2nd Quarter 2017
Earnings Conference Call

August 8, 2017

Hawaiian Telcom
HAWAII'S TECHNOLOGY LEADER

Agenda

Company Overview	Scott Barber President & CEO
Operational & Financial Review	Dan Bessey CFO
Q & A	

Presented Information

In addition to historical information, this presentation 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”, “expects”, 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: failures in Hawaiian Telcom’s critical back office systems and IT infrastructure; breach of the our data security systems; increases in the amount of capital expenditures required to execute our business plan; the loss of certain outsourcing agreements, or the failure of any third party to perform under these agreements; our ability to sell capacity on the new submarine fiber cable project; adverse changes to applicable laws and regulations; the failure to adequately adapt to technological changes in the telecommunications industry, including changes in consumer technology preferences; adverse economic conditions in Hawai‘i; the availability of lump sum distributions under our union pension plan; limitations on the ability to utilize net operating losses due to an ownership change under Internal Revenue Code Section 382; the inability to service our indebtedness; limitations imposed on our business from restrictive covenants in the credit agreements; severe weather conditions and natural disasters; the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement with Cincinnati Bell or conditions to the closing of the merger may not be satisfied or waived; the failure to obtain the approval of the Company’s stockholders or the failure to satisfy the closing conditions; risks related to disruption of management’s attention from the Company’s ongoing business operations due to the proposed merger; the effect of the announcement of the merger on the ability of the Company to retain and hire key personnel, maintain relationships with its customers and suppliers, and operating results and business generally; the transaction may involve unexpected costs, liabilities or delays; the Company’s business may suffer as a result of the uncertainty surrounding the transaction; the outcome of any legal proceeding relating to the transaction; the Company may be adversely affected by other economic, business and/or competitive factors; and other risks to consummation of the transaction, including the risk that the transaction will not be consummated within the expected time period or at all.

More information on potential risks and uncertainties is available in recent filings with the Securities and Exchange Commission, including Hawaiian Telcom’s Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. The information contained in this presentation is as of August 8, 2017. It is possible that subsequent events and developments will cause estimates to change.

Company Overview

Scott Barber, President & CEO

Hawaiian Telcom
HAWAII'S TECHNOLOGY LEADER

Recent Events & Second Quarter 2017 Highlights

Announced Merger Transaction with Cincinnati Bell	• Hawaiian Telcom shareholders to receive $30.75 per share consideration in a cash and stock transaction • Transaction to create greater scale and efficiency, expanded markets and products, and increased investment in fiber leading to future growth opportunities • Expected to close in 2H18
Completed landmark SEA-US transpacific fiber project	• System Ready for Service • Capacity sales offset investment with additional excess capacity to further monetize • Cost-effectively secured internal IP transit needs for foreseeable future
Second Quarter 2017 Highlights	• Total revenue of $91.3M • Adjusted EBITDA of $26.4M • Net loss of $3.5M due to $4.8M loss on early extinguishment of debt related to the second quarter refinancing transaction

Hawaiian Telcom
HAWAII'S TECHNOLOGY LEADER

Hawaiian Telcom: *SmartBusiness* Brand

Hawaiian Telcom's Integrated Business Product Portfolio

Voice

Unified Communications

- Hosted Voice (Business All-in-One Bundle)
- Call Center as a Service
- Hosted UC

