



SPOK HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (a)
(Unaudited and in thousands except share, per share amounts and ARPU)

| | <u>For the three months ended</u> | | <u>For the twelve months ended</u> | |
|--|-----------------------------------|-------------------|------------------------------------|-------------------|
| | <u>12/31/2015</u> | <u>12/31/2014</u> | <u>12/31/2015</u> | <u>12/31/2014</u> |
| Revenue: | | | | |
| Wireless | \$ 28,727 | \$ 31,678 | \$ 119,014 | \$ 132,402 |
| Software | 18,612 | 19,591 | 70,614 | 67,871 |
| Total revenue | 47,339 | 51,269 | 189,628 | 200,273 |
| Operating expenses: | | | | |
| Cost of revenue | 8,035 | 10,571 | 33,851 | 32,556 |
| Service, rental and maintenance | 11,024 | 11,285 | 44,401 | 45,485 |
| Selling and marketing | 7,036 | 7,915 | 27,446 | 30,013 |
| General and administrative | 10,276 | 11,905 | 42,159 | 45,896 |
| Severance and restructuring | 1,056 | 926 | 2,701 | 1,495 |
| Depreciation, amortization and accretion | 3,362 | 4,049 | 13,970 | 16,677 |
| Total operating expenses | 40,789 | 46,651 | 164,528 | 172,122 |
| % of total revenue | 86.2 % | 91.0 % | 86.8 % | 85.9 % |
| Operating income | 6,550 | 4,618 | 25,100 | 28,151 |
| % of total revenue | 13.8 % | 9.0 % | 13.2 % | 14.1 % |
| Interest income (expense), net | 13 | (262) | 16 | (456) |
| Other income (expense), net | 71 | (188) | 1,182 | (368) |
| Income before income tax expense | 6,634 | 4,168 | 26,298 | 27,327 |
| Income tax benefit (expense) | 66,087 | 2,744 | 57,937 | (6,582) |
| Net income | \$ 72,721 | \$ 6,912 | \$ 84,235 | \$ 20,745 |
| Basic net income per common share | \$ 3.54 | \$ 0.32 | \$ 3.99 | \$ 0.96 |
| Diluted net income per common share | \$ 3.53 | \$ 0.31 | \$ 3.98 | \$ 0.94 |
| Basic weighted average common shares outstanding | 20,528,326 | 21,554,746 | 21,120,268 | 21,621,466 |
| Diluted weighted average common shares outstanding | 20,628,053 | 22,101,600 | 21,186,750 | 22,090,770 |
| Reconciliation of operating income to EBITDA (b): | | | | |
| Operating income | \$ 6,550 | \$ 4,618 | \$ 25,100 | \$ 28,151 |
| Add back: depreciation, amortization and accretion | 3,362 | 4,049 | 13,970 | 16,677 |
| EBITDA | \$ 9,912 | \$ 8,667 | \$ 39,070 | \$ 44,828 |
| % of total revenue | 20.9 % | 16.9 % | 20.6 % | 22.4 % |
| Key statistics: | | | | |
| Units in service | 1,173 | 1,256 | 1,173 | 1,256 |
| Average revenue per unit (ARPU) | \$ 7.79 | \$ 7.92 | \$ 7.90 | \$ 7.93 |
| Bookings | \$ 18,511 | \$ 22,272 | \$ 74,024 | \$ 78,514 |
| Backlog | \$ 38,650 | \$ 42,391 | \$ 38,650 | \$ 42,391 |

(a) Slight variations in totals are due to rounding.

(b) EBITDA or earnings before interest, taxes, depreciation, amortization and accretion is a non-GAAP measure and is presented for analytical purposes only.



SPOK HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (a)

(Unaudited and in thousands except share, per share amounts and ARPU)

