

# LICT CORPORATION

For Immediate Release

## LICT CORPORATION ANNOUNCES FOURTH QUARTER EARNINGS

**Rye, NY – April 23, 2010** – LICT Corporation (Pink Sheets®: LICT) announced today its unaudited fourth quarter 2009 earnings results (see attachment A). The audited financial statements are expected to be released shortly.

### FOURTH QUARTER RESULTS

During the fourth quarter of 2009, our revenues were \$24.3 million, as compared to \$24.6 million in 2008, a decrease of \$0.3 million, or 1.3%. EBITDA (earnings before interest, taxes, depreciation and amortization), generated during the fourth quarter of 2009 by our operating subsidiaries was \$10.5 million, a \$1.7 million increase, or 20.0%, from the \$8.7 million recorded in 2008. Interstate revenue, which relates to out-of-state calling in our telephone operations, decreased \$0.2 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 an increase in interstate out-of-period adjustment revenue in the 2009 period. Intrastate revenue, which relates to in-state calling, declined \$0.8 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 fourth quarter, primarily due to increased broadband penetration, both DSL and cable and a small acquisition of cable assets. Operating costs decreased by \$2.1 million in 2009 due to cost reductions in 2009 and other nonrecurring expenses in the 2008 period. The 2009 cost reduction were due to lower audit costs resulting from the change in independent auditors offset by increased costs associated with the broadband initiatives and integration of the acquired cable properties. Corporate office expenses decreased by \$0.3 million in the fourth quarter of 2009 due primarily to a reduction in accrued audit cost.

Earnings per share for the fourth quarter of 2009 were \$109, compared to \$122 per share reported in the fourth quarter of 2008.

### FULL YEAR RESULTS

The company recorded \$98.6 million in revenues and \$44.5 million in EBITDA from operations for the year ended December 31, 2009, approximately \$2.2 million and \$0.9 million, respectively, less than 2008 results. Earnings per share was \$456, approximately \$13 per share less than 2008, excluding \$6.9 million of

unusual pre-tax gains offset by \$2.7 million, pre-tax, of goodwill impairment, included in 2008.

## OPERATING STATISTICS

At December 31, 2009, the Company's in-territory DSL penetration based on ILEC voice lines was 48.4%, up from 40.6% at December 31, 2008. Our summary operating statistics are as follows:

	Dec. 31 2009	Dec. 31 2008	Increase (Decrease)	Percent Increase (Decrease)
ILEC voice lines	43,891	46,124	(2,233)	(4.8%)
CLEC voice lines	5,579	5,263	316	6.0%
Total voice lines	49,470	51,387	(1,917)	(3.7%)
DSL lines	17,419	15,263	2,156	14.1%
ISP Subscribers	24,813	23,355	1,458	6.2%
LD Resale lines	22,707	21,360	1,347	6.3%
Cable TV Subs.	5,956	4,473	1,483	33.2%
Cable Modem	2,452	1,855	597	32.2%

## BALANCE SHEET

At December 31, 2009, the Company had approximately \$23 million in cash and \$132 million in total debt, resulting in net debt of \$109 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.

## DISTRIBUTION OF NORTH DAKOTA OPERATIONS

On March 16, 2010, Sunshine PCS Corporation ("Sunshine") acquired all of the interests of LICT's subsidiary Lynch Telephone II, LLC, which owns 100% of Inter-Community Telephone Company, LLC and Valley Communications, Inc. Inter-Community is a rural local exchange carrier ("RLEC") serving communities in southeastern North Dakota with regulated telephone and broadband service, and Valley provides internet and other non-regulated services. As consideration, Sunshine issued shares of its Class A common stock reflecting approximately 99% of its outstanding stock, to Lynch Telephone North L.L.C., the parent company of Lynch Telephone II. The Company intends to distribute such shares to its shareholders.

