



First Quarter 2017 Earnings Presentation

Delta Tucker Holdings, Inc.
Parent of DynCorp International Inc.
May 15, 2017

AVIATION ■ LOGISTICS ■ OPERATIONS ■ INTELLIGENCE ■ TRAINING



DYNCORP INTERNATIONAL

We Serve Today for a Better Tomorrow.

Forward-Looking Statements and Non-GAAP Measures

- This presentation includes forward-looking statements about the Company's future business and financial performance, plans, goals, beliefs, or expectations. All of these forward-looking statements are based on estimates and assumptions made by the Company's management that, although believed by the Company to be reasonable, are inherently uncertain. Forward-looking statements involve risks and uncertainties, including, but not limited to, our substantial level of indebtedness and our ability to refinance our indebtedness; the outcome of any litigation, government investigation, audit or other regulatory matters; award fee determination; termination or modification of key contracts; changes in the demand for services; acts of war or terrorist activities; changes in significant operating expenses; and other economic, competitive, governmental, political and technological factors outside of the Company's control. These risks and uncertainties may cause the Company's business, strategy or actual results or events to differ materially from the statements made herein.
- All forward looking statements included in this presentation are based upon information presently available. The Company undertakes no obligation to update or revise any forward-looking statement it makes to reflect events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events. The risks and uncertainties relating to the forward-looking statements in this presentation include those described under the caption "Risk Factors" and "Forward-Looking Statements" detailed from time to time in our reports filed with the SEC.
- This presentation includes non-GAAP financial measures, including Adjusted EBITDA, that are different from financial measures calculated in accordance with GAAP and may be different from non-GAAP calculations made by other companies. Management believes these non-GAAP financial measures are useful in evaluating operating performance and are regularly used by investors, lenders and other interested parties in reviewing the Company. For a reconciliation of these non-GAAP financial measures to the most comparable GAAP financial measures, see the earnings press release dated May 15, 2017 filed with the SEC on Current Report on Form 8-K and posted on our website.

Recent Developments – Executive Summary

Key Financial Results

- Revenue of \$459.9 Million
- Adjusted EBITDA of \$36.5 Million
- Adjusted EBITDA Margin of 7.9%

Positive Momentum Continues....

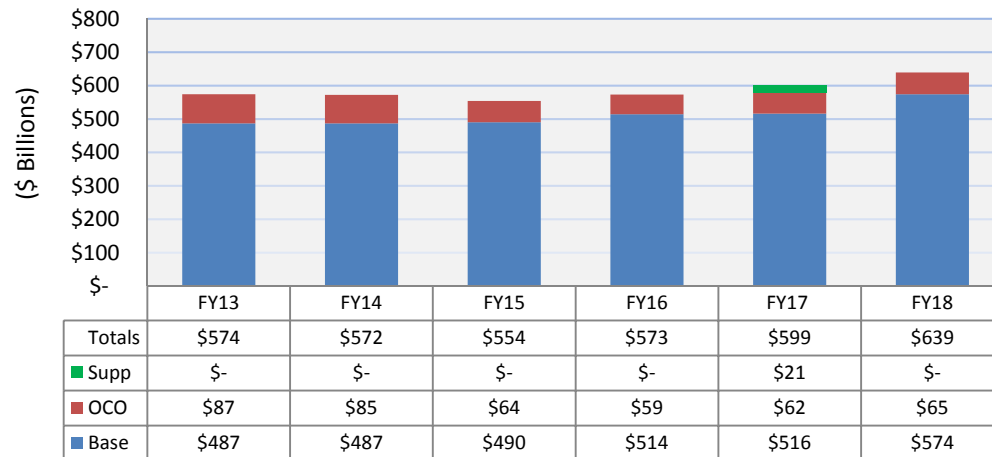
- Backlog Growing
- Booked Over \$649.0 Million Orders
- Capitalized on Opportunities
- Lower Debt via Term Loan Payment and Bond Redemption

Favorable New Business Environment

- More Than \$10.3 Billion Submitted and Awaiting Award
- Positive Budget Environment

