

D&E Communications, Inc.
Reconciliation of Adjusted EBITDA (a non-GAAP measure) to
Net Income (Loss) Attributable to Common Shareholders
(dollars in thousands)

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>June 30,</u>		<u>June 30,</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Wireline Adjusted EBITDA	\$ 14,793	\$ 16,005	\$ 30,707	\$ 32,251
Systems Integration Adjusted EBITDA	(78)	50	(133)	(66)
Corp, Other & Elim Adjusted EBITDA	(48)	(176)	(143)	(336)
D&E Communications Adjusted EBITDA	<u>14,667</u>	<u>15,879</u>	<u>30,431</u>	<u>31,849</u>
Depreciation & amortization	(7,426)	(7,768)	(14,484)	(15,616)
Intangible asset impairment	(5,500)	(26,200)	(5,500)	(26,200)
Operating income (loss)	<u>1,741</u>	<u>(18,089)</u>	<u>10,447</u>	<u>(9,967)</u>
Interest expense	(2,767)	(2,951)	(5,669)	(6,300)
Other income/(expense), net	53	115	646	3,533
Income (taxes) benefit	745	9,000	(1,600)	5,957
Dividend on utility preferred stock	(17)	(17)	(33)	(33)
Net income (loss) attributable to common shareholders	<u>\$ (245)</u>	<u>\$ (11,942)</u>	<u>\$ 3,791</u>	<u>\$ (6,810)</u>

D&E Communications, Inc.
Reconciliation of Adjusted EBITDA (a non-GAAP measure) to Operating Income/(Loss)
(dollars in thousands)

	<u>Three Months Ended June 30, 2009</u>			
	<u>Wireline</u>	<u>Systems Integration</u>	<u>Corporate & Other</u>	<u>Consolidated</u>
Adjusted EBITDA	\$ 14,793	\$ (78)	\$ (48)	\$ 14,667
Depreciation & amortization	(7,148)	(22)	(256)	(7,426)
Intangible asset impairment	(5,500)	-	-	(5,500)
Operating income/(loss)	<u>\$ 2,145</u>	<u>\$ (100)</u>	<u>\$ (304)</u>	<u>\$ 1,741</u>

	<u>Three Months Ended June 30, 2009</u>			
	<u>Wireline</u>	<u>Systems Integration</u>	<u>Corporate & Other</u>	<u>Consolidated</u>
Adjusted EBITDA	\$ 16,005	\$ 50	\$ (176)	\$ 15,879
Depreciation & amortization	(7,527)	(42)	(199)	(7,768)
Intangible asset impairment	(26,200)	-	-	(26,200)
Operating income/(loss)	<u>\$ (17,722)</u>	<u>\$ 8</u>	<u>\$ (375)</u>	<u>\$ (18,089)</u>

	<u>Six Months Ended June 30, 2009</u>			
	<u>Wireline</u>	<u>Systems Integration</u>	<u>Corporate & Other</u>	<u>Consolidated</u>
Adjusted EBITDA	\$ 30,707	\$ (133)	\$ (143)	\$ 30,431
Depreciation & amortization	(13,957)	(46)	(481)	(14,484)
Intangible asset impairment	(5,500)	-	-	(5,500)
Operating income/(loss)	<u>\$ 11,250</u>	<u>\$ (179)</u>	<u>\$ (624)</u>	<u>\$ 10,447</u>

	<u>Six Months Ended June 30, 2008</u>			
	<u>Wireline</u>	<u>Systems Integration</u>	<u>Corporate & Other</u>	<u>Consolidated</u>
Adjusted EBITDA	\$ 32,251	\$ (66)	\$ (336)	\$ 31,849
Depreciation & amortization	(15,141)	(87)	(388)	(15,616)
Intangible asset impairment	(26,200)	-	-	(26,200)
Operating income/(loss)	<u>\$ (9,090)</u>	<u>\$ (153)</u>	<u>\$ (724)</u>	<u>\$ (9,967)</u>