Pro forma for the spin-off of the North Dakota Operations, in the fourth quarter of 2009, our revenues were \$23.2 million, as compared to \$23.5 million in 2008, a decrease of \$0.3 million, or 1.5%. EBITDA (earnings before interest, taxes, depreciation and amortization), generated during the fourth quarter of 2009 by our operating subsidiaries was \$10.0 million, a \$1.6 million increase, or 18.7%,

from the \$8.4 million recorded in 2008. For the full year of 2009, the Company has \$94.4 million in revenues and \$42.6 million in EBITDA from operations for the year ended December 31, 2009, approximately \$2.0 million and \$0.7 million, respectively, less than 2008 results. For 2010, the Company is expecting revenues and EBITDA by our operating subsidiaries to approximate the 2009 results.

#### REFINANCING THE COMPANY

LICT's debt structure currently consists of a maze of loans from federally-backed institutions and commercial banks, along with subordinated notes from sellers resulting from our acquisitions. While this structure helps to minimize the company's interest expense, it is costly in terms of maintenance of facilities and restrictions on movement of cash within LICT, as well as inflexible in terms of cost restructuring, mergers and acquisitions and implementing shareholder initiatives. As such, the company is considering a significant refinancing initiative which will enhance our ability to take the operational steps necessary to position the organization for future success. The Company is currently weighing its options in this regard and the implementation of this refinancing will be predicated on its ability to obtain acceptable terms.

#### LICT STOCK REPURCHASES

In 2009, LICT repurchased 308 shares of its common stock for \$831,000. Such share repurchases brought the Company to the limit allowable 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 December 31, 2009 the Company had 24,290 shares outstanding as compared to 24,598 at December 31, 2008.

#### STRATEGIC INTIATIVES

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 2010, the Company expects to close on the acquisition of 1,000 access lines in Klamath Falls, Oregon. This acquisition will help to "jump start" our efforts to establish a CLEC in that market. 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.

\* \* \* \*

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

Attachment A

(In Thousands, Except Per Share Data)

**STATEMENTS OF OPERATIONS**

	<b>Three Months Ended December 31,</b>		<b>Percent Increase (Decrease)</b>	<b>Year Ended December 31,</b>		<b>Percent Increase (Decrease)</b>
	<b>2009</b>	<b>2008</b>		<b>2009</b>	<b>2008</b>	
<b>Revenues</b>	\$24,292	\$24,619	(1.3%)	\$98,611	\$100,778	(2.2%)
<b>Cost and Expenses:</b>						
Cost of service and sales	10,296	10,150		39,245	38,050	
Selling, general and administration	3,514	5,735		14,907	17,327	
Corporate office expense	792	1,106		3,210	4,128	
Goodwill impairment	0	2,650		0	2,650	
Depreciation and other amortization	4,833	4,612		18,178	19,630	
<b>Operating profit, in accordance with generally accepted accounting principles</b>	<b>4,857</b>	<b>366</b>	<b>1227.0%</b>	<b>23,071</b>	<b>18,993</b>	<b>21.5%</b>
<b>Other Income(Expense)</b>						
Investment income	90	220		1,313	1,803	
Interest expense	(1,858)	(2,528)		(7,772)	(10,967)	
Equity in earnings of affiliated companies	612	316		1,476	862	
Gains (losses) on sale of investments	0	(16)		0	6,862	
	<u>(1,156)</u>	<u>(2,008)</u>		<u>(4,983)</u>	<u>(1,440)</u>	
<b>Income (Loss) Before Income Taxes</b>	<b>3,701</b>	<b>(1,642)</b>		<b>18,088</b>	<b>17,553</b>	
(Provision) Benefit For Income Taxes	(1,025)	4,641		(6,897)	(3,044)	
<b>Net Income (Loss)</b>	<b>2,676</b>	<b>2,999</b>		<b>11,191</b>	<b>14,509</b>	
Noncontrolling Interests	(35)	(3)		(71)	(40)	
<b>Net Income (Loss) attributable to LICT</b>	<b>\$2,641</b>	<b>\$2,996</b>		<b>\$11,120</b>	<b>\$14,469</b>	
Weighted Average Shares Used In Earnings Per Share Computations	24,290	24,633		24,409	24,931	
<b>Basic and Diluted Earnings Per Share -LICT</b>	<b>\$108.73</b>	<b>\$121.63</b>		<b>\$455.56</b>	<b>\$580.36</b>	
<b>Adjusted Operating Profit</b>						
Operating Subsidiaries	\$10,482	\$8,734	20.0%	\$44,459	\$45,401	(2.1%)
Corporate Office Expense	(792)	(1,106)		(3,210)	(4,128)	
Total Adjusted Operating Profit	9,690	7,628	27.0%	41,249	41,273	(0.1%)
Depreciation and amortization	(4,833)	(4,612)		(18,178)	(19,630)	
<b>Operating profit, in accordance with generally accepted accounting principles</b>	<b>\$4,857</b>	<b>\$3,016</b>		<b>\$23,071</b>	<b>\$21,643</b>	
<b>Capital Expenditures</b>	<b>\$5,053</b>	<b>\$5,431</b>		<b>\$12,421</b>	<b>\$18,863</b>	

