company is intended to be one of trust and confidence. I acknowledge that I may have access to Confidential Information (as defined below) about the Company. During and following my employment with the Company, I will exercise the highest degree of care in safeguarding the Confidential Information against loss, theft or disclosure and comply with any and all Company policies related to such Confidential Information. I will not use any Confidential Information for any purpose other than Company business.

1.2 Confidential Information

"Confidential Information" means information related to any aspect of the Company's business that is either not known by Company competitors or is proprietary information that has been developed using Company time and resources.

The following are more specific examples of Confidential Information:

- marketing, sales, promotional, and training materials;
- information about current and potential customer buying habits, needs or preferences;
- contact information about decision-makers within companies that do business or that may do business with the Company and other customer specific information related to current or potential customer buying decisions;
- Company personnel information, including compensation and bonus programs, Company personnel policies, forms and employee names, job descriptions, disciplinary notices or compensation and contact information;
- forms, software or other information for tracking customer contacts;

- market or product launches, capital expenditure forecasts or limitations, planned or forecasted network upgrades;
- advertising materials and strategies;
- Company vendor agreements;
- distribution methods and strategies, compensation structures and advertising/promotional strategies;
- any information constituting a "trade secret" within the meaning of the Hawaii Uniform Trade Secrets Act, Haw. Rev. Stat. chapter 482 B(1); and
- internal documents relating to labor relations.

1.3 Return of Company Property.

I understand that all Confidential Information is the exclusive property of the Company. I will promptly return all Confidential Information, including copies, notes or summaries thereof, to the Company in the event that my employment is terminated, for any reason.

1.4 Non-competition, Solicitation, or Inducement of Customers or Employees

(A) During my employment and for twelve (12) months following termination for any reason [cumulatively referred to as the "Designated Period"] I will not: (i) directly or indirectly compete with the Company's business, products or services in the State of Hawaii nor (ii) directly or indirectly make any contact or communication of any kind for the purpose of soliciting, inviting, inducing, encouraging or requesting any customer of the Company to: (a) transfer its business from the Company to me, my business or my new employer's business; or (b) open a new account with me, my business or my new employer's business; or (c) otherwise induce or encourage a Company customer to discontinue or reduce its business with the Company.

(B) During the Designated Period, I will not solicit, induce or attempt to induce any employee into terminating his/her employment with the Company.

---

[1] The Hawaii Uniform Trade Secrets Act defines "Trade Secret" as follows:
'Trade Secret' means information, including a formula, pattern, compilation, program device, method, technique, or process that:
(1) Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and
(2) Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.
[Haw. Rev. Stat. §482B-2]

2. NO OBLIGATIONS UNDER PRIOR, THIRD PARTY AGREEMENTS

I represent that: (i) I am not obligated under any other agreement or understanding that would affect the Company's rights or my performance or duties to the Company. I further represent that I have provided to the Company complete and accurate copies of any non-solicitation, confidentiality, non-competition or similar agreement between me and any former employers that may be in effect.

3. REMEDIES

3.1 Injunctive Relief.

I agree that a breach of any of my promises in this Agreement would irreparably damage the Company. Accordingly, I understand that the Company reserves the right to take prompt court action to stop any breach or threatened breach of this Agreement.

3.2 Accrual and Payment of Commissions Conditioned on Compliance with Agreement.

Notwithstanding any agreement to the contrary, I agree that the accrual and payment of any commissions to me are conditioned on my compliance with this Agreement. I authorize the Company to withhold any commissions where the Company forms a reasonable, good faith belief that I have breached this Agreement. Under the above circumstances, said commissions may be held by the Company, pending a final determination by a court or arbitrator, as the case may be, as to whether I have violated this Agreement. In the event of a final determination that I did not violate this Agreement, the Company will promptly pay over to me the commissions in dispute, including any interest earned thereon calculated at a rate of six percent per annum. In the event of a final determination that I violated this Agreement, any commissions withheld will become the exclusive property of the Company. This section 3.2 will constitute a written authorization for withholding of wages pursuant to Hawaii Revised Statutes section 388-6.

3.3 Attorney Fees.

In the event of any breach of this Agreement, the prevailing party will be entitled to an award of all costs and attorneys' fees reasonably incurred in defending or enforcing the prevailing party's rights. Attorney's fees will not be limited by the amount of monetary relief received.

