

# LICT CORPORATION

**For Immediate Release**

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

**Rye, NY – May 14, 2009** – LICT Corporation (Pink Sheets®: LICT) announced today its first quarter 2009 earnings results (see attachment A).

### **FIRST QUARTER RESULTS**

During the first quarter of 2009, our revenues were \$24.4 million, as compared to \$25.4 million in the first quarter of 2008, a decrease of \$0.9 million, or 3.7%. EBITDA (earnings before interest, taxes, depreciation and amortization), generated during the first quarter of 2009 by our operating subsidiaries was \$11.0 million, a \$1.7 million decrease, or 13.1%, from the \$12.6 million recorded in 2008. Interstate out-of-period adjustments had a significant effect on the current quarter's comparison. The first quarter of 2008 included \$0.5 million additional revenue compared to a negative adjustment of \$50,000 in the first quarter of 2009. Adjusting for this effect, revenues decreased \$0.4 million, or 1.5% in 2009 and EBITDA decreased \$1.1 million or 8.8%. Interstate revenue, which relates to out-of-state calling in our telephone operations, net of the out-of-period effect decreased \$0.4 million primarily due to lower minutes of use in 2009. Intrastate revenue, which relates to in-state calling, declined \$0.4 million primarily due to a decline in minutes of use at several of our operations and an unfavorable state commission ruling for our California operation. On the non-regulated front, revenues increased by \$0.5 million during the first quarter, primarily due to increased broadband penetration, both DSL and cable. Operating costs were higher in 2008 due to costs associated with the increased broadband penetration, and increased maintenance costs. Corporate office expenses were \$0.9 million in the first quarter of both 2009 and 2008.

Earnings per share for the first quarter of 2009 were \$118, compared to \$251 per share reported in the first quarter of 2008. However, the first quarter of 2008 benefited from a \$5.6 million gain on sale of spectrum licenses (\$141 per share net of income tax). The first quarter of 2009 benefited from a \$1.3 million pre-tax reduction in interest expense due to a significant reduction in both interest rates and debt levels.

### **FULL YEAR PROJECTED RESULTS**

The company is currently projecting \$100 million in revenues and \$45 million in EBITDA from operations for the year ended December 31, 2009, comparable to

2008 results. Certain non-regulated start-up operations and newly acquired systems will hamper 2009 results on a short-term basis.

#### OPERATING STATISTICS

At March 31, 2009, the Company's in-territory DSL penetration based on ILEC voice lines was 42.8%, up from 40.6% at December 31, 2008. Our summary operating statistics are as follows:

	March 31 2009	Dec. 31 2008	Increase (Decrease)	Percent Increase (Decrease)
ILEC voice lines	45,749	46,124	(375)	(0.8%)
CLEC voice lines	5,200	5,263	(63)	(1.2%)
Total voice lines	50,949	51,387	(438)	(0.9%)
DSL lines	15,900	15,263	637	4.2%
ISP Subscribers	24,728	23,355	1,373	5.9%
LD Resale lines	21,409	21,360	49	0.2%
Cable TV Subs.	5,962	4,473	1,489	33.3%
Cable Modem	2,091	1,855	236	12.7%

#### BALANCE SHEET

At March 31, 2009, the Company had approximately \$26 million in cash and \$145 million in total debt, resulting in net debt of \$119 million and compared to net debt of \$126 million at December 31, 2008. Due to debt covenants and other lender 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 first quarter of 2009, LICT repurchased 92 shares of its common stock for \$229,000. As of March 31, 2009 the Company had 24,506 shares outstanding as compared to 24,598 at December 31, 2008.

#### 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. During the first quarter of 2009, the Company's Utah operations acquired five CATV systems in rural Nevada and Utah with 1,500 subscribers. This acquisition will complement our existing Utah CATV operation and our CLEC initiative in West Wendover, Nevada. In addition, the

Company will continue to review its portfolio, making acquisitions that will strategically fit its long-term objectives and selling assets when that is beneficial.

#### MONETIZATION OF ASSETS

The Company is also in the process of evaluating a refinancing plan to strengthen its financial platform. 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.

\* \* \* \*

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 and EBITDA expectations, and anticipated financing, capital expenditures 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 that 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**  
**Unaudited**

**Attachment A**

(In Thousands, Except Per Share Data)

**STATEMENTS OF OPERATIONS**

	<b>Quarter Ended</b>		Percent Increase (Decrease)
	<b>March 31,</b>		
	2009	2008	
<b>Revenues</b>	\$24,441	\$25,374	(3.7%)
<b>Cost and Expenses:</b>			
Cost of service and sales	9,498	8,984	
Selling, general and administration	3,990	3,785	
Corporate office expense	939	868	
Depreciation and other amortization	4,431	5,247	
<b>Operating profit, in accordance with generally accepted accounting principles</b>	5,583	6,490	(14.0%)
<b>Other Income(Expense)</b>			
Investment income	1,027	1,130	
Interest expense	(1,996)	(3,347)	
Equity in earnings of affiliated companies	219	143	
Gains (losses) on sale of investments		5,615	
	(750)	3,541	
<b>Income (Loss) Before Income Taxes Minority Interests</b>	4,833	10,031	
Minority Interests	(9)	(15)	
(Provision) Benefit For Income Taxes	(1,929)	(3,722)	
<b>Net Income (Loss)</b>	<u>\$2,895</u>	<u>\$6,294</u>	
Weighted Average Shares Used In Earnings Per Share Computations	24,536	25,112	
<b>Basic and Diluted Earnings Per Share</b>	\$117.99	\$250.64	

<b>Excluding gains on investments and goodwill impairment</b>		
Operating profit	5,583	6,490
Net income	2,895	2,813
Earnings per share	117.99	112.01

<b>Adjusted Operating Profit</b>			
Operating Subsidiaries	\$10,953	\$12,605	(13.1%)
Corporate Office Expense	(939)	(868)	
Total Adjusted Operating Profit	10,014	11,737	(14.7%)
Depreciation and amortization	(4,431)	(5,247)	
<b>Operating profit, in accordance with generally accepted accounting principles</b>	<u>\$5,583</u>	<u>\$6,490</u>	
<b>Capital Expenditures</b>	\$1,304	\$4,211	

**SELECTED BALANCE SHEET DATA**

	March 31, 2009	Dec. 31, 2008	March 31, 2008
Cash and Cash Equivalents	25,521	29,743	41,088
Notes Payable	5,499	12,299	10,058
Long-Term Debt (including current portion)	139,617	143,577	158,791
Total Debt	145,116	155,876	168,849
Minority Interests	180	171	146
Shareholders' Equity	51,873	49,186	43,274
Shares Outstanding at Date	24,506	24,598	25,111