

# Investor Fact Sheet

First Quarter Ended March 31, 2004

## HickoryTech Corporation

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## Information Contact

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## Analyst Coverage

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*Sidoti & Co.*

## Executive Team

**John Duffy**  
*President & Chief Executive Officer*

**Jon Anderson**  
*President – Enterprise Solutions*

**David Christensen**  
*Chief Financial Officer*

**John Finke**  
*President – Telecom Sector*

**Mary Jacobs**  
*Vice President – Human Resources*

**Lane Nordquist**  
*President – Information Solutions*

HickoryTech Corporation is a diversified communications company headquartered in Mankato, Minnesota, with over 400 employees and operations in Minnesota and Iowa. HickoryTech is in its 107th year of operation with a full array of telecommunications products and services for business and residential customers, including competitive local, long distance, Internet and broadband services. From this base, it has expanded into information solutions (IT support and telecom billing software) and enterprise solutions for businesses (communications installation and service; networking equipment and data management solutions). To learn more about HickoryTech Corporation, visit the company's Web site at www.hickorytech.com.

## Market Data

**NASDAQ Symbol:** HTCO  
**Price 3/31/04:** \$12.24

**Total Shares Outstanding:** 12,975,253  
**Market Capitalization:** \$158,817,097

## 5-Year History *in thousands*

	2003	2002	2001	2000	1999
Operating Revenues:					
Telecom Sector	\$75,346	\$71,108	\$66,364	\$60,606	\$53,347
Enterprise Solutions and Information Solutions	17,546	20,030	24,459	22,798	26,944
<b>Total Operating Revenues</b>	<b>\$92,892</b>	<b>\$91,138</b>	<b>\$90,823</b>	<b>\$83,404</b>	<b>\$80,291</b>
Income From Continuing Operations	\$8,455	\$6,235	\$6,890	\$5,351	\$12,356
Net Income	(\$12,775)	(\$16,627)	\$8,738	\$7,705	\$14,666
Fully diluted Earnings Per Share - Continuing Operations	\$0.61	\$0.44	\$0.49	\$0.38	\$0.90
Fully diluted Earnings Per Share - Discontinued Operations	(\$1.53)	(\$1.62)	\$0.13	\$0.17	\$0.16
<i>See 2004 Q1 results on reverse side</i>	(\$0.92)	(\$1.18)	\$0.62	\$0.55	\$1.06

## Share Price History

*As of December 31, 2003*

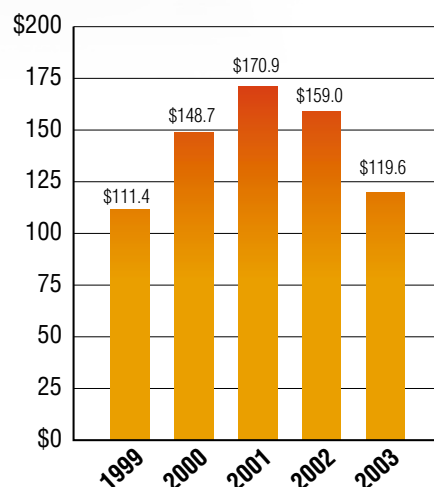
Year / Qtr.	High	Low	End of Qtr.
2003			
4th	\$12.20	\$10.76	\$11.47
3rd	12.35	10.82	11.60
2nd	11.48	8.43	11.21
1st	10.61	7.90	8.97
2002			
4th	\$13.34	\$8.39	\$9.53
3rd	16.05	11.21	13.25
2nd	17.80	12.75	15.00
1st	17.85	13.14	16.27

## Dividend History *As of March 31, 2004*

Quarterly dividend payments have remained constant at **\$0.11 per share** for the past 25 quarters.

## Debt Position 1999-2003

*in millions*



*See 2004 Q1 results on reverse side*

**Safe Harbor Statement** – Certain statements included in this fact sheet that are not historical facts are “forward-looking statements.” Such forward-looking statements are based on current expectations, estimates and projections about the industry in which HickoryTech operates and management’s beliefs and assumptions. The forward-looking statements are subject to uncertainties. These statements are not guarantees of future performance and involve certain risks, uncertainties and probabilities. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they were made. Except as required by federal securities laws, HickoryTech undertakes no obligation to update any of its forward-looking statements for any reason.

## 2004 First Quarter Results

“We showed steady financial results in the first quarter, with growing strength in our core Telecom business,” John Duffy, HickoryTech’s president and chief executive officer, said. “Business customer spending for new systems and products remains soft, particularly in our non-telecom sectors. However, we are starting to see more potential orders as our business customers feel more optimistic about their own businesses.”