**SELECTED BALANCE SHEET DATA**

	<b>Dec. 31, 2009</b>	<b>Dec. 31, 2008</b>
Cash and Cash Equivalents	\$22,571	\$29,743
Notes Payable	7,200	12,299
Long-Term Debt (including current portion)	124,946	143,577
Total Debt	132,146	155,876
Noncontrolling Interests	243	171
Shareholders' Equity attributable to LICT	59,546	49,186
Shares Outstanding at Date	24,290	24,598

**LICT Corporation**  
**Statements of Operations**  
**Proforma -after distribution of North Dakota Operations**  
**Unaudited**

Attachment B

(In Thousands, Except Per Share Data)

**STATEMENTS OF OPERATIONS**

	Three Months Ended December 31,		Percent Increase (Decrease)	Year Ended December 31,		Percent Increase (Decrease)
	2009	2008		2009	2008	
<b>Revenues</b>	\$23,196	\$23,537	(1.5%)	\$94,386	\$96,413	(2.1%)
<b>Cost and Expenses:</b>						
Cost of service and sales	9,941	9,731		37,760	36,567	
Selling, general and administration	3,249	5,379		13,998	16,471	
Corporate office expense	792	1,106		3,210	4,128	
Goodwill impairment		2,650			2,650	
Depreciation and other amortization	4,613	4,402		17,351	18,866	
<b>Operating profit, in accordance with generally accepted accounting principles</b>	4,601	269	1609.7%	22,066	17,730	24.5%
<b>Other Income(Expense)</b>						
Investment income	33	167		1,160	1,691	
Interest expense	(1,807)	(2,462)		(7,567)	(10,718)	
Equity in earnings of affiliated companies	549	208		1,234	646	
Gains (losses on sale of investments)	0	(16)		0	6,862	
	(1,225)	(2,103)		(5,173)	(1,519)	
<b>Income (Loss) Before Income Taxes</b>	3,376	(1,834)		16,894	16,211	
(Provision) Benefit For Income Taxes	(813)	4,636		(6,252)	(2,393)	
<b>Net Income (Loss)</b>	2,563	2,802		10,641	13,818	
Noncontrolling Interests	(35)	(3)		(71)	(40)	
<b>Net Income (Loss) attributable to LICT</b>	\$2,528	\$2,799		\$10,570	\$13,778	
Weighted Average Shares Used In Earnings Per Share Computations	24,290	24,633		24,409	24,931	
<b>Basic and Diluted Earnings Per Share</b>	\$104.07	\$113.64		\$433.04	\$552.65	
<b>Adjusted Operating Profit</b>						
Operating Subsidiaries	\$10,006	\$8,427	18.7%	\$42,627	\$43,375	(1.7%)
Corporate Office Expense	(792)	(1,106)		(3,210)	(4,128)	
Total Adjusted Operating Profit	9,214	7,321	25.9%	39,417	39,247	0.4%
Depreciation and amortization	(4,613)	(4,402)		(17,351)	(18,866)	
<b>Operating profit, in accordance with generally accepted accounting principles</b>	\$4,601	\$2,919		\$22,066	\$20,380	
<b>Capital Expenditures</b>	\$4,525	\$4,983		\$11,371	\$18,162	