| | For the three months ended | | | | | | | |
|--|----------------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|
| | <u>12/31/2015</u> | <u>9/30/2015</u> | <u>6/30/2015</u> | <u>3/31/2015</u> | <u>12/31/2014</u> | <u>9/30/2014</u> | <u>6/30/2014</u> | <u>3/31/2014</u> |
| Revenue: | | | | | | | | |
| Wireless | \$ 28,727 | \$ 29,375 | \$ 30,222 | \$ 30,690 | \$ 31,678 | \$ 32,855 | \$ 33,518 | \$ 34,351 |
| Software | 18,612 | 16,806 | 17,747 | 17,448 | 19,591 | 16,936 | 15,576 | 15,768 |
| Total revenue | 47,339 | 46,181 | 47,969 | 48,138 | 51,269 | 49,791 | 49,094 | 50,119 |
| Operating expenses: | | | | | | | | |
| Cost of revenue | 8,036 | 7,871 | 9,131 | 8,813 | 10,571 | 8,000 | 7,180 | 6,805 |
| Service, rental and maintenance | 11,024 | 11,117 | 11,003 | 11,256 | 11,285 | 10,988 | 11,420 | 11,792 |
| Selling and marketing | 7,036 | 6,572 | 6,790 | 7,048 | 7,915 | 7,072 | 7,780 | 7,246 |
| General and administrative | 10,276 | 10,410 | 10,472 | 11,001 | 11,905 | 10,866 | 10,990 | 12,135 |
| Severance and restructuring | 1,056 | 141 | 1,504 | — | 926 | 545 | 4 | 20 |
| Depreciation, amortization and accretion | 3,362 | 3,413 | 3,448 | 3,747 | 4,049 | 4,247 | 4,352 | 4,029 |
| Total operating expenses | 40,790 | 39,524 | 42,348 | 41,865 | 46,651 | 41,718 | 41,726 | 42,027 |
| % of total revenue | 86.2 % | 85.6 % | 88.3 % | 87.0 % | 91.0 % | 83.8 % | 85.0 % | 83.9 % |
| Operating income | 6,549 | 6,657 | 5,621 | 6,273 | 4,618 | 8,073 | 7,368 | 8,092 |
| % of total revenue | 13.8 % | 14.4 % | 11.7 % | 13.0 % | 9.0 % | 16.2 % | 15.0 % | 16.1 % |
| Interest income (expense), net | 13 | 1 | 3 | (1) | (262) | (63) | (64) | (67) |
| Other income (expense), net | 71 | 784 | 264 | 60 | (188) | (2) | (194) | 16 |
| Income before income tax expense | 6,633 | 7,442 | 5,888 | 6,332 | 4,168 | 8,008 | 7,110 | 8,041 |
| Income tax benefit (expense) | 66,087 | (3,222) | (2,512) | (2,415) | 2,744 | (3,356) | (2,819) | (3,151) |
| Net income | \$ 72,720 | \$ 4,220 | \$ 3,376 | \$ 3,917 | \$ 6,912 | \$ 4,652 | \$ 4,291 | \$ 4,890 |
| Basic net income per common share | \$ 3.54 | \$ 0.20 | \$ 0.16 | \$ 0.18 | \$ 0.32 | \$ 0.21 | \$ 0.20 | \$ 0.23 |
| Diluted net income per common share | \$ 3.53 | \$ 0.20 | \$ 0.16 | \$ 0.18 | \$ 0.31 | \$ 0.21 | \$ 0.19 | \$ 0.22 |
| Basic weighted average common shares outstanding | 20,528,326 | 21,301,311 | 21,677,299 | 21,898,792 | 21,554,746 | 21,651,347 | 21,642,163 | 21,638,198 |
| Diluted weighted average common shares outstanding | 20,628,053 | 21,352,838 | 21,735,829 | 22,053,015 | 22,101,600 | 22,135,554 | 22,099,791 | 22,037,796 |
| Reconciliation of operating income to EBITDA (b): | | | | | | | | |
| Operating income | \$ 6,549 | \$ 6,657 | \$ 5,621 | \$ 6,273 | \$ 4,618 | \$ 8,073 | \$ 7,368 | \$ 8,092 |
| Add back: depreciation, amortization and accretion | 3,362 | 3,413 | 3,448 | 3,747 | 4,049 | 4,247 | 4,352 | 4,029 |
| EBITDA | \$ 9,911 | \$ 10,070 | \$ 9,069 | \$ 10,020 | \$ 8,667 | \$ 12,320 | \$ 11,720 | \$ 12,121 |
| % of total revenue | 20.9 % | 21.8 % | 18.9 % | 20.8 % | 16.9 % | 24.7 % | 23.9 % | 24.2 % |
| Key statistics: | | | | | | | | |
| Units in service | 1,173 | 1,192 | 1,211 | 1,230 | 1,256 | 1,274 | 1,299 | 1,327 |
| Average revenue per unit (ARPU) | \$ 7.79 | \$ 7.82 | \$ 7.86 | \$ 7.91 | \$ 7.92 | \$ 7.97 | \$ 7.98 | \$ 8.11 |
| Bookings | \$ 18,511 | \$ 16,746 | \$ 21,027 | \$ 17,740 | \$ 22,272 | \$ 20,362 | \$ 18,959 | \$ 16,921 |
| Backlog | \$ 38,650 | \$ 41,639 | \$ 43,524 | \$ 40,551 | \$ 42,391 | \$ 42,117 | \$ 40,182 | \$ 41,396 |

(a) Slight variations in totals are due to rounding.

(b) EBITDA or earnings before interest, taxes, depreciation, amortization and accretion is a non-GAAP measure and is presented for analytical purposes only



SPOK HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (a)

(In thousands)

| | <u>12/31/2015</u> | <u>12/31/2014</u> |
|---|-------------------|-------------------|
| | (Unaudited) | |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 111,332 | \$ 107,869 |
| Accounts receivable, net | 22,638 | 24,969 |
| Prepaid expenses and other | 5,352 | 7,250 |
| Inventory | 2,291 | 2,673 |
| Total current assets | 141,613 | 142,761 |
| Property and equipment, net | 15,386 | 17,395 |
| Goodwill | 133,031 | 133,031 |
| Other intangible assets, net | 14,964 | 19,698 |
| Deferred income tax assets, net | 83,983 | 24,143 |
| Other assets | 1,445 | 862 |
| Total assets | \$ 390,422 | \$ 337,890 |
| Liabilities and stockholders' equity | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 9,247 | \$ 11,688 |
| Accrued compensation and benefits | 10,864 | 14,041 |
| Deferred revenue | 27,045 | 24,034 |
| Total current liabilities | 47,156 | 49,763 |
| Deferred revenue | 741 | 937 |
| Other long-term liabilities | 8,972 | 8,131 |
| Total liabilities | 56,869 | 58,831 |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Preferred stock | — | — |
| Common stock | 2 | 2 |
| Additional paid-in capital | 110,435 | 126,678 |
| Retained earnings | 223,116 | 152,379 |
| Total stockholders' equity | 333,553 | 279,059 |
| Total liabilities and stockholders' equity | \$ 390,422 | \$ 337,890 |

(a) Slight variations in totals are due to rounding.