Trunking

- ISDN PRI
- SIP Trunking

Legacy

- Business Line (B1) / PBX Trunks
- Centrex & Centrex Biz Plus

Data

Private Networking

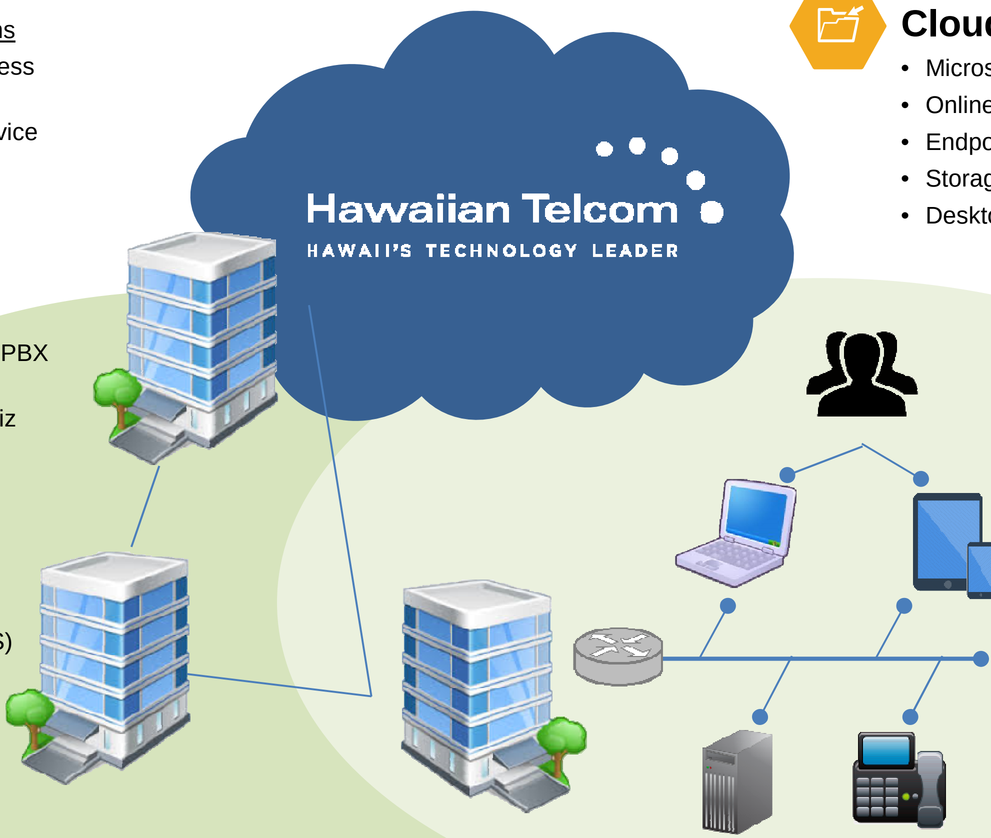
- Enhanced IP Data Service (EIPDS)
- Routed Network Service (RNS)

Broadband Internet

- High-Speed Internet (HSI)
- Dedicated Internet Access (DIA)

Legacy

- ATM & Frame Relay
- Private Line



Cloud Applications

- Microsoft Office 365
- Online Backup & Sync
- Endpoint Security
- Storage
- Desktop as a Service

IT/Infrastructure Services

- Network Monitoring
- Managed Equipment
- Design & Configuration
- Remote Support
- Colocation

Security

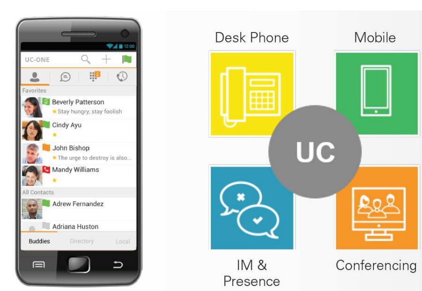
- Network
- Internet
- Email
- Computers & Devices

Customer-Premises Equipment

- Firewall
- PBX
- Routers/Switches

Grow the Business – Business Market

	Small & Medium Sized Business		Enterprise & Government
Strategic Focus	Gaining market share by offering cost effective bundles of voice and high speed Internet mixed with cloud solutions designed to help customers solve technology needs		Gaining wallet share by delivering timely, competitive, tailored solutions to help customers deliver business outcomes
2Q'17 Accomplishments	• Fiber-enabled 1,600 targeted business addresses in 2Q using GPON technology • 8,600 LTD business addresses fiber-enabled statewide	• 13% Y/Y increase in BVoIP revenue driven by 14% Y/Y increase in BVoIP lines • BVoIP line growth mitigating legacy voice line decline; hosted voice bundles increasing customer stickiness	• Launched Hosted UC & created comprehensive, scalable cloud-based communication and collaboration solution • SEA-US capacity enabled pricing flexibility and increased competitiveness



Grow the Business – Consumer Market

Strategic Focus

- Increase TV penetration & NGN penetration
- Win additional bulk MDUs
- Grow high-bandwidth Internet
- Enhance products & improve customer experience
- Improve operating efficiency

2Q'17 Accomplishments

- Grew TV subscribers by 12% Y/Y, 20th consecutive quarter of growth
- Increased NGN penetration to 24%, compared to 22% in 2Q'16
- Won 1 double-play TV bulk MDU & successfully renewed 5 other TV bulk MDU contracts
- 95% of TV subs bundle with Internet
- Subscribers on 100Mbps – 1Gbps packages grew 70% Y/Y
- Early success with CAF II deployment

