

# LICT CORPORATION

**For Immediate Release**

## **LICT CORPORATION ANNOUNCES A 30% INCREASE IN THIRD QUARTER EARNINGS AND PER SHARE EARNINGS UP 31% TO \$121**

**Rye, NY – November 12, 2007** – LICT Corporation (Pink Sheets®: LICT) announced today its third quarter earnings results (see attachment A).

### **THIRD QUARTER RESULTS**

During the third quarter of 2007, our revenues were \$26.4 million, as compared to \$24.8 million in the third quarter of 2006, an increase of \$1.6 million, or 6.5%. EBITDA (earnings before interest, taxes, depreciation and amortization), generated during the third quarter of 2007 by our operating subsidiaries was \$13.6 million, a \$1.3 million increase, or 10.6%, from the \$12.3 million recorded in 2006. Interstate revenue, which relates to out-of-state calling of our telephone operations, increased \$1.1 million primarily due to favorable regulatory settlements relating to prior periods. Intrastate revenues, which relates to in-state calling, declined \$0.4 million due to a decline in minutes of use at several of our operations. On the non-regulated front, revenues grew by \$0.9 million, or 14.7% during the third quarter primarily due to increased broadband penetration, both DSL at each of our operating companies and of cable television modems.

Corporate office expenses were \$1.1 million, before the receipt of \$0.5 million of insurance claims settlements which were used to fund litigation payments, resulted in net corporate expense of \$0.6 million, as compared to \$1.1 million last year.

Earnings per share for the third quarter of 2007 were \$121 compared to \$92 reported in the third quarter of 2006. During the three months ended September 30, 2006, the Company recorded gains from the sale of certain investments of \$1.3 million, or \$29 per share after tax. Excluding this item, earnings per share was \$63 for the third quarter of 2006.

In an effort to reduce costs, results for the third quarter and nine month period have not been reviewed by our audit firm. We will provide our shareholders with audited results for the year ended December 31, 2007.

#### SPIN-OFF OF CIBL, INC.

In addition, the distribution of certain assets to its shareholders by means of a spin-off into a newly formed company, CIBL, Inc. is in its final stages and is expected to be completed by the middle of November. See attachment B for results of the entities comprising CIBL and pro-forma results for LICT, as if the CIBL spin-off occurred on January 1, 2007.

#### FULL YEAR RESULTS – INCREASE IN FULL YEAR EBITDA ESTIMATE

The Company expects that full year revenues for 2007 will be about \$101 million, as compared to \$99 million in 2006 and \$94 million in 2005. Such revenues include approximately \$1 million per year that will be reclassified to discontinued operations after the spin-off becomes effective. Full year EBITDA from operations is expected to be \$50 million in 2007, up from \$48 million in 2006 and \$44 million in 2005. The spin-off will have a minimal effect on EBITDA. Our expectation of 2007 capital expenditures continues to be approximately \$18 million, up from \$14 million in 2006 and \$10 million in 2005 with the additional capital expenditures in 2007 earmarked for the Company's broadband capabilities.

The Company had previously estimated 2007 revenues at \$101 million and 2007 EBITDA at \$48 million.

#### OPERATING STATISTICS

At September 30, 2007, the Company's in-territory DSL penetration based on total access lines was 22.6%, up from 16% at December 31, 2006, and our goal is 25% by year end. Our summary operating statistics are as follows:

	Sept. 30, 2007	Dec. 31, 2006	Increase (Decrease)	Percent Increase (Decrease)
Access Lines	47,371 *	49,984	(2,613)	(5.2%)
CLEC Lines	8,668 *	6,397	2,271	35.5%
Total voice lines	56,039	56,381	(342)	(0.6%)
DSL Lines	10,675	7,934	2,758	34.8%
ISP Subscribers (DSL and dialup)	21,417	19,947	1,470	7.4%
LD Resale Lines	20,402	19,201	1,193	6.2%

\* 1,800 lines previously classified as Access Lines have been reclassified as CLEC lines.

## BALANCE SHEET/CASH FLOW

At September 30, 2007, the Company had approximately \$41 million in cash and \$179 million in total debt. Due to numerous debt covenants and other restrictions, our parent company does not have direct access to the majority of this cash which is held in various subsidiary companies.