Budget Outlook

DEPARTMENT OF DEFENSE



\$599B – FY17 Defense Spending

Funding Operations & Buying Readiness

- \$516B Base
- \$62B OCO
- \$21B Supplemental
 - \$6B – in December CR
 - \$15B – from Omnibus

\$223B – FY17 O&M Appropriations

Readiness is an O&M Expense

- \$168B Base
- \$55B OCO

\$639B – FY18 President's Defense Request

Down Payment on Rebuilding the Military

- \$574B Base
- \$65B OCO

\$37.6B – FY18 Department of State Request

BCA Remains Law

Sequestration Triggered if not Altered

DEPARTMENT OF STATE

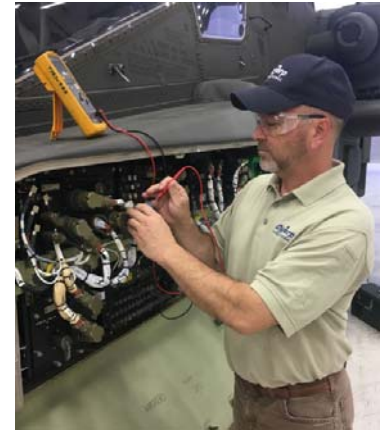


Operational Highlights

Highlights

Key Developments

- WRM III Awarded \$412.2M (Base +7 Options)
- Afghanistan Life Support Services Task Orders:
 - Task Order 8: MWR/Warehouse \$1.4M
 - Task Order 9: Transportation and Shuttle Services \$2.9M
 - Task Order 10: Vehicle Maintenance \$6.1M
 - Task Order 11: NTP Received Fire and Medical Emergency Support Services \$50.1M
- LOGCAP NORTHCOM Task Order Awarded \$28.7M
- NAWDC Scope Expansion \$30.4M
- METCAL OY1 Exercised \$4.1M



Highlights (Continued)

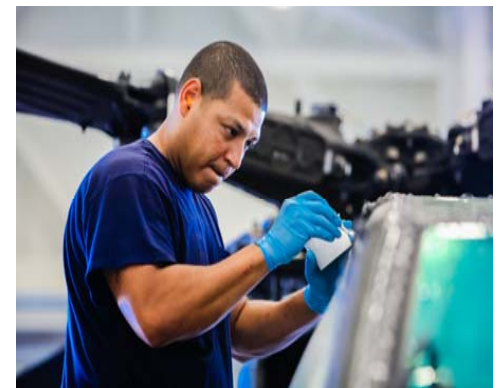
New Business In Evaluation \$10.3 Billion

Contractor Performance Assessment Reporting System

- Exceptional CPARS:
 - *RSLFAC MSS2*
 - *ALiSS RSO Task Order*
 - *Land Mobile Radio*
 - *EAGLE Fort Campbell*



Performance Indicators

- 8th Consecutive Incentive / PMF Award on Navy Contract
- Received NASA Safety & Health Excellence Award
- Outstanding Award Fee Score on WRM II Contract



Financial Review



Q1 2017 Results

	<i>Millions</i>	Q1 2017	2017 vs. 2016		
Revenue		\$459.9M	\$39.9M	9.5%	
Adjusted EBITDA		\$36.5M	\$16.0M	78.0%	
Adjusted EBITDA Margin		7.9%	300 bps		
			vs. Q4 2016		
Total Backlog		\$3,788M	\$72M	1.9%	

Q1 Highlights

Revenue	Adjusted EBITDA
<ul style="list-style-type: none"> ↑ JPATS T6 ↑ AFM RASM/TASM ↑ NAWDC ↑ ALiSS ↑ LOGCAP IV ↓ INL ↓ T34/44/6 	<ul style="list-style-type: none"> ↑ AFM RASM/TASM ↑ LOGCAP IV ↑ ANA/ANP ↑ SHEPPARD ↑ CALFIRE ↑ ALiSS ↓ JPATS T6

