

# Investor Fact Sheet

Third Quarter Ended Sept. 30, 2004

## HickoryTech Corporation

221 East Hickory Street  
Mankato, MN 56001  
800-326-5789  
507-387-3355  
www.HickoryTech.com

## Information Contact

Call Investor Relations at 507-387-3355  
or email info@HickoryTech.com

## Analyst Coverage

**Joanne Henry** ..... 612-843-2142  
*Fieldstone Research*

**Patrick Donohue** ..... 612-851-5954  
*Northland Securities, Inc.*

## 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, Minn., with more than 400 employees in Minnesota and Iowa. In its 107th year of operation, HickoryTech offers a full array of telecommunications products and services to business and residential customers including: local voice, long distance, Internet, broadband services and IP networking; IP Telephony, call center management and data network solutions; and telecom and carrier access billing solutions. To learn more about HickoryTech Corporation, visit the company's Web site at [www.HickoryTech.com](http://www.HickoryTech.com).

## Market Data

**NASDAQ Symbol:** HTCO  
**Price 9/30/04:** \$11.60

**Total Shares Outstanding:** 13,012,133  
**Market Capitalization:** \$150,940,743

## 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 Q3 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

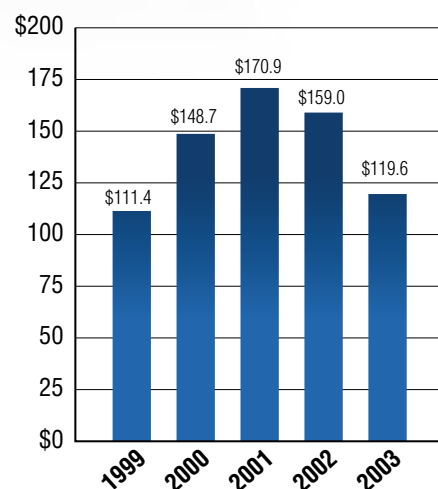
## Dividend History

*As of Sept. 30, 2004*

Quarterly dividend payments have remained constant at **\$0.11 per share** for the past 27 quarters.

## Debt Position 1999-2003

*In millions*



*See 2004 Q3 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 Third Quarter Results

Our core Telecom business continued its positive growth record, with continuing gains in DSL validating our commitment to broadband. In spite of additional costs, such as Sarbanes-Oxley compliance, our overall costs are steady. With reduced long-term debt and associated lower interest payments, our business fundamentals remain strong.

Despite disappointments in the third quarter, we believe that the lower revenue volumes in the more cyclical businesses, such as Enterprise Solutions, are not long-term and will improve as the education, health, professional services and utilities customer segments begin to make purchasing decisions.

In all three of our business sectors we are actively involved in requests for proposal submissions and believe purchasing decisions will follow. With a team of very talented people applying state-of-the-art telecom solutions to customer needs at very competitive prices, we have a business model that will continue to succeed over the long term.

John E. Duffy – *President & CEO*

## Summary

- Total revenues were \$22.2 million, down 3.9 percent from \$23.1 million in the third quarter of last year.
- Income from continuing operations was \$1.9 million versus \$2.0 million in the third quarter of 2003, down 5.7 percent.
- Earnings per share from continuing operations increased to \$0.15 in the third quarter from \$0.14 in the third quarter of 2003.
- Total costs and expenses for the quarter were reduced year-over-year by 1.2 percent.
- Interest expenses for the quarter declined 29.0 percent year-over-year, the eleventh consecutive quarter of expense decrease.
- Debt was reduced by \$2.9 million in the third quarter, for a total reduction of \$13.6 million in the first nine months of 2004.
- Telecom Sector revenues, which comprise approximately 85 percent of the total, increased by \$108,000 or 0.6 percent for the third quarter.
- Enterprise Solutions revenues were \$2.7 million, down 24.7 percent from revenues of \$3.6 million in the third quarter of 2003.