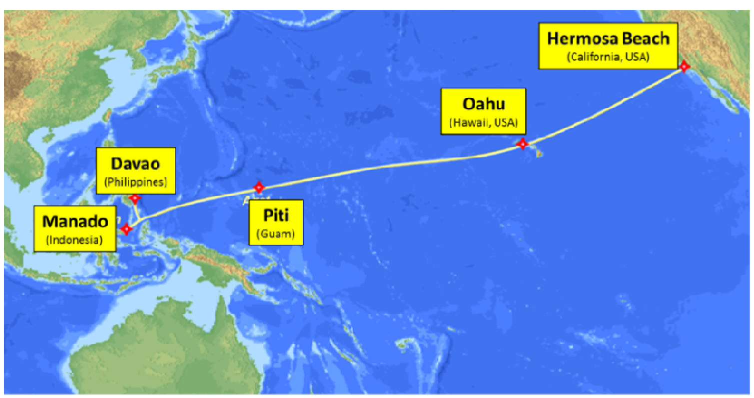
Grow the Business – Wholesale Market

Strategic Focus

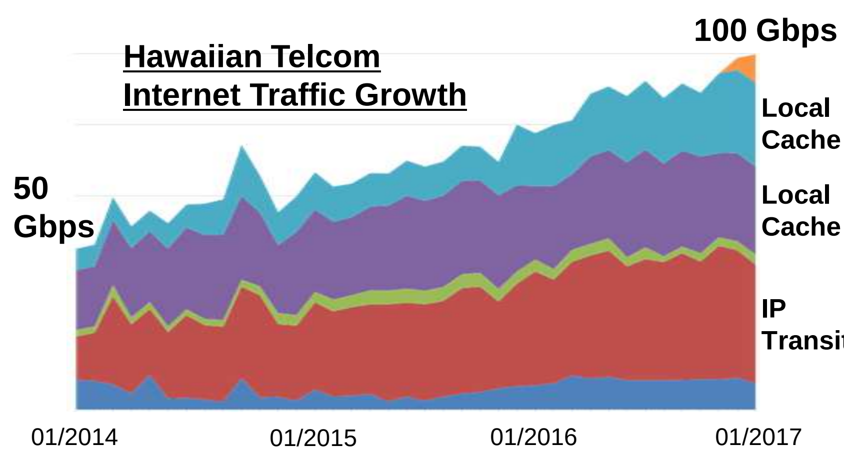
Leveraging strategic fiber infrastructure throughout state of Hawaii and trans-Pacific undersea fiber to provide high-capacity competitive Ethernet solutions and wavelength services to wholesale customers to serve their customers' growing bandwidth needs

2Q'17 Accomplishments

- 7% Y/Y increase in Ethernet & wavelength revenue
- 506 FTTT cell sites completed at quarter-end
- 34 more sites left under contract to build when the carriers are ready
- SEA-US transpacific fiber cable system Ready for Service



Hawaiian Telcom
HAWAII'S TECHNOLOGY LEADER
Telin
Globe
GTA TELEGUAM
RTI



Operational & Financial Review

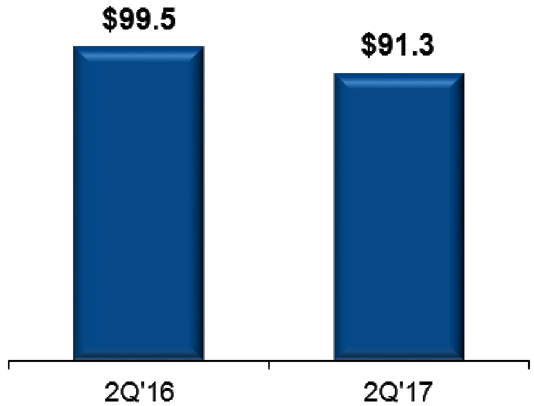
Dan Bessey, SVP & CFO

Hawaiian Telcom
HAWAII'S TECHNOLOGY LEADER

Quarterly Revenue & Adjusted EBITDA

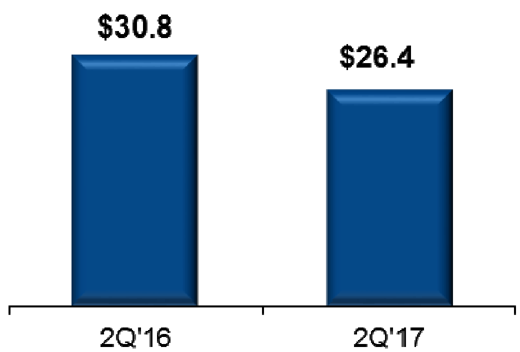
Total Revenue

($ in millions)



Adjusted EBITDA

($ in millions)

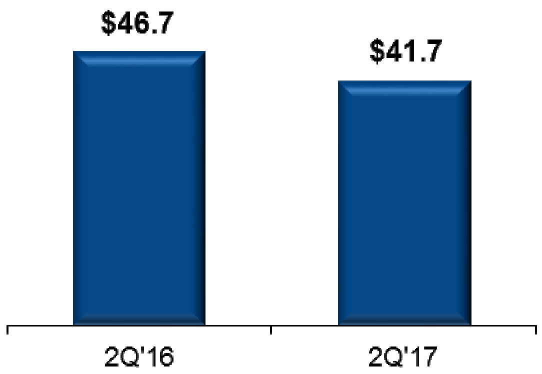


- 2Q’17 Revenue $91.3M
  - 2Q’16 revenue benefited from $3.5M of non-recurring revenues associated with a large government customer
  - High-bandwidth IP products and services revenue growth offset by declines in legacy voice and low-bandwidth services revenue
- 2Q’17 Adjusted EBITDA $26.4M
  - Year-over-year decline related to lower revenue, partially offset by increased operating efficiency and other cost savings, resulted in stable Adjusted EBITDA margin of 29%
- 2Q’17 Net loss of $3.5M
  - Due to $4.8M loss on early extinguishment of debt

