CIBL, Inc. and Subsidiaries

Financial Report to Shareholders

June 30, 2016

CIBL, Inc. and Subsidiaries

Condensed Consolidated Financial Statements

June 30, 2016

CIBL, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(In Thousands, Except Common Share Data)

	June 30, 2016	Dec. 31, 2015	June 30, 2015
Assets			
Current Assets			
Cash and cash equivalents	$5,719	$6,701	$27,070
Short term investments	19,988	19,986	--
Accounts receivable, net of allowance of $4	480	576	384
Amounts due under Stimulus Broadband Program	--	--	247
Deferred income taxes	87	93	92
Prepaid income tax	259	294	313
Other current assets	475	465	432
Total Current Assets	27,008	28,115	28,538
Telecommunications, plant and equipment, net	6,774	6,786	6,834
Goodwill	1,772	1,772	1,772
Note receivable due from an affiliate	--	--	72
Investments in equity method affiliated entities	1,952	1,854	1,826
Other investments, at cost	662	445	347
Deferred offering costs	225	196	--
	$38,393	$39,168	$38,389
Liabilities and Equity			
Current Liabilities			
Accounts payable and accrued expenses	$247	$215	$549
Income tax payable	51	127	202
Other current liabilities	347	332	360
Current maturities of long-term debt	27	26	18
Total Current Liabilities	672	700	1,129
Long-term debt	2,704	2,719	2,630
Deferred income taxes	2,871	2,834	2,678
Construction deposit	32	32	32
Total Liabilities	6,279	6,285	6,469
Equity			
Common stock, par value $.01, 30,000 shares authorized; 25,115 issued; 16,952; 17,725; and 17,944 outstanding	--	--	--
Contributed capital	3,116	3,111	3,116
Retained earnings	32,891	32,915	32,859
Treasury stock, 8,163; 7,390; and 7,171 shares at cost	(9,235)	(8,258)	(7,969)
Total CIBL, Inc.'s Stockholders' Equity	26,772	27,768	28,006
Non-controlling interests	5,342	5,115	4,914
Total Equity	32,114	32,883	32,920
	$38,393	$39,168	$38,389

See notes to condensed consolidated financial statements

CIBL, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(In Thousands, Except Share and Per Share Data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenues				
Broadband data/communications	$1,069	$1,115	$2,042	$2,074
Total Revenues	1,069	1,115	2,042	2,074
Costs and Expenses				
Cost of operating revenue, excluding depreciation	404	483	827	946
General and administrative costs of operations	223	205	405	366
Management fees	57	62	113	125
Corporate office expense at ICTC	100	71	151	118
Corporate office expense at CIBL	94	73	173	139
Depreciation	234	219	461	431
Total Costs and Expenses	1,112	1,113	2,130	2,125
Operating Profit(Loss)	(43)	2	(88)	(51)
Other Income (Expense)				
Investment income	110	76	269	156
Interest expense	(22)	(32)	(45)	(67)
Equity in earnings of affiliated entities	88	93	192	188
Total Other Income, Net	176	137	416	277
Net Income Before Income Taxes	133	139	328	226
Income tax expense	(65)	(65)	(139)	(104)
Net Income	68	74	189	122
Non-controlling interests	(91)	(94)	(213)	(173)
Net Loss Attributable to CIBL, Inc.'s Stockholders	($23)	($20)	($24)	($51)
Basic and diluted weighted average shares outstanding	17,031	17,996	17,181	17,996
Net income per share	$3.94	$4.11	$10.94	$6.76
Net loss per share attributable to CIBL	($1.37)	($1.14)	($1.40)	($2.86)

See notes to condensed consolidated financial statements.

CIBL, Inc. and Subsidiaries

Condensed Consolidated Statements of Changes in Equity

(In Thousands, except common shares data)

	CIBL, Inc. Stockholders' Equity							
	Common Shares Outstanding	Common Stock	Contributed Capital	Retained Earnings	Treasury Shares	Total	Non-Controlling Interests	Total Equity
Balance at December 31, 2015	17,725	$--	$3,111	$32,915	($8,258)	$27,768	$5,115	$32,883
Net income (loss)	--	--	--	(24)	--	(24)	213	189
Consolidation of ICTC Group, Inc.	--	--	5	--	--	5	(25)	(20)
Issuance of ICTC Group, Inc. shares	--	--	--	--	--	--	33	33
Purchase of treasury stock	(773)	--	--	--	(977)	(977)	--	(977)
Other	--	--	--	--	--	--	6	6
Balance at June 30, 2016	16,952	$--	$3,116	$32,891	($9,235)	$26,772	$5,342	$32,114

