



Investor Fact Sheet

QUARTER ENDED 6/30/2003

Financial Performance

Compared to the second quarter of 2002:

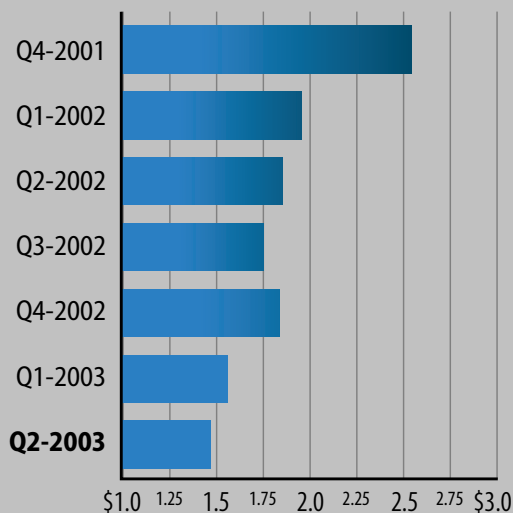
- **Net income was \$2.5 million**, or 18 cents per diluted share, an increase of 39 percent from \$1.8 million, or 13 cents per diluted share, for the same period of 2002.
- **Quarterly revenue was \$26.8 million**, an increase of 5 percent from \$25.5 million last year.
- Earnings before interest, taxes, depreciation and amortization (EBITDA) was **\$10.3 million**, an increase of 12 percent from the second quarter of last year.
- **Operating income for the second quarter was \$5.7 million**, compared with \$4.9 million for the same period of 2002.

Interest Expense

With the 8% reduction in debt in 2003 and the action of locking in interest rates on 68% of debt, HickoryTech has significantly reduced exposure to financing costs for the future.

INTEREST EXPENSE

Dollars in millions.



Continued Long-Term Debt Reduction

HickoryTech reduced its outstanding debt by \$3 million during second quarter, to \$146 million at the end of June. The company debt levels have been reduced by \$13 million in total since the beginning of the year.

The company anticipates continued debt reductions through the remainder of 2003.

Wireless Roaming User Returns

HickoryTech welcomes back a former carrier to our wireless network. On May 30, 2003, HickoryTech Corporation announced an agreement to carry the TDMA roaming traffic in south central Minnesota for a major nationwide wireless carrier. In June, HickoryTech's wireless network began serving the roaming activity of this major nationwide wireless carrier's customers in south central Minnesota. Previously, this same carrier's roaming traffic had been on HickoryTech's network until mid-2001.

"Serving this major nationwide carrier's roaming traffic on the HickoryTech network is a logical fit for us," said John Duffy, President/CEO for HickoryTech. "We have a robust TDMA network which this major carrier has relied on, and we are pleased to serve these new customers."

HickoryTech has invested more than \$20 million in wireless network improvements since it acquired its wireless business in 1998. "The return of this major nationwide carrier's roaming traffic to our existing network is a great addition. The network currently serves HickoryTech customers, as well as the roaming traffic of many other nationwide wireless carriers," Duffy said.

HickoryTech's Priorities for 2003

We are pleased to report HickoryTech's largest quarterly net income in over four years, apart from unique gains on sales of assets. The results reflect a solid revenue increase in our core Telecom business, coupled with reductions in operating and interest expense. We are bringing more efficiency and effectiveness to our business.

HickoryTech is experiencing steady volumes in our wireline and wireless traffic. There has been good demand for our basic dedicated circuits, our customized network solutions, and our data services.

Broadband deployment, our strategic focus, continues to grow. We have more than doubled Digital Subscriber Lines (DSL) in service from one year ago and we still have opportunities to add more. ILEC DSL growth increased 146 percent to 3615 lines in the past 12 months. CLEC DSL lines increased by 770, or 59 percent. Total DSL lines increased by 2,900 or 105 percent to 5,700 from a year ago.

The challenge of access line substitution and competition is being closely watched. While ILEC access lines decreased 1,600 or 2.5 % to 62,367 as of June 30th, this was offset by an increase in CLEC overbuild lines, which increased by 2,200 or 32%.

While the Enterprise and Information Solutions Sectors continue to lag expectations in a less than favorable economy, the positive news is that we have significantly reduced the company's exposure to financing costs for the future. (see Interest Expense chart at left)

HickoryTech, with a long history of paying quarterly cash dividends, declared a regular quarterly dividend of 11 cents per share, payable on September 5, 2003. We will remain focused on continued improvement of our core business during the second half of 2003.

John Duffy, CEO



Shareholder Information For additional information: call Investor Relations, 507-387-3355 or e-mail info@hickorytech.com

NASDAQ Symbol: HTCO

Typical newspaper listings: Hickory Tch, Hickory

Share price (06/30/03): \$11.21

52-week trading range: \$7.90 to \$16.05

Shares outstanding: 14.0 million

Market capitalization: \$157 million

Average daily volume: 16,554 (for Q2)

Analyst coverage:

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Clinton Morrison, US Bancorp Piper Jaffray
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Vision Statement

HickoryTech will be the leading provider of communications solutions throughout the markets we serve.