Business Channel

Business Revenue

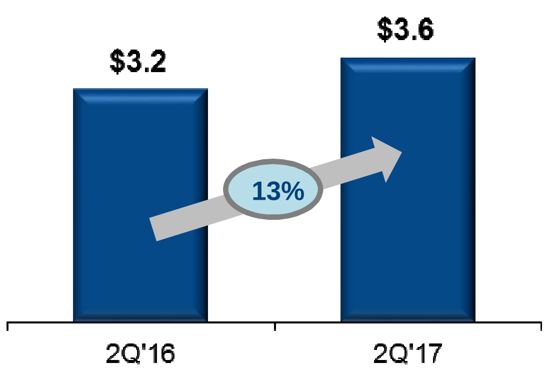
($ in millions)



- Business revenue $41.7M
  - 2Q’16 revenue benefited from $3.5M of non-recurring revenues associated with a large government customer
  - BVoIP revenue up 13% Y/Y
  - Customers on 15Mbps – 1Gbps speeds grew 20% Y/Y, driven by BGPON
  - Strategic revenue up 14% over last 2yrs & represents 40% of total business revenue

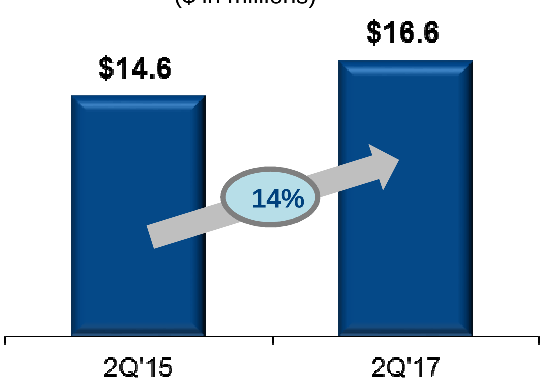
Business VoIP Revenue

($ in millions)



Strategic Revenue Growth

($ in millions)



Hawaiian Telcom
HAWAII'S TECHNOLOGY LEADER

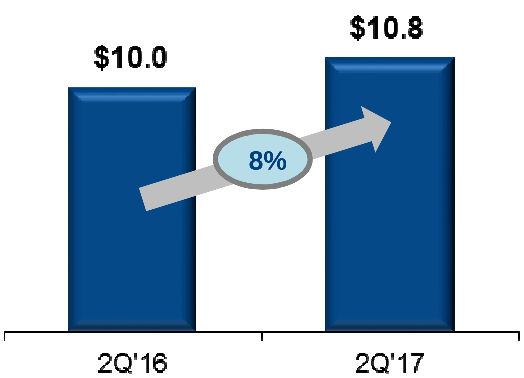
Consumer Channel

Consumer Revenue

($ in millions)

Video Revenue

($ in millions)

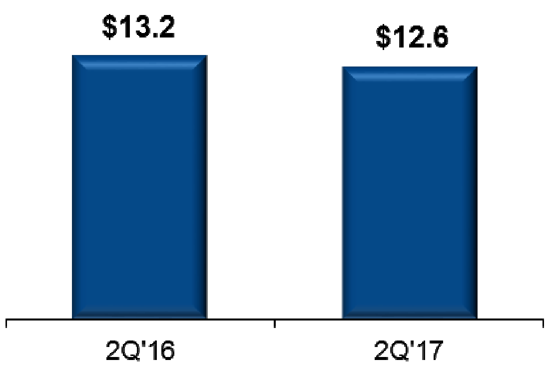


- Consumer revenue $33.8M
  - Revenue growth from video & high-bandwidth Internet services offset by revenue decline in legacy voice & low-bandwidth Internet services
- 2Q’17 video net adds of 464
  - Pro-forma net adds of ~1,200
  - ~43,200 total video subscribers, 75% non-bulk/SFH
  - Blended TV ARPU of $83.76
- 2Q’17 Internet revenue -$0.7M Y/Y
  - Y/Y subscriber growth in high-speed tiers offset by disconnects in low-speed areas, esp. neighbor islands and outside NGN
  - Lowest level of sequential revenue loss since 3Q’15

