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HC2 HOLDINGS, INC.

First Quarter 2016 Conference Call

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Special Note Regarding Forward-Looking Statements. Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995: This release contains, and certain oral statements made by our representatives from time to time may contain, forward-looking statements. Generally, forward-looking statements include information describing actions, events, results, strategies and expectations and are generally identifiable by use of the words “believes,” “expects,” “intends,” “anticipates,” “plans,” “seeks,” “estimates,” “projects,” “may,” “will,” “could,” “might,” or “continues” or similar expressions. The forward-looking statements in this press release include without limitation statements regarding our expectation regarding building shareholder value. Such statements are based on the beliefs and assumptions of HC2’s management and the management of HC2’s subsidiaries. The Company believes these judgments are reasonable, but you should understand that these statements are not guarantees of performance or results, and the Company’s actual results could differ materially from those expressed or implied in the forward-looking statements due to a variety of important factors, both positive and negative, that may be revised or supplemented in subsequent reports on Forms 10-K, 10-Q and 8-K. Such important factors include, without limitation, issues related to the restatement of our financial statements; the fact that we have historically identified material weaknesses in our internal control over financial reporting, and any inability to remediate future material weaknesses; capital market conditions; the ability of HC2’s subsidiaries to generate sufficient net income and cash flows to make upstream cash distributions; volatility in the trading price of HC2 common stock; the ability of HC2 and its subsidiaries to identify any suitable future acquisition opportunities; our ability to realize efficiencies, cost savings, income and margin improvements, growth, economies of scale and other anticipated benefits of strategic transactions; difficulties related to the integration of financial reporting of acquired or target businesses; difficulties completing pending and future acquisitions and dispositions; effects of litigation, indemnification claims, and other contingent liabilities; changes in regulations and tax laws; and risks that may affect the performance of the operating subsidiaries of HC2. These risks and other important factors discussed under the caption “Risk Factors” in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”), and our other reports filed with the SEC could cause actual results to differ materially from those indicated by the forward-looking statements made in this press release.

You should not place undue reliance on forward-looking statements. All forward-looking statements attributable to HC2 or persons acting on its behalf are expressly qualified in their entirety by the foregoing cautionary statements. All such statements speak only as of the date made, and HC2 undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Non-GAAP Financial Measures

In this presentation, HC2 refers to certain financial measures that are not presented in accordance with U.S. generally accepted accounting principles (“GAAP”), including Core Operating Subsidiary Adjusted EBITDA, Total Adjusted EBITDA (excluding Insurance) and Insurance AOI.

Management believes that Adjusted EBITDA measures provide investors with meaningful information for gaining an understanding of certain results as it is frequently used by the financial community to provide insight into an organization’s operating trends and facilitates comparisons between peer companies, because interest, taxes, depreciation, amortization and the other items for which adjustments are made as noted in the definition of Adjusted EBITDA below can differ greatly between organizations as a result of differing capital structures and tax strategies. Adjusted EBITDA can also be a useful measure of a company’s ability to service debt. In addition, management uses Adjusted EBITDA measures in evaluating certain of the Company’s segments performance because they eliminate the effects of considerable amounts of noncash depreciation and amortization and items not within the control of the Company’s operations managers. While management believes that these non-US GAAP measurements are useful as supplemental information, such adjusted results are not intended to replace our US GAAP financial results and should be read together with HC2’s results reported under GAAP.

Management defines Adjusted EBITDA as Net income (loss) adjusted to exclude the impact of asset impairment expense; gain (loss) on sale or disposal of assets; lease termination costs; interest expense; loss on early extinguishment or restructuring of debt; other income (expense), net; foreign currency transaction gain (loss); income tax (benefit) expense; gain (loss) from discontinued operations; non-controlling interest; share-based compensation expense; acquisition related and other non-recurring costs; other costs and depreciation and amortization. A reconciliation of Adjusted EBITDA to net income, the most comparable measure calculated in accordance with GAAP, is included in the financial tables at the end of this release.

Management believes that Insurance AOI measures, used frequently in the insurance industry, provide investors with meaningful information for gaining an understanding of certain results and provides insight into an organization’s operating trends and facilitates comparisons between peer companies.

