

HAWAIIAN TELCOM HOLDCO, INC.

QUARTERLY TRENDED EXTERNAL FORMAT  
(UNAUDITED)  
(Dollars in thousands)

	For the Three Months Ended													For the Year Ended			9/30/16 LTM
														December 31,			
	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	3/31/16	6/30/16	9/30/16	2013	2014	2015	
<b>Operating revenues:</b>																	
<b>Business</b>																	
Data services.....	\$ 10,441	\$ 10,899	\$ 11,215	\$ 11,268	\$ 11,162	\$ 11,187	\$ 12,059	\$ 11,838	\$ 12,387	\$ 13,043	\$ 14,968	\$ 16,593	\$ 13,949	\$ 41,833	\$ 44,832	\$ 49,327	\$ 58,552
Voice services.....	26,195	25,395	25,414	24,843	24,627	24,051	24,021	23,161	23,657	22,882	22,352	21,690	21,626	104,290	98,936	93,722	88,552
Data center services.....	—	2,188	2,405	2,323	2,485	3,524	2,597	2,784	2,762	2,951	3,057	3,211	3,061	2,188	10,737	11,094	12,280
Equipment and managed services.....	7,228	7,270	4,489	4,723	4,818	5,294	4,265	4,779	5,993	5,510	4,465	5,178	6,161	26,994	19,324	20,546	21,314
	43,864	45,752	43,523	43,157	43,092	44,056	42,942	42,562	44,799	44,386	44,842	46,672	44,797	175,305	173,829	174,689	180,698
<b>Consumer</b>																	
Video services.....	3,717	4,228	4,754	5,474	6,531	7,051	7,522	8,280	8,677	9,187	9,426	9,997	10,483	13,012	23,810	33,666	39,094
Internet services.....	7,039	7,230	7,483	7,687	7,815	8,039	8,128	8,187	8,283	8,088	7,725	7,328	7,053	27,888	31,024	32,687	30,195
Voice services.....	23,525	23,020	22,642	22,134	21,463	21,024	20,516	20,033	19,683	19,042	19,054	18,627	18,144	95,315	87,263	79,273	74,867
	34,281	34,478	34,879	35,295	35,809	36,114	36,166	36,500	36,643	36,317	36,205	35,952	35,680	136,215	142,097	145,626	144,156
Wholesale carrier data.....	14,850	14,406	14,386	14,280	14,416	14,689	14,333	13,789	14,245	14,063	13,762	13,172	13,440	59,529	57,771	56,430	54,435
Other.....	4,687	5,871	4,284	4,052	3,935	4,771	3,673	3,336	5,218	4,439	3,985	3,745	3,931	20,101	17,042	16,668	16,099
<b>Total operating revenues.....</b>	<b>\$ 97,682</b>	<b>\$ 100,507</b>	<b>\$ 97,072</b>	<b>\$ 96,784</b>	<b>\$ 97,252</b>	<b>\$ 99,630</b>	<b>\$ 97,114</b>	<b>\$ 96,187</b>	<b>\$ 100,905</b>	<b>\$ 99,205</b>	<b>\$ 98,794</b>	<b>\$ 99,541</b>	<b>\$ 97,848</b>	<b>\$ 391,150</b>	<b>\$ 390,739</b>	<b>\$ 393,413</b>	<b>\$ 395,388</b>
<b>Operating expenses:</b>																	
Cost of revenues (exclusive of depreciation and amortization).....	41,829	41,676	40,948	41,288	42,621	41,423	40,183	39,219	41,013	42,059	42,479	40,605	41,903	163,749	166,280	162,474	167,046
Selling, general and administrative expenses.....	27,965	30,015	29,266	28,720	28,294	29,694	29,732	29,767	33,146	31,153	29,865	29,554	29,206	114,875	115,974	123,798	119,778
Gain on sale of property.....	—	—	—	—	—	—	—	—	—	—	—	—	—	(6,546)	—	—	—
Depreciation and amortization.....	19,974	18,769	18,720	18,884	19,717	20,693	21,280	21,941	22,551	22,107	21,950	22,493	23,036	77,301	78,014	87,879	89,586
<b>Total operating expenses.....</b>	<b>\$ 89,768</b>	<b>\$ 90,460</b>	<b>\$ 88,934</b>	<b>\$ 88,892</b>	<b>\$ 90,632</b>	<b>\$ 91,810</b>	<b>\$ 91,195</b>	<b>\$ 90,927</b>	<b>\$ 96,710</b>	<b>\$ 95,319</b>	<b>\$ 94,294</b>	<b>\$ 92,652</b>	<b>\$ 94,145</b>	<b>\$ 349,379</b>	<b>\$ 360,268</b>	<b>\$ 374,151</b>	<b>\$ 376,410</b>