See notes to condensed consolidated financial statements

CIBL, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(In Thousands)

	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Cash Flows Provided By Operating Activities		
Net loss attributable to CIBL, Inc.'s stockholders	($24)	($51)
Non-controlling interests	213	173
Net income	189	122
Adjustments to reconcile net income to net cash from operating activities		
Equity in earnings of affiliated entities	(192)	(188)
Distributions from affiliated entities	95	161
Depreciation	461	431
Shares issued in lieu of cash compensation	33	--
Deferred income taxes	42	(21)
Interest income (in-kind)	--	(2)
Management fees (in-kind)	--	75
Unrealized gain on investments	(31)	(2)
Changes in operating assets and liabilities:		
Accounts receivable	96	86
Other current assets	(11)	(201)
Accounts payable and accrued expenses	31	353
Income tax payable/prepaid income tax	(41)	26
Other current liabilities	15	20
Net Cash Provided By Operating Activities	687	860
Cash Flows Provided By Investing Activities		
Capital spending	(448)	(676)
Funds recovered under BIP grant program	--	234
Purchase of United States Treasury Bills	(24,970)	--
Redemption of United States Treasury Bills	25,000	--
Purchase of marketable securities	(205)	--
Acquisition of ICTC Group, Inc. Shares	(26)	(5)
Net Cash Provided By Investing Activities	(649)	(447)
Cash Flows Used In Financing Activities		
Purchase of treasury stock	(977)	(219)
Principal payments on loan term debt	(13)	(10)
Advances under BIP Loan	--	103
Deferred Offering Costs	(30)	
Net Cash Used in Financing Activities	(1,020)	(126)
Net Change in Cash and Cash Equivalents	(982)	287
Cash and Cash Equivalents		
Beginning of year	6,701	26,783
End of year	$5,719	$27,070
Supplemental Cash Flow Information		
Cash paid for income taxes	$138	$98
Cash paid for interest	$45	$67

See notes to condensed consolidated financial statements

1. Organization

CIBL, Inc. (the "Company" or "CIBL") currently holds an investment in a broadband data transport/communications company. At June 30, 2016, the Company holds a 43.63% interest in the ICTC Group, Inc. ("ICTC"), a broadband data transport/communications company in North Dakota that is deemed to be under common control with CIBL (see Note 4). Under a Voting Rights Agreement, the Company's voting interest in ICTC is 55.68% and, accordingly, it reports ICTC results on a consolidated basis.

In addition, ICTC holds an investment in affiliates in which they do not have majority voting control but had or have the ability to significantly influence management decisions (either through an ownership of 20% or more structured as a partnership or limited liability company treated as a partnership). This investment is accounted for in accordance with the equity method, and consist of a Dakota Carrier Network, LLC ("DCN"), which is a limited liability broadband data transport company, treated as a partnership, that is 3.4% owned by ICTC (see Note 5).

On July 21, 2015, CIBL formed Nevada PMV Acquisition Holding Company, LLC ("Nevada PMV") for the purpose of acting as the sponsor for a special purpose acquisition company, or SPAC. On August 7, 2015 PMV Acquisition Corp. ("PMV") was formed by Nevada PMV as a SPAC for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination involving PMV and one or more businesses. As a SPAC, PMV is a shell (blank check) company that had no operations and whose purpose was to go public with the intention of merging with or acquiring a company with the proceeds of the SPAC's initial public offering ("IPO"). In the fourth quarter of 2015, PMV filed an S-1 Registration Statement with the Securities and Exchange Commission for the purpose of effectuating the IPO, whose securities are expected to be traded on The NASDAQ Stock Market ("Nasdaq"). PMV expects to offer ten million units, with each unit consisting of one share of common stock and one warrant to acquire one-half of one share of common stock, at an offering price of U.S. $10.00 per unit. The underwriters will also be granted an over –allotment option to purchase up to an additional one million five hundred thousand units to cover over-allotments, if any. At June 30, 2016 and December 31, 2015, CIBL owned 78.47% and 76.21%, respectively, of Nevada PMV and Nevada PMV owned 97.10% of PMV. The remaining interest in the two entities are owned by the management and directors of the two entities. PMV is currently evaluating the securities market conditions to determine an optimal time to effectuate its initial public offering.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying financial statements include the operations of the Company and its majority owned or controlled subsidiaries. All inter-company transactions and balances have been eliminated in consolidation.

The non-controlling interests represent the financial results of ICTC that are not owned by CIBL.