SPOK HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (a)
(Unaudited and in thousands)

| | For the twelve months ended | |
|---|------------------------------------|--------------------------|
| | <u>12/31/2015</u> | <u>12/31/2014</u> |
| Cash flows from operating activities: | | |
| Net income | \$ 84,235 | \$ 20,745 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation, amortization and accretion | 13,970 | 16,677 |
| Amortization of deferred financing costs | - | 456 |
| Deferred income (benefit) tax expense | (59,007) | 4,740 |
| Stock based compensation | 1,868 | 3,838 |
| Provisions for doubtful accounts, service credits and other | 1,290 | 1,128 |
| Adjustments of non-cash transaction taxes | (686) | (310) |
| Loss/(Gain) on disposals of property and equipment | (793) | 3 |
| Changes in assets and liabilities: | | |
| Accounts receivable | 1,041 | (8,013) |
| Prepaid expenses, intangible assets and other assets | 658 | 17 |
| Accounts payable, accrued liabilities and other | (7,381) | 1,192 |
| Customer deposits and deferred revenue | 2,817 | 1,086 |
| Other long-term liabilities | - | - |
| Net cash provided by operating activities | <u>38,012</u> | <u>41,559</u> |
| Cash flows from investing activities: | | |
| Purchases of property and equipment | (6,374) | (7,679) |
| Proceeds from disposals of property and equipment | 809 | 65 |
| Net cash used in investing activities | <u>(5,565)</u> | <u>(7,614)</u> |
| Cash flows from financing activities: | | |
| Cash distributions to stockholders | (13,976) | (10,826) |
| Purchase of common stock (including commissions) | (15,008) | (4,325) |
| Net cash used in financing activities | <u>(28,984)</u> | <u>(15,151)</u> |
| Net increase in cash and cash equivalents | 3,463 | 18,794 |
| Cash and cash equivalents, beginning of period | 107,869 | 89,075 |
| Cash and cash equivalents, end of period | <u>\$ 111,332</u> | <u>\$ 107,869</u> |
| Supplemental disclosure: | | |
| Interest paid | \$ 3 | \$ 8 |
| Income taxes paid | \$ 1,521 | \$ 1,448 |

(a) Slight variations in totals are due to rounding.



SPOK HOLDINGS, INC.
CONSOLIDATED REVENUE
SUPPLEMENTAL INFORMATION (a)

(Unaudited and in thousands)

| | For the three months ended | | | | | | | |
|-------------------------------|----------------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|
| | <u>12/31/2015</u> | <u>9/30/2015</u> | <u>6/30/2015</u> | <u>3/31/2015</u> | <u>12/31/2014</u> | <u>9/30/2014</u> | <u>6/30/2014</u> | <u>3/31/2014</u> |
| Revenue | | | | | | | | |
| Paging | \$ 27,637 | \$ 28,196 | \$ 28,782 | \$ 29,491 | \$ 30,071 | \$ 30,776 | \$ 31,458 | \$ 32,896 |
| Non-paging | 1,090 | 1,179 | 1,440 | 1,199 | 1,607 | 2,079 | 2,060 | 1,455 |
| Total wireless revenue | 28,727 | 29,375 | 30,222 | 30,690 | 31,678 | 32,855 | 33,518 | 34,351 |
| Subscription | 471 | 392 | 419 | 398 | 365 | 458 | 377 | 283 |
| License | 2,733 | 1,457 | 3,011 | 2,595 | 3,474 | 2,374 | 2,497 | 2,929 |
| Services | 4,610 | 4,600 | 4,609 | 5,018 | 5,579 | 4,305 | 3,558 | 3,930 |
| Equipment | 1,764 | 1,434 | 1,301 | 1,374 | 2,145 | 1,930 | 1,614 | 1,250 |
| Operations revenue | 9,578 | 7,883 | 9,340 | 9,385 | 11,563 | 9,067 | 8,046 | 8,392 |
| Maintenance revenue | 9,034 | 8,923 | 8,407 | 8,063 | 8,028 | 7,869 | 7,530 | 7,376 |
| Total software revenue | 18,612 | 16,806 | 17,747 | 17,448 | 19,591 | 16,936 | 15,576 | 15,768 |
| Total revenue | \$ 47,339 | \$ 46,181 | \$ 47,969 | \$ 48,138 | \$ 51,269 | \$ 49,791 | \$ 49,094 | \$ 50,119 |

(a) Slight variations in totals are due to rounding.