Management defines Insurance AOI as Net income (loss) for the Insurance segment adjusted to exclude the impact of net investment gains (losses), including other-than-temporary impairment losses recognized in operations; other income and expense/intercompany elimination and acquisition related and non-recurring costs. Management believes that Insurance AOI provides a meaningful financial metric that helps investors understand certain results and profitability. While these adjustments are an integral part of the overall performance of the Insurance segment, market conditions impacting these items can overshadow the underlying performance of the business. Accordingly, we believe using a measure which excludes their impact is effective in analyzing the trends of our operations.

By accepting this document, each recipient agrees to and acknowledges the foregoing terms and conditions.



Agenda

◆ **Overview and Financial Highlights**

Philip Falcone - Chairman, President and CEO

◆ **Q and A**

Philip Falcone - Chairman, President and CEO

Michael Sena - Chief Financial Officer

Keith Hladek - Chief Operating Officer

Andrew Backman - Managing Director - Investor & Public Relations



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Quarterly Overview

Results and Recent Developments:

- ❑ Results highlight the unique value HC2 brings to the market given our diverse holdings across a number of uncorrelated industries
- ❑ Net Revenue totaled \$332 million in First Quarter; up ~64% increase compared prior-year-quarter
- ❑ Adjusted EBITDA for Manufacturing, Marine Services, Utilities and Telecommunications segments (“Core Operating Subsidiaries”) totaled \$12.7 million in First Quarter or \$18.2 million excluding one-time Marine Services charge
 - ◆ Results benefitted from growth in Manufacturing, Telecommunications and Utilities; partially offset by a \$5.5 million one-time charge at Marine Services
- ❑ Consolidated Cash and Investments as of March 31, 2016: \$1.5 billion of consolidated cash, cash equivalents and investments, which includes the addition of Insurance segment
 - ◆ Corporate Cash as of March 31, 2016: \$41.0 million in cash, cash equivalents and short-term investments; essentially unchanged from prior quarter
- ❑ Strengthened Executive Management Team Reporting Directly to Phil Falcone, Chairman, CEO:
 - ◆ Paul L. Robinson - Chief Legal Officer and Corporate Secretary
 - ◆ Andrew G. Backman - Managing Director - Investor Relations and Public Relations

Core Operating Subsidiaries

Core Financial Services Subsidiaries

MANUFACTURING: SCHUFF

- ◆ Q1 Revenue: \$119m
- ◆ Q1 Adjusted EBITDA: \$12m
- ◆ Backlog of \$415m at 3/31
- ◆ Solid long-term pipeline



MARINE SERVICES: GMSL

- ◆ Q1 Revenue: \$32m
- ◆ Q1 Adjusted EBITDA: \$0.5m inclusive of one-time charge
- ◆ Incremental revenue contribution from CWind
- ◆ Positive Long-term telecom installation opportunities



UTILITIES: ANG

- ◆ Q1 Revenue: \$1.2m
- ◆ Q1 Adjusted EBITDA: \$0.4m
- ◆ 11 stations currently owned and / or operated
- ◆ Delivered 800,000 Gasoline Gallon Equivalents (GGE's) in the first quarter



TELECOM: PTGi ICS

- ◆ Q1 Revenue: \$150m
- ◆ Q1 Adjusted EBITDA: \$0.3m
- ◆ Expanding scale and number of customer relationships



INSURANCE: CIG

- ◆ ~\$80m of statutory surplus
- ◆ ~\$2.0b in total GAAP assets

**As of March 31, 2016*

Early Stage and Other Holdings

LIFE SCIENCES: PANSEND

BeneVir: Oncolytic viral immunotherapy for treatment of solid cancer tumors



R2 Dermatology: Medical device to brighten skin based on Mass. General Hospital technology



Genovel: Novel, patented „Mini Knee“ and „Anatomical Knee“ replacements



MediBeacon: Unique non-invasive real-time monitoring of kidney function



Triple Ring Technologies: R&D engineering company specializing in medical devices, homeland security, imaging, sensors, optics, fluidics, robotics & mobile healthcare