## Summary

- The Telecom Sector, which represents 86 percent of the company’s business in the first quarter, increased revenues by 4.6 percent, or \$858,000, to \$19.4 million
- Non-telecom revenues decreased \$1.7 million, or 35 percent, affected by the continuing economic slump influencing spending by business customers
- Total costs and expenses were reduced over 3 percent
- Interest expense declined 24 percent
- Weighted average shares outstanding were reduced by approximately 1 million shares
- Income from continuing operations increased to \$2.2 million, with increased per share earnings at 17 cents versus 15 cents a year ago
- Debt was reduced by \$8.5 million in the first quarter of 2004

## New Initiatives

- City of Waseca targeted to receive Digital TV service late summer of 2004
- MetroLAN contract for business-class data networking service connects Minneapolis-based Fortune 500 company’s multiple locations
- Announced final phase of network overbuild in Faribault, HickoryTech’s largest CLEC community, 2004-2005

## Top Institutional Shareholders

- Fenimore Asset Management, Inc.
- Barclays Bank PLC
- State Street Corporation
- Price (T.Rowe) Associates
- Northern Trust Corporation
- TIAA Cref Investment Management, LLC
- FAM Equity-Income Fund
- FAM Value Fund
- Price (T.Rowe) Small-Cap Value Fund

## Selected Financial Data

Dollars in Thousands Except Share and Per Share Amounts

	Q1 2004	Q1 2003
<b>Revenues</b>		
Telecom		
Telephone	\$ 14,677	\$ 14,384
Communications Services	4,749	4,184
Total Telecom Revenues	19,426	18,568
Information Solutions	966	1,098
Enterprise Solutions	2,295	3,911
Total Revenues	22,687	23,577
<b>Costs and Expenses</b>		
Cost of Products Sold, Enterprise Solutions	1,509	2,519
Cost of Services, excluding Depreciation and Amortization	8,608	8,268
Selling, General and Administrative Expenses, excluding Depreciation and Amortization	3,656	3,824
Depreciation	3,876	3,502
Amortization of Intangibles	236	326
Total Costs and Expenses	17,885	18,439
Operating Income	4,802	5,138
Other Income/(Expense), Net, Including Interest Expense	(1,174)	(1,559)
Income Before Income Taxes	3,628	3,579
Income Taxes	1,467	1,462
Income from Continuing Operations	2,161	2,117
<b>Discontinued Operations</b>		
Income/(Loss) from Operations of Discontinued Component	(99)	390
Income Tax (Benefit)/Provision	(40)	160
Income/(Loss) from Discontinued Operations	(59)	230
Net Income	\$ 2,102	\$ 2,347
Basic and Fully Diluted Earnings Per Share for Continuing Operations	\$ 0.17	\$ 0.15
Basic and Fully Diluted Earnings/(Loss) Per Share for Discontinued Operations	(0.01)	0.02
	\$ 0.16	\$ 0.17
Weighted Average Shares Outstanding (Fully Diluted)	13,019,898	14,007,326
Dividend Per Share	\$ 0.11	\$ 0.11

## Summarized Balance Sheet

	Q1 2004	Q1 2003
<b>Current Assets</b>		
Investments	\$ 4,371	\$ 6,710
Property, Plant and Equipment, Net	112,236	114,003
Other Assets	31,112	32,958
TOTAL ASSETS	\$ 165,488	\$ 175,712
<b>Current Liabilities</b>		
Long-Term Obligations, Net of Current Maturities	\$ 11,435	\$ 12,741
Deferred Income Taxes	109,643	118,040
Deferred Revenue and Benefits	9,720	10,331
Shareholders’ Equity	6,011	5,883
TOTAL LIABILITIES AND EQUITY	28,679	28,717
	\$ 165,488	\$ 175,712

## Telecom Sector Metrics

	Q1 2004	Q1 2003
<b>ILEC</b>		
Access Lines	62,242	64,495
DSL Customers (ILEC only)	5,514	3,083
<b>Communications Services</b>		
Access Lines		
Overbuild	10,131	8,035
Unbundled Network Element (UNE)	1,694	1,361
Total Service Resale (TSR)	2,504	4,875
Total	14,329	14,271
Long Distance Customers	41,695	36,610
Internet Customers	16,453	14,988
DSL Customers (CLEC only)	2,810	1,657
<b>Total Telecom Sector</b>		
Customers	134,719	130,364
Total DSL Customers	8,324	4,740