Wholesale Channel

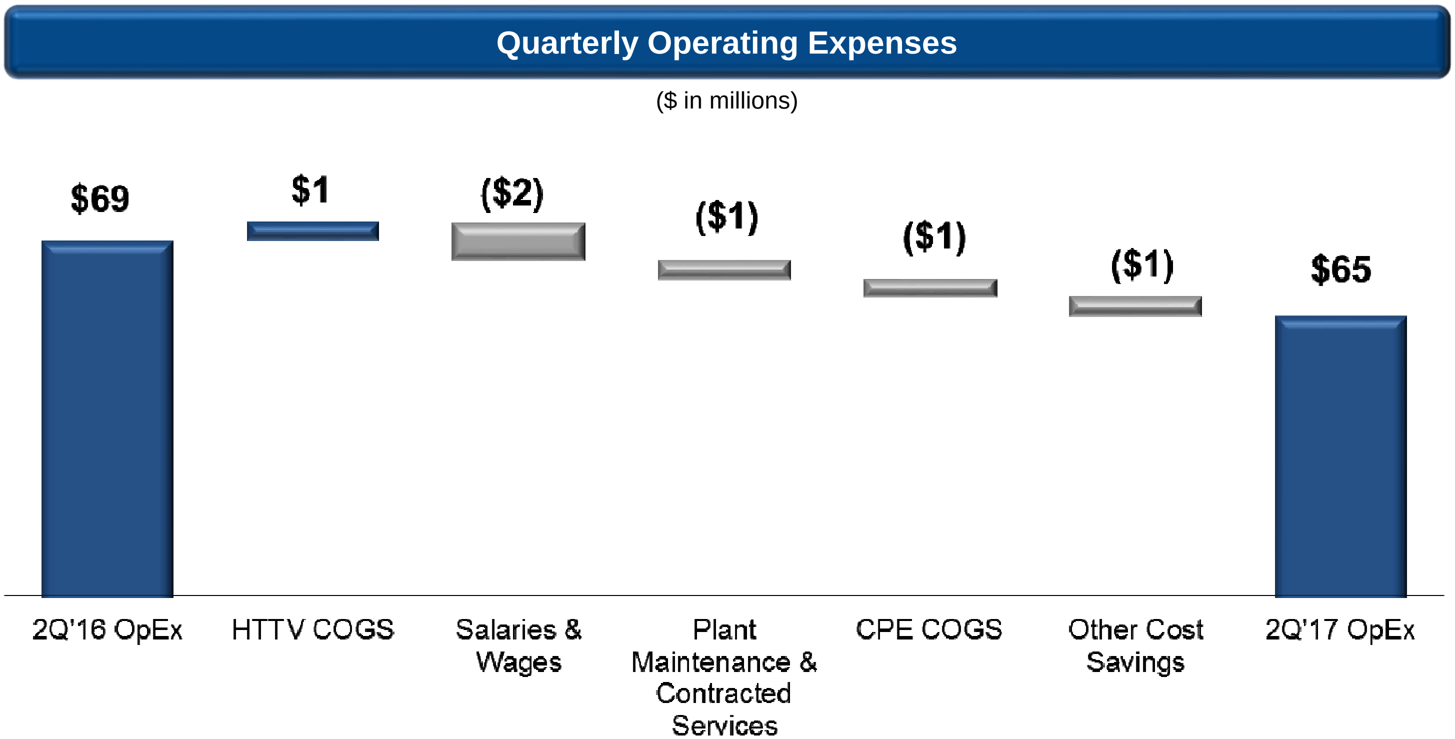
Wholesale Revenue

($ in millions)



- Wholesale revenue $12.6M
  - Y/Y decline mainly due to legacy TDM circuits on month-to-month rates moving to more efficient fiber Ethernet circuits on multi-year contracts
- Growth drivers from sales of Ethernet circuits, new fiber cell sites, and wholesale customer capacity upgrades
- Opportunities from trans-Pacific cable capacity sales and other potential new revenue opportunities