Interim Financial Statements

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information. Accordingly, they are not audited and do not include all of the information and footnotes required for complete financial statements. These consolidated financial statements and footnotes should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's annual report for the year ended December 31, 2015. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and six month periods ended June 30, 2016 are not necessarily indicative of the results that may be expected for the year ending December 31, 2016. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Regulatory Accounting

ICTC's public utility activities are regulated by the Federal Communications Commission ("FCC"). The North Dakota Public Service Commission does not regulate Rural Local Exchange Carriers ("RLECs") with fewer than 8,000 access lines, such as Inter-Community Telephone Company, LLC, an indirect, wholly-owned subsidiary of ICTC. The Company follows the Federal Communication Commission's (FCC) Uniform System of Accounts, Part 32 of the FCC Rules and Regulations.

Where applicable, this regulated accounting recognizes the economic effects of rate regulation by recording costs and a return on investment; as such, amounts are recovered through rates authorized by regulatory authorities. Developments that could give rise to substantial modifications of regulatory accounting practices include (1) increasing competition restricting ICTC's wireline business' ability to establish prices to recover specific costs, and (2) significant changes in the manner in which rates are set by regulators from cost based regulation to another form of regulation. The Company periodically reviews the applicability of regulatory accounting guidelines based on the developments in its current regulatory and competitive environments.

Cash and Cash Equivalents

The Company considers all highly liquid investments with maturities of three months or less at the date of purchase to be cash equivalents.

Short-term Investments

The Company considers all highly liquid investments with maturities in excess of three months, and not greater than six months at the date of purchase, to be short-term investments.

Accounts Receivable

Trade receivables are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. The receivables are non-interest bearing. Payments on trade receivables are applied to the applicable unpaid invoices. The carrying amount of the trade receivables is reduced by an amount that reflects management's best estimate of the amounts that will not be collected.

Materials and Supplies

Inventories are stated at the lower of average cost or market.

Investments in Affiliated Entities, Equity Basis

The Company accounts for its investments in affiliates in which it does not have majority voting control, but has the ability to significantly influence financial and operating policies, using with the equity method, based upon information in such equity investees' financial statements. See Note 4 for summarized financial information on the Company's equity method investment.

Cost Method Investments

The Company accounts for certain investments, listed below, using the cost method because the Company does not exercise significant influence over the management.

The Company's 1.36% ownership interest in Solix, Inc. ("Solix") is accounted for using the cost method because the Company does not exercise significant influence over the management of Solix. Solix is an outsourcing firm that provides services such as billing and collection to the telecommunications industry. The carrying value of such investment at June 30, 2016, December 31, 2015 and June 30, 2015 was $100.

ICTC has an ownership interest in two North Dakota entities, each of which in turn holds an interest in one of two partnerships that provide cellular telephone service to Rural Service Area ("RSA") 3 and RSA 5 in North Dakota. ICTC's interests in these RSA partnerships amount to of 1.33% and 1.53%, respectively. The combined carrying value of these investments at June 30, 2016, December 31, 2015, and June 30, 2015 was approximately $160. During the six periods ended June 30, 2016 and 2015, ICTC received combined distributions from these investments of $213 and $139, respectively.

ICTC has an ownership interest in additional entities that are accounted for on the cost method. The Company has invested $90 in these companies.

Marketable Securities

LICT has marketable securities, included in other investments, consist of a publicly traded common stock. This investment in marketable securities had carrying values at June 30, 2016, December 31, 2015, and June 30, 2015 of $312, $93, and $0, respectively, and was classified as available-for-sale. Unrealized gains or losses, net of tax, on the Company's available-for-sale securities, which have been immaterial to date, are excluded from earnings and included as a separate component of Shareholders' Equity included in accumulated other comprehensive income (loss) until realized.

Goodwill

Goodwill is tested annually for impairment, or more frequently if deemed necessary. ICTC tests goodwill for impairment using a two-step process. The first step is a screen for potential impairment in which ICTC determines its fair value based on a number of subjective factors, including: (a) appropriate weighting of valuation approaches (income approach, market approach and comparable company approach), (b) estimates of its future cost structure, (c) discount rates for estimated cash flows, (d) selection of peer group companies for its market approach, (e) required level of working capital, (f) assumed terminal value, and (g) time horizon of cash flow forecasts. ICTC estimates the fair value using Level 3 inputs as defined in the fair value hierarchy.

If such tests indicate potential impairment due to the carrying value of the reporting unit exceeding its fair value, then a second step measures the amount of impairment, if any. The Company performed the required annual tests as of December 31, 2014, and determined that there was no impairment at that time. There were no impairment losses recorded during the three and nine month periods ended September 30, 2015 and 2014.