4. EMPLOYMENT AT-WILL

I acknowledge and agree that this Agreement does not alter the employment at-will relationship. I affirm that either I or the Company may terminate the employment relationship at any time, with or without notice, and with or without cause. As a courtesy, however, to the extent feasible I will try to give the Company 30 days advance notice prior to a voluntary employment separation.

5. ADDITIONAL TERMS

5.1 Venue and Governing Law.

I agree that any claim in connection with this Agreement may only be filed in a court of competent jurisdiction in Honolulu, Hawaii. Further, this Agreement will be interpreted in accordance with the laws of the State of Hawaii.

5.2 Successors and Assigns.

This Agreement will inure to the benefit of the Company's successors, purchasers, and assigns.

5.3 Severability and Judicial Power to Conform Agreement to Law.

If any provision of this Agreement will be held invalid, its invalidity will not affect any other provision of this Agreement that can be given effect without the invalid provision. Further, in the event that a Court determines that any part of this Agreement is unenforceable for any reason, the Court, upon motion by the Company, will be empowered to modify such term(s) to render the Agreement enforceable while according to the Company the maximum benefit and protection of its interests allowable by law.

6. EMPLOYEE'S UNDERSTANDING

I acknowledge that (i) I have read each and every paragraph of this Agreement; (ii) I have had an opportunity to consult with legal counsel concerning the terms of this Agreement; and (iii) that I fully understand this Agreement. I also acknowledge that this Agreement does not supersede any other agreement(s) between me and the Company.

IT IS SO AGREED on this day of May, 2014.

John T. Komeiji

EXHIBIT B

ARBITRATION AGREEMENT

In consideration for my employment with Hawaiian Telcom Holdco, Inc. and any of its subsidiaries and affiliates as may employ me from time to time, I agree that any legal claim that I may have arising out of or relating to my employment will be resolved through final and binding arbitration. The Arbitration Rules, Procedures and Protocols of Dispute Prevention & Resolution, Inc., ("DP&R") located in Honolulu, Hawaii, as may be amended from time to time, will apply to this Arbitration Agreement. In the event of a dissolution of DP&R, the procedures established in the Hawaii Uniform Arbitration Act, as amended (Haw. Rev. Stat. Chapter 658A) will apply. Notwithstanding any law to the contrary, nothing in this Agreement will empower an arbitrator to provide relief that would exceed that which a court or administrative agency could lawfully provide, according to the cause of action alleged.

Understood, accepted and
agreed to on this day
of May, 2014

Signature

John T. Komeiji

Employee
Initials

Exhibit 10.2

May 6, 2014

Mr. Kevin T. Paul
1177 Bishop Street
Honolulu, HI 96813

Dear Kevin:

This letter confirms our discussions regarding your employment with Hawaiian Telcom Holdco, Inc. and any of its subsidiaries and affiliates as may employ you from time to time (collectively, and together with any successor thereto, the " Company"). You and the Company are parties to an Amended and Restated Employment Agreement dated as of November 3, 2011 (the "Prior Agreement"). The parties desire to amend and restate the Prior Agreement in its entirety, effective as of May 6, 2014, as set forth herein. Notwithstanding anything herein to the contrary, you will be an at-will employee of the Company.

1. **Position**: Senior Vice President — Technology

2. **Direct Report**: You will report to the Chief Operating Officer, subject to change as deemed appropriate by the CEO.

3. **Base Salary**: $295,800 per year (the "Base Salary"), payable in accordance with the Company's customary payroll practices. Paydays are expected to be every other Friday (total of 26 pay days a year). Your paycheck will be delivered to you or made available to you on such dates. If a payday falls on a holiday or weekend, you may pick up your paycheck on the weekday immediately preceding the payday.

4. **Annual Performance Award:** You will be eligible to participate in an annual performance compensation plan ("Performance Compensation Plan") established by the Company's Board of Directors (the "Board") or Compensation Committee thereof, at a target level that is specified by the Compensation Committee (currently specified as 40% of your eligible salary) as it may be amended from time to time by the Board or Compensation Committee. The actual performance award, if any, shall be pursuant to the terms and conditions set forth in the Performance Compensation Plan and shall be payable at such time as performance awards are paid to other senior executive officers who participate therein. Payment of any annual performance award will be subject to your continued employment with the Company through the date the performance award is paid pursuant to the Performance Compensation Plan.