Mission Statement

We are committed to providing solutions that satisfy our customers' communications needs and win their loyalty. Our success is dependent on our ability to:

- Provide distinctive value to the customer
- Develop innovative product offerings
- Excel in our standard of service
- Conduct business in an ethical manner
- Provide a quality workplace
- Contribute to our communities

Our efforts will give us prominence in the markets we serve and provide long-term value to our shareholders.

John E. Duffy
President and Chief Executive Officer

Myrita P. Craig
Chairman

Executive Team

Jon L. Anderson
President, Enterprise Solutions

David A. Christensen
Vice President, Chief Financial Officer,
Treasurer and Secretary

John W. Finke
President, Telecom

Mary T. Jacobs
Vice President, Human Resources

F. Ernest Lombard
President, Market and Strategic Planning

Lane C. Nordquist
President, Information Solutions

| Selected Financial Data | Q2 2003 | Q2 2002 | 2003 | 2002 |
|--|------------------|------------------|-------------------------------------|------------------|
| <i>Dollars in Thousands Except Share and Per Share Amounts. For Three Months Ended June 30</i> | | | <i>For Six Months Ended June 30</i> | |
| Revenues | | | | |
| Telephone | \$ 14,305 | \$ 14,079 | \$ 28,690 | \$ 28,275 |
| Communications Services | 4,375 | 3,363 | 8,558 | 6,482 |
| Wireless | 3,968 | 3,963 | 7,361 | 7,365 |
| Total Telecom Revenues | \$ 22,648 | \$ 21,405 | \$ 44,609 | \$ 42,122 |
| Information Solutions | 809 | 1,049 | 1,907 | 2,083 |
| Enterprise Solutions | 3,383 | 3,037 | 7,294 | 6,398 |
| Total Revenues | \$ 26,840 | \$ 25,491 | \$ 53,810 | \$ 50,603 |
| Operating Expenses, excluding Depreciation and Amortization | | | | |
| Telecom | \$ 11,509 | \$ 11,808 | \$ 23,250 | \$ 22,545 |
| Information Solutions | 1,931 | 2,042 | 3,997 | 4,006 |
| Enterprise Solutions | 3,881 | 3,271 | 7,657 | 6,713 |
| Corporate and Intersegment Eliminations | - 758 | - 798 | - 1,386 | - 1,471 |
| Total | \$ 16,563 | \$ 16,323 | \$ 33,518 | \$ 31,793 |
| Depreciation and Amortization | 4,563 | 4,311 | 9,051 | 8,485 |
| Operating Income | \$ 5,714 | \$ 4,857 | \$ 11,241 | \$ 10,325 |
| Other Income/-Expense, Net, Including Interest Expense | \$ - 1,467 | \$ - 1,808 | \$ - 3,025 | \$ - 3,740 |
| Income Before Income Taxes | 4,247 | 3,049 | 8,216 | 6,585 |
| Income Taxes | 1,737 | 1,247 | 3,359 | 2,693 |
| Net Income | \$ 2,510 | \$ 1,802 | \$ 4,857 | \$ 3,892 |
| Basic and Fully Diluted Earnings Per Share | \$ 0.18 | \$ 0.13 | \$ 0.35 | \$ 0.28 |
| Weighted Average Shares Outstanding - Fully Diluted | 13,981,293 | 14,095,849 | 13,986,315 | 14,077,880 |
| Dividend Per Share | \$ 0.11 | \$ 0.11 | \$ 0.22 | \$ 0.22 |

| Summarized Balance Sheet | 6/30/03 | 12/31/02 |
|--|-------------------|-------------------|
| Current Assets | \$ 22,796 | \$ 27,109 |
| Investments | 6,741 | 10,517 |
| Property, Plant and Equipment, Net | 132,261 | 136,274 |
| Other Assets | 65,935 | 66,311 |
| TOTAL ASSETS | \$ 227,733 | \$ 240,211 |
| Current Liabilities | \$ 11,448 | \$ 14,036 |
| Long-Term Obligations, net of current maturities | 144,687 | 157,599 |
| Deferred Income Taxes | 4,377 | 4,377 |
| Deferred Revenue and Benefits | 5,664 | 5,604 |
| Shareholders' Equity | 61,557 | 58,595 |
| TOTAL LIABILITIES AND EQUITY | \$ 227,733 | \$ 240,211 |

| Telecom Sector Metrics | Q2 2003 | Q2 2002 |
|---------------------------------|---------|---------|
| Telephone | | |
| Access Lines | 62,367 | 63,985 |
| DSL Customers (ILEC only) | 3,615 | 1,468 |
| Communications Services | | |
| Access Lines | | |
| Overbuild | 9,036 | 6,846 |
| Unbundled Network Element (UNE) | 1,338 | 1,217 |
| Total Service Resale (TSR) | 4,162 | 4,366 |
| Total | 14,536 | 12,429 |
| Long Distance Customers | 35,667 | 26,723 |
| Internet Customers | 15,307 | 13,643 |
| DSL Customers (CLEC only) | 2,076 | 1,307 |
| Wireless | | |
| Customers | 25,961 | 25,806 |
| Churn % | 2.95% | 1.97% |
| Total Telecom Sector | | |
| Customers | 153,838 | 142,586 |
| Total DSL Customers | 5,691 | 2,775 |



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Disclaimer

Certain statements included in this document 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.