

HAWAIIAN TELCOM HOLDCO, INC.

SELECTED DATA -- TOTAL COMPANY
(UNAUDITED)
(Dollars in thousands)

	For the Three Months Ended												For the Year Ended		
	3/31/13	6/30/13	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	3/31/15	6/30/15	9/30/15	12/31/15	2013	2014	2015
Operating revenues:															
Business															
Data services.....	\$ 10,061	\$ 10,432	\$ 10,441	\$ 10,899	\$ 11,215	\$ 11,268	\$ 11,162	\$ 11,187	\$ 12,059	\$ 11,838	\$ 12,387	\$ 13,043	\$ 41,833	\$ 44,832	\$ 49,327
Voice services.....	26,585	26,115	26,195	25,395	25,414	24,843	24,627	24,051	24,021	23,161	23,657	22,882	104,290	98,936	93,722
Data center services.....	—	—	—	2,188	2,405	2,323	2,485	3,524	2,597	2,784	2,762	2,951	2,188	10,737	11,094
Equipment and managed services.....	5,379	7,117	7,228	7,270	4,489	4,723	4,818	5,294	4,265	4,779	5,993	5,510	26,994	19,324	20,546
	<u>42,025</u>	<u>43,664</u>	<u>43,864</u>	<u>45,752</u>	<u>43,523</u>	<u>43,157</u>	<u>43,092</u>	<u>44,056</u>	<u>42,942</u>	<u>42,562</u>	<u>44,799</u>	<u>44,386</u>	<u>175,305</u>	<u>173,829</u>	<u>174,689</u>
Consumer															
Video services.....	2,204	2,864	3,717	4,228	4,754	5,474	6,531	7,051	7,522	8,280	8,677	9,187	13,012	23,810	33,666
Internet services.....	6,669	6,950	7,039	7,230	7,483	7,687	7,815	8,039	8,128	8,187	8,283	8,088	27,888	31,024	32,687
Voice services.....	24,719	24,050	23,525	23,020	22,642	22,134	21,463	21,024	20,516	20,033	19,683	19,042	95,315	87,263	79,273
	<u>33,592</u>	<u>33,864</u>	<u>34,281</u>	<u>34,478</u>	<u>34,879</u>	<u>35,295</u>	<u>35,809</u>	<u>36,114</u>	<u>36,166</u>	<u>36,500</u>	<u>36,643</u>	<u>36,317</u>	<u>136,215</u>	<u>142,097</u>	<u>145,626</u>
Wholesale carrier data.....	15,464	14,809	14,850	14,406	14,386	14,416	14,689	14,333	13,789	14,245	14,063	14,063	59,529	57,771	56,430
Other.....	4,883	4,660	4,687	5,871	4,284	4,052	3,935	4,771	3,673	3,336	5,218	4,439	20,101	17,042	16,668
Total operating revenues.....	<u>\$ 95,964</u>	<u>\$ 96,997</u>	<u>\$ 97,682</u>	<u>\$ 100,507</u>	<u>\$ 97,072</u>	<u>\$ 96,784</u>	<u>\$ 97,252</u>	<u>\$ 99,630</u>	<u>\$ 97,114</u>	<u>\$ 96,187</u>	<u>\$ 100,905</u>	<u>\$ 99,205</u>	<u>\$ 391,150</u>	<u>\$ 390,739</u>	<u>\$ 393,413</u>
Operating expenses:															
Cost of revenues (exclusive of depreciation and amortization).....															
	40,284	39,960	41,829	41,676	40,948	41,288	42,621	41,423	40,183	39,219	41,013	42,059	163,749	166,280	162,474
Selling, general and administrative expenses.....	28,379	28,516	27,965	30,015	29,266	28,720	28,294	29,694	29,732	29,767	33,146	31,153	114,875	115,974	123,798
Gain on sale of property.....	—	(6,546)	—	—	—	—	—	—	—	—	—	—	(6,546)	—	—
Depreciation and amortization.....	18,717	19,841	19,974	18,769	18,720	18,884	19,717	20,693	21,280	21,941	22,551	22,107	77,301	78,014	87,879
Total operating expenses.....	<u>\$ 87,380</u>	<u>\$ 81,771</u>	<u>\$ 89,768</u>	<u>\$ 90,460</u>	<u>\$ 88,934</u>	<u>\$ 88,892</u>	<u>\$ 90,632</u>	<u>\$ 91,810</u>	<u>\$ 91,195</u>	<u>\$ 90,927</u>	<u>\$ 96,710</u>	<u>\$ 95,319</u>	<u>\$ 349,379</u>	<u>\$ 360,268</u>	<u>\$ 374,151</u>
EBITDA (1).....	27,301	28,521	27,888	28,816	26,858	26,776	26,337	28,512	27,199	27,201	26,746	25,994	112,525	108,485	107,141
Non-cash stock compensation.....	423	728	735	850	1,074	1,025	967	1,108	375	525	186	497	2,736	4,174	1,584
SystemMetrics earn-out.....	—	—	—	—	272	272	271	272	272	272	(350)	64	—	1,087	258
Non-recurring.....	1,445	716	1,378	1,069	853	969	1,419	820	1,326	1,791	4,668	2,767	4,608	4,061	10,552
Adjusted EBITDA (1).....	<u>\$ 29,169</u>	<u>\$ 29,965</u>	<u>\$ 30,001</u>	<u>\$ 30,735</u>	<u>\$ 29,057</u>	<u>\$ 29,042</u>	<u>\$ 28,994</u>	<u>\$ 30,712</u>	<u>\$ 29,172</u>	<u>\$ 29,789</u>	<u>\$ 31,250</u>	<u>\$ 29,322</u>	<u>\$ 119,869</u>	<u>\$ 117,807</u>	<u>\$ 119,535</u>
Capital expenditures.....	\$ 23,254	\$ 21,724	\$ 24,831	\$ 16,481	\$ 23,939	\$ 27,376	\$ 25,159	\$ 20,232	\$ 29,172	\$ 23,744	\$ 23,816	\$ 22,302	\$ 86,290	\$ 96,706	\$ 99,034
Levered Free Cash Flow (2).....	\$ 679	\$ 1,160	\$ 3,071	\$ 10,576	\$ 1,294	\$ (1,943)	\$ 235	\$ 6,846	\$ (3,953)	\$ 2,394	\$ 3,804	\$ 2,076	\$ 15,485	\$ 6,434	\$ 4,323
Business															
Data lines.....	18,810	18,986	19,163	19,320	19,404	19,465	19,552	19,589	19,624	19,759	19,835	20,081			
BVoIP lines.....	6,874	7,628	8,442	9,517	11,008	11,600	12,143	12,898	13,875	15,469	16,273	16,749			
Voice access lines.....	190,096	188,128	186,181	183,510	181,194	179,154	177,064	175,636	173,425	170,506	169,120	168,058			
Consumer															
Video subscribers.....	11,671	13,618	15,796	18,393	20,279	23,101	25,766	28,124	29,721	31,921	34,009	35,876			
Internet lines.....	89,464	89,737	90,253	91,437	91,429	91,405	92,265	92,875	93,090	93,338	93,202	93,002			
Voice access lines.....	199,044	194,365	190,013	186,415	182,375	177,953	173,656	169,488	165,074	160,819	156,311	151,996			
Homes enabled for video.....	83,000	100,000	111,000	120,000	130,000	142,000	152,000	160,000	166,000	175,000	183,000	190,000			