Telecommunications Plant and Equipment

Additions to plant and equipment are recorded at cost, which includes contracted work, direct labor and materials, and allocable overheads. When units of plant and equipment are retired, sold, or otherwise disposed of in the ordinary course of business, their average book cost less net salvage is charged to accumulated depreciation. Maintenance and repair costs and the replacement and renewal of items determined to be less than units of plant and equipment are charged to expense.

Depreciation

The majority of ICTC's plant and equipment is plant used for the wireline telephone business. Depreciation is based on the composite group remaining life method and straight-line composite rates. This methodology provides for the recognition of the cost of the remaining investment in telephone plant and equipment less anticipated positive net salvage value, over the remaining asset lives. When depreciable telephone plant is replaced or retired, the carrying amount of such plant is deducted from the respective accounts and charged to accumulated depreciation, and no gain or loss is recognized. Use of this methodology requires the periodic revision of depreciation rates. In the evaluation of asset lives, multiple factors are considered, including expected future retirements, technology changes and the adequacy of depreciation reserves.

Fair Value of Financial Instruments

The Company follows Accounting Standards Codification (ASC) guidance on fair value measurements, which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets, which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Impairment of Long-Lived Assets

Long-lived assets, such as telecommunications plant, and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset group to estimated undiscounted future cash flows expected to be generated by the asset group. If the carrying amount of an asset group exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset group exceeds the fair value of the asset group. There were no asset impairments recorded during the three and six month periods ended June 30, 2016 and 2015.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements. Income taxes consist of taxes currently payable and those deferred due to temporary differences between the financial reporting and tax basis of the Company's assets and liabilities, using tax rates in effect in the period in which the temporary differences are expected to reverse. The Company establishes valuation allowances relating to deferred tax assets when management concludes that it is more likely than not that the Company will not realize a benefit from the reversal of such temporary differences. The Company and ICTC file separate tax returns.

Accounting for Uncertainty in Income Taxes

The Company recognizes the effect of income tax positions only when the tax position is more likely than not to be sustained. Management is not aware of any exposure to uncertain tax positions that would require financial statement recognition or disclosure. The Company is no longer subject to federal or state income tax examinations for periods prior to the year ended December 31, 2012.

Revenue Recognition

Telephone service revenue is primarily derived from regulated local, intrastate and interstate access services and recognized as services are provided.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is August 10, 2016.

3. Interest in ICTC Group, Inc.

The Company currently owns 166,556 of ICTC Group, Inc., or 43.5% of ICTC’s total shares of Class A Common Stock outstanding of 383,271. In total, the Company paid $3,769 or $22.63 per share for its shares.

(In Thousands)

4. Equity Method Investment in DCN

Summarized financial information for the investment in DCN as of and for the three and six months ended June 30 2016 and 2015 is as follows:

	2016	2015
Current assets	$4,146	$5,346
Property, plant and equipment, net	53,072	47,825
Other assets	609	627
Total Assets	$57,827	$53,798
Current liabilities	$967	$608
Equity	56,860	53,190
Total liabilities and equity	$57,827	$53,798
Three Months Ended		
Revenues	$11,177	$11,029
Operating Profit	$2,319	$2,559
Net Income	$2,550	$2,723
Six Months Ended		
Revenues	$22,658	$21,957
Operating Profit	$5,142	$5,183
Net Income	$5,592	$5,491

ICTC recognized equity earnings from DCN of $192 and $188 during the six months ended June 30, 2016 and 2015, respectively. ICTC received distributions from DCN of $95 and $161 the six month periods ended June 30, 2016 and 2015, respectively.

6. Telecommunications, Plant and Equipment

At June 30, 2016, December 31, 2015 and June 30, 2015, the telecommunications plant and equipment accounts at ICTC consisted of the following:

	June 30 2016	Dec. 31 2015	June 30 2015	Depreciation Rate
Land and support assets	$2,535	$2,490	$2,457	2.9%-20.0%
Central office switching equipment	5,210	4,941	5,345	6.67%-20.0%
Cable and wire facilities	15,235	15,165	14,839	3.9%-6.67%
Internet equipment	321	322	321	15.0%
Total in service	23,301	22,918	22,962	
Under construction	116	97	31	
	23,417	23,015	22,993	
Accumulated depreciation	16,643	16,229	16,159	
	$6,774	$6,786	$6,834	

7. Note Receivable

(In Thousands)

The Company had a promissory note due from Lynch Paging Corporation, a subsidiary of LICT, with an original principal amount of $1,500. The note was obtained in connection with the 2007 spin off of the Company from LICT. The note bore interest at 5% with interest to be paid in-kind. The note matured in 2015. Management and other service fees and expenses owed by CIBL to LICT are offset against the note on a periodic basis. As of June 30, 2015, there was a $72 outstanding on the note receivable. During the six month period ended June 30, 2015 management fees of $75 was offset against the note by LICT (see Note 11). In addition, interest accrued on the note was $2 for the six months ended June 30, 2015.