<b>Operating income.....</b>	<b>7,914</b>	<b>10,047</b>	<b>8,138</b>	<b>7,892</b>	<b>6,620</b>	<b>7,819</b>	<b>5,919</b>	<b>5,260</b>	<b>4,195</b>	<b>3,887</b>	<b>4,500</b>	<b>6,889</b>	<b>3,703</b>	<b>41,771</b>	<b>30,471</b>	<b>19,262</b>	<b>18,978</b>
Depreciation and amortization.....	19,974	18,769	18,720	18,884	19,717	20,693	21,280	21,941	22,551	22,107	21,950	22,493	23,036	77,301	78,014	87,879	89,586
Gain on sale of property.....	—	—	—	—	—	—	—	—	—	—	—	—	—	(6,546)	—	—	—
Non-cash stock and other performance-based compensation.....	735	850	1,074	1,025	967	1,108	375	525	186	497	779	789	737	2,736	4,174	1,584	2,802
SystemMetrics earn-out.....	—	—	272	272	271	272	272	272	(350)	64	515	216	(71)	—	1,087	258	724
Pension settlement loss.....	—	—	—	—	—	—	850	1,397	4,118	1,722	—	—	486	—	—	8,088	2,208
Other special items.....	1,378	1,069	853	969	1,419	820	476	394	550	1,045	390	396	675	4,608	4,061	2,464	2,506
<b>Adjusted EBITDA (1).....</b>	<b>\$ 30,001</b>	<b>\$ 30,735</b>	<b>\$ 29,057</b>	<b>\$ 29,042</b>	<b>\$ 28,994</b>	<b>\$ 30,712</b>	<b>\$ 29,172</b>	<b>\$ 29,789</b>	<b>\$ 31,250</b>	<b>\$ 29,322</b>	<b>\$ 28,134</b>	<b>\$ 30,783</b>	<b>\$ 28,566</b>	<b>\$ 119,870</b>	<b>\$ 117,807</b>	<b>\$ 119,535</b>	<b>\$ 116,804</b>
<b>Capital expenditures.....</b>	<b>\$ 24,831</b>	<b>\$ 16,481</b>	<b>\$ 23,939</b>	<b>\$ 27,376</b>	<b>\$ 25,159</b>	<b>\$ 20,232</b>	<b>\$ 29,172</b>	<b>\$ 23,744</b>	<b>\$ 23,816</b>	<b>\$ 22,302</b>	<b>\$ 28,139</b>	<b>\$ 24,759</b>	<b>\$ 25,436</b>	<b>\$ 86,290</b>	<b>\$ 96,706</b>	<b>\$ 99,034</b>	<b>\$ 100,636</b>
<b>Levered Free Cash Flow (2).....</b>	<b>\$ 3,071</b>	<b>\$ 10,576</b>	<b>\$ 1,294</b>	<b>\$ (1,943)</b>	<b>\$ 235</b>	<b>\$ 6,846</b>	<b>\$ (3,953)</b>	<b>\$ 2,394</b>	<b>\$ 3,804</b>	<b>\$ 2,076</b>	<b>\$ (2,497)</b>	<b>\$ 2,166</b>	<b>\$ (458)</b>	<b>\$ 15,486</b>	<b>\$ 6,434</b>	<b>\$ 4,323</b>	<b>\$ 1,286</b>
	<b>9/30/13</b>	<b>12/31/13</b>	<b>3/31/14</b>	<b>6/30/14</b>	<b>9/30/14</b>	<b>12/31/14</b>	<b>3/31/15</b>	<b>6/30/15</b>	<b>9/30/15</b>	<b>12/31/15</b>	<b>3/31/16</b>	<b>6/30/16</b>	<b>9/30/16</b>				
<b>Business</b>																	
Data lines.....	19,163	19,320	19,404	19,465	19,552	19,589	19,624	19,759	19,835	20,081	19,954	19,851	19,754				
BVoIP lines.....	8,442	9,517	11,008	11,600	12,143	12,898	13,875	15,469	16,273	16,749	17,281	18,101	18,593				
Voice access lines.....	186,181	183,510	181,194	179,154	177,064	175,636	173,425	170,506	169,120	168,058	166,073	163,860	162,587				
<b>Consumer</b>																	
Video subscribers.....	15,796	18,393	20,279	23,101	25,766	28,124	29,721	31,921	34,009	35,876	37,108	38,593	39,774				
Internet lines.....	90,253	91,437	91,429	91,405	92,265	92,875	93,090	93,338	93,202	93,002	92,820	91,820	91,000				
Voice access lines.....	190,013	186,415	182,375	177,953	173,656	169,488	165,074	160,819	156,311	151,996	147,375	143,441	139,167				
Homes enabled for video.....	111,000	120,000	130,000	142,000	152,000	160,000	166,000	175,000	183,000	190,000	195,000	198,000	201,000				

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) 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.