AELS

	<i>Millions</i>	Q1 2017	2017 vs. 2016		
	Revenue	\$134.1M	(\$2.2M)	(1.6%)	
	Adjusted EBITDA	\$4.2M	\$1.8M	75.0%	
	Adjusted EBITDA Margin	3.1%	130 bps		
			vs. Q4 2016		
Total Backlog		\$1,320M	(\$104M)	(7.3%)	

Q1 Highlights

Revenue		Adjusted EBITDA	
↑ NAWDC		↑ SHEPPARD	
↑ PAX RIVER		↑ CALFIRE	
↑ JPATS T6		↓ JPATS T6	
↓ T34/44/6		↓ T34/44/6	
↓ SHEPPARD			

Total Backlog	
↑ PAX RIVER	↓ ANDREWS
↑ CFT	↓ CALFIRE
↑ NAWDC	↓ JPATS T6
	↓ NASA AMOS
	↓ T34/44/6

AOLC



<i>\$millions</i>	Q1 2017	2017 vs. 2016	
Revenue	\$153.8M	\$1.5M	1.0%
Adjusted EBITDA	\$17.2M	\$7.7M	81.1%
Adjusted EBITDA Margin	11.2%	500 bps	
		vs. Q4 2016	
Total Backlog	\$792M	(\$260M)	(24.7%)



Q1 Highlights

Revenue	Adjusted EBITDA
<ul style="list-style-type: none"> ↑ MD530 ↑ AFM RASM/TASM ↑ IMSS SANG ↓ INL ↓ SAUDI Programs 	<ul style="list-style-type: none"> ↑ MD530 ↑ IMSS SANG ↑ AFM RASM/TASM ↑ INL ↑ SAUDI Programs

Total Backlog	
<ul style="list-style-type: none"> ↑ AFM RASM/TASM ↑ CCAD 	<ul style="list-style-type: none"> ↓ INL ↓ IMSS SANG ↓ KUWAIT ↓ SAUDI Programs

DynLogistics

	<i>\$millions</i>	2017 vs. 2016	
		Q1 2017	
Revenue	\$172.4M	\$41.2M	31.4%
Adjusted EBITDA	\$17.5M	\$7.1M	68.3%
Adjusted EBITDA Margin	10.2%	230 bps	
		vs. Q4 2016	
Total Backlog	\$1,676M	\$436M	35.2%



Q1 Highlights

Revenue	Adjusted EBITDA
<ul style="list-style-type: none"> ↑ ALISS ↑ GISS G4 INSCOM ↑ LOGCAP IV ↑ ANA/ANP 	<ul style="list-style-type: none"> ↑ ALISS ↑ ANA/ANP ↑ LOGCAP IV ↓ LMS Security

Total Backlog	
<ul style="list-style-type: none"> ↑ LOGCAP IV ↑ ANA/ANP ↑ WRM III ↑ GISS G4 INSCOM ↑ AFCAP IV 	<ul style="list-style-type: none"> ↓ POS II ↓ WRM II ↓ CJPS

Financial Review – Q1 Miscellaneous Items

Working Capital⁽¹⁾ of \$156.0 Million

- Up \$2.5 Million from Year-end; 8.3% of Revenue
- DSO at 56 Days – In Line with Year-end 2016

Q1 2017 Free Cash Flow of (\$16.5) Million

- Improvement of \$16.1 Million vs Q1 2016 of (\$32.6) Million

Current Net Debt Position of \$529.8 Million

- Balance Sheet Unrestricted Cash Position of \$107.2 Million at Quarter-end
- No Revolver Borrowings Outstanding at Quarter-end

Term Loan Payment Pursuant to Excess Cash Flow Provision – \$25.1 Million⁽²⁾

Sr. Unsecured Notes Redemption Completed – \$39.3 Million⁽²⁾

⁽¹⁾ Working Capital = Accounts Receivable + Inventory + Work in Progress – Accounts Payable – Accrued Payroll and Employee Cost