8. Long-Term Debt

At June 30, 2016, December 31, 2015, and June 30, 2015, ICTC's long-term debt consisted of:

	June 30 2016	Dec. 31 2015	June 30 2015
RUS Broadband Loan	$659	$673	$576
Subordinated notes	2,072	2,072	2,072
	2,731	2,745	2,648
Less current maturities	(27)	(26)	(18)
	$2,704	$2,719	$2,630

ICTC has subordinated notes with former shareholders of Inter-Community for $2,072 as of June 30, 2016. The average interest rate on the notes is 3.4% and the maturity date is December 31, 2022. Interest on the notes is paid quarterly. The notes may be prepaid at any time without penalty.

ICTC received an advance of $713 on the Broadband Initiatives Program ("BIP") Loan (see Note 9). The loan is due in monthly payments of principal and interest over 23 years at an average interest rate of 3.02%. The BIP loan/grant agreement also includes certain financial and other covenant requirements.

9. Broadband Initiatives Program

ICTC was awarded a stimulus loan and grant pursuant to the American Recovery and Reinvestment Act of 2009 to finance the construction of a broadband infrastructure project in rural areas. The $2,339 project was completed during 2014. The project is being funded through a broadband loan from the Rural Utilities Service (RUS) of $713 and a grant through the Broadband Initiatives Program administered by RUS, of $1,625.

10. Treasury Stock

Since CIBL was spun off by LICT Corporation, on November 19, 2007, under authorizations by the Board of Directors the Company has acquired 3,417 shares of its common stock at an average price of $1,174 per share. During the six months ended June 30, 2016, CIBL acquired 773 shares at an average price $1,263 per share. At June

30, 2016, 2,907 shares are remaining under the Board authorized share repurchase program.

In addition to its open-market repurchase programs, the Company has conducted two tender offers for its shares, purchasing a total of 4,746 shares at an average price of $1,100 per share.

11. Related Party Transactions (Not Disclosed Elsewhere)

LICT Corporation, an affiliate, provides administrative and management services to CIBL and ICTC based on a contractual agreement. As compensation for these services, LICT received a fee during the six month periods ended June 30, 2016 and 2015 of $113 and $125, respectively.

At June 30, 2016, December 31, 2015 and June 30, 2015, cash and short-term investments of $3,820, $5,069 and $25,762, respectively, were invested in United States Treasury money market funds for which affiliates of one of the Company's Directors serve as investment managers.

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CIBL, Inc. and Subsidiaries

Supplementary Information to Condensed Financial Statements

June 30, 2016

CIBL, Inc. and Subsidiaries
Consolidating Balance Sheets
June 30, 2016
(In Thousands)

	CIBL Inc. Consolidated Excluding ICTC Group, Inc.	ICTC Group, Inc. Consolidated	Eliminations	Consolidated
Assets				
Current Assets				
Cash and cash equivalents	$2,659	$3,060	$--	$5,719
Short-term investments	19,988	--	--	19,988
Accounts receivable, net of allowance of $4	--	480	--	480
Deferred income taxes	--	87	--	87
Prepaid income taxes	259	--	--	259
Other current assets	8	467	--	475
Total Current Assets	22,914	4,094	--	27,008
Telecommunications, plant and equipment, net	2	6,772	--	6,774
Goodwill	--	1,772	--	1,772
Investments in equity method affiliated entities	4,848	1,952	(4,848)	1,952
Other investments, at cost	100	562	--	662
Deferred offering costs	225	--	--	225
Total Assets	$28,089	$15,152	($4,848)	$38,393

CIBL, Inc. and Subsidiaries
Consolidating Balance Sheets – Continued
June 30, 2016
(In Thousands)

	CIBL Inc. Consolidated Excluding ICTC Group Inc.	ICTC Group, Inc. Consolidated	Eliminations	Consolidated
Liabilities and Equity				
Current Liabilities				
Accounts payable and accrued expenses	$164	$83	$--	$247
Income tax payable	--	51	--	51
Other current liabilities	--	347	--	347
Current maturities of long-term debt	--	27	--	27
Total Current Liabilities	164	508	--	672
Long-term debt	--	2,704	--	2,704
Deferred income taxes	403	2,468	--	2,871
Construction deposit	--	32	--	32
Total Liabilities	567	5,712	--	6,279
Equity				
Common stock, par value $.01, 30,000 shares authorized; 25,115 issued; and 16,952 outstanding	--	--	--	--
Contributed capital	3,862	1,793	(2,539)	3,116
Retained earnings	32,891	8,096	(8,096)	32,891
Treasury stock, 8,162 shares at cost	(9,235)	(449)	449	(9,235)
Total CIBL, Inc.'s Stockholders' Equity	27,518	9,440	(10,186)	26,772
Non-controlling interest	4	--	5,338	5,342
Total Equity	27,522	9,440	(4,848)	32,114
Total Liabilities and Equity	$28,089	$15,152	($4,848)	$38,393