HAWAIIAN TELCOM HOLDCO, INC.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES--ADJUSTED EBITDA & Levered Free Cash Flow (1) (2)

(UNAUDITED)

(Dollars in thousands)

	For the Three Months Ended												For the Year Ended				
	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	3/31/16	6/30/16	9/30/16	2013	2014	2015	9/30/16 LTM
Net income (loss).....	\$ 2,061	\$ 2,629	\$ 2,368	\$ 2,239	\$ 1,516	\$ 1,976	\$ 975	\$ 455	\$ 105	\$ (435)	\$ 154	\$ 1,445	\$ (279)	\$ 10,488	\$ 8,099	\$ 1,100	\$ 885
Income tax provision (benefit).....	1,771	3,261	1,592	1,549	1,014	1,755	614	643	(54)	153	106	960	(174)	8,782	5,910	1,357	1,045
Interest expense & other income & expense, net.....	4,082	4,157	4,178	4,104	4,090	4,088	4,330	4,162	4,144	4,169	4,240	4,484	4,156	22,501	16,462	16,805	17,048
Operating income	7,914	10,047	8,138	7,892	6,620	7,819	5,919	5,260	4,195	3,887	4,500	6,889	3,703	41,771	30,471	19,262	18,978
Depreciation and amortization.....	19,974	18,769	18,720	18,884	19,717	20,693	21,280	21,941	22,551	22,107	21,950	22,493	23,036	77,301	78,014	87,879	89,586
Gain on sale of property.....	—	—	—	—	—	—	—	—	—	—	—	—	—	(6,546)	—	—	—
Non-cash stock and other performance-based compensation	735	850	1,074	1,025	967	1,108	375	525	186	497	779	789	737	2,736	4,174	1,584	2,802
SystemMetrics earn-out.....	—	—	272	272	271	272	272	272	(350)	64	515	216	(71)	—	1,087	258	724
Pension settlement loss.....	—	—	—	—	—	—	850	1,397	4,118	1,722	—	—	486	—	—	8,088	2,208
Other special items.....	1,378	1,069	853	969	1,419	820	476	394	550	1,045	390	396	675	4,608	4,061	2,464	2,506
Adjusted EBITDA (1).....	\$ 30,001	\$ 30,735	\$ 29,057	\$ 29,042	\$ 28,994	\$ 30,712	\$ 29,172	\$ 29,789	\$ 31,250	\$ 29,322	\$ 28,134	\$ 30,783	\$ 28,566	\$ 119,870	\$ 117,807	\$ 119,535	\$ 116,804
Adjusted EBITDA (1).....	\$ 30,001	\$ 30,735	\$ 29,057	\$ 29,042	\$ 28,994	\$ 30,712	\$ 29,172	\$ 29,789	\$ 31,250	\$ 29,322	\$ 28,134	\$ 30,783	\$ 28,566	\$ 119,870	\$ 117,807	\$ 119,535	\$ 116,804
Cash interest expense.....	(2,099)	(3,678)	(3,824)	(3,609)	(3,600)	(3,634)	(3,953)	(3,651)	(3,630)	(4,944)	(2,492)	(3,858)	(3,588)	(18,094)	(14,667)	(16,178)	(14,882)
Capital expenditures.....	(24,831)	(16,481)	(23,939)	(27,376)	(25,159)	(20,232)	(29,172)	(23,744)	(23,816)	(22,302)	(28,139)	(24,759)	(25,436)	(86,290)	(96,706)	(99,034)	(100,636)
Levered Free Cash Flow (2).....	\$ 3,071	\$ 10,576	\$ 1,294	\$ (1,943)	\$ 235	\$ 6,846	\$ (3,953)	\$ 2,394	\$ 3,804	\$ 2,076	\$ (2,497)	\$ 2,166	\$ (458)	\$ 15,486	\$ 6,434	\$ 4,323	\$ 1,286

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(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.