

# LICT CORPORATION

**For Immediate Release**

## **LICT CORPORATION ANNOUNCES THIRD QUARTER EARNINGS**

**Rye, NY – November 5, 2009** – LICIT Corporation (Pink Sheets®: LICIT) announced today its third quarter 2009 earnings results (see attachment A).

### **THIRD QUARTER RESULTS**

Earnings per share for the third quarter of 2009 were \$140, compared to \$83 per share reported in the third quarter of 2008.

During the third quarter of 2009, our revenues were \$25.6 million, as compared to \$26.0 million in the third quarter of 2008, a decrease of \$0.4 million, or 1.6%. EBITDA (earnings before interest, taxes, depreciation and amortization), generated during the third quarter of 2009 by our operating subsidiaries was \$12.4 million, a \$0.2 million decrease, or 1.8%, from the \$12.6 million recorded in 2008. Interstate revenue, which relates to out-of-state calling in our telephone operations, decreased \$0.3 million primarily due to lower minutes of use in 2009 as well as reduced USF funding due to reductions in the rate base at several of our operations, partially offset by interstate out-of-period adjustment revenue in the 2009 period. 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 \$0.4 million during the third quarter, primarily due to increased broadband penetration, both DSL and cable and a small acquisition of cable assets. Operating costs decreased by \$0.7 million in 2009 as a reduction in accrued audit costs in 2009 resulting from the change in independent auditors and insurance recoveries on prior year losses offset increased costs associated with the broadband initiatives and integration of the acquired cable properties. Corporate office expenses decreased by \$0.8 million in the third quarter of 2009 due primarily to a reduction in accrued audit cost.

### **FULL YEAR PROJECTED RESULTS**

The company is currently projecting \$99 million in revenues and \$44 million in EBITDA from operations for the year ended December 31, 2009, approximately \$2 million and \$1 million, respectively, less than 2008 results. Earnings per share is forecast to be \$440, approximately \$40 per share better than 2008, excluding \$6.9 million of unusual pre-tax gains included in 2008.

## OPERATING STATISTICS

At September 30, 2009, the Company's in-territory DSL penetration based on ILEC voice lines was 45.7%, up from 40.6% at December 31, 2008. Our summary operating statistics are as follows:

	Sept. 30 2009	Dec. 31 2008	Increase (Decrease)	Percent Increase (Decrease)
ILEC voice lines	44,888	46,124	(1,236)	(2.7%)
CLEC voice lines	5,421	5,263	158	3.0%
Total voice lines	50,309	51,387	(1,078)	(2.1%)
DSL lines	16,768	15,263	1,505	9.9%
ISP Subscribers	24,189	23,355	834	3.6%
LD Resale lines	22,705	21,360	1,345	6.3%
Cable TV Subs.	5,800	4,473	1,327	29.7%
Cable Modem	2,336	1,855	481	25.9%

## BALANCE SHEET

At September 30, 2009, the Company had approximately \$24 million in cash and \$136 million in total debt, resulting in net debt of \$112 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.

## CHANGE IN INDEPENDENT AUDTORS

The Company's Board of Directors recently approved KPMG LLP as its independent audit firm for the year ended December 31, 2009. The Company and Deloitte and Touche LLP, the previous independent audit firm had no disagreements on accounting or audit matters

## LICT STOCK REPURCHASES

For the third quarter and nine months ended September 30, 2009, LICT repurchased 187 and 308 shares of its common stock for \$524,000 and \$831,000, respectively. Such share repurchases brought the Company to the limit of allowable shares under its bank credit agreement. The Company is currently negotiating an allowance for additional share repurchases as part of its overall re-negotiation of its \$17.5 million bank credit agreement, which expires in June 2010. As of September 30, 2009 the Company had 24,290 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 second 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 September 30,</b>		<b>Percent Increase (Decrease)</b>	<b>Nine Months Ended September 30,</b>		
	<b>2009</b>	<b>2008</b>		<b>2009</b>	<b>2008</b>	
<b>Revenues</b>	\$25,637	\$26,045	(1.6%)	\$74,319	\$76,159	(2.4%)
<b>Cost and Expenses:</b>						
Cost of service and sales	9,668	9,501		28,949	27,900	
Selling, general and administration	3,555	3,895		11,393	11,592	
Corporate office expense	434	1,248		2,418	3,022	
Depreciation and other amortization	4,548	4,860		13,345	15,018	
<b>Operating profit, in accordance with generally accepted accounting principles</b>	<b>7,432</b>	<b>6,541</b>	<b>13.6%</b>	<b>18,214</b>	<b>18,627</b>	<b>(2.2%)</b>
<b>Other Income(Expense)</b>						
Investment income	77	234		1,223	1,583	
Interest expense	(1,954)	(2,587)		(5,914)	(8,439)	
Equity in earnings of affiliated companies	338	174		864	546	
Gains (losses) on sale of investments		(665)			6,878	
	(1,539)	(2,844)		(3,827)	568	
<b>Income (Loss) Before Income Taxes Minority Interests</b>	<b>5,893</b>	<b>3,697</b>		<b>14,387</b>	<b>19,195</b>	
Minority Interests	(17)	(20)		(36)	(37)	
(Provision) Benefit For Income Taxes	(2,468)	(1,609)		(5,872)	(7,685)	
<b>Net Income (Loss)</b>	<b>\$3,408</b>	<b>\$2,068</b>		<b>\$8,479</b>	<b>\$11,473</b>	
Weighted Average Shares Used In Earnings Per Share Computations	24,318	24,936		24,450	25,035	
<b>Basic and Diluted Earnings Per Share</b>	<b>\$140.15</b>	<b>\$82.93</b>		<b>\$346.80</b>	<b>\$458.27</b>	

<b>Excluding gains (losses) on investments</b>					
Operating profit	7,432	6,541		18,214	18,627
Net income	3,408	2,480		8,479	7,209
Earnings per share	140.15	99.47		346.80	287.94

<b>EBITDA</b>						
Operating Subsidiaries	\$12,414	\$12,649	(1.9%)	\$33,977	\$36,667	(7.3%)
Corporate Office Expense	(434)	(1,248)		(2,418)	(3,022)	
Total EBITDA	11,980	11,401	5.1%	31,559	33,645	(6.2%)
Depreciation and amortization	(4,548)	(4,860)		(13,345)	(15,018)	
<b>Operating profit, in accordance with generally accepted accounting principles</b>	<b>\$7,432</b>	<b>\$6,541</b>		<b>\$18,214</b>	<b>\$18,627</b>	
<b>Capital Expenditures</b>	<b>\$3,356</b>	<b>\$4,674</b>		<b>\$7,368</b>	<b>\$13,432</b>	

**SELECTED BALANCE SHEET DATA**

	<b>Sept 30, 2009</b>	<b>Dec. 31, 2008</b>	<b>Sept 30, 2008</b>
Cash and Cash Equivalents	24,135	29,743	34,706
Notes Payable	5,900	12,299	14,250
Long-Term Debt (including current portion)	130,441	143,577	147,240
Total Debt	136,341	155,876	161,490
Minority Interests	207	171	168
Shareholders' Equity	56,891	49,186	46,859
Shares Outstanding at Date	24,290	24,598	24,737