## Selected Financial Data

Dollars in Thousands Except Share and Per Share Amounts

	Q3 2004	Q3 2003	2004	2003
	For Three Months Ended Sept. 30		For Nine Months Ended Sept. 30	
<b>Revenues</b>				
Telecom				
Telephone	\$ 14,068	\$ 14,505	\$ 42,978	\$ 43,195
Communications Services	4,850	4,305	14,213	12,863
Total Telecom Revenues	18,918	18,810	57,191	56,058
Information Solutions	574	702	2,219	2,609
Enterprise Solutions	2,685	3,565	8,318	10,859
Total Revenues	22,177	23,077	67,728	69,526
<b>Costs and Expenses</b>				
Cost of Products Sold, Enterprise Solutions	1,855	2,606	5,660	7,675
Cost of Services, excluding Depreciation and Amortization	8,378	8,708	24,857	24,977
Selling, General and Administrative Expenses, excluding Depreciation and Amortization	3,490	2,767	10,772	10,263
Depreciation	3,912	3,780	11,669	11,013
Amortization of Intangibles	237	236	710	761
Total Costs and Expenses	17,872	18,097	53,668	54,689
Operating Income	4,305	4,980	14,060	14,837
Other Income/(Expense), Net, Including Interest Expense	(1,111)	(1,568)	(3,404)	(4,595)
Income Before Income Taxes	3,194	3,412	10,656	10,242
Income Taxes	1,292	1,395	4,310	4,186
Income from Continuing Operations	1,902	2,017	6,346	6,056
<b>Discontinued Operations</b>				
Loss from Operations of Discontinued Component	(26)	(24,873)	(125)	(23,487)
Income Tax Benefit	(11)	(2,783)	(51)	(2,215)
Loss from Discontinued Operations	(15)	(22,090)	(74)	(21,272)
Net Income/(Loss)	\$ 1,887	\$ (20,073)	\$ 6,272	\$ (15,216)
Basic and Fully Diluted Earnings Per Share for Continuing Operations	\$ 0.15	\$ 0.14	\$ 0.49	\$ 0.43
Basic and Fully Diluted Loss Per Share for Discontinued Operations	-	(1.58)	(0.01)	(1.52)
	\$ 0.15	\$ (1.44)	\$ 0.48	\$ (1.09)
Weighted Average Shares Outstanding (Fully Diluted)	13,015,592	14,024,219	13,007,760	14,030,862
Dividend Per Share	\$ 0.11	\$ 0.11	\$ 0.33	\$ 0.33

## Summarized Balance Sheet

	9/30/04	12/31/03
<b>Current Assets</b>		
Investments	\$ 17,966	\$ 22,041
Property, Plant and Equipment, Net	4,371	6,710
Other Assets	111,109	114,003
TOTAL ASSETS	\$ 164,616	\$ 175,712
<b>Current Liabilities</b>		
Long-Term Obligations, Net of Current Maturities	\$ 12,725	\$ 12,741
Deferred Income Taxes	104,465	118,040
Deferred Revenue and Benefits	10,146	10,331
Shareholders' Equity	6,423	5,883
TOTAL LIABILITIES AND EQUITY	\$ 164,616	\$ 175,712

## Telecom Sector Metrics

	Q3 2004	Q3 2003
<b>ILEC</b>		
Access Lines	61,085	63,421
DSL Customers (ILEC only)	6,537	4,299
<b>Communications Services</b>		
Access Lines		
Overbuild	10,285	9,607
Unbundled Network Element (UNE)	1,721	1,492
Total Service Resale (TSR)	2,160	2,938
Total	14,166	14,037
Long Distance Customers	41,763	39,663
Internet Customers	17,090	15,901
DSL Customers (CLEC only)	3,208	2,395
<b>Total Telecom Sector</b>		
Customers	134,104	133,022
Total DSL Customers	9,745	6,694