⁽²⁾ Term Loan Payment and Sr. Unsecured Notes Redemption Completed in April 2017

2017 Full Year Financial Guidance – Update

Revenue \$1.90 Billion to \$1.95 Billion

- Includes Contributions from our INL Air Wing Program

Adjusted EBITDA \$130 Million to \$134 Million

- Includes Contributions from our INL Air Wing Program
- Guidance Increased on the Underlying Business Based on Recent Wins & Modifications
 - WRM III – Re compete Win \$412 Million
 - Patuxent River – Re compete Win \$546 Million
 - Navy Expeditionary Force Regional Contract – New Win \$93.8 Million
 - LOGCAP IV NORTHCOM Task Order – New Win \$28.7 Million
 - Additional Content on our ALiSS Program

INL Air Wing Program

- Guidance Assumes \$250 Million in Revenue

Closing Remarks

2017 Trends Strong

- Program Performance
- Orders
- Sales
- Earnings
- Cash
- Healthy Budgets for Our Work
- Large New Business Pipeline

Leadership Team Focused

Q & A

Appendix

Unaudited Condensed Consolidated Statements of Operations

(Amounts in thousands)	Three Months Ended	
	March 31, 2017	March 25, 2016
Revenue	\$ 459,872	\$ 419,990
Cost of services	(399,477)	(372,498)
Selling, general and administrative expenses	(31,719)	(34,090)
Depreciation and amortization expense	(8,555)	(8,291)
Earnings from equity method investees	43	367
Operating income	20,164	5,478
Interest expense	(18,715)	(15,968)
Interest income	5	60
Other income, net	1,373	352
Income (loss) before income taxes	2,827	(10,078)
Provision for income taxes	(3,039)	(4,494)
Net loss	(212)	(14,572)
Noncontrolling interests	(275)	(187)
Net loss attributable to DTH, Inc.	\$ (487)	\$ (14,759)
Provision for income taxes	3,039	4,494
Interest expense, net of interest income	18,710	15,908
Depreciation and amortization ⁽¹⁾	8,898	8,516
EBITDA ⁽²⁾	\$ 30,160	\$ 14,159
Certain income/expense or gain/loss adjustments per our credit agreements ⁽³⁾	(166)	540
Employee share based compensation, severance, relocation and retention expense ⁽⁴⁾	1,130	394
Cerberus fees ⁽⁵⁾	650	909
Global Advisory Group expenses ⁽⁶⁾	5,160	4,851
Other ⁽⁷⁾	(406)	(359)
Adjusted EBITDA	\$ 36,528	\$ 20,494

(1) Includes certain depreciation and amortization amounts which are classified as Cost of services in the condensed consolidated statements of operations.

(2) We define EBITDA as GAAP net loss attributable to DTH, Inc. adjusted for interest, taxes, depreciation and amortization. We believe these non-GAAP financial measures are useful in evaluating operating performance and are regularly used by security analysts, institutional investors and other interested parties in reviewing the Company. Non-GAAP financial measures are not intended to be a substitute for any GAAP financial measure and, as calculated, may not be comparable to other similarly titled measures of the performance of other companies.

(3) Includes certain unusual income and expense items, as defined in the Indenture and New Senior Credit Facility.

(4) Includes post-employment benefit expense related to severance in accordance with ASC 712 - *Compensation*, relocation expenses, retention expense and share based compensation expense.

(5) Includes Cerberus Operations and Advisory Company expenses, net of recovery.

(6) Reflects Global Advisory Group cost incurred during the three months ended March 31, 2017 and March 25, 2016, respectively, which we are able to add back to Adjusted EBITDA under the Indenture and New Senior Credit Facility in an aggregate amount up to a total of \$30 million.

(7) Includes changes due to fluctuations in foreign exchange rates, earnings from affiliates not received in cash, costs incurred pursuant to ASC 805 - *Business Combination* and other immaterial items.