5. **Equity Award**: Subject to approval by the Board or the Compensation Committee, you will be eligible to receive equity awards from time to time pursuant to the Company's 2010 Equity Incentive Plan with such terms and conditions as determined by the Board or the Compensation Committee, in its sole discretion. It is expressly understood that your entitlement to participation in the 2010 Equity Incentive Plan is not a guarantee that the award referenced herein will attain any particular value in the future.

6. **Employee Benefits**: You will be eligible to participate in Company employee benefit plans and programs commensurate with your position and seniority. This currently includes four (4) weeks' vacation for each completed twelve (12) month period of service with a maximum carryover of seven (7) weeks. Please note that the Company reserves the right to change its benefits package at its sole discretion.

7. **Severance Benefits**: You will be eligible to participate and receive the severance benefits provided in the Company's Executive Severance Plan, subject to all of the terms and conditions thereof. You hereby acknowledge and agree that the only severance benefits you are eligible to receive from the Company will be pursuant to the Executive Severance Plan and that you are not eligible to receive any severance benefits under the Prior Agreement.

8. **Certain Restrictions**: You must execute the Hawaiian Telcom Business Protection Agreement attached hereto as Exhibit A. Additionally, you will be subject to the policies, practices and procedures maintained by the Company as set forth in the Company's Code of Business Conduct, employee handbook and other Company policies, which may be modified from time to time.

9. **Arbitration**: You agree to sign the Arbitration Agreement attached hereto as Exhibit B.

10. **Interpretation and Severability**: The words of this letter will be interpreted according to their common meaning. If any provision of this letter is deemed unenforceable for any reason, said provision will not affect the remaining terms of this letter and a court, upon motion by the Company, may amend said provision so as to render it valid and enforceable while providing to the Company the maximum protections permitted by law. Hawaii law will govern the interpretation and enforcement of this letter.

If you agree with the terms of employment set forth in this letter, please indicate your understanding and agreement by executing in the space provided and returning this letter, complete with signed Exhibits A and B to me by May 7, 2014. By executing in the space provided, you acknowledge that no promises, representations, understandings or agreements, either oral or in writing, were made with you that are inconsistent with the terms of this letter and that this letter will, in any event, supersede any such prior or contemporaneous promises, representations, understandings, or agreements, including the Prior Agreement.

[rest of page intentionally left blank]

I look forward to continuing to work with you in building, developing and integrating the Company into a strong business with a positive community presence.

Sincerely,

/s/ Eric K. Yeaman
Eric K. Yeaman
President and CEO

Understood, accepted and
agreed to on this 6th day
of May, 2014

/s/ Kevin T. Paul
Kevin T. Paul

EXHIBIT A

HAWAIIAN TELCOM BUSINESS PROTECTION AGREEMENT

This Agreement is between Hawaiian Telcom Holdco, Inc. and any of its subsidiaries and affiliates as may employ me from time to time (“Company”) and Kevin T. Paul (referred to herein as “I” or “my”).

1. IN CONSIDERATION FOR MY EMPLOYMENT, I AGREE AS FOLLOWS:

1.1 Safeguard of Confidential Information.

My relationship with the Company is intended to be one of trust and confidence. I acknowledge that I may have access to Confidential Information (as defined below) about the Company. During and following my employment with the Company, I will exercise the highest degree of care in safeguarding the Confidential Information against loss, theft or disclosure and comply with any and all Company policies related to such Confidential Information. I will not use any Confidential Information for any purpose other than Company business.

1.2 Confidential Information

“Confidential Information” means information related to any aspect of the Company’s business that is either not known by Company competitors or is proprietary information that has been developed using Company time and resources.

The following are more specific examples of Confidential Information:

- marketing, sales, promotional, and training materials;
- information about current and potential customer buying habits, needs or preferences;
- contact information about decision-makers within companies that do business or that may do business with the Company and other customer specific information related to current or potential customer buying decisions;
- Company personnel information, including compensation and bonus programs, Company personnel policies, forms and employee names, job descriptions, disciplinary notices or compensation and contact information;
- forms, software or other information for tracking customer contacts;

____
Employee Initials

- market or product launches, capital expenditure forecasts or limitations, planned or forecasted network upgrades;
- advertising materials and strategies;
- Company vendor agreements;
- distribution methods and strategies, compensation structures and advertising/promotional strategies;
- any information constituting a "trade secret" within the meaning of the Hawaii Uniform Trade Secrets Act, Haw. Rev. Stat. chapter 482 B(1); and
- internal documents relating to labor relations.

