

HAWAIIAN TELCOM HOLDCO, INC.

**HISTORICAL QUARTERLY DATA
(UNAUDITED)
(Dollars in thousands)**

	For the Three Months Ended									For the Year Ended		
										December 31,		
	3/31/15	6/30/15	9/30/15	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16	3/31/17	2015	2016	3/31/17 LTM
Operating revenues:												
Business												
Data services:												
Ethernet and RNS.....	\$ 3,883	\$ 3,765	\$ 3,923	\$ 3,937	\$ 4,128	\$ 4,374	\$ 4,454	\$ 4,432	\$ 4,791	\$ 15,508	\$ 17,388	\$ 18,051
Dedicated Internet Access.....	1,693	1,657	1,856	2,675	3,519	5,424	2,634	2,674	2,603	7,881	14,251	13,335
Internet.....	3,363	3,321	3,397	3,359	3,562	3,399	3,401	3,347	3,354	13,440	13,709	13,501
BVoIP.....	2,471	2,642	2,746	2,807	2,907	3,154	3,284	3,340	3,326	10,666	12,685	13,104
Legacy data services.....	1,941	1,772	1,779	1,601	2,268	1,685	1,653	1,494	1,543	7,093	7,100	6,375
Total data services.....	13,351	13,157	13,701	14,379	16,384	18,036	15,426	15,287	15,617	54,589	65,133	64,366
Voice services.....	24,085	23,223	23,720	22,944	22,412	21,752	21,687	21,520	21,258	93,972	87,371	86,217
Hosted and managed services.....	1,241	1,403	1,385	1,553	1,581	1,706	1,523	1,620	1,532	5,582	6,430	6,381
Equipment and related services.....	4,265	4,779	5,993	5,510	4,465	5,178	6,161	5,925	5,443	20,546	21,729	22,707
	42,942	42,562	44,799	44,386	44,842	46,672	44,797	44,352	43,850	174,689	180,663	179,671
Consumer												
Video services.....	7,522	8,280	8,677	9,187	9,426	9,997	10,483	10,652	10,594	33,666	40,558	41,726
Internet services.....	8,128	8,187	8,283	8,088	7,725	7,328	7,053	6,887	6,681	32,687	28,993	27,949
Voice services.....	20,516	20,033	19,683	19,042	19,054	18,627	18,144	17,563	16,986	79,273	73,388	71,320
	36,166	36,500	36,643	36,317	36,205	35,952	35,680	35,102	34,261	145,626	142,939	140,995
Wholesale carrier data.....	14,333	13,789	14,245	14,063	13,762	13,172	13,440	13,290	12,828	56,430	53,664	52,730
Other.....	3,673	3,336	5,218	4,439	3,985	3,745	3,931	4,036	3,571	16,668	15,697	15,283
Total operating revenues.....	\$ 97,114	\$ 96,187	\$ 100,905	\$ 99,205	\$ 98,794	\$ 99,541	\$ 97,848	\$ 96,780	\$ 94,510	\$ 393,413	\$ 392,963	\$ 388,679
Operating expenses:												
Cost of revenues (exclusive of depreciation and amortization).....												
	40,183	39,219	41,013	42,059	42,479	40,605	41,903	40,848	41,191	162,474	165,835	164,547
Selling, general and administrative expenses.....	29,732	29,767	33,146	31,153	29,865	29,554	29,206	29,795	31,395	123,798	118,420	119,950
Depreciation and amortization.....	21,280	21,941	22,551	22,107	21,950	22,493	23,036	22,437	21,269	87,879	89,916	89,235
Total operating expenses.....	\$ 91,195	\$ 90,927	\$ 96,710	\$ 95,319	\$ 94,294	\$ 92,652	\$ 94,145	\$ 93,080	\$ 93,855	\$ 374,151	\$ 374,171	\$ 373,732
Operating income.....	5,919	5,260	4,195	3,887	4,500	6,889	3,703	3,700	655	19,262	18,792	14,947
Depreciation and amortization.....	21,280	21,941	22,551	22,107	21,950	22,493	23,036	22,437	21,269	87,879	89,916	89,235
Non-cash stock and other performance-based compensation.....	375	525	186	497	779	789	737	641	725	1,584	2,946	2,892
SystemMetrics earn-out.....	272	272	(350)	64	515	216	(71)	105	—	258	765	250
Pension settlement loss.....	850	1,397	4,118	1,722	—	—	486	791	1,956	8,088	1,277	3,233
Early retirement plan severance.....	—	—	—	—	—	—	—	—	1,743	—	—	1,743
Other special items.....	476	394	550	1,045	390	396	675	826	714	2,464	2,287	2,611
Adjusted EBITDA (1).....	\$ 29,172	\$ 29,789	\$ 31,250	\$ 29,322	\$ 28,134	\$ 30,783	\$ 28,566	\$ 28,500	\$ 27,062	\$ 119,535	\$ 115,983	\$ 114,911
Capital expenditures.....	\$ 29,172	\$ 23,744	\$ 23,816	\$ 22,302	\$ 28,139	\$ 24,759	\$ 25,436	\$ 19,507	\$ 27,242	\$ 99,034	\$ 97,841	\$ 96,944
Levered Free Cash Flow (2).....	\$ (3,953)	\$ 2,394	\$ 3,804	\$ 2,076	\$ (2,497)	\$ 2,166	\$ (458)	\$ 5,225	\$ (3,717)	\$ 4,323	\$ 4,436	\$ 3,216
Business												
Data lines.....	19,624	19,759	19,835	20,081	19,954	19,851	19,754	19,596	19,341			
BVoIP lines.....	13,875	15,469	16,273	16,749	17,281	18,101	18,593	19,091	20,034			
Voice access lines.....	173,425	170,506	169,120	168,058	166,073	163,860	162,587	160,829	158,621			
Consumer												
Video subscribers.....	29,721	31,921	34,009	35,876	37,108	38,593	39,774	41,557	42,771			
Internet lines.....	93,090	93,338	93,202	93,002	92,820	91,820	91,000	91,089	90,693			
Voice access lines.....	165,074	160,819	156,311	151,996	147,375	143,441	139,167	135,363	131,142			
Homes enabled for video.....	166,000	175,000	183,000	190,000	195,000	198,000	201,000	202,000	203,000			