SPOK HOLDINGS, INC.
CONSOLIDATED OPERATING EXPENSES
SUPPLEMENTAL INFORMATION (a)
(Unaudited and in thousands)

| | For the three months ended | | | | | | | |
|---|----------------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|
| | <u>12/31/2015</u> | <u>9/30/2015</u> | <u>6/30/2015</u> | <u>3/31/2015</u> | <u>12/31/2014</u> | <u>9/30/2014</u> | <u>6/30/2014</u> | <u>3/31/2014</u> |
| Cost of revenue | | | | | | | | |
| Payroll and related | \$ 4,414 | \$ 4,277 | \$ 4,274 | \$ 4,157 | \$ 4,222 | \$ 3,743 | \$ 3,827 | \$ 3,959 |
| Cost of sales | 2,902 | 2,549 | 3,801 | 3,620 | 5,225 | 3,098 | 2,232 | 1,917 |
| Stock based compensation | 33 | 33 | 34 | 34 | 81 | 108 | 81 | 81 |
| Other | 686 | 1,012 | 1,022 | 1,002 | 1,043 | 1,051 | 1,040 | 848 |
| Total cost of revenue | 8,035 | 7,871 | 9,131 | 8,813 | 10,571 | 8,000 | 7,180 | 6,805 |
| Service, rental and maintenance | | | | | | | | |
| Site rent | 3,663 | 3,763 | 3,783 | 3,766 | 3,834 | 3,914 | 3,981 | 4,015 |
| Telecommunications | 1,218 | 1,392 | 1,288 | 1,343 | 1,487 | 1,548 | 1,669 | 1,736 |
| Payroll and related | 4,815 | 4,613 | 4,555 | 4,652 | 4,533 | 4,106 | 4,434 | 4,594 |
| Stock based compensation | 29 | 29 | 29 | 29 | 30 | 56 | (17) | 39 |
| Repairs and maintenance | 450 | 395 | 478 | 528 | 467 | 489 | 436 | 508 |
| Other | 849 | 925 | 870 | 938 | 934 | 875 | 917 | 900 |
| Total service, rental and maintenance | 11,024 | 11,117 | 11,003 | 11,256 | 11,285 | 10,988 | 11,420 | 11,792 |
| Selling and marketing | | | | | | | | |
| Payroll and related | 3,780 | 3,664 | 3,732 | 3,916 | 3,945 | 3,859 | 4,099 | 4,098 |
| Commissions | 1,754 | 1,858 | 1,792 | 1,836 | 2,481 | 1,949 | 2,087 | 1,952 |
| Stock based compensation | (7) | 16 | 51 | 51 | 131 | 151 | 131 | 131 |
| Other | 1,509 | 1,034 | 1,215 | 1,245 | 1,358 | 1,113 | 1,463 | 1,065 |
| Total selling and marketing | 7,036 | 6,572 | 6,790 | 7,048 | 7,915 | 7,072 | 7,780 | 7,246 |
| General and administrative | | | | | | | | |
| Payroll and related | 4,029 | 4,320 | 4,611 | 4,879 | 4,737 | 4,217 | 4,440 | 4,796 |
| Stock based compensation | 316 | 316 | 548 | 329 | 780 | 791 | 429 | 835 |
| Bad debt | 104 | 113 | 140 | 160 | 127 | 136 | 134 | 86 |
| Facility rent | 856 | 868 | 841 | 941 | 830 | 863 | 899 | 922 |
| Telecommunications | 331 | 370 | 374 | 333 | 381 | 427 | 399 | 395 |
| Outside services | 1,783 | 1,864 | 1,728 | 1,786 | 1,786 | 1,698 | 1,719 | 1,762 |
| Taxes, licenses and permits | 1,132 | 1,068 | 1,150 | 1,125 | 1,283 | 1,225 | 1,383 | 1,064 |
| Repairs and maintenance | 347 | 389 | 363 | 406 | 506 | 510 | 421 | 374 |
| Financial Services | 378 | 378 | 367 | 362 | 346 | 336 | 379 | 363 |
| Other | 1,000 | 724 | 350 | 680 | 1,129 | 663 | 787 | 1,538 |
| Total general and administrative | 10,276 | 10,410 | 10,472 | 11,001 | 11,905 | 10,866 | 10,990 | 12,135 |
| Severance and restructuring | 1,056 | 141 | 1,504 | — | 926 | 545 | 4 | 20 |
| Depreciation, amortization and accretion | 3,362 | 3,413 | 3,448 | 3,747 | 4,049 | 4,247 | 4,352 | 4,029 |
| Operating expenses | \$ 40,789 | \$ 39,524 | \$ 42,348 | \$ 41,865 | \$ 46,651 | \$ 41,718 | \$ 41,726 | \$ 42,027 |
| Capital expenditures | \$ 2,024 | \$ 1,318 | \$ 1,992 | \$ 1,040 | \$ 1,352 | \$ 1,291 | \$ 2,393 | \$ 2,643 |

(a) Slight variations in totals are due to rounding.