1.3 Return of Company Property.

I understand that all Confidential Information is the exclusive property of the Company. I will promptly return all Confidential Information, including copies, notes or summaries thereof, to the Company in the event that my employment is terminated, for any reason.

1.4 Non-competition, Solicitation, or Inducement of Customers or Employees

(A) During my employment and for twelve (12) months following termination for any reason [cumulatively referred to as the "Designated Period"] I will not: (i) directly or indirectly compete with the Company's business, products or services in the State of Hawaii nor (ii) directly or indirectly make any contact or communication of any kind for the purpose of soliciting, inviting, inducing, encouraging or requesting any customer of the Company to: (a) transfer its business from the Company to me, my business or my new employer's business; or (b) open a new account with me, my business or my new employer's business; or (c) otherwise induce or encourage a Company customer to discontinue or reduce its business with the Company.

(B) During the Designated Period, I will not solicit, induce or attempt to induce any employee into terminating his/her employment with the Company.

---

[1] The Hawaii Uniform Trade Secrets Act defines "Trade Secret" as follows:
'Trade Secret' means information, including a formula, pattern, compilation, program device, method, technique, or process that:
(1) Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and
(2) Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.
[Haw. Rev. Stat. §482B-2]

2. NO OBLIGATIONS UNDER PRIOR, THIRD PARTY AGREEMENTS

I represent that: (i) I am not obligated under any other agreement or understanding that would affect the Company's rights or my performance or duties to the Company. I further represent that I have provided to the Company complete and accurate copies of any non-solicitation, confidentiality, non-competition or similar agreement between me and any former employers that may be in effect.

3. REMEDIES

3.1 Injunctive Relief.

I agree that a breach of any of my promises in this Agreement would irreparably damage the Company. Accordingly, I understand that the Company reserves the right to take prompt court action to stop any breach or threatened breach of this Agreement.

3.2 Accrual and Payment of Commissions Conditioned on Compliance with Agreement.

Notwithstanding any agreement to the contrary, I agree that the accrual and payment of any commissions to me are conditioned on my compliance with this Agreement. I authorize the Company to withhold any commissions where the Company forms a reasonable, good faith belief that I have breached this Agreement. Under the above circumstances, said commissions may be held by the Company, pending a final determination by a court or arbitrator, as the case may be, as to whether I have violated this Agreement. In the event of a final determination that I did not violate this Agreement, the Company will promptly pay over to me the commissions in dispute, including any interest earned thereon calculated at a rate of six percent per annum. In the event of a final determination that I violated this Agreement, any commissions withheld will become the exclusive property of the Company. This section 3.2 will constitute a written authorization for withholding of wages pursuant to Hawaii Revised Statutes section 388-6.

3.3 Attorney Fees.

In the event of any breach of this Agreement, the prevailing party will be entitled to an award of all costs and attorneys' fees reasonably incurred in defending or enforcing the prevailing party's rights. Attorney's fees will not be limited by the amount of monetary relief received.

4. EMPLOYMENT AT-WILL

I acknowledge and agree that this Agreement does not alter the employment at-will relationship. I affirm that either I or the Company may terminate the employment relationship at any time, with or without notice, and with or without cause. As a courtesy, however, to the extent feasible I will try to give the Company 30 days advance notice prior to a voluntary employment separation.

5. ADDITIONAL TERMS

5.1 Venue and Governing Law.

I agree that any claim in connection with this Agreement may only be filed in a court of competent jurisdiction in Honolulu, Hawaii. Further, this Agreement will be interpreted in accordance with the laws of the State of Hawaii.

5.2 Successors and Assigns.

This Agreement will inure to the benefit of the Company's successors, purchasers, and assigns.

5.3 Severability and Judicial Power to Conform Agreement to Law.

If any provision of this Agreement will be held invalid, its invalidity will not affect any other provision of this Agreement that can be given effect without the invalid provision. Further, in the event that a Court determines that any part of this Agreement is unenforceable for any reason, the Court, upon motion by the Company, will be empowered to modify such term(s) to render the Agreement enforceable while according to the Company the maximum benefit and protection of its interests allowable by law.

6. EMPLOYEE'S UNDERSTANDING

I acknowledge that (i) I have read each and every paragraph of this Agreement; (ii) I have had an opportunity to consult with legal counsel concerning the terms of this Agreement; and (iii) that I fully understand this Agreement. I also acknowledge that this Agreement does not supersede any other agreement(s) between me and the Company.