CIBL, Inc. and Subsidiaries
Consolidating Statement of Operations
Three Months Ended June 30, 2016
(In Thousands)

	CIBL Inc.	ICTC Group, Inc. Consolidated	Eliminations	Consolidated
Revenue				
Broadband data/communications	$--	$1,069	--	$1,069
Total Revenue	--	1,069	--	1,069
Costs and Expenses				
Cost of operating revenue, excluding depreciation	--	404	--	404
General and administrative costs of operations	--	223	--	223
Management fee	32	25	--	57
Corporate office expense at ICTC	--	100	--	100
Corporate office expense at CIBL	94	--	--	94
Depreciation	1	233	--	234
Total Operating Expenses	127	985	--	1,112
Operating Income (Loss)	(127)	84	-	(43)
Other Income (Expense)				
Investment income	30	80	--	110
Interest expense	--	(22)	--	(22)
Equity in earnings of affiliated entities	69	88	(69)	88
Total Other Income (Expense)	99	146	(69)	176
Net Income (Loss) Before Income Taxes	(28)	230	(69)	133
Income tax benefit (expense)	5	(70)	--	(65)
Net Income (Loss)	(23)	160	(69)	68
Non-controlling interests	--	--	(91)	(91)
Net Income (Loss) Attributable to CIBL, Inc.'s Stockholders	($23)	$160	($160)	($23)

CIBL, Inc. and Subsidiaries
Consolidating Statement of Operations
Six Months Ended June 30, 2016
(In Thousands)

	CIBL Inc.	ICTC Group, Inc. Consolidated	Eliminations	Consolidated
Revenue				
Broadband data/communications	$--	$2,042	--	$2,042
Total Revenue	--	2,042	--	2,042
Costs and Expenses				
Cost of operating revenue, excluding depreciation	--	827	--	827
General and administrative costs of operations	--	405	--	405
Management fee	63	50	--	113
Corporate office expense at ICTC	--	151	--	151
Corporate office expense at CIBL	173	--	--	173
Depreciation	1	460	--	461
Total Operating Expenses	237	1,893	--	2,130
Operating Income (Loss)	(237)	149	--	(88)
Other Income (Expense)				
Investment income	47	222	--	269
Interest expense	--	(45)	--	(45)
Equity in earnings of affiliated entities	164	192	(164)	192
Total Other Income (Expense)	211	369	(164)	416
Net Income (Loss) Before Income Taxes	(26)	518	(164)	328
Income tax benefit (expense)	1	(140)	--	(139)
Net Income (Loss)	(25)	378	(164)	189
Non-controlling interests	1	--	(214)	(213)
Net Income (Loss) Attributable to CIBL, Inc.'s Stockholders	($24)	$378	($378)	($24)

CIBL, Inc. and Subsidiaries
Consolidating Statements of Cash Flows
Six Months Ended June 30, 2016
(In Thousands)

	CIBL Inc.	ICTC Group, Inc. Consolidated	Eliminations	Consolidated
Cash Flows Provided By (Used In) Operating Activities				
Net income (loss) attributable to CIBL, Inc.'s stockholders	($24)	$378	($378)	($24)
Non-controlling interests	(1)	--	214	213
Net income (loss)	(25)	378	(164)	189
Adjustments to reconcile net income to net cash from operating activities:				
Equity in earnings of affiliated entities	(164)	(192)	164	(192)
Distributions from affiliated entities	--	95	--	95
Depreciation	1	460	--	461
Deferred income taxes	63	(21)	--	42
Shares issued I lieu of cash compensation	--	33	--	33
Unrealized gains on investments	(32)	1	--	(31)
Changes in operating assets and liabilities:				
Accounts receivable	25	71	--	96
Other current assets	16	(27)	--	(11)
Accounts payable and accrued expenses	32	(1)	--	31
Income tax payable/prepaid income tax	35	(76)	--	(41)
Other liabilities	--	15	--	20
Net Cash Provided By Operating Activities	(49)	736	--	687

CIBL, Inc. and Subsidiaries
Consolidating Statements of Cash Flows - Continued
Three Months Ended June 30, 2016
(In Thousands)