Unaudited Credit Agreement Adjusted EBITDA by Segment

DTH, Inc. CY17 QTD Q1					
<i>(Amounts in thousands)</i>	AELS	AOLC	DynLogistics	Headquarters/ Others	Consolidated
Operating income (loss)	\$ 3,279	\$ 15,667	\$ 17,500	\$ (16,282)	\$ 20,164
Depreciation and amortization expense ⁽¹⁾	265	24	140	8,469	8,898
Noncontrolling interests	—	—	—	(275)	(275)
Other income (loss), net	(52)	1,049	107	269	1,373
EBITDA ⁽²⁾	<u>\$ 3,492</u>	<u>\$ 16,740</u>	<u>\$ 17,747</u>	<u>\$ (7,819)</u>	<u>\$ 30,160</u>
Certain income/expense or gain/loss adjustments per our credit agreements ⁽³⁾	—	—	(756)	590	(166)
Employee share based compensation, severance, relocation and retention expense ⁽⁴⁾	546	247	323	14	1,130
Cerberus fees ⁽⁵⁾	201	200	215	34	650
Global Advisory Group expenses ⁽⁶⁾	—	—	—	5,160	5,160
Other ⁽⁷⁾	—	—	(40)	(366)	(406)
Adjusted EBITDA	<u>\$ 4,239</u>	<u>\$ 17,187</u>	<u>\$ 17,489</u>	<u>\$ (2,387)</u>	<u>\$ 36,528</u>

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(7) Includes changes due to fluctuations in foreign exchange rates, earnings from affiliates not received in cash, costs incurred pursuant to ASC 805 - *Business Combination* and other immaterial items.

Unaudited Credit Agreement Adjusted EBITDA by Segment

	DTH, Inc. CY16 QTD Q1				
	AELS	AOLC	DynLogistics	Headquarters/ Others	Consolidated
<i>(Amounts in thousands)</i>					
Operating income (loss)	\$ 1,741	\$ 8,958	\$ 9,956	\$ (15,177)	\$ 5,478
Depreciation and amortization expense ⁽¹⁾	129	34	62	8,291	8,516
Noncontrolling interests	—	—	—	(187)	(187)
Other income, net	16	1	13	322	352
EBITDA ⁽²⁾	\$ 1,886	\$ 8,993	\$ 10,031	\$ (6,751)	\$ 14,159
Certain income/expense or gain/loss adjustments per our credit agreements ⁽³⁾	—	331	154	55	540
Employee share based compensation, severance, relocation and retention expense ⁽⁴⁾	314	(71)	16	135	394
Cerberus fees ⁽⁵⁾	267	253	238	151	909
Global Advisory Group expenses ⁽⁶⁾	—	—	—	4,851	4,851
Other ⁽⁷⁾	(35)	—	—	(324)	(359)
Adjusted EBITDA	\$ 2,432	\$ 9,506	\$ 10,439	\$ (1,883)	\$ 20,494

(1) Includes certain depreciation and amortization amounts which are classified as Cost of services in the condensed consolidated statements of operations.

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(3) Includes certain unusual income and expense items, as defined in the Indenture and Senior Credit Facility.

(4) Includes post-employment benefit expense related to severance in accordance with ASC 712 - *Compensation*, relocation expenses, retention expense and share based compensation expense.

(5) Includes Cerberus Operations and Advisory Company expenses, net of recovery.

(6) Reflects Global Advisory Group cost incurred during the three months ended March 25, 2016 which we are able to add back to Adjusted EBITDA under the Indenture and New Senior Credit Facility in an aggregate amount up to a total of \$30 million.

(7) Includes changes due to fluctuations in foreign exchange rates, earnings from affiliates not received in cash, costs incurred pursuant to ASC 805 - *Business Combination* and other immaterial items.

