



HickoryTech is a diversified communications company headquartered in Mankato, Minnesota. Established in 1898 as a local telephone exchange business, HickoryTech has grown to become the largest telephone provider headquartered in the state of Minnesota and the 29th largest telephone company in the United States. The company's operations in Minnesota and Iowa employ 500 people and generate more than \$100 million in annual revenues. In addition to local telephone service, HickoryTech provides wireless communications, long distance and Internet access. HickoryTech also develops billing/data processing software through its Information Solutions division and designs business telecommunications networks through its Enterprise Solutions division.

Financial Performance

Compared to the second quarter of 2001:

- **Net income was \$1.8 million** (13 cents per share), a 10.1 percent decrease from the same period of 2001. During the quarter, HickoryTech took an additional charge of \$1.0 million to bad debt expense due to the bankruptcy of a large long distance carrier. Had the company not recorded the additional \$1.0 million expense, the after-tax effect to earnings would have been an increase of four cents per share.
- **Quarterly revenue was \$25.5 million**, a decrease of 5.4 percent from \$27.0 million in the same period of 2001.
- Earnings before interest, taxes, depreciation and amortization (EBITDA) was **\$9.2 million**, down 6.8 percent from last year.

HickoryTech Welcomes New President and CEO



On July 1, 2002, HickoryTech welcomed its new President and CEO, John E. Duffy. Prior to joining the company, Mr. Duffy held numerous executive and leadership roles in the areas of sales, marketing and operations for Verizon Telecommunications. His 28-year career with Verizon, and its predecessor company, GTE Corporation, included ten years of large business, small business and consumer sales experience, eight years in the areas of operations and strategic planning and ten years in marketing and product management.

Mr. Duffy also brings extensive experience in managing wireline telecommunications services, large data networks, wireless telecommunications services, long distance products and start-up competitive telephone operations. His knowledge and experience is an excellent fit with HickoryTech's diversified operations and the company looks forward to the next stage in its history under the leadership of John Duffy.

SuiteSolution Implemented in CLEC Operations

HickoryTech has successfully deployed a new customer management and billing system for its competitive local exchange

carrier (CLEC) operation located in Mankato, MN. This business provides competitive local, long distance, Digital TV and data services.

The new system, SuiteSolution, was developed by HickoryTech's Information Solutions division. This deployment completes the first phase of a plan that will allow HickoryTech to manage all of its products and services on a single platform. Subsequent phases of the project involve converting HickoryTech's wireless and ILEC operations to SuiteSolution, which will occur over the next year and a half.

For more information about SuiteSolution, and how it will enhance the operations of HickoryTech, visit our website.

Best Buy Selects HickoryTech for New Corporate Campus

HickoryTech announced on July 23 that Best Buy has selected HickoryTech's Enterprise Solutions division to provide the telecommunications system for Best Buy's new 42.5 acre corporate campus in Richfield, Minnesota. The deployment is believed to be one of the largest single-campus telecommunications systems to be installed in the United States this year.

"Best Buy plans to have a state-of-the-art telecommunications system in our new corporate headquarters," said Kevin Seamans, manager of Network Integration for Best Buy. "Best Buy chose HickoryTech because they took the time to really learn our business and also put forth the extra effort to provide innovative solutions that were responsive to our specific needs."

The telecommunications system includes a Meridian Internet Protocol (IP)-enabled PBX (Private Branch Exchange), which will allow various Best Buy departments to utilize applications specific to their needs. "The team described the functionality and inner workings of individual products in significant detail," said Seamans, "and also provided a live demo that we could see and feel. It is that extra effort that makes us confident we will be satisfied as we progress toward installation of the system and occupancy of our new campus."

Investor Fact Sheet

Quarter Ended
6/30/2002

HickoryTech
SuiteSolution™



Shareholder Information

Symbol/Exchange:
HTCO/Nasdaq

Typical newspaper listings:
Hickory Tch, Hickory

Share price (06/28/02):
\$15.00

52-week trading range:
\$11.25 to \$19.05

Shares outstanding:
14.1 million

Market capitalization:
\$212 million

Average daily volume:
12,500

Analyst coverage:
Joanne Henry, Bluefire Research
Charles Pluckhahn, Stephens, Inc.

Transfer Agent, Registrar and Dividend Disbursing Agent:
Wells Fargo Bank Minnesota
N.A., Shareholder Relations, P.O. Box
64853, St. Paul MN 55164-0853.
Telephone: 1-800-468-9716

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

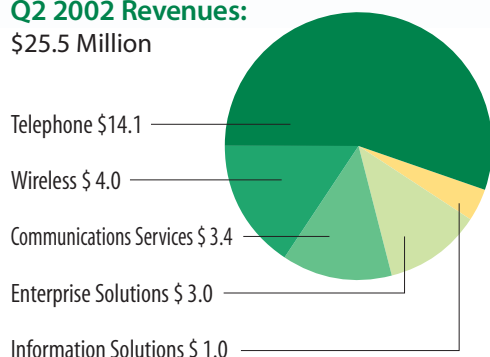
Certain statements included in this document that are not historical facts are "forward-looking statements." Such forward-looking statements are based on current expectations, estimates and projections about the industry in which HickoryTech operates, and management's beliefs and assumptions. The forward-looking 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. HickoryTech undertakes no obligation to update any of its forward-looking statements for any reason.

MISSION: As a team, we will grow and provide service of superior value to our customers. We will be a:

- Technological Innovator
- Bold and Ethical Competitor
- Market- and Sales-driven Company
- Responsible Employer
- Good Corporate Citizen

Through our efforts, we will provide greater long-term value for our shareholders.