## LICT STOCK REPURCHASES

For the nine months ended September 30, 2007, LICT repurchased 95 shares of its common stock for approximately \$333,000.

## 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 its portfolio, adding acquisitions that will strategically fit its long-term objectives and selling assets that benefit others.

## MONETIZATION OF ASSETS

The Company is also in the process of evaluating a refinancing plan, which may include a rights offering, 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 compensate our shareholders in the form of distributions or share repurchases. As of September 30, 2007 the Company had 25,115 shares outstanding as compared to 25,210 at December 31, 2006

\* \* \* \*

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.lictcorp.com](http://www.lictcorp.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.lictcorp.com>.

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914/921-8821

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LICT CORPORATION  
**Statements of Operations and Selected Balance Sheet Data**  
**Excluding the effects of the spin-off of CIBL**  
**Unaudited**

Attachment A

(In Thousands, Except Per Share Data)

**STATEMENTS OF OPERATIONS**

	Three Months Ended		Percent Increase (Decrease)	Nine Months Ended		Percent Increase (Decrease)
	September 30, 2007	September 30, 2006		September 30, 2007	September 30, 2006	
<b>Revenues</b>	\$26,369	\$24,766	6.5%	\$76,553	\$74,521	2.7%
<b>Cost and Expenses:</b>						
Cost of service and sales	9,047	8,865		26,887	26,198	
Selling, general and administration	3,736	3,620		11,011	11,197	
Corporate expense	637	1,095		2,485	2,775	
Litigation and settlement costs	0	133		0	27,729	
Depreciation and amortization	5,365	5,537		16,438	16,898	
<b>Operating profit, in accordance with generally accepted accounting principles</b>	<b>7,584</b>	<b>5,516</b>	<b>37.5%</b>	<b>19,732</b>	<b>(10,276)</b>	<b>(292.0%)</b>
<b>Other Income(Expense)</b>						
Investment income	491	529		2,193	1,921	
Interest expense	(3,593)	(4,085)		(11,179)	(11,216)	
Equity in earnings of affiliated companies	1,087	1,018		3,403	2,810	
Gains on sale of investments	1	1,332		38	13,685	
	<u>(2,014)</u>	<u>(1,206)</u>		<u>(5,545)</u>	<u>7,200</u>	
<b>Income (Loss) Before Income Taxes Minority Interests</b>	<b>5,570</b>	<b>4,310</b>		<b>14,187</b>	<b>(3,076)</b>	
(Provision) benefit for income taxes	(2,104)	(1,580)		(5,188)	443	
Minority interests	(428)	(400)		(1,333)	(1,160)	
<b>Net Income (Loss)</b>	<b>\$3,038</b>	<b>\$2,330</b>	<b>30.4%</b>	<b>\$7,666</b>	<b>(\$3,793)</b>	
Weighted Average Shares Used In Earnings Per Share Computations	25,115	25,260		25,172	25,438	
<b>Basic and Diluted Earnings Per Share</b>	<b>\$120.96</b>	<b>\$92.24</b>		<b>\$304.55</b>	<b>(\$149.11)</b>	

<b>Excluding litigation and settlement costs and gains on investments</b>						
Operating profit	7,584	5,649		19,732	17,453	
Net income	3,037	1,592		7,642	6,023	
Earnings per share	120.94	63.02		303.61	236.79	

**Adjusted Operating Profit**

Operating Subsidiaries	\$13,586	\$12,281	10.6%	\$38,411	\$36,122	6.3%
Service provider fee	--	--		244	1,004	
Corporate expense	(637)	(1,095)		(2,485)	(2,775)	
Adjusted Operating Profit - excluding litigation below)	12,949	11,186	15.8%	36,170	34,351	5.3%
Litigation and settlement costs	0	(133)		0	(27,729)	
Total Adjusted Operating Profit	12,949	11,053	17.2%	36,170	6,622	446.2%
Depreciation and amortization	(5,365)	(5,537)		(16,438)	(16,898)	
<b>Operating profit, in accordance with generally accepted accounting principles</b>	<b>\$7,584</b>	<b>\$5,516</b>		<b>\$19,732</b>	<b>(\$10,276)</b>	
<b>Capital Expenditures</b>	<b>\$3,662</b>	<b>\$3,925</b>		<b>\$9,790</b>	<b>\$9,905</b>	