OTHER

Nerve



Dusenberry Martin Racing





Segment Financial Summary

Adjusted EBITDA for Core Operating Subsidiaries was \$12.7m for Q1 2016 or \$18.2m excluding one-time GMSL charge

ADJUSTED EBITDA (IN MILLIONS)		
	Q1 2016	Q1 2015
Core Operating Subsidiaries		
Manufacturing	\$11.5	\$8.9
Marine Services ⁽¹⁾	0.5	5.0
Utilities	0.4	0.2
Telecom	0.3	(0.1)
Total Core Operating	\$12.7	\$14.1
Early Stage and Other Holdings		
Life Sciences	(2.6)	(1.4)
Other	(4.0)	(2.1)
Total Early Stage and Other	(6.6)	(3.5)
Non-Operating Corporate	(5.7)	(4.8)
Total HC2 (excluding Insurance)	\$0.3	\$5.9

ADJUSTED OPERATING INCOME (IN MILLIONS)		
	Q1 2016	Q1 2015
Core Financial Services		
Insurance	(\$3.6)	-

Note: Reconciliation of Adjusted EBITDA and Adjusted Operating Income to U.S. GAAP Net Income in appendix . Table may not foot due to rounding.
 (1) Excluding \$5.5 million one-time charge



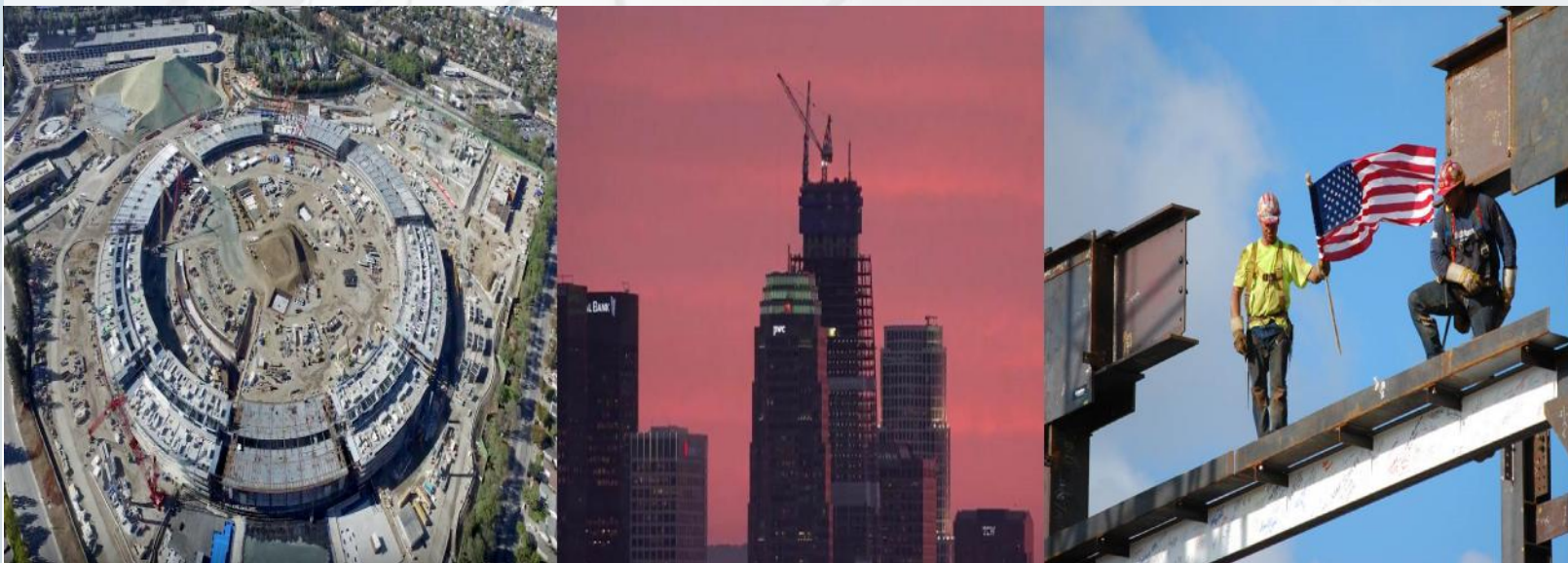
Manufacturing: Schuff International

FIRST QUARTER UPDATE

- ◆ Adjusted EBITDA: \$11.5m, up 29% year-over-year
- ◆ Backlog: \$415m as of 3/31/16; up 36% compared to \$306m as of 3/31/15
- ◆ Continued gross margin expansion; up 440 basis points year-over-year