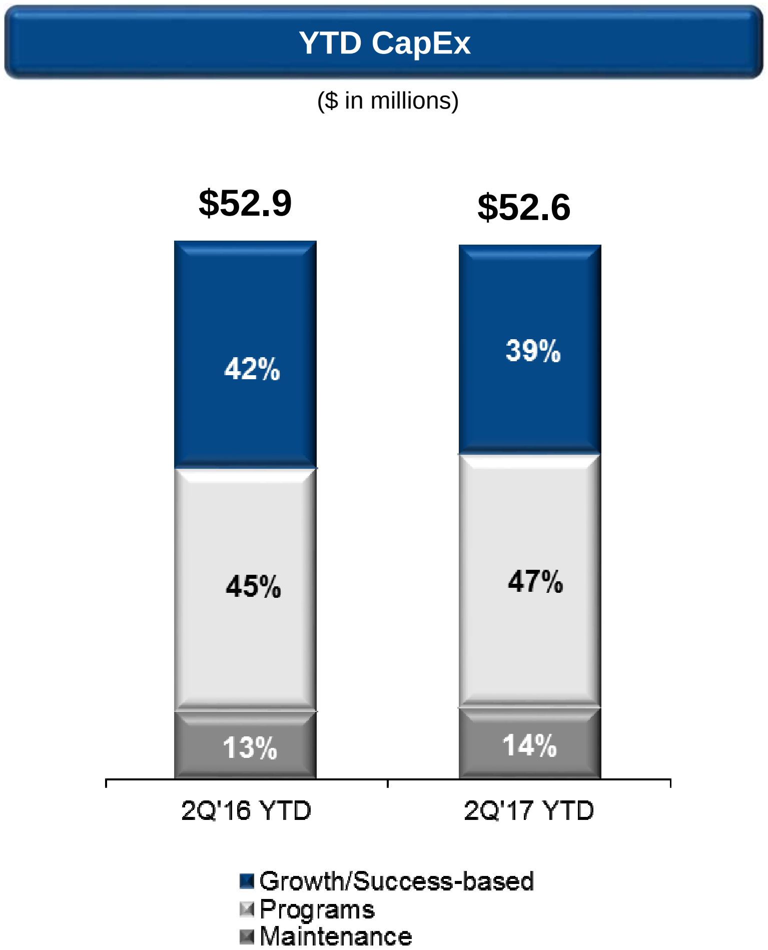
Operating Expenses



- Overall operating expense decrease primarily due to lower salaries & wages, reduced costs of plant maintenance, lower cost of goods as a result of lower levels of equipment sales, and benefits of various other cost savings initiatives, partly offset by higher direct cost of services related to video from increased number of subscribers

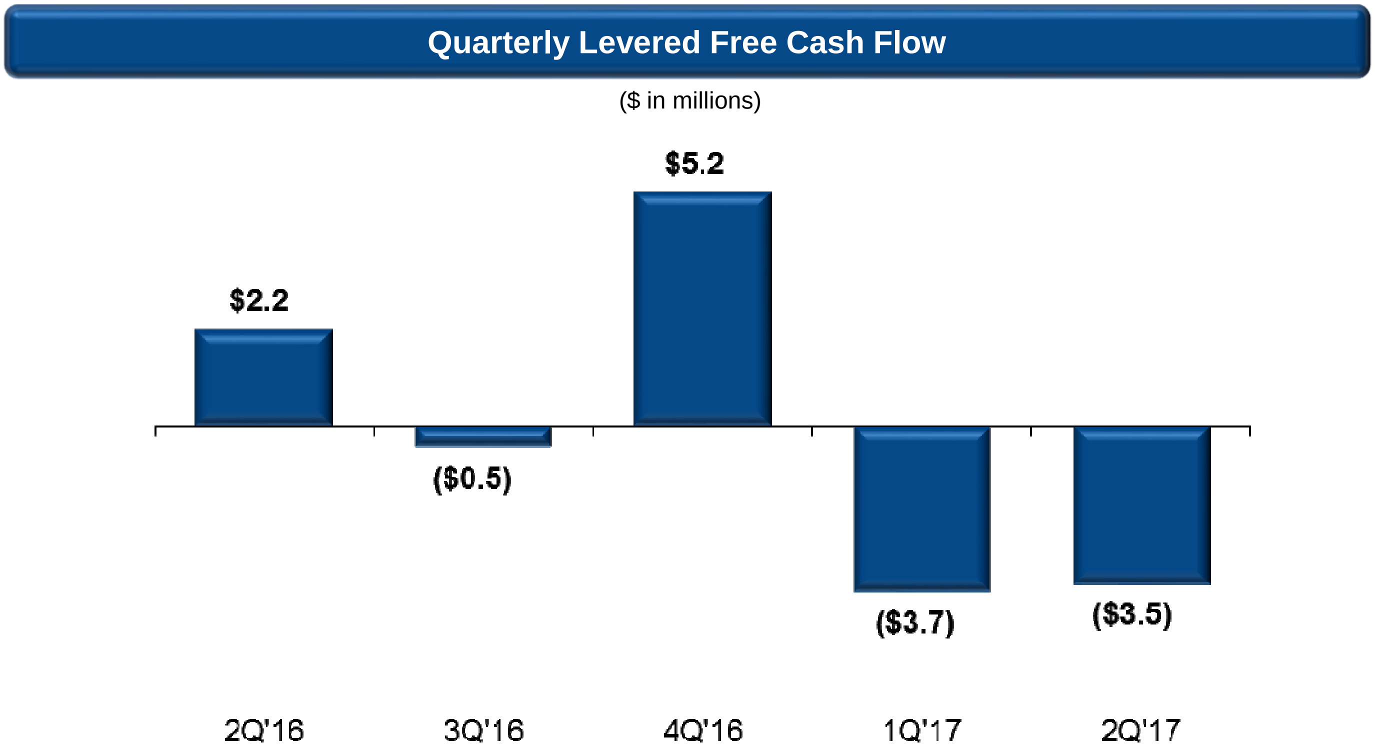
Hawaiian Telcom
HAWAII'S TECHNOLOGY LEADER