IT IS SO AGREED on this day of May, 2014.

Kevin T. Paul

EXHIBIT B

ARBITRATION AGREEMENT

In consideration for my employment with Hawaiian Telcom Holdco, Inc. and any of its subsidiaries and affiliates as may employ me from time to time, I agree that any legal claim that I may have arising out of or relating to my employment will be resolved through final and binding arbitration. The Arbitration Rules, Procedures and Protocols of Dispute Prevention & Resolution, Inc., ("DP&R") located in Honolulu, Hawaii, as may be amended from time to time, will apply to this Arbitration Agreement. In the event of a dissolution of DP&R, the procedures established in the Hawaii Uniform Arbitration Act, as amended (Haw. Rev. Stat. Chapter 658A) will apply. Notwithstanding any law to the contrary, nothing in this Agreement will empower an arbitrator to provide relief that would exceed that which a court or administrative agency could lawfully provide, according to the cause of action alleged.

Understood, accepted and
agreed to on this day
of May, 2014

Signature

Kevin T. Paul

Employee
Initials

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 7, 2014

/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 7, 2014

/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, 2014 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 7, 2014	/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, 2014 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 7, 2014

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

Exhibit 99.1

Hawaiian Telcom

Investor Relations Contact:
Brian Tanner, Hawaiian Telcom
(201) 706-8965
brian.tanner@hawaiiantel.com

Media Contact:
Su Shin, Hawaiian Telcom
(808) 546-2344
su.shin@hawaiiantel.com

For Immediate Release

Hawaiian Telcom Reports First Quarter 2014 Results

Hawaiian Telcom TV subscriber growth of nearly 1,900
Expanded reach of Hawaiian Telcom TV to 130,000 households on Oahu
Delivered business revenue growth of 4.9 percent
Launched Hawaii's fastest Internet service

HONOLULU (Wednesday, May 7, 2014) — Hawaiian Telcom Holdco, Inc. (NASDAQ: HCOM) reported financial results for its first quarter ended March 31. The highlights are as follows:

- Revenue of $97.1 million grew by $1.1 million, or 1.2 percent, from $96.0 million in the same period in the prior year, resulting in Adjusted EBITDA(1) of $29.1 million, consistent with the same period a year ago.

- Generated net income of $2.4 million, or $0.21 per diluted share for the quarter, up from $1.8 million or $0.17 per diluted share in the first quarter of 2013.

- Consumer revenue increased 3.4 percent year-over-year to $35.8 million, driven by growth in video and high-speed Internet (HSI) revenue of $2.6 million and $0.9 million, respectively.

- Added nearly 1,900 *Hawaiian Telcom TV* subscribers during the first quarter, ending the quarter with approximately 20,300 subscribers.

- Enabled 10,000 households in the quarter, increasing its total to 130,000 households enabled.

- Business revenue increased 4.9 percent year-over-year to $42.5 million, driven by growth in business data revenue and revenue from its SystemMetrics Corporation subsidiary (SystemMetrics).

"Our first quarter performance demonstrates a solid start to the year, highlighted by continued expansion of our next-generation fiber network and growth in *Hawaiian Telcom TV* subscribers," said Eric K. Yeaman, Hawaiian Telcom's president and CEO. "The reach of our video footprint expanded to 130,000 households on Oahu in the first quarter with 48% of those households capable of connecting their homes directly to our ultra-fast fiber-optic technology. This allows these households to take advantage of Hawaii's fastest Internet service featuring download speeds of 100Mbps, 300Mbps and 500Mbps, which we launched in the quarter."

"In the business channel, we believe our network and data center services capabilities align well with the business community's growing demand for secure communications and computing solutions. During the quarter, we featured SystemMetrics at our premier annual business customer event, Hawaiian Telcom University, to further raise awareness and drive increased market momentum for data center services in Hawaii."

"Our strategy to grow the business and improve financial performance and customer service, through prudent investments in our network and systems, is delivering on our commitment to drive long-term value for our shareholders," concluded Yeaman.

First Quarter 2014 Results

First quarter revenue was $97.1 million, a 1.2 percent increase compared with $96.0 million in the first quarter of 2013. Revenue growth in the quarter, driven by video, HSI, and $2.2 million of incremental net revenue related to the SystemMetrics acquisition, more than offset the impact from a $0.9 million decrease in equipment and managed services revenue, solely related to lower customer premise equipment sales, and a 5.4 percent decline in access lines. Adjusted EBITDA was $29.1 million, consistent with the same period a year ago.