**SELECTED BALANCE SHEET DATA**

	Sept. 30, 2007	Sept. 30, 2006	Dec. 31, 2006
Cash and Cash Equivalents	\$41,192	\$40,805	\$41,445
Notes Payable	15,629	22,017	20,205
Long-Term Debt (including current portion)	163,671	177,079	173,787
Total Debt	179,300	199,096	193,992
Minority Interests	2,666	2,396	2,191
Shareholders' Equity	39,326	27,145	31,943
Shares Outstanding at Date	25,115	25,220	25,210

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

(In Thousands, Except Per Share Data)

**Attachment B**

**PRO FORMA STATEMENTS OF OPERATIONS**

	<b>Three months ended Sept. 30, 2007</b>			<b>Nine months ended Sept. 30, 2007</b>		
	LICT Consol	CIBL	pro-forma	LICT Consol	CIBL	pro-forma
<b>Revenues</b>	\$26,369	\$318	\$26,051	\$76,553	\$1,003	\$75,550
<b>Cost and Expenses:</b>						
Cost of service and sales	9,047	231	8,816	26,887	668	26,219
Selling, general and administration	3,736	42	3,694	11,011	157	10,854
Corporate office expense	637		637	2,485		2,485
Depreciation and amortization	5,365	89	5,276	16,438	269	16,169
<b>Operating profit</b>	<b>7,584</b>	<b>(44)</b>	<b>7,628</b>	<b>19,732</b>	<b>(91)</b>	<b>19,823</b>
<b>Other Income(Expense)</b>						
Investment income	491	0	491	2,193	11	2,182
Interest expense	(3,593)		(3,593)	(11,179)		(11,179)
Equity in earnings of affiliated companies	1,087	947	140	3,403	2,865	538
Gains on sale of investments	1		1	38		38
	(2,014)	947	(2,961)	(5,545)	2,876	(8,421)
<b>Income (Loss) Before Income Taxes Minority Interests</b>	<b>5,570</b>	<b>903</b>	<b>4,667</b>	<b>14,187</b>	<b>2,785</b>	<b>11,402</b>
(Provision) Benefit For Income Taxes	(2,104)	(173)	(1,931)	(5,188)	(591)	(4,597)
Minority Interests	(428)	(421)	(7)	(1,333)	(1,289)	(44)
<b>Net Income (Loss)</b>	<b>\$3,038</b>	<b>\$309</b>	<b>\$2,729</b>	<b>\$7,666</b>	<b>\$905</b>	<b>\$6,761</b>
Weighted Average Shares Used In Earnings Per Share Computations	25,115		25,115	25,172		25,172
<b>Basic and Diluted Earnings Per Share</b>	<b>\$120.96</b>		<b>\$108.66</b>	<b>\$304.55</b>		<b>\$268.59</b>
<b>Adjusted Operating Profit</b>						
Operating Subsidiaries	\$13,586	\$45	\$13,541	38,411	\$178	\$38,233
Service provider fee			0	244		244
Corporate Office Expense	(637)		(637)	(2,485)		(2,485)
Total Adjusted Operating Profit	12,949	45	12,904	36,170	178	35,992
Depreciation and amortization	(5,365)	(89)	(5,276)	(16,438)	(269)	(16,169)
<b>Operating profit</b>	<b>\$7,584</b>	<b>(\$44)</b>	<b>\$7,628</b>	<b>\$19,732</b>	<b>(\$91)</b>	<b>\$19,823</b>

**PRO FORMA SELECTED BALANCE SHEET DATA**

	<b>As of September 30, 2007</b>		
	LICT Consol	CIBL	pro-forma
Cash and Cash Equivalents	41,192	65	41,127
Notes Payable	15,629		15,629
Long-Term Debt (including current portion)	163,671		163,671
Total Debt	179,300		179,300
Minority Interests	2,666	2,525	141
Shareholders' Equity	39,326	2,390	36,936
Shares Outstanding at Date	25,115		25,115