Capital Expenditures



- 2Q'17 YTD CapEx consistent with the prior year
- In program CapEx, lower Y/Y spending on consumer fiber build primarily offset by higher spending on CAF II build out & network capability upgrade
- In growth/success-based CapEx, Y/Y decrease primarily due to lower spending on high-capacity circuit provisioning (2Q'16 YTD CapEx included provisioning costs for a large government customer contract)
- Total 2017 CapEx expected to be in the high-$80M range

Cash Flow



- 2Q’17 YTD net cash flow of $10.0M, compared to -$4.2M in 2Q’16 YTD
- 2Q’17 YTD levered free cash flow of -$7.3M. Quarterly LFCF fluctuates due to the level and timing of capital spending
- Significant increase in cash balance is expected from SEA-US capacity sales

Q&A

Appendix

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	6/30/17	2015	2016	6/30/17 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	$ 4,336	$ 15,508	$ 17,388	$ 18,013
Dedicated Internet Access	1,693	1,657	1,856	2,675	3,519	5,424	2,634	2,674	2,603	2,086	7,881	14,251	9,997
Internet	3,363	3,321	3,397	3,359	3,562	3,399	3,401	3,347	3,354	3,313	13,440	13,709	13,415
BVoIP	2,471	2,642	2,746	2,807	2,907	3,154	3,284	3,340	3,326	3,577	10,666	12,685	13,527
Legacy data services	1,941	1,772	1,779	1,601	2,268	1,685	1,653	1,494	1,543	1,690	7,093	7,100	6,380
Total data services	13,351	13,157	13,701	14,379	16,384	18,036	15,426	15,287	15,617	15,002	54,589	65,133	61,332
Voice services	24,085	23,223	23,720	22,944	22,412	21,752	21,687	21,520	21,258	20,733	93,972	87,371	85,198
Data center services	—	—	—	—	—	—	—	—	—	—	—	—	—
Hosted and managed services	1,241	1,403	1,385	1,553	1,581	1,706	1,523	1,620	1,532	1,642	5,582	6,430	6,317
Equipment and related services	4,265	4,779	5,993	5,510	4,465	5,178	6,161	5,925	5,443	4,274	20,546	21,729	21,803
	42,942	42,562	44,799	44,386	44,842	46,672	44,797	44,352	43,850	41,651	174,689	180,663	174,650
Consumer													
Video services	7,522	8,280	8,677	9,187	9,426	9,997	10,483	10,652	10,594	10,806	33,666	40,558	42,535
Internet services	8,128	8,187	8,283	8,088	7,725	7,328	7,053	6,887	6,681	6,619	32,687	28,993	27,240
Voice services	20,516	20,033	19,683	19,042	19,054	18,627	18,144	17,563	16,986	16,407	79,273	73,388	69,100
	36,166	36,500	36,643	36,317	36,205	35,952	35,680	35,102	34,261	33,832	145,626	142,939	138,875
Wholesale carrier data	14,333	13,789	14,245	14,063	13,762	13,172	13,440	13,290	12,828	12,602	56,430	53,664	52,160
Other	3,673	3,336	5,218	4,439	3,985	3,745	3,931	4,036	3,571	3,213	16,668	15,697	14,751
Total operating revenues	$ 97,114	$ 96,187	$ 100,905	$ 99,205	$ 98,794	$ 99,541	$ 97,848	$ 96,780	$ 94,510	$ 91,298	$ 393,413	$ 392,963	$ 380,436
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	40,181	162,474	165,835	164,123
Selling, general and adminstrative expenses	29,732	29,767	33,146	31,153	29,865	29,554	29,206	29,795	31,395	26,608	123,798	118,420	117,004
Depreciation and amortization	21,280	21,941	22,551	22,107	21,950	22,493	23,036	22,437	21,269	21,742	87,879	89,916	88,484
Total operating expenses	$ 91,195	$ 90,927	$ 96,710	$ 95,319	$ 94,294	$ 92,652	$ 94,145	$ 93,080	$ 93,855	$ 88,531	$ 374,151	$ 374,171	$ 369,611
Operating income	5,919	5,260	4,195	3,887	4,500	6,889	3,703	3,700	655	2,767	19,262	18,792	10,825
Depreciation and amortization	21,280	21,941	22,551	22,107	21,950	22,493	23,036	22,437	21,269	21,742	87,879	89,916	88,484
Non-cash stock and other performance-based compensation	375	525	186	497	779	789	737	641	725	731	1,584	2,946	2,834
SystemMetrics earn-out	272	272	(350)	64	515	216	(71)	105	—	32	258	765	66
Pension settlement loss	850	1,397	4,118	1,722	—	—	486	791	1,956	314	8,088	1,277	3,547
Early retirement plan severance	—	—	—	—	—	—	—	—	1,743	—	—	—	1,743
Other special items	476	394	550	1,045	390	396	675	826	714	839	2,464	2,287	3,054
Adjusted EBITDA (1)	$ 29,172	$ 29,789	$ 31,250	$ 29,322	$ 28,134	$ 30,783	$ 28,566	$ 28,500	$ 27,062	$ 26,425	$ 119,535	$ 115,983	$ 110,553
Capital expenditures	$ 29,172	$ 23,744	$ 23,816	$ 22,302	$ 28,139	$ 24,759	$ 25,436	$ 19,507	$ 27,242	$ 25,388	$ 99,034	97,841	97,573
Levered Free Cash Flow (2)	$ (3,953)	$ 2,394	$ 3,804	$ 2,076	$ (2,497)	$ 2,166	$ (458)	$ 5,225	$ (3,717)	$ (3,542)	$ 4,323	$ 4,436	$ (2,492)