(1) Adjusted EBITDA is a non-GAAP financial measure used by management to evaluate the effectiveness of the Company's operating performance. Adjusted EBITDA is defined as net income plus interest expense (net of interest income and other), income taxes, depreciation and amortization, gain on sale of property, non-cash stock and other performance-based compensation, SystemMetrics earn-out, pension settlement loss and other special items. The Company believes this non-GAAP measure is a meaningful performance measure for investors because it is used by our Board and management to evaluate performance, enhance comparability between periods and make operating decisions. Our use of Adjusted EBITDA may not be comparable to similarly titled measures used by other companies in the telecommunications industry.

(2) Levered Free Cash Flow is a non-GAAP financial measure used by management to measure operational performance and liquidity. The Company defines Levered Free Cash Flow as Adjusted EBITDA less cash interest expense and capital expenditures.

Beginning in the first quarter of 2017, the Company no longer reports data center services as a separate segment and a separate revenue line item in the business channel. This is as a result of the Company's evolving strategy to increase emphasis on bundling of strategic communications services to customers as well as maximize the efficiency benefits of an integrated operation. Data center services revenue has been reclassified to the appropriate revenue line items in the business channel. Prior period information has been revised to reflect the current presentation.

HAWAIIAN TELCOM HOLDCO, INC.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES--ADJUSTED EBITDA & LEVERED FREE CASH FLOW (1) (2)

(UNAUDITED)

(Dollars in thousands)

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Net income (loss).....	\$ 975	\$ 455	\$ 105	\$ (435)	\$ 154	\$ 1,445	\$ (279)	\$ (214)	\$ (1,952)	\$ 1,100	\$ 1,106	\$ (1,000)
Income tax provision (benefit).....	614	643	(54)	153	106	960	(174)	(302)	(1,386)	1,357	591	(902)
Interest expense & other income & expense, net.....	4,330	4,162	4,144	4,169	4,240	4,484	4,156	4,216	3,993	16,805	17,095	16,849
Operating income	5,919	5,260	4,195	3,887	4,500	6,889	3,703	3,700	655	19,262	18,792	14,947
Depreciation and amortization.....	21,280	21,941	22,551	22,107	21,950	22,493	23,036	22,437	21,269	87,879	89,916	89,235
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Adjusted EBITDA (1).....	\$ 29,172	\$ 29,789	\$ 31,250	\$ 29,322	\$ 28,134	\$ 30,783	\$ 28,566	\$ 28,500	\$ 27,062	\$ 119,535	\$ 115,983	\$ 114,911
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Cash interest expense.....	(3,953)	(3,651)	(3,630)	(4,944)	(2,492)	(3,858)	(3,588)	(3,768)	(3,537)	(16,178)	(13,706)	(14,751)
Capital expenditures.....	(29,172)	(23,744)	(23,816)	(22,302)	(28,139)	(24,759)	(25,436)	(19,507)	(27,242)	(99,034)	(97,841)	(96,944)
Levered Free Cash Flow (2).....	\$ (3,953)	\$ 2,394	\$ 3,804	\$ 2,076	\$ (2,497)	\$ 2,166	\$ (458)	\$ 5,225	\$ (3,717)	\$ 4,323	\$ 4,436	\$ 3,216

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