In the fourth quarter 2015, we revised the presentation of operating revenue and volume information to provide more meaningful information. Prior period information has been revised to reflect the current presentation. Total revenue has not changed from that previously reported but the classification by channel has been modified and we now present product information by channel as well.

(1) EBITDA and Adjusted EBITDA are non-GAAP financial measures used by management to evaluate the effectiveness of the Company's operating performance. 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. 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. 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 EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures used by other companies in the telecommunications industry.

(2) Levered Free Cash Flow provides a useful measure of operational performance and liquidity. The Company defines Levered Free Cash Flow as Adjusted EBITDA less cash interest expense and capital expenditures.

HAWAIIAN TELCOM HOLDCO, INC.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES--EBITDA & ADJUSTED EBITDA (1) & (2)

(UNAUDITED)

(Dollars in thousands)

	For the Three Months Ended												For the Year Ended December 31,		
	3/31/13	6/30/13	9/30/13	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14	3/31/15	6/30/15	9/30/15	12/31/15	2013	2014	2015
Adjusted EBITDA (1)	\$ 29,169	\$ 29,965	\$ 30,001	\$ 30,735	\$ 29,057	\$ 29,042	\$ 28,994	\$ 30,712	\$ 29,172	\$ 29,789	\$ 31,250	\$ 29,322	\$ 119,869	\$ 117,807	\$ 119,535
Less: Non-recurring costs	1,445	716	1,378	1,069	853	969	1,419	820	1,326	1,791	4,668	2,767	4,608	4,061	10,552
Non-cash stock compensation	423	728	735	850	1,074	1,025	967	1,108	375	525	186	497	2,736	4,174	1,584
SystemMetrics earn-out	—	—	—	—	272	272	271	272	272	272	(350)	64	—	1,087	258
EBITDA (1)	27,301	28,521	27,888	28,816	26,858	26,776	26,337	28,512	27,199	27,201	26,746	25,994	112,525	108,485	107,141
Depreciation and amortization.....	18,717	19,841	19,974	18,769	18,720	18,884	19,717	20,693	21,280	21,941	22,551	22,107	77,301	78,014	87,879
Income tax provision (benefit).....	1,212	2,538	1,771	3,261	1,592	1,549	1,014	1,755	614	643	(54)	153	8,782	5,910	1,357
Interest expense & other income & expense, net.....	5,525	8,737	4,082	4,157	4,178	4,104	4,090	4,088	4,330	4,162	4,144	4,169	22,501	16,462	16,805
Reorganization.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Gain on sale of property.....	—	(6,546)	—	—	—	—	—	—	—	—	—	—	(6,546)	—	—
Net income (loss).....	\$ 1,847	\$ 3,951	\$ 2,061	\$ 2,629	\$ 2,368	\$ 2,239	\$ 1,516	\$ 1,976	\$ 975	\$ 455	\$ 105	\$ (435)	\$ 10,487	\$ 8,099	\$ 1,100

(1) EBITDA and Adjusted EBITDA are non-GAAP financial measures used by management to evaluate the effectiveness of the Company's operating performance. 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. 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. 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 EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures used by other companies in the telecommunications industry.

(2) In connection with its emergence from bankruptcy on October 28, 2010, the Company adopted fresh-start reporting in accordance with generally accepted accounting principles. The adoption of fresh-start reporting results in the Company becoming a new entity for financial reporting purposes. Accordingly, the Company's financial condition and results of operations after October 31, 2010 are not comparable to its financial condition and results of operations for periods prior to and on October 31, 2010. However, to provide a basis for comparison to prior year results, the Company has combined the results for (a) the one month ended October 31, 2010 with the two months ended December 31, 2010 and (b) the ten months ended October 31, 2010 with the two months ended December 31, 2010 to aid in the understanding of the Company's financial performance.