Unaudited Condensed Consolidated Balance Sheets

(Amounts in thousands)

	As of	
	March 31, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 107,207	\$ 118,218
Restricted cash	2,504	7,664
Accounts receivable, net of allowances of \$17,155 and \$17,189, respectively	306,030	300,255
Other current assets	67,319	65,694
Total current assets	483,060	491,831
Non-current assets	176,485	184,706
Total assets	\$ 659,545	\$ 676,537
LIABILITIES AND DEFICIT		
Current portion of long-term debt	\$ 62,955	\$ 62,843
Other current liabilities	258,236	278,703
Total current liabilities	321,191	341,546
Long-term debt	574,032	569,613
Other long-term liabilities	26,694	27,315
Total deficit attributable to Delta Tucker Holdings, Inc.	(267,832)	(267,392)
Noncontrolling interests	5,460	5,455
Total deficit	(262,372)	(261,937)
Total liabilities and deficit	\$ 659,545	\$ 676,537

Unaudited Condensed Statements of Cash Flows

(Amounts in thousands)

	For the three months ended	
	March 31, 2017	March 25, 2016
Cash Flow Information:		
Net cash used in operating activities	\$ (15,048)	\$ (30,543)
Net cash provided by (used in) investing activities	4,116	(3,298)
Net cash used in financing activities	(79)	(154)
Net cash provided by operating activities	(15,048)	(30,543)
Less: Purchase of property and equipment	(1,757)	(812)
Proceeds from sale of property and equipment	370	—
Less: Purchase of software	(26)	(1,261)
Free cash flow	<u>\$ (16,461)</u>	<u>\$ (32,616)</u>

Unaudited Other Contract Data

(Amounts in millions)

	<u>As of</u>	
	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Backlog ⁽¹⁾ :		
Funded backlog	\$ 1,264	\$ 1,403
Unfunded backlog	2,524	2,313
Total Backlog	<u>\$ 3,788</u>	<u>\$ 3,716</u>

- (1) Backlog consists of funded and unfunded amounts under contracts. Funded backlog is equal to the amounts appropriated by a customer for payment of goods and services less actual revenue recognized as of the measurement date under that appropriation. Unfunded backlog is the dollar value of unexercised, priced contract options, and the unfunded portion of exercised contract options. Most of our U.S. government contracts allow the customer the option to extend the period of performance of a contract for a period of one or more years.

Unaudited Credit Agreement Adjusted EBITDA by Segment

DTH, Inc. CY16 QTD Q2

(Amounts in thousands)

	<u>AELS</u>	<u>AOLC</u>	<u>DynLogistics</u>	<u>Headquarters/ Others</u>	<u>Consolidated</u>
Operating (loss) income	\$ (10,151)	\$ 9,899	\$ 15,942	\$ (20,619)	\$ (4,929)
Depreciation and amortization expense ⁽¹⁾	157	364	60	8,580	9,161
Loss on early extinguishment of debt	—	—	—	(328)	(328)
Noncontrolling interests	—	—	—	(308)	(308)
Other (loss) income, net	(76)	4,851	—	(164)	4,611
EBITDA ⁽²⁾	<u>\$ (10,070)</u>	<u>\$ 15,114</u>	<u>\$ 16,002</u>	<u>\$ (12,839)</u>	<u>\$ 8,207</u>
Certain income/expense or gain/loss adjustments per our credit agreements ⁽³⁾	—	211	1,344	6,316	7,871
Employee share based compensation, severance, relocation and retention expense ⁽⁴⁾	41	27	102	97	267
Cerberus fees ⁽⁵⁾	222	210	196	95	723
Global Advisory Group expenses ⁽⁶⁾	—	—	—	4,907	4,907
Other ⁽⁷⁾	150	—	—	(75)	75
Adjusted EBITDA	<u>\$ (9,657)</u>	<u>\$ 15,562</u>	<u>\$ 17,644</u>	<u>\$ (1,499)</u>	<u>\$ 22,050</u>