SPOK HOLDINGS, INC.
UNITS IN SERVICE ACTIVITY (a)

(Unaudited and in thousands)

| | For the three months ended | | | | | | | |
|---|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | <u>12/31/2015</u> | <u>9/30/2015</u> | <u>6/30/2015</u> | <u>3/31/2015</u> | <u>12/31/2014</u> | <u>9/30/2014</u> | <u>6/30/2014</u> | <u>3/31/2014</u> |
| Paging units in service | | | | | | | | |
| Beginning units in service | | | | | | | | |
| Direct one-way | 1,086 | 1,103 | 1,116 | 1,140 | 1,157 | 1,179 | 1,200 | 1,246 |
| Direct two-way | 62 | 64 | 64 | 64 | 63 | 64 | 69 | 69 |
| Total direct | <u>1,148</u> | <u>1,167</u> | <u>1,180</u> | <u>1,204</u> | <u>1,220</u> | <u>1,243</u> | <u>1,269</u> | <u>1,315</u> |
| Indirect one-way | 24 | 24 | 25 | 26 | 28 | 29 | 30 | 34 |
| Indirect two-way | 20 | 20 | 25 | 26 | 26 | 27 | 28 | 27 |
| Total indirect | <u>44</u> | <u>44</u> | <u>50</u> | <u>52</u> | <u>54</u> | <u>56</u> | <u>58</u> | <u>61</u> |
| Total beginning units in service | <u>1,192</u> | <u>1,211</u> | <u>1,230</u> | <u>1,256</u> | <u>1,274</u> | <u>1,299</u> | <u>1,327</u> | <u>1,376</u> |
| Gross placements | | | | | | | | |
| Direct one-way | 27 | 32 | 36 | 25 | 31 | 40 | 48 | 34 |
| Direct two-way | 3 | 3 | 4 | 3 | 3 | 4 | 2 | 4 |
| Total direct | <u>30</u> | <u>35</u> | <u>40</u> | <u>28</u> | <u>34</u> | <u>44</u> | <u>50</u> | <u>38</u> |
| Indirect one-way | 1 | 1 | — | 1 | 1 | 1 | 1 | — |
| Indirect two-way | — | — | — | — | — | — | — | 1 |
| Total indirect | <u>1</u> | <u>1</u> | <u>—</u> | <u>1</u> | <u>1</u> | <u>1</u> | <u>1</u> | <u>1</u> |
| Total gross placements | <u>31</u> | <u>36</u> | <u>40</u> | <u>29</u> | <u>35</u> | <u>45</u> | <u>51</u> | <u>39</u> |
| Gross disconnects | | | | | | | | |
| Direct one-way | (42) | (48) | (50) | (49) | (47) | (62) | (69) | (80) |
| Direct two-way | (4) | (5) | (3) | (3) | (3) | (5) | (7) | (4) |
| Total direct | <u>(46)</u> | <u>(53)</u> | <u>(53)</u> | <u>(52)</u> | <u>(50)</u> | <u>(67)</u> | <u>(76)</u> | <u>(84)</u> |
| Indirect one-way | (1) | (1) | (1) | (2) | (2) | (2) | (2) | (4) |
| Indirect two-way | (3) | (1) | (5) | (1) | (1) | (1) | (1) | — |
| Total indirect | <u>(4)</u> | <u>(2)</u> | <u>(6)</u> | <u>(3)</u> | <u>(3)</u> | <u>(3)</u> | <u>(3)</u> | <u>(4)</u> |
| Total gross disconnects | <u>(50)</u> | <u>(55)</u> | <u>(59)</u> | <u>(55)</u> | <u>(53)</u> | <u>(70)</u> | <u>(79)</u> | <u>(88)</u> |
| Net loss | | | | | | | | |
| Direct one-way | (14) | (16) | (13) | (24) | (16) | (22) | (21) | (46) |
| Direct two-way | (1) | (2) | — | — | — | (1) | (5) | — |
| Total direct | <u>(15)</u> | <u>(18)</u> | <u>(13)</u> | <u>(24)</u> | <u>(16)</u> | <u>(23)</u> | <u>(26)</u> | <u>(46)</u> |
| Indirect one-way | (1) | — | (1) | (1) | (1) | (1) | (1) | (4) |
| Indirect two-way | (3) | (1) | (5) | (1) | (1) | (1) | (1) | 1 |
| Total indirect | <u>(4)</u> | <u>(1)</u> | <u>(6)</u> | <u>(2)</u> | <u>(2)</u> | <u>(2)</u> | <u>(2)</u> | <u>(3)</u> |
| Total net change | <u>(19)</u> | <u>(19)</u> | <u>(19)</u> | <u>(26)</u> | <u>(18)</u> | <u>(25)</u> | <u>(28)</u> | <u>(49)</u> |
| Ending units in service | | | | | | | | |
| Direct one-way | 1,072 | 1,087 | 1,103 | 1,116 | 1,141 | 1,157 | 1,179 | 1,200 |
| Direct two-way | 61 | 62 | 64 | 64 | 63 | 63 | 64 | 69 |
| Total direct | <u>1,133</u> | <u>1,149</u> | <u>1,167</u> | <u>1,180</u> | <u>1,204</u> | <u>1,220</u> | <u>1,243</u> | <u>1,269</u> |
| Indirect one-way | 23 | 24 | 24 | 25 | 27 | 28 | 29 | 30 |
| Indirect two-way | 17 | 19 | 20 | 25 | 25 | 26 | 27 | 28 |
| Total indirect | <u>40</u> | <u>43</u> | <u>44</u> | <u>50</u> | <u>52</u> | <u>54</u> | <u>56</u> | <u>58</u> |
| Total ending units in service | <u>1,173</u> | <u>1,192</u> | <u>1,211</u> | <u>1,230</u> | <u>1,256</u> | <u>1,274</u> | <u>1,299</u> | <u>1,327</u> |

(a) Slight variations in totals are due to rounding.