STRATEGIC INITIATIVES

- ◆ Proactively selecting the right jobs, not all jobs
- ◆ Solid long-term pipeline; No shortage of transactions to evaluate
- ◆ Commercial / Stadium / Healthcare sectors remain strong





Marine Services: GMSL

FIRST QUARTER UPDATE

- ◆ Adjusted EBITDA: \$0.5.m after \$5.5 million one-time charge associated with telecom installation project
- ◆ Incremental revenue contribution from CWind acquisition
- ◆ Two new installation contracts signed in first quarter with scheduled delivery in second half of 2016
- ◆ Significant potential value in Joint Ventures

JOINT VENTURE DETAILS

◆ Huawei Marine Networks - 49% ownership

Total HMN*	2015	2014
◆ Revenue:	~\$188m	~\$73m
◆ Profit:	~\$14m	~\$1.2m
◆ Cash / Equivalents:	~\$26m	~\$16m

* Source: Huawei Investment & Holding Co., Ltd - 2015 Annual Report Currency Exchange: CNY:USD 1:15

◆ S. B. Submarine Systems (SBSS - China Telecom) - 49% ownership

- ◆ Joint Venture established in 1995 with China Telecom
- ◆ China's leading provider of submarine cable installation
- ◆ Located in Shanghai and possesses a fleet of advanced purpose-built cable ships



FIRST QUARTER UPDATE



- ◆ Delivered 800,000 Gasoline Gallon Equivalents (GGE's) in the first quarter versus 659,000 GGE's in the fourth quarter of 2015 and 358,000 GGE's in the first quarter of 2015
- ◆ Currently 11 stations owned and/or operated
- ◆ Three facilities under construction are on schedule to be commissioned in 2Q16
- ◆ Received the FY2015 Volumetric Excise Tax Credit (VETC) refund
- ◆ Negotiating committed volume contracts with several counterparties at new and existing stations
- ◆ Under contract to acquire two new stations
- ◆ Expect to own / operate >20 stations by year-end 2016



FIRST QUARTER UPDATE



- ◆ Strong quarter with \$150m in sales due to growth in wholesale traffic volumes due to expansion in scale and number of customer relationships
- ◆ Adjusted EBITDA continues positive trend as the overall restructuring plan was completed in early 2015
 - ◆ Adjusted EBITDA for first quarter 2016 of \$0.3m vs. loss of \$0.1m in year-ago quarter
 - ◆ 4th consecutive quarter of profitability
- ◆ One of the key objectives: leverage the cost structure within ICS
 - ◆ Over 800+ wholesale interconnections globally provides HC2 the opportunity to leverage the existing cost effective infrastructure by bolting on higher margin products and M&A opportunities





Insurance: Continental Insurance Group

FIRST QUARTER UPDATE

- ◆ Completed the acquisition of United Teacher Associates Insurance Company (“UTA”) and Continental General Insurance Company (“CGI”) in December 2015
- ◆ UTA and CGI are held by Continental Insurance, Inc. (“CII”), which serves as a platform for run-off LTC books of business and for acquiring additional run-off LTC businesses
- ◆ Adjusted Operating Income loss of \$3.6 million for first quarter 2016
- ◆ Approximately \$80.0 million of statutory surplus at end of first quarter
- ◆ Approximately \$2.0 billion in total GAAP assets at March 31, 2016
- ◆ We believe that CII is uniquely positioned to serve as a solution to address some of the key challenges multi-line insurers face
- ◆ CII Strategy:
 - 1) A concentrated focus on LTC and acquisitions of additional books of run-off LTC business
 - 2) Enhancing efficiency and effectiveness through scale and a concentrated focus on LTC

Note: Reconciliation of Adjusted Operating Income to U.S. GAAP Net Income in appendix

HC2's Life Sciences Segment is Focused on the Development of Innovative Healthcare Technologies and Products