- (1) Includes certain depreciation and amortization amounts which are classified as Cost of services in the condensed consolidated statements of operations.
- (2) We define EBITDA as GAAP net loss attributable to DTH, Inc. adjusted for interest, taxes, depreciation and amortization. We believe these non-GAAP financial measures are useful in evaluating operating performance and are regularly used by security analysts, institutional investors and other interested parties in reviewing the Company. Non-GAAP financial measures are not intended to be a substitute for any GAAP financial measure and, as calculated, may not be comparable to other similarly titled measures of the performance of other companies.
- (3) Includes certain unusual income and expense items, as defined in the Indenture and New Senior Credit Facility.
- (4) Includes post-employment benefit expense related to severance in accordance with ASC 712 - *Compensation*, relocation expenses, retention expense and share based compensation expense.
- (5) Includes Cerberus Operations and Advisory Company expenses, net of recovery.
- (6) Reflects Global Advisory Group cost incurred during the three months ended June 24, 2016 which we are able to add back to Adjusted EBITDA under the Indenture and New Senior Credit Facility in an aggregate amount up to a total of \$30 million.
- (7) Includes changes due to fluctuations in foreign exchange rates, earnings from affiliates not received in cash, costs incurred pursuant to ASC 805 - *Business Combination* and other immaterial items.

Unaudited Credit Agreement Adjusted EBITDA by Segment

(Amounts in thousands)	DTH, Inc. CY16 YTD Q2				
	AELS	AOLC	DynLogistics	Headquarters/ Others	Consolidated
Operating (loss) income	\$ (8,400)	\$ 18,866	\$ 25,878	\$ (35,795)	\$ 549
Depreciation and amortization expense ⁽¹⁾	287	398	122	16,870	17,677
Loss on early extinguishment of debt	—	—	—	(328)	(328)
Noncontrolling interests	—	—	—	(496)	(496)
Other (loss) income, net	(60)	4,852	13	158	4,963
EBITDA ⁽²⁾	\$ (8,173)	\$ 24,116	\$ 26,013	\$ (19,591)	\$ 22,365
Certain income/expense or gain/loss adjustments per our credit agreements ⁽³⁾	—	542	1,498	6,371	8,411
Employee share based compensation, severance, relocation and retention expense ⁽⁴⁾	355	(44)	118	232	661
Cerberus fees ⁽⁵⁾	489	463	434	246	1,632
Global Advisory Group expenses ⁽⁶⁾	—	—	—	9,758	9,758
Other ⁽⁷⁾	115	—	—	(399)	(284)
Adjusted EBITDA	\$ (7,214)	\$ 25,077	\$ 28,063	\$ (3,383)	\$ 42,543

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- (3) Includes certain unusual income and expense items, as defined in the Indenture and Senior Credit Facility.
- (4) Includes post-employment benefit expense related to severance in accordance with ASC 712 - *Compensation*, relocation expenses, retention expense and share based compensation expense.
- (5) Includes Cerberus Operations and Advisory Company expenses, net of recovery.
- (6) Reflects Global Advisory Group cost incurred during the six months ended June 24, 2016 which we are able to add back to Adjusted EBITDA under the Indenture and New Senior Credit Facility in an aggregate amount up to a total of \$30 million.
- (7) Includes changes due to fluctuations in foreign exchange rates, earnings from affiliates not received in cash, costs incurred pursuant to ASC 805 - *Business Combination* and other immaterial items.

Unaudited Credit Agreement Adjusted EBITDA by Segment

	DTH, Inc. CY16 QTD Q3				
	AEELS	AOLC	DynLogistics	Headquarters/ Others	Consolidated
(Amounts in thousands)					
Operating (loss) income	\$ (7,137)	\$ 13,876	\$ 23,920	\$ (21,269)	\$ 9,390
Depreciation and amortization expense ⁽¹⁾	144	115	138	8,725	9,122
Noncontrolling interests	—	—	—	(307)	(307)
Other income (loss), net	89	(196)	(124)	447	216
EBITDA ⁽²⁾	\$ (6,904)	\$ 13,795	\$ 23,934	\$ (12,404)	\$ 18,421
Certain income/expense or gain/loss adjustments per our credit agreements ⁽³⁾	—	475	(2,775)	1,969	(331)
Employee share based compensation, severance, relocation and retention expense ⁽⁴⁾	106	85	89	59	339
Cerberus fees ⁽⁵⁾	248	234	209	71	762
Global Advisory Group expenses ⁽⁶⁾	—	—	—	7,499	7,499
Other ⁽⁷⁾	15	—	—	(235)	(220)
Adjusted EBITDA	\$ (6,535)	\$ 14,589	\$ 21,457	\$ (3,041)	\$ 26,470