(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.

Historical Quarterly Data

VOLUME INFORMATION

	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	6/30/17
Business										
Data lines	19,624	19,759	19,835	20,081	19,954	19,851	19,754	19,596	19,341	18,917
BVoIP lines	13,875	15,469	16,273	16,749	17,281	18,101	18,593	19,091	20,034	20,666
Voice access lines	173,425	170,506	169,120	168,058	166,073	163,860	162,587	160,829	158,621	155,743
Consumer										
Video subscribers	29,721	31,921	34,009	35,876	37,108	38,593	39,774	41,557	42,771	43,235
Internet lines	93,090	93,338	93,202	93,002	92,820	91,820	91,000	91,089	90,693	90,073
Voice access lines	165,074	160,819	156,311	151,996	147,375	143,441	139,167	135,363	131,142	127,134
Homes enabled for video	166,000	175,000	183,000	190,000	195,000	198,000	201,000	202,000	203,000	204,000

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 December 31,		
													6/30/17
	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	6/30/17	2015	2016	LTM
Net income (loss)	$ 975	$ 455	$ 105	$ (435)	$ 154	$ 1,445	$ (279)	$ (214)	$ (1,952)	$ (3,476)	$ 1,100	$ 1,106	$ (5,921)
Income tax provision (benefit)	614	643	(54)	153	106	960	(174)	(302)	(1,386)	(2,402)	1,357	591	(4,264)
Interest expense & other income & expense, net	4,330	4,162	4,144	4,169	4,240	4,484	4,156	4,216	3,993	8,645	16,805	17,095	21,010
Operating income	5,919	5,260	4,195	3,887	4,500	6,889	3,703	3,700	655	2,767	19,262	18,792	10,825
Depreciation and amortization	21,280	21,941	22,551	22,107	21,950	22,493	23,036	22,437	21,269	21,742	87,879	89,916	88,484
Non-cash stock and other performance-based compensatic	375	525	186	497	779	789	737	641	725	731	1,584	2,946	2,834
SystemMetrics earn-out	272	272	(350)	64	515	216	(71)	105	—	32	258	765	66
Pension settlement loss	850	1,397	4,118	1,722	—	—	486	791	1,956	314	8,088	1,277	3,547
Early retirement plan severance	—	—	—	—	—	—	—	—	1,743	—	—	—	1,743
Other special items	476	394	550	1,045	390	396	675	826	714	839	2,464	2,287	3,054
Adjusted EBITDA (1)	$ 29,172	$ 29,789	$ 31,250	$ 29,322	$ 28,134	$ 30,783	$ 28,566	$ 28,500	$ 27,062	$ 26,425	$119,535	$115,983	$110,553

	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	6/30/17	2015	2016	6/30/17 LTM
Adjusted EBITDA (1)	$ 29,172	$ 29,789	$ 31,250	$ 29,322	$ 28,134	$ 30,783	$ 28,566	$ 28,500	$ 27,062	$ 26,425	$119,535	$115,983	$110,553
Cash interest expense	(3,953)	(3,651)	(3,630)	(4,944)	(2,492)	(3,858)	(3,588)	(3,768)	(3,537)	(4,579)	(16,178)	(13,706)	(15,472)
Capital expenditures	(29,172)	(23,744)	(23,816)	(22,302)	(28,139)	(24,759)	(25,436)	(19,507)	(27,242)	(25,388)	(99,034)	(97,841)	(97,573)
Levered Free Cash Flow (2)	$ (3,953)	$ 2,394	$ 3,804	$ 2,076	$ (2,497)	$ 2,166	$ (458)	$ 5,225	$ (3,717)	$ (3,542)	$ 4,323	$ 4,436	$ (2,492)

(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.