- 52% equity ownership of company focused on immunotherapy; Oncolytic virotherapy for treatment of solid cancer tumors
- Founded by Dr. Matthew Mulvey & Dr. Ian Mohr (who co-developed T-Vec) Biovex (owner of T-Vec) acquired by Amgen for ~\$1 billion
- BeneVir's T-Stealth is a second generation oncolytic virus with new features and new intellectual property
- BeneVir holds exclusive worldwide license to develop BV-2711 (T-Stealth)



- 61% equity ownership of dermatology company focused on lightening and brightening skin
- Founded by Pansend in partnership with Mass. General Hospital and inventors Drs. Rox Anderson, Dieter Manstein and Henry Chan
- Over \$10 billion global market



- 77% equity ownership in company with unique knee replacement s based on technology from Dr. Peter Walker, NYU Dept. of Orthopedic Surgery and one of the pioneers of the original Total Knee.
- "Mini-Knee" for early osteoarthritis of the knee
- "Anatomical Knee" – A Novel Total Knee Replacement
- Strong patent portfolio



- 35% equity ownership in company with unique technology and device for monitoring of real-time kidney function
- Current standard diagnostic tests measure kidney function are often inaccurate and not real-time
- MediBeacon's Optical Renal Function Monitor will be first and only, non-invasive system to enable real-time, direct monitoring of renal function at point-of-care
- \$3.5 billion potential market



- Profitable technology and product development company
- Areas of expertise include medical devices, homeland security, imaging systems, sensors, optics, fluidics, robotics and mobile healthcare
- Located in Silicon Valley and Boston area with over 90,000 square feet of working laboratory and incubator space
- Contract R&D market growing rapidly
- Customers include Fortune 500 companies and start-ups

- ◆ **Nerve:** Provider of video and image search technology for information extraction and powerful analytics applications
- ◆ **Dusenberry Martin Racing:** Secured \$8.0 million in additional equity growth capital from a consortium of new investors including PlayFast Games LLC whose stakeholders include NASCAR drivers Joey Logano and Brad Keselowski.



HC2 (TRAILING TWELVE MONTHS)

	Core Operating					Early-Stage and Other		Non-Operating Corporate
	Manufacturing	Marine Services	Utilities	Telecom	TOTAL CORE OPERATING	Life Sciences	Other	Corporate
Revenues (millions)	506.0	140.2	6.7	563.5	\$1,216.4	-	2.3	-
EBITDA (millions)	54.6	37.6	1.1	2.4	\$95.7	(8.4)	(20.2)	(20.5)

BALANCE SHEET

Market Cap ¹	\$181.5
Preferred Equity	\$53.6m
Total Debt	\$307.0m
Corporate Cash ²	\$41.0m
Enterprise Value³	\$501.1

1. Market capitalization on a fully diluted basis, excluding preferred equity, using a common stock price per share of \$4.24 on May 6, 2016
2. Cash, cash equivalents and short-term investments
3. Enterprise Value is calculated by adding market capitalization, total debt and total preferred equity amounts, less corporate cash.



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Questions and Answers



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Appendix

Reconciliations



Reconciliation of Adjusted EBITDA of HC2 to U.S. GAAP Net Income

(Three Months Ended March 31, 2016)

(in thousands)