The Company generated net income of $2.4 million, or $0.21 per diluted share for the quarter, up from $1.8 million or $0.17 per diluted share in the first quarter of 2013. The increase was primarily due to a decrease in interest expense driven by the refinancing of its $300 million term loan in the second quarter of 2013.

Consumer Revenue

First quarter consumer revenue totaled $35.8 million, up 3.4 percent year-over-year primarily driven by revenue growth from the Company's *Hawaiian Telcom TV* and HSI services. Revenue growth in video and HSI services continues to more than offset lower revenue from legacy services, and combined video and HSI services now represent 34 percent of consumer revenue, up from 25 percent in the same period a year ago, and 19 percent in the same period two years ago.

Video service revenue grew to $4.8 million for the quarter, up from $2.2 million in the same period a year ago, driven by the addition of approximately 8,600 subscribers for a total of approximately 20,300 subscribers at the end of the first quarter. During the quarter, 10,000 additional households were enabled, increasing the total number of households enabled to 130,000 with 48% of those households capable of connecting directly to the Company's ultra-fast fiber-optic technology. *Hawaiian Telcom TV* penetration of households enabled was approximately 16 percent at the end of the first quarter.

Consumer HSI revenue also was up from the same period a year ago, led by a 2.2 percent year-over-year increase in consumer HSI subscribers to approximately 91,400, which was primarily driven by HSI pull-through rates from new video subscribers, and standalone HSI subscriber additions. As of March 31, 2014, approximately 55 percent of all video subscribers had triple-play bundles and approximately 91 percent had double-, or triple-play bundles. Increases driven by next-generation consumer video and HSI services more than offset legacy revenue declines related to consumer access and long distance line losses of 8.4 percent and 7.3 percent, respectively.

Business Revenue

First quarter business revenue totaled $42.5 million, up 4.9 percent from the same period a year ago, primarily due to $2.2 million of incremental net revenue added as a result of the SystemMetrics acquisition. Business data revenue increased 7.1 percent year-over-year driven by higher demand for IP-based data services. These increases were partially offset by a $0.9 million year-over-year decrease in equipment and managed services revenue, described above, and the year-over-year decline in legacy business access and long distance revenues.

Wholesale Revenue

First quarter wholesale revenue totaled $15.9 million, down $1.3 million from the same period a year ago. Wholesale carrier data revenue declined $1.1 million year-over-year to $14.4 million, mainly due to approximately $0.8 million of one-time backbilling and circuit termination charges realized in the year-ago period.

Switched carrier access revenue declined $0.2 million year-over-year to $1.6 million, equally attributable to the overall decline in access lines and minutes of use and the impact of intercarrier compensation reform.

Operating Expenses, Capital Expenditures and Liquidity

Operating expenses, exclusive of depreciation and amortization, non-cash stock compensation, SystemMetrics earn-out and other one-time charges, increased 1.8 percent to $68.0 million, primarily due to increased direct cost of services related to video and incremental costs related to the SystemMetrics operations, partially offset by decreased cost of goods related to lower levels of equipment sales.

Capital expenditures totaled $23.9 million in the first quarter 2014 compared to $23.3 million in the first quarter 2013, as the Company continues both the expansion of its next-generation fiber network and the success-based spending to support the growth of *Hawaiian Telcom TV* fiber-to-the-premise (FTTP) subscribers during the quarter. Overall, total capital expenditures for 2014 are expected to be approximately $90.0 million.

At the end of first quarter 2014, the Company had $36.7 million in cash and cash equivalents compared to $49.6 million at the end of 2013. The reduction is primarily related to temporary seasonal uses of working capital, which are expected to substantially reverse in the second half of 2014. Net Debt(2) was $257.4 million, resulting in a Net Debt to Adjusted EBITDA ratio as of March 31, 2014 of 2.15x.

Conference Call

The Company will host a conference call to discuss its first quarter 2014 results at 8:00 a.m. (Hawaii Time), or 2:00 p.m. (Eastern Time) on Wednesday, May 7, 2014.

To access the call, participants should dial (800) 706-7749 (US/Canada), or (617) 614-3474 (International) ten minutes prior to the start of the call and enter passcode 58052648.

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 www.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 14, 2014. Access the replay by dialing (888) 286-8010 and entering passcode 18080072. Alternatively, the replay can be accessed by dialing (617) 801-6888 and entering passcode 18080072.