SPOK HOLDINGS, INC.
AVERAGE REVENUE PER UNIT (ARPU) AND CHURN (a)
(Unaudited)

| | For the three months ended | | | | | | | |
|---|----------------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|
| | <u>12/31/2015</u> | <u>9/30/2015</u> | <u>6/30/2015</u> | <u>3/31/2015</u> | <u>12/31/2014</u> | <u>9/30/2014</u> | <u>6/30/2014</u> | <u>3/31/2014</u> |
| Paging ARPU | | | | | | | | |
| Direct one-way | \$ 7.36 | \$ 7.37 | \$ 7.41 | \$ 7.45 | \$ 7.45 | \$ 7.48 | \$ 7.48 | \$ 7.59 |
| Direct two-way | 16.35 | 16.84 | 17.16 | 17.69 | 17.95 | 18.17 | 18.21 | 18.91 |
| Total direct | 7.85 | 7.88 | 7.93 | 7.99 | 8.00 | 8.05 | 8.06 | 8.19 |
| Indirect one-way | 7.83 | 8.02 | 8.11 | 8.08 | 8.13 | 8.24 | 8.18 | 8.22 |
| Indirect two-way | 4.29 | 4.07 | 4.09 | 3.93 | 4.06 | 4.31 | 4.45 | 4.32 |
| Total indirect | 6.27 | 6.21 | 6.19 | 6.01 | 6.12 | 6.32 | 6.39 | 6.37 |
| Total one-way | 7.37 | 7.39 | 7.42 | 7.46 | 7.46 | 7.50 | 7.50 | 7.60 |
| Total two-way | 13.57 | 13.72 | 13.69 | 13.72 | 13.87 | 14.10 | 14.22 | 14.70 |
| Total paging ARPU | \$ 7.79 | \$ 7.82 | \$ 7.86 | \$ 7.91 | \$ 7.92 | \$ 7.97 | \$ 7.98 | \$ 8.11 |
| Gross disconnect rate (b) | | | | | | | | |
| Direct one-way | (3.8)% | (4.4)% | (4.4)% | (4.3)% | (4.1)% | (5.5)% | (5.7)% | (6.4)% |
| Direct two-way | (6.0)% | (7.0)% | (5.9)% | (5.4)% | (4.5)% | (7.3)% | (10.5)% | (5.6)% |
| Total direct | (3.9)% | (4.5)% | (4.5)% | (4.4)% | (4.1)% | (5.4)% | (6.0)% | (6.4)% |
| Indirect one-way | (4.5)% | (4.7)% | (6.4)% | (6.7)% | (6.5)% | (6.4)% | (6.8)% | (8.2)% |
| Indirect two-way | (16.2)% | (2.2)% | (20.0)% | (4.4)% | (2.3)% | (1.9)% | (2.7)% | (2.3)% |
| Total indirect | (9.9)% | (3.6)% | (13.2)% | (5.5)% | (4.4)% | (4.2)% | (4.8)% | (5.5)% |
| Total one-way | (3.8)% | (4.4)% | (4.5)% | (4.4)% | (4.2)% | (5.3)% | (5.8)% | (6.5)% |
| Total two-way | (8.5)% | (5.8)% | (9.9)% | (5.1)% | (3.9)% | (5.7)% | (8.3)% | (4.7)% |
| Total paging gross disconnect rate | (4.2)% | (4.5)% | (4.9)% | (4.4)% | (4.1)% | (5.3)% | (5.9)% | (6.3)% |
| Net loss rate (c) | | | | | | | | |
| Direct one-way | (1.4)% | (1.4)% | (1.2)% | (2.1)% | (1.4)% | (1.8)% | (1.9)% | (3.7)% |
| Direct two-way | (0.9)% | (2.2)% | (0.2)% | (0.9)% | (0.1)% | (3.0)% | (4.5)% | (0.6)% |
| Total direct | (1.4)% | (1.5)% | (1.1)% | (2.0)% | (1.4)% | (1.9)% | (2.0)% | (3.5)% |
| Indirect one-way | (2.4)% | (2.4)% | (4.4)% | (4.0)% | (4.3)% | (4.1)% | (4.8)% | (6.3)% |
| Indirect two-way | (16.0)% | (1.7)% | (19.4)% | (3.6)% | (2.0)% | (1.5)% | (2.2)% | (1.9)% |
| Total indirect | (8.6)% | (2.1)% | (11.9)% | (3.8)% | (3.1)% | (2.8)% | (3.5)% | (4.2)% |
| Total one-way | (1.4)% | (1.5)% | (1.3)% | (2.1)% | (1.5)% | (1.9)% | (2.0)% | (3.7)% |
| Total two-way | (4.6)% | (2.1)% | (5.7)% | (1.7)% | (0.6)% | (2.5)% | (3.8)% | (1.0)% |
| Total paging net loss rate | (1.6)% | (1.5)% | (1.6)% | (2.1)% | (1.4)% | (1.9)% | (2.1)% | (3.5)% |

(a) Slight variations in totals are due to rounding.

(b) Gross disconnect rate is current period disconnected units divided by prior period ending units in service.

(c) Net loss rate is net current period placements and disconnected units in service divided by prior period ending units in service.