Three Months Ended March 31, 2016

	Core Operating				Total Core Operating	Early-Stage and Other		Non-operating Corporate	HC2 Holdings, Inc. (Excluding Insurance)	Core Financial Services Subsidiaries (Insurance)	HC2 Holdings, Inc.
	Manufacturing	Marine Services ⁽¹⁾	Telecommunications	Utilities		Life Sciences	Other				
Net income (loss)	\$ 4,384	\$ (5,918)	\$ 1,202	\$ (27)	\$ (359)	\$ 1,298	\$ (5,714)	\$ (13,409)	\$ (18,184)	\$ (12,278)	\$ (30,462)
Adjustments to reconcile net income (loss) to Adjusted EBITDA:											
Depreciation and amortization	529	4,797	106	429	5,861	19	336	—	6,216		
Depreciation and amortization (included in cost of revenue)	1,933	—	—	—	1,933	—	—	—	1,933		
(Gain) loss on sale or disposal of assets	904	(17)	—	—	887	—	—	—	887		
Interest expense	310	1,070	—	9	1,389	—	—	8,937	10,326		
Other (income) expense, net	(44)	612	(1,025)	(31)	(488)	(3,221)	1,224	(1,611)	(4,096)		
Foreign currency (gain) loss (included in cost of revenue)	—	(147)	—	—	(147)	—	—	—	(147)		
Income tax (benefit) expense	3,445	(640)	—	—	2,805	—	(1)	(4,226)	(1,422)		
Noncontrolling interest	61	(155)	—	(22)	(116)	(720)	(44)	—	(880)		
Share-based payment expense	—	609	—	14	623	22	160	2,386	3,191		
Acquisition related and other non-recurring costs	—	266	—	27	293	—	1	2,201	2,495		
Adjusted EBITDA	\$ 11,522	\$ 477	\$ 283	\$ 399	\$ 12,681	\$ (2,602)	\$ (4,038)	\$ (5,722)	\$ 319		

⁽¹⁾ Inclusive of \$5.5 million one-time charge



Reconciliation of Adjusted EBITDA of HC2 to U.S. GAAP Net Income

(Three Months Ended March 31, 2015)

(in thousands)

Three Months Ended March 31, 2015

	Core Operating				Total Core Operating	Early-Stage and Other		Non-operating Corporate	HC2 Holdings, Inc. (excluding Insurance)	Core Financial Services Subsidiaries (Insurance)	HC2 Holdings, Inc.
	Manufacturing	Marine Services	Telecommunications	Utilities		Life Sciences	Other				
Net income (loss)	\$ 3,188	\$ 1,209	\$ (524)	\$ (113)	\$ 3,760	\$ (1,072)	\$ 6,475	\$ (14,400)	\$ (5,237)	\$ —	\$ (5,237)
Adjustments to reconcile net income (loss) to Adjusted EBITDA:											
Depreciation and amortization	478	4,278	98	398	5,252	1	2	—	5,255		
Depreciation and amortization (included in cost of revenue)	1,875	—	—	—	1,875	—	—	—	1,875		
(Gain) loss on sale or disposal of assets	423	—	50	—	473	—	—	—	473		
Interest expense	344	996	—	11	1,351	—	—	7,349	8,700		
Other (income) expense, net	(17)	446	317	(6)	740	—	(162)	(351)	227		
Foreign currency (gain) loss (included in cost of revenue)	—	(1,823)	—	—	(1,823)	—	—	—	(1,823)		
Income tax (benefit) expense	2,569	(120)	—	—	2,449	9	(8,418)	(54)	(6,014)		
Loss from discontinued operations	9	—	—	—	9	—	—	—	9		
Noncontrolling interest	85	49	—	(108)	26	(288)	1	—	(261)		
Share-based payment expense	—	—	—	1	1	—	1	2,692	2,694		
Adjusted EBITDA	\$ 8,954	\$ 5,035	\$ (59)	\$ 183	\$ 14,113	\$ (1,350)	\$ (2,101)	\$ (4,764)	\$ 5,898		



Reconciliation of Adjusted EBITDA of HC2 to U.S. GAAP Net Income (Twelve Months Ended December 31, 2015)

(in thousands)