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 of the Company's website 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, or expand 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 2013 Annual Report on Form 10-K. The information contained in this release is as of May 7, 2014. It is anticipated that subsequent events and developments may cause estimates to change, and the Company undertakes no duty to update forward-looking statements.

About Hawaiian Telcom

Hawaiian Telcom Holdco, Inc., headquartered in Honolulu, is Hawaii's leading provider of integrated communications, data center and entertainment 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 solutions, managed services, data center services including colocation and virtual private cloud, and other cloud-based services, and wireless 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 SM customer experience. For more information, visit www.hawaiiantel.com.

(1) Adjusted EBITDA is EBITDA plus non-cash stock compensation, SystemMetrics earn-out and other 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 gain on sale of property. 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 and 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, 2014	Three Months Ended March 31, 2013
Operating revenues	$ 97,072	$ 95,965
Operating expenses:		
Cost of revenues (exclusive of depreciation and amortization)	40,948	40,284
Selling, general and administrative	29,266	28,379
Depreciation and amortization	18,720	18,717
Total operating expenses	88,934	87,380
Operating income	8,138	8,585
Other income (expense):		
Interest expense	(4,188)	(5,540)
Interest income and other	10	15
Total other expense	(4,178)	(5,525)
Income before income tax provision	3,960	3,060
Income tax provision	1,592	1,212
Net income	$ 2,368	$ 1,848
Net income per common share -		
Basic	$ 0.22	$ 0.18
Diluted	$ 0.21	$ 0.17
Weighted average shares used to compute net income per common share -		
Basic	10,528,039	10,291,897
Diluted	11,271,827	10,890,917

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

	March 31, 2014	December 31, 2013
Assets		
Current assets		
Cash and cash equivalents	$ 36,738	$ 49,551
Receivables, net	33,050	34,521
Material and supplies	11,737	15,939
Prepaid expenses	3,445	3,724
Deferred income taxes	8,146	8,146
Other current assets	2,321	2,851
Total current assets	95,437	114,732
Property, plant and equipment, net	533,528	524,375
Intangible assets, net	39,500	40,225
Goodwill	12,104	12,104
Deferred income taxes	73,705	75,274
Other assets	10,841	11,305
Total assets	$ 765,115	$ 778,015
Liabilities and Stockholders' Equity		
Current liabilities		
Current portion of long-term debt	$ 3,000	$ 3,000
Accounts payable	34,533	40,228
Accrued expenses	13,594	18,787
Advance billings and customer deposits	15,912	16,122
Other current liabilities	6,500	6,412
Total current liabilities	73,539	84,549
Long-term debt	291,111	291,679
Employee benefit obligations	77,136	80,321
Other liabilities	8,055	8,454
Total liabilities	449,841	465,003
Commitments and contingencies (Note 12)		
Stockholders' equity		
Common stock, par value of $0.01 per share, 245,000,000 shares authorized and 10,584,191 and 10,495,856 shares issued and outstanding at March 31, 2014 and December 31, 2013, respectively	106	105
Additional paid-in capital	167,937	167,869
Accumulated other comprehensive loss	(4,891)	(4,716)
Retained earnings	152,122	149,754
Total stockholders' equity	315,274	313,012
Total liabilities and stockholders' equity	$ 765,115	$ 778,015

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

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
Cash flows from operating activities:		
Net income	$ 2,368	$ 1,848
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	18,720	18,717
Employee retirement benefits	(3,475)	(2,722)
Provision for uncollectibles	513	553
Stock based compensation	1,074	423
Deferred income taxes	1,685	1,297
Changes in operating assets and liabilities:		
Receivables	957	(825)
Material and supplies	459	(796)
Prepaid expenses and other current assets	810	605
Accounts payable and accrued expenses	(10,010)	(4,987)
Advance billings and customer deposits	(210)	448
Other current liabilities	89	2
Other	390	303
Net cash provided by operating activities	13,370	14,866
Cash flows from investing activities:		
Capital expenditures	(23,939)	(23,254)
Net cash used in investing activities	(23,939)	(23,254)
Cash flows from financing activities:		
Repayment of capital lease and installment liability	(489)	(163)
Repayment of debt including premium	(750)	(2,138)
Taxes paid related to net share settlement of equity awards	(1,005)	(362)
Net cash used in financing activities	(2,244)	(2,663)
Net change in cash and cash equivalents	(12,813)	(11,051)
Cash and cash equivalents, beginning of period	49,551	66,993
Cash and cash equivalents, end of period	$ 36,738	$ 55,942
Supplemental disclosure of cash flow information:		
Interest paid, net of amounts capitalized	$ 3,824	$ 5,236