	CIBL Inc. Consolidated Excluding ICTC Group Inc.	ICTC Group, Inc. Consolidated	Eliminations	Consolidated
Cash Flows Provided By (Used In) Investing Activities				
Capital spending	--	(448)	--	(448)
Purchase of United States Treasury Bills	(24,970)	--	--	(24,970)
Redemption of United States Treasury Bills	25,000	--	--	25,000
Purchase of marketable securities	--	(205)	--	(205)
Acquisition of shares in ICTC Group, Inc.	--	--	(26)	(26)
Net Cash Provided By (Used In) Investing Activities	30	(653)	(26)	(649)
Cash Flows Provided By (Used In) Financing Activities				
Purchase of treasury stock	(977)	(26)	26	(977)
Principal payments of long-term debt	--	(13)	--	(13)
Deferred offering costs	(30)	--	--	(29)
Net Cash Provided By (Used In) Financing Activities	(1,007)	(39)	26	(1,020)
Net Change in Cash and Cash Equivalents	(1,026)	44	--	(982)
Cash and Cash Equivalents				
Beginning of year	3,685	3,016	--	6,701
End of year	$2,659	$3,060	$--	$5,719
Supplemental Cash Flow Information				
Cash paid for (recovered from) income taxes	($99)	$237	$--	$138
Cash paid for interest	$--	$45	$--	$45

CIBL, Inc. and Subsidiaries

Management's Discussion and Analysis of Financial Condition and Results of Operations

June 30, 2016

<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>

The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with its audited consolidated financial statements and related notes.

RESULTS OF OPERATIONS

Forward-Looking Statements and Uncertainty of Financial Projections

Forward-looking statements are not based on historical information but relate to future operations, strategies, financial results or other developments. Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject, without limitation, to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control and many of which, with respect to future business decisions, are subject to change. These uncertainties and contingencies can affect actual results and could cause actual results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, the Company.

Overview

Currently, CIBL, Inc. ("CIBL" or the "Company") has one operating business, through a 43.50% ownership in ICTC Group, Inc. ("ICTC"), a provider of broadband data transport and voice communications in southeastern North Dakota. Under a Voting Rights Agreement, the Company's voting interest in ICTC is 55.46% and, accordingly, it reports ICTC results on a consolidated basis.

In addition, as a result of the sale of certain of its investments over the last couple of years, the majority of the Company's assets are comprised of cash and cash equivalents. As discussed in more detail below, the Company is evaluating various strategic options at this time.

ICTC Group Inc.

Though its subsidiaries, ICTC Group, Inc. (1) serves as a Rural Local Exchange Carrier ("RLEC") headquartered in Nome, ND that provides regulated telephone services approximately 1,750 access lines to a dozen small communities and the surrounding rural areas in southeastern North Dakota and (2) provides internet, broadband data and other non-regulated services to approximately 1,000 customers throughout Inter-Community's telephone service territory and in adjacent areas including Valley City, ND.

On March 30, 2016, the FCC, which regulates RLECs, issued an Order that dramatically modifies the rules controlling our regulated operations. RLECs will have a new option to voluntarily elect A-CAM and replace the existing High Cost Loop Support ("HCLS") and Interstate Common Line Support ("ICLS") mechanisms. A-CAM will provide a ten-year fixed support amount which should provide LICT significantly greater regulated revenue stability, once it is established for 2017. Not all of LICT's affiliated RLECs are eligible to adopt A-CAM. If a company does not adopt A-CAM, ICLS will be eliminated and replaced with a new Connect America Fund Broadband Loop Support ("CAF-BLS") mechanism. CAF-BLS includes a series of new caps and limitations for operating expense, capital expenditures, overall support and support in areas served by unsubsidized competitors, but adds support for data-only broadband. Both A-CAM adopters and CAF-BLS companies will have specific build-out requirements, and ICTC is currently assessing the potential impact of these requirements on its RLEC operations. Since the FCC's new rules have just recently been released, and significant provisions still remain to be finalized, we cannot predict precisely how the new USF mechanisms may affect our companies.

Three Months Ended June 30, 2016 and 2015

The Company recorded $1,069,000 in consolidated revenues in the second quarter of 2016 as compared to $1,115,000 in the second quarter of 2015. All consolidated revenues were the result of CIBL's consolidation of ICTC. Regulated revenues fell by $53,000 due to increased Universal Service Fund revenue related to cost study true-up in 2014. Broadband revenues, and other non-regulated, revenues increased by $7,000 due to increase subscribers.