Year Ended December 31, 2015

	Core Operating				Total Core Operating	Early Stage and Other		Non-operating Corporate	HC2 Holdings, Inc. (excluding Insurance)	Core Financial Services Subsidiaries (Insurance)	HC2 Holdings, Inc.
	Manufacturing	Marine Services	Telecommunications	Utilities		Life Sciences	Other				
Net income (loss)	\$ 24,451	\$ 20,855	\$ 2,779	\$ (274)	\$ 47,811	\$ (4,575)	\$ (18,276)	\$ (61,852)	\$ (36,892)	\$ 1,327	\$ (35,565)
Adjustments to reconcile net income (loss) to Adjusted EBITDA:											
Depreciation and amortization	2,016	17,256	417	1,635	21,324	20	1,934	-	23,278		
Depreciation and amortization (included in cost of revenue)	7,659	-	-	-	7,659	-	-	-	7,659		
Asset impairment expense	-	547	-	-	547	-	-	-	547		
(Gain) loss on sale or disposal of assets	257	(138)	50	-	169	-	1	-	170		
Lease termination costs	-	-	1,184	-	1,184	-	1	-	1,185		
Interest expense	1,379	3,803	-	42	5,224	-	-	33,793	39,017		
Other (income) expense, net	(443)	(1,340)	(2,304)	(42)	(4,129)	(1)	5,764	5,242	6,876		
Foreign currency (gain) loss (included in cost of revenue)	-	(2,039)	-	-	(2,039)	-	-	-	(2,039)		
Income tax (benefit) expense	15,572	400	(237)	(347)	15,388	(1,037)	(7,733)	(16,052)	(9,434)		
Loss from discontinued operations	20	-	-	-	20	-	1	-	21		
Noncontrolling interest	1,136	616	-	(267)	1,485	(1,681)	(1)	-	(197)		
Share-based payment expense	-	-	-	49	49	71	-	10,982	11,102		
Acquisition related costs	-	-	-	70	70	23	-	8,362	8,455		
Other costs	-	2,181	121	-	2,302	-	-	-	2,302		
Adjusted EBITDA	\$ 52,047	\$ 42,141	\$ 2,010	\$ 866	\$ 97,064	\$ (7,180)	\$ (18,309)	\$ (19,525)	\$ 52,050		



Calculation of the Latest Twelve Months Revenue Utilizing As Reported Net Revenue (Three Months Ended March 31, 2016)

(in thousands)

	Twelve Months Ended December 31, 2015	Three Months Ended March 31, 2015	Three Months Ended March 31, 2016	Latest Twelve Months Ended March 31, 2016
Net revenue by segment:				
Manufacturing	\$ 513,770	\$ 126,866	\$ 119,081	\$ 505,985
Marine Services	134,926	27,001	32,288	140,213
Utilities	6,765	1,224	1,207	6,748
Telecommunications	460,355	46,717	149,821	563,459
Total Core Operating	1,115,816	201,808	302,397	1,216,405
Insurance	2,865	-	29,138	32,003
Life Sciences	-	-	-	-
Other	2,125	-	209	2,334
Non-operating Corporate	-	-	-	-
Total net revenue	\$ 1,120,806	\$ 201,808	\$ 331,744	\$ 1,250,742



Calculation of Latest Twelve Months Adjusted EBITDA Utilizing As Reported Adjusted EBITDA (Three Months Ended March 31, 2016)

(in thousands)

	Twelve Months Ended December 31, 2015 ¹	Three Months Ended March 31, 2015 ²	Three Months Ended March 31, 2016 ³	Latest Twelve Months Ended March 31, 2016
Adjusted EBITDA by segment:				
Manufacturing	\$ 52,047	\$ 8,954	\$ 11,522	\$ 54,615
Marine Services	42,141	5,035	477	37,583
Utilities	866	183	399	1,082
Telecommunications	2,010	(59)	283	2,352
Total Core Operating	97,064	14,113	12,681	95,632
Life Sciences	(7,180)	(1,350)	(2,602)	(8,432)
Other	(18,309)	(2,101)	(4,038)	(20,246)
Non-operating Corporate	(19,525)	(4,764)	(5,722)	(20,483)
Total Adjusted EBITDA (excluding Insurance segment)	\$ 52,050	\$ 5,898	\$ 319	\$ 46,471

(1) See Reconciliation of Adjusted EBITDA to U.S. GAAP Net Income for the twelve months ended December 31, 2015

(2) See Reconciliation of Adjusted EBITDA to U.S. GAAP Net Income for the three months ended March 31, 2015

(3) See Reconciliation of Adjusted EBITDA to U.S. GAAP Net Income for the three months ended March 31, 2016



Reconciliation of Insurance AOI to U.S. GAAP Net Income (Three Months Ended March 31, 2016)

(in thousands)

Three Months Ended March 31, 2016

Net income (loss) - Insurance Segment	\$	(12,278)
Effect of investment (gains) losses, net of offsets		4,875
Other income and expense / intercompany elimination		3,804
Insurance AOI	\$	(3,599)



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