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

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013	Change Amount	Change Percentage
Wireline Services				
Local voice services	$ 33,059	$ 35,028	$ (1,969)	-5.6%
Network access services				
Business data	6,624	6,186	438	7.1%
Wholesale carrier data	14,386	15,464	(1,078)	-7.0%
Subscriber line access charge	9,169	9,657	(488)	-5.1%
Switched carrier access	1,552	1,768	(216)	-12.2%
	31,731	33,075	(1,344)	-4.1%
Long distance services	5,906	6,574	(668)	-10.2%
High-Speed Internet	10,544	9,616	928	9.7%
Video	4,754	2,204	2,550	115.7%
Equipment and managed services	4,489	5,379	(890)	-16.5%
Wireless	593	712	(119)	-16.7%
Other	3,591	3,377	214	6.3%
	94,667	95,965	(1,298)	-1.4%
Data center colocation	2,405	—	2,405	NA
	$ 97,072	$ 95,965	$ 1,107	1.2%
Channel				
Business	$ 42,512	$ 40,516	$ 1,996	4.9%
Consumer	35,823	34,647	1,176	3.4%
Wholesale	15,937	17,232	(1,295)	-7.5%
Other	2,800	3,570	(770)	-21.6%
	$ 97,072	$ 95,965	$ 1,107	1.2%

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

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013	LTM Ended March 31, 2014
Net income	$ 2,368	$ 1,848	$ 11,008
Income tax provision	1,592	1,212	9,162
Interest expense and other income and expense, net	4,178	5,525	21,154
Depreciation and amortization	18,720	18,717	77,304
Gain on sale of property	—	—	(6,546)
EBITDA	26,858	27,302	112,082
Non-cash stock compensation	1,074	423	3,387
SystemMetrics earn-out	272	—	272
Non-recurring costs	675	651	2,577
Severance costs	—	408	304
Wavecom integration costs	178	386	1,135
Adjusted EBITDA	$ 29,057	$ 29,170	$ 119,757

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

Long-term debt as of March 31, 2014	$ 294,111
Less cash on hand	(36,738)
Total Net Debt as of March 31, 2014	$ 257,373
LTM Adjusted EBITDA as of March 31, 2014	$ 119,757
Total Net Debt to Adjusted EBITDA	2.15x

Hawaiian Telcom Holdco, Inc.
Volume Information
(Unaudited)

	March 31, 2014	March 31, 2013	Change Number	Change Percentage
Voice access lines				
Residential	182,375	199,044	(16,669)	-8.4%
Business	192,202	196,970	(4,768)	-2.4%
Public	4,073	4,350	(277)	-6.4%
	378,650	400,364	(21,714)	-5.4%
High-Speed Internet lines				
Residential	91,429	89,464	1,965	2.2%
Business	19,404	18,810	594	3.2%
Wholesale	936	1,013	(77)	-7.6%
	111,769	109,287	2,482	2.3%
Long distance lines				
Residential	115,019	124,072	(9,053)	-7.3%
Business	79,108	80,659	(1,551)	-1.9%
	194,127	204,731	(10,604)	-5.2%
Video services				
Subscribers	20,279	11,671	8,608	73.8%
Homes Enabled	130,000	83,000	47,000	56.6%

	March 31, 2014	December 31, 2013	Change Number	Change Percentage
Voice access lines				
Residential	182,375	186,415	(4,040)	-2.2%
Business	192,202	193,027	(825)	-0.4%
Public	4,073	4,155	(82)	-2.0%
	378,650	383,597	(4,947)	-1.3%
High-Speed Internet lines				
Residential	91,429	91,437	(8)	0.0%
Business	19,404	19,320	84	0.4%
Wholesale	936	963	(27)	-2.8%
	111,769	111,720	49	0.0%
Long distance lines				
Residential	115,019	117,282	(2,263)	-1.9%
Business	79,108	79,496	(388)	-0.5%
	194,127	196,778	(2,651)	-1.3%
Video services				
Subscribers	20,279	18,393	1,886	10.3%
Homes Enabled	130,000	120,000	10,000	8.3%