Consolidated operating costs and expenses of $1,112,000 in the second quarter of 2016 consisted of $127,000 of corporate office expense at CIBL and $985,000 of costs and expenses associated with ICTC. Comparable amounts for the three months ended June 30, 2015 were $1,113,000, $110,000, and $1,003,000 respectively.

Accordingly, ICTC results contributed $84,000 to CIBL's consolidated operating profit in the first quarter of 2016 as compared to $112,000 in 2015, and CIBL incurred an operating loss of $127,000, as compared to an operating loss of $110,000 in the 2015 period.

Investment income of $110,000 for the three months ended June 30, 2016 and $76,000 for the three months ended June 30, 2015. Investment income is primarily the cash distributions from ICTC's minority ownership in two wireless telecommunications and data operations in eastern North Dakota (North Dakota RSAs # 3 and # 5), $76,000 in 2016 and $64,000 in 2015. The remaining investment income is interest from United States Treasury Bills.

Equity in earnings of affiliates was $88,000 for the three months ended June 30, 2016 and represents ICTC's minority ownership in Dakota Carrier Network, LLC ("DCN"). The amount was $93,000 in 2015.

Interest expense was $22,000 for the three months ended June 30, 2016, and $32,000 for the three months ended June 30, 2015, and represents interest on ICTC's long term debt. The interest rates on certain of ICTC"s subordinated notes were lowered in July 2015.

The Company's effective tax rates for 2016 and 2015 were 49.2% and 47.0%, respectively. The difference between these rates and the federal statutory rate of 34% is primarily due to the double taxation on ICTC's earnings since they are not included in CIBL's consolidated tax returns, the effect of state income taxes, and a dividend receive deduction on the distributions from the RSA's.

Non-controlling interests in 2016 of $91,000 and $94,000 in 2015 and predominantly represent the share of ICTC's earnings that are attributable to the ICTC shares that are not owned by CIBL.

As a result of the above, CIBL recorded a net loss of $23,000 for the three months ended June 30, 2016 as compared to net loss of $20,000 in the for the three months ended June 30, 2015.

Six Months Ended June 30, 2016 and 2015

The Company recorded $2,042,000 in consolidated revenues in the second quarter of 2016 as compared to $2,074,000 in the second quarter of 2015. All consolidated revenues were the result of CIBL's consolidation of ICTC. Regulated revenues grew were down by $4,000 and non-regulated revenues decreased by $28,000 due to a promotional free month of internet service in January 2016 and a decrease in facility lease revenue due to rate reductions on some circuits provided to the State of North Dakota.

Consolidated operating costs and expenses of $2,130,000 in the first half of 2016 consisted of $237,000 of corporate office expense at CIBL and $1,893,000 of costs and expenses associated with ICTC. Comparable amounts for the first half of 2015 were $2,125,000, $214,000, and $1,911,000 respectively.

Accordingly, ICTC results contributed $149,000 to CIBL's consolidated operating profit in the first half of 2016 as compared to $163,000 in 2015, and CIBL incurred an operating loss of $237,000, as compared to an operating loss of $214,000 in the 2015 period.

Investment income of $269,000 for the six months ended June 30, 2016 and $156,000 for the six months ended June 30, 2015. Investment income is primarily the cash distributions from ICTC's minority ownership in two wireless telecommunications and data operations in eastern North Dakota (North Dakota RSAs # 3 and # 5), $213,000 in 2016 and $139,000 in 2015. Of note, the 2016 distributions include an extra quarterly distribution as it includes distributions that were previously made in the fourth quarter of the previous year. The remaining investment income is interest from United States Treasury Bills.

Equity in earnings of affiliates was $192,000 for the six months ended June 30, 2016 and represents ICTC's minority ownership in Dakota Carrier Network, LLC ("DCN"). The amount was $188,000 in 2015.

Interest expense was $45,000 for the six months ended June 30, 2016, and $67,000 for the six months ended June 30, 2015, and represents interest on ICTC's long term debt. The interest rates on certain of ICTC's subordinated notes were lowered in July 2015.

The Company's effective tax rates for 2016 and 2015 were 42.5% and 46.2%, respectively. The difference between these rates and the federal statutory rate of 34% is primarily due to the double taxation on ICTC's earnings since they are not included in CIBL's consolidated tax returns, the effect of state income taxes, and a dividend receive deduction on the distributions from the RSA's.

Non-controlling interests in 2016 of $213,000 and $173,000 in 2015 and predominantly represent the share of ICTC's earnings that are attributable to the ICTC shares that are not owned by CIBL.

As a result of the above, CIBL recorded a net loss of $24,000 for the six months ended June 30, 2016 as compared to net loss of $51,000 in the for the six months ended June 30, 2015.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital

As of June 30, 2016, CIBL had $22,647,