Q2 2002 Revenues:
\$25.5 Million



Executive Team

- John E. Duffy
President and Chief Executive Officer
- Robert D. Alton, Jr.
Chairman
- Jon L. Anderson
President, Enterprise Solutions
- David A. Christensen
Vice President, Chief Financial Officer, Treasurer and Secretary
- John W. Finke
President, Network Design and Operations
- Mary T. Jacobs
Vice President, Human Resources
- Jay C. Knauf
President, Consumer Markets
- F. Ernest Lombard
President, Market and Strategic Planning
- Lane C. Nordquist
President, Information Solutions
- Christian E. Rothe
Manager of Public and Investor Relations

Selected Financial Data

Dollars in Thousands Except Per Share Amounts.

	Q2 2002	Q2 2001	2002	2001
	<i>For Three Months Ended June 30.</i>		<i>For Six Months Ended June 30.</i>	
Revenues				
Telephone	\$ 14,079	\$ 13,678	\$ 28,275	\$ 27,736
Communications Services	3,363	2,716	6,482	5,341
Wireless	3,963	4,759	7,365	9,164
Total Telecom Revenues	\$ 21,405	\$ 21,153	\$ 42,122	\$ 42,241
Information Solutions	1,049	965	2,083	1,943
Enterprise Solutions	3,037	4,836	6,398	10,001
Total Revenues	\$ 25,491	\$ 26,954	\$ 50,603	\$ 54,185
Direct Operating Expenses				
Telephone Network	\$ 1,771	\$ 2,178	\$ 3,751	\$ 4,016
Telephone Other Operating	729	780	1,281	1,222
Communications Services Network	882	620	1,645	1,310
Communications Services Other Operating	1,148	800	1,764	2,105
Wireless	1,411	1,571	2,817	3,154
Total Telecom Direct Operating Expenses	\$ 5,941	\$ 5,949	\$ 11,258	\$ 11,807
Information Solutions	1,342	1,342	2,988	2,496
Enterprise Solutions	2,033	3,236	4,217	6,637
Total Direct Operating Expenses	\$ 9,316	\$ 10,527	\$ 18,463	\$ 20,940
Indirect/Common Operating Expenses				
Marketing	\$ 423	\$ 374	\$ 824	\$ 874
Customer Care	395	460	790	853
Billing and Bad Debt	1,321	1,182	2,430	2,374
General and Administrative	3,728	4,041	7,243	7,906
Total Telecom Indirect/Common Operating Expenses	\$ 5,867	\$ 6,057	\$ 11,287	\$ 12,007
Information Solutions	700	467	1,018	932
Enterprise Solutions	1,238	1,287	2,496	2,599
Corporate and Intersegment Eliminations	(798)	(1,222)	(1,471)	(2,036)
Total Indirect/Common Operating Expenses	\$ 7,007	\$ 6,589	\$ 13,330	\$ 13,502
Depreciation and Amortization	\$ 4,311	\$ 3,789	\$ 8,485	\$ 7,524
Operating Income	\$ 4,857	\$ 6,049	\$ 10,325	\$ 12,219
Other Income/(Expense), Net, Including Interest Expense	(1,808)	(2,646)	(3,740)	(5,488)
Income Before Income Taxes	3,049	3,403	6,585	6,731
Income Taxes	1,247	1,399	2,693	2,764
Net Income	\$ 1,802	\$ 2,004	\$ 3,892	\$ 3,967
Basic and Fully Diluted Earnings Per Share	\$ 0.13	\$ 0.14	\$ 0.28	\$ 0.28
Weighted Average Shares Outstanding (Fully Diluted)	14,095,849	13,972,830	14,077,880	13,990,124
Dividend Per Share	\$ 0.11	\$ 0.11	\$ 0.22	\$ 0.22

Summarized Balance Sheet

	6/30/02	12/31/01
Current Assets	\$ 21,659	\$ 27,783
Investments	10,786	10,701
Property, Plant and Equipment, Net	137,534	135,644
Other Assets	108,374	109,164
Total Assets	\$ 278,353	\$ 283,292
Current Liabilities	\$ 13,379	\$ 14,046
Long-Term Obligations, net of current maturities	163,298	169,659
Deferred Income Taxes	13,876	13,876
Deferred Revenue and Benefits	5,112	4,946
Shareholders' Equity	82,688	80,765
Total Liabilities And Equity	\$ 278,353	\$ 283,292

Telecom Sector Metrics

	Q2 2002	Q2 2001
Telephone		
Access Lines	63,985	65,599
DSL Customers (ILEC only)	1,747	853
Average Revenue Per Unit (ARPU)	\$ 68.73	\$ 63.70
Communications Services		
Access Lines		
Overbuild	6,846	2,704
UNE	1,217	1,586
TSR	4,366	5,678
Total	12,429	9,968
Long Distance Customers	26,723	21,871
Internet Customers	13,643	12,837
DSL Customers (CLEC only)	1,028	198
Average Revenue Per Unit (ARPU)	\$ 39.33	\$ 34.99
Wireless		
Customers	25,806	26,548
Average Revenue Per Unit (ARPU)	\$ 28.24	\$ 30.18
Churn %	1.97%	1.78%
Total Telecom Sector		
Customers	144,869	136,823
Total DSL Customers	2,775	1,051



Corporate Headquarters:
221 East Hickory Street
Mankato, MN 56002-3258

www.hickorytech.com