SPOK HOLDINGS, INC.
SUPPLEMENTAL INFORMATION BY MARKET SEGMENT (a)
(Unaudited)

| | For the three months ended | | | | | | | |
|--|----------------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|
| | <u>12/31/2015</u> | <u>9/30/2015</u> | <u>6/30/2015</u> | <u>3/31/2015</u> | <u>12/31/2014</u> | <u>9/30/2014</u> | <u>6/30/2014</u> | <u>3/31/2014</u> |
| Gross placement rate (b) | | | | | | | | |
| Healthcare | 2.7% | 3.3% | 3.8% | 2.6% | 3.0% | 3.8% | 4.5% | 3.1% |
| Government | 2.1% | 1.4% | 1.9% | 1.0% | 1.2% | 1.5% | 2.6% | 1.9% |
| Large enterprise | 2.1% | 2.2% | 1.7% | 2.1% | 2.3% | 2.7% | 2.0% | 2.9% |
| Other | 2.1% | 2.4% | 1.8% | 1.6% | 2.1% | 4.3% | 2.2% | 2.1% |
| Total direct | 2.6% | 3.0% | 3.4% | 2.3% | 2.8% | 3.5% | 4.0% | 2.9% |
| Total indirect | 1.3% | 1.5% | 1.3% | 1.7% | 1.3% | 1.4% | 1.3% | 1.2% |
| Total | 2.5% | 3.0% | 3.3% | 2.3% | 2.7% | 3.4% | 3.9% | 2.8% |
| Gross disconnect rate (b) | | | | | | | | |
| Healthcare | (3.5)% | (4.3)% | (3.8)% | (3.9)% | (3.8)% | (5.1)% | (5.3)% | (6.5)% |
| Government | (4.8)% | (4.7)% | (7.0)% | (5.0)% | (4.7)% | (7.5)% | (7.6)% | (5.6)% |
| Large enterprise | (6.7)% | (5.0)% | (7.3)% | (5.7)% | (4.7)% | (4.8)% | (8.9)% | (5.4)% |
| Other | (5.3)% | (6.1)% | (7.0)% | (7.1)% | (6.4)% | (6.9)% | (7.7)% | (6.5)% |
| Total direct | (3.9)% | (4.5)% | (4.5)% | (4.3)% | (4.1)% | (5.4)% | (6.0)% | (6.4)% |
| Total indirect | (9.7)% | (3.6)% | (13.1)% | (5.5)% | (4.4)% | (4.2)% | (4.8)% | (5.5)% |
| Total | (4.1)% | (4.4)% | (4.9)% | (4.4)% | (4.1)% | (5.3)% | (5.9)% | (6.3)% |
| Net loss rate (b) | | | | | | | | |
| Healthcare | (0.8)% | (1.0)% | 0.1% | (1.3)% | (0.7)% | (1.3)% | (0.8)% | (3.5)% |
| Government | (2.7)% | (3.3)% | (5.1)% | (4.0)% | (3.5)% | (6.0)% | (5.0)% | (3.6)% |
| Large enterprise | (4.6)% | (2.8)% | (5.6)% | (3.6)% | (2.4)% | (2.1)% | (6.9)% | (2.5)% |
| Other | (3.1)% | (3.7)% | (5.1)% | (5.5)% | (4.4)% | (2.5)% | (5.5)% | (4.4)% |
| Total direct | (1.4)% | (1.5)% | (1.1)% | (2.0)% | (1.4)% | (1.9)% | (2.0)% | (3.5)% |
| Total indirect | (8.6)% | (2.1)% | (11.9)% | (3.8)% | (3.1)% | (2.8)% | (3.5)% | (4.2)% |
| Total | (1.6)% | (1.5)% | (1.6)% | (2.1)% | (1.4)% | (1.9)% | (2.1)% | (3.5)% |
| End of period units in service % of total (b) | | | | | | | | |
| Healthcare | 77.0% | 76.3% | 75.9% | 74.7% | 74.1% | 73.6% | 73.0% | 72.0% |
| Government | 7.2% | 7.2% | 7.4% | 7.7% | 7.8% | 7.9% | 8.3% | 8.6% |
| Large enterprise | 6.9% | 7.2% | 7.2% | 7.6% | 7.7% | 7.8% | 7.8% | 8.2% |
| Other | 5.5% | 5.6% | 5.7% | 6.0% | 6.2% | 6.4% | 6.6% | 6.8% |
| Total direct | 96.6% | 96.3% | 96.2% | 95.9% | 95.8% | 95.7% | 95.7% | 95.6% |
| Total indirect | 3.4% | 3.7% | 3.8% | 4.1% | 4.2% | 4.3% | 4.3% | 4.4% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

(a) Slight variations in totals are due to rounding.

(b) Changes in the classification of units in service are reflected in the quarter when such changes are identified. Such changes are then appropriately reflected in calculating the gross placement, gross disconnect and net loss rates.