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- (2) We define EBITDA as GAAP net loss attributable to DTH, Inc. adjusted for interest, taxes, depreciation and amortization. We believe these non-GAAP financial measures are useful in evaluating operating performance and are regularly used by security analysts, institutional investors and other interested parties in reviewing the Company. Non-GAAP financial measures are not intended to be a substitute for any GAAP financial measure and, as calculated, may not be comparable to other similarly titled measures of the performance of other companies.
- (3) Includes the impairment of investment in affiliates as well as certain unusual income and expense items, as defined in the Indenture and New Senior Credit Facility.
- (4) Includes post-employment benefit expense related to severance in accordance with ASC 712 - *Compensation*, relocation expenses, retention expense and share based compensation expense.
- (5) Includes Cerberus Operations and Advisory Company expenses, net of recovery.
- (6) Reflects Global Advisory Group cost incurred during the three months ended September 30, 2016 which we are able to add back to Adjusted EBITDA under the Indenture and New Senior Credit Facility in an aggregate amount up to a total of \$30 million.
- (7) Includes changes due to fluctuations in foreign exchange rates, earnings from affiliates not received in cash, costs incurred pursuant to ASC 805 - *Business Combination* and other immaterial items.

Unaudited Credit Agreement Adjusted EBITDA by Segment

(Amounts in thousands)	DTH, Inc. CY16 YTD Q3				
	AELS	AOLC	DynLogistics	Headquarters/ Others	Consolidated
Operating (loss) income	\$ (15,537)	\$ 32,743	\$ 49,798	\$ (57,064)	\$ 9,940
Depreciation and amortization expense ⁽¹⁾	431	513	260	25,595	26,799
Loss on early extinguishment of debt	—	—	—	(328)	(328)
Noncontrolling interests	—	—	—	(803)	(803)
Other income (loss), net	29	4,655	(111)	606	5,179
EBITDA ⁽²⁾	\$ (15,077)	\$ 37,911	\$ 49,947	\$ (31,994)	\$ 40,787
Certain income/expense or gain/loss adjustments per our credit agreements ⁽³⁾	—	1,016	(1,276)	8,340	8,080
Employee share based compensation, severance, relocation and retention expense ⁽⁴⁾	461	41	208	290	1,000
Cerberus fees ⁽⁵⁾	737	697	644	316	2,394
Global Advisory Group expenses ⁽⁶⁾	—	—	—	17,256	17,256
Other ⁽⁷⁾	130	—	—	(634)	(504)
Adjusted EBITDA	\$ (13,749)	\$ 39,665	\$ 49,523	\$ (6,426)	\$ 69,013

- (1) Includes certain depreciation and amortization amounts which are classified as Cost of services in the condensed consolidated statements of operations.
- (2) We define EBITDA as GAAP net loss attributable to DTH, Inc. adjusted for interest, taxes, depreciation and amortization. We believe these non-GAAP financial measures are useful in evaluating operating performance and are regularly used by security analysts, institutional investors and other interested parties in reviewing the Company. Non-GAAP financial measures are not intended to be a substitute for any GAAP financial measure and, as calculated, may not be comparable to other similarly titled measures of the performance of other companies.
- (3) Includes the impairment of investment in affiliates in the third quarter of 2016 as well as certain unusual income and expense items, as defined in the Indenture and New Senior Credit Facility.
- (4) Includes post-employment benefit expense related to severance in accordance with ASC 712 - *Compensation*, relocation expenses, retention expense and share based compensation expense.
- (5) Includes Cerberus Operations and Advisory Company expenses, net of recovery.
- (6) Reflects Global Advisory Group cost incurred during the nine months ended September 30, 2016 which we are able to add back to Adjusted EBITDA under the Indenture and New Senior Credit Facility in an aggregate amount up to a total of \$30 million.
- (7) Includes changes due to fluctuations in foreign exchange rates, earnings from affiliates not received in cash, costs incurred pursuant to ASC 805 - *Business Combination* and other immaterial items.