

# LICT CORPORATION

**For Immediate Release**

## **LICT CORPORATION ANNOUNCES FIRST QUARTER EARNINGS**

**Rye, NY – June 5, 2007** – LICIT Corporation (Pink Sheets®: LICIT) announced today its first quarter earnings results (see the attached summary).

### **FIRST QUARTER RESULTS**

During the first quarter of 2007, our revenues were \$25.0 million, as compared to \$25.1 million in the first quarter of 2006. 2006's first quarter included a \$1.0 million service provider fee from work the Company did for one of its spectrum joint ventures. These fees have been received intermittently over the years. Excluding this fee, the Company's core operating revenues increased by \$0.9 million, or 4%. EBITDA (earnings before interest, taxes, depreciation and amortization) generated during the first quarter of 2007 by our operating subsidiaries was \$12.3 million, a \$0.5 million increase, or 3.6%, from the \$11.7 million recorded in 2006. As the Company anticipated, the first quarter of 2007 was affected by inter-state pools generating earnings considerably below the authorized rate-of-return. This negatively impacted first quarter revenues and EBITDA by \$0.2 million. The Company believes this effect will be corrected starting in the middle of 2007, and will be non-recurring thereafter. This negative impact was more than offset by positive regulatory true-ups at our California operations. On the non-regulated front, revenues grew by \$0.6 million, or 12% during the first quarter.

Corporate office expenses, excluding litigation costs (\$1.2 million in 2006) were \$1.0 million as compared to \$0.9 million last year.

### **FULL YEAR RESULTS**

The Company expects that full year revenues for 2007 will be about \$101 million, as compared to \$98 million in 2006 and \$94 million in 2005. Full Year EBITDA from operations for 2007 is expected to be \$48 million, the same as 2006 and up from \$44 million in 2005. Capital expenditures in 2007 are expected to be approximately \$18 million, up from \$14 million in 2006 and \$10 million in 2005.

The additional capital expenditures in 2007 are to expand the Company's high-speed capabilities. At March 31, 2007, the Company's DSL penetration based on total access lines was 17.6%, up from 16% at December 31, 2006. The Company plans to significantly increase DSL penetration during 2007.

The Company also notes that it recently posted its audited financial statements for the year ending December 31, 2006 to its website.

#### BALANCE SHEET/CASH FLOW

At December 31, the Company had approximately \$44 million in cash and \$189 million in total debt. Due to numerous debt covenants and other restrictions, the Company does not have direct access to the majority of this cash which is held in various subsidiary companies.

#### STRATEGIC INITIATIVES

Our operating subsidiaries are in the process of developing and launching several wireless and wireline broadband initiatives. These initiatives will provide an excellent complement to our strong RLEC base, and provide the communities that we serve with the telecommunication and data transport tools necessary to compete in today's economy. In addition, the Company will continue to look at acquisitions that will strategically fit its long-term objectives.

#### MONETIZATION OF ASSETS AND SPIN-OFF

In addition and as previously announced, the Company is considering distributing certain assets to its shareholders by means of a spin-off into a newly formed company. The Company is also in the process of evaluating a financial plan to maximize shareholder value and provide a strong financial platform to fund growth objectives. The Company anticipates that as part of this plan, it will continue to repurchase shares of our common stock in the open market, subject to regulatory and financial constraints, and continue developing plans to harvest some assets and distribute others to our shareholders.

\* \* \* \*

This release contains certain forward-looking information within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including without limitation, full year revenue, EBITDA and capital expenditure expectations, and anticipated financing and corporate transactions. It should be recognized that such information is based upon certain assumptions, projections and forecasts, including without limitation business conditions and financial markets, regulatory and other approvals, and the cautionary statements set forth in

documents filed by LICT on its website, [www.lynchinteractivecorp.com](http://www.lynchinteractivecorp.com). As a result, there can be no assurance that any possible transactions will be accomplished or be successful or that financial targets will be met, and such information is subject to uncertainties, risks and inaccuracies, which could be material.

LICT Corporation is a holding company with subsidiaries in telecommunications and multimedia, and actively seeks acquisitions, principally in its existing business areas.

LICT Corporation is listed on the Pink Sheets® under the symbol LICT. Its World Wide Web address is: <http://www.lynchinteractivecorp.com>.

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914/921-8821

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**LICT CORPORATION**  
**Statements of Operations and Selected Balance Sheet Data**  
**Unaudited**

**Attachment A**

(In Thousands, Except Per Share Data)

**STATEMENTS OF OPERATIONS**

	Three Months Ended March 31,		Percent Increase (Decrease)
	2007	2006	
<b>Revenues</b>	\$24,954	\$25,088	(0.5%)
<b>Cost and Expenses:</b>			
Cost of service and sales	9,024	8,468	
Selling, general and administration	3,670	3,902	
Corporate office expense	979	915	
Litigation and settlement costs	0	1,153	
Depreciation and amortization	5,573	5,732	
<b>Operating profit, in accordance with generally accepted accounting principles</b>	<b>5,708</b>	<b>4,918</b>	<b>16.1%</b>
<b>Other Income(Expense)</b>			
Investment income	1,188	899	
Interest expense	(3,831)	(3,532)	
Equity in earnings of affiliated companies	1,101	892	
Gains on sale of investments	0	1,826	
	<u>(1,542)</u>	<u>85</u>	
<b>Income (Loss) Before Income Taxes Minority Interests</b>	<b>4,166</b>	<b>5,003</b>	
(Provision) Benefit For Income Taxes	(1,459)	(1,818)	
Minority Interests	(448)	(372)	
<b>Net Income (Loss)</b>	<b>\$2,259</b>	<b>\$2,813</b>	
Weighted Average Shares Used In Earnings Per Share Computations	25,210	25,637	
<b>Basic and Diluted Earnings Per Share</b>	<b>\$89.61</b>	<b>\$109.73</b>	

<b>Excluding litigation and settlement costs and gains on investments/alarm customers</b>		
Operating profit	5,708	6,071
Net income	2,259	2,369
Earnings per share	89.61	92.40

<b>Adjusted Operating Profit</b>			
Operating Subsidiaries	\$12,260	\$11,714	4.7%
Service provider fee		1,004	
Corporate Office Expense	(979)	(915)	
Adjusted Operating Profit - excluding litigation below)	11,281	11,803	-4.4%
Litigation and settlement costs	0	(1,153)	
Total Adjusted Operating Profit	11,281	10,650	5.9%
Depreciation and amortization	(5,573)	(5,732)	
<b>Operating profit, in accordance with generally accepted accounting principles</b>	<b>\$5,708</b>	<b>\$4,918</b>	
<b>Capital Expenditures</b>	<b>\$1,760</b>	<b>\$2,192</b>	

**SELECTED BALANCE SHEET DATA**

	Mar. 31, 2007	Mar. 31, 2006	Dec. 31, 2006
Cash and Cash Equivalents	\$44,159	\$35,081	\$41,445
Notes Payable	18,700	10,122	20,205
Long-Term Debt (including current portion)	170,096	176,794	173,787
Total Debt	188,796	186,916	193,992
Minority Interests	2,210	2,931	2,191
Shareholders' Equity	34,254	34,901	31,943
Shares Outstanding at Date	25,210	25,471	25,210