SPOK HOLDINGS, INC.
SUPPLEMENTAL INFORMATION - DIRECT PAGING UNITS IN SERVICE AND
CELLULAR ACTIVATIONS (a)
(Unaudited)

| | For the three months ended | | | | | | | |
|---|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 12/31/2015 | 9/30/2015 | 6/30/2015 | 3/31/2015 | 12/31/2014 | 9/30/2014 | 6/30/2014 | 3/31/2014 |
| Account size ending units in service (000's) | | | | | | | | |
| 1 to 3 units | 30 | 31 | 32 | 33 | 35 | 37 | 39 | 41 |
| 4 to 10 units | 16 | 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 11 to 50 units | 43 | 44 | 47 | 49 | 51 | 53 | 56 | 57 |
| 51 to 100 units | 30 | 31 | 33 | 32 | 34 | 36 | 38 | 41 |
| 101 to 1,000 units | 229 | 238 | 244 | 252 | 262 | 267 | 275 | 282 |
| >1,000 units | 785 | 787 | 792 | 794 | 801 | 805 | 812 | 824 |
| Total | 1,133 | 1,149 | 1,167 | 1,180 | 1,204 | 1,220 | 1,243 | 1,269 |
| End of period units in service % of total direct | | | | | | | | |
| 1 to 3 units | 2.6% | 2.7% | 2.8% | 2.8% | 2.9% | 3.0% | 3.1% | 3.2% |
| 4 to 10 units | 1.5% | 1.5% | 1.6% | 1.7% | 1.7% | 1.8% | 1.8% | 1.9% |
| 11 to 50 units | 3.8% | 3.9% | 4.0% | 4.2% | 4.2% | 4.3% | 4.5% | 4.5% |
| 51 to 100 units | 2.6% | 2.7% | 2.8% | 2.7% | 2.8% | 3.0% | 3.1% | 3.2% |
| 101 to 1,000 units | 20.3% | 20.7% | 20.9% | 21.4% | 21.8% | 21.9% | 22.1% | 22.3% |
| >1,000 units | 69.2% | 68.5% | 67.9% | 67.2% | 66.6% | 66.0% | 65.4% | 64.9% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Account size net loss rate | | | | | | | | |
| 1 to 3 units | (3.9)% | (4.1)% | (2.9)% | (6.2)% | (4.4)% | (4.8)% | (4.1)% | (4.9)% |
| 4 to 10 units | (6.0)% | (5.3)% | (5.0)% | (6.2)% | (5.5)% | (4.0)% | (5.4)% | (4.1)% |
| 11 to 50 units | (4.1)% | (4.8)% | (4.1)% | (4.6)% | (3.8)% | (5.2)% | (3.2)% | (5.3)% |
| 51 to 100 units | (3.7)% | (5.4)% | 0.2% | (4.1)% | (5.4)% | (5.2)% | (8.7)% | (1.2)% |
| 101 to 1,000 units | (3.6)% | (2.5)% | (3.0)% | (3.9)% | (2.0)% | (2.9)% | (2.5)% | (1.7)% |
| >1,000 units | (0.2)% | (0.6)% | (0.2)% | (0.8)% | (0.5)% | (1.0)% | (1.2)% | (4.0)% |
| Total | (1.4)% | (1.5)% | (1.1)% | (2.0)% | (1.4)% | (1.9)% | (2.0)% | (3.5)% |
| Account size ARPU | | | | | | | | |
| 1 to 3 units | \$ 14.33 | \$ 14.34 | \$ 14.52 | \$ 14.52 | \$ 14.53 | \$ 14.65 | \$ 14.86 | \$ 14.96 |
| 4 to 10 units | 14.27 | 14.11 | 14.11 | 14.07 | 14.09 | 14.04 | 14.12 | 14.22 |
| 11 to 50 units | 12.00 | 12.03 | 12.13 | 12.02 | 12.00 | 11.95 | 12.00 | 12.07 |
| 51 to 100 units | 10.63 | 10.48 | 10.42 | 10.26 | 10.15 | 10.16 | 10.18 | 10.27 |
| 101 to 1,000 units | 8.76 | 8.79 | 8.78 | 8.81 | 8.79 | 8.69 | 8.58 | 8.76 |
| >1,000 units | 6.85 | 6.87 | 6.90 | 6.95 | 6.93 | 6.99 | 7.00 | 7.11 |
| Total | \$ 7.85 | \$ 7.88 | \$ 7.93 | \$ 7.99 | \$ 8.00 | \$ 8.05 | \$ 8.06 | \$ 8.19 |
| Cellular: | | | | | | | | |
| Number of activations | 26 | 33 | 144 | 92 | 264 | 2,198 | 1,679 | 281 |
| Revenue from cellular services (000's) | \$ 13 | \$ 25 | \$ 39 | \$ 40 | \$ 77 | \$ 395 | \$ 278 | \$ 108 |

(a) Slight variations in totals are due to rounding.



SPOK HOLDINGS, INC.
2016 FINANCIAL GUIDANCE

| | | <u>(In millions)</u> | |
|-------------------------------|----------|-----------------------|---------------|
| | | Guidance Range | |
| | | From | To |
| Revenues | | | |
| | Wireless | \$ 101 | \$ 111 |
| | Software | 73 | 81 |
| | | <u>\$ 174</u> | <u>\$ 192</u> |
| Operating Expenses (a) | | <u>\$ 153</u> | <u>\$ 159</u> |
| Capital Expenses | | <u>\$ 6.0</u> | <u>\$ 8.0</u> |

(a) Operating expenses exclude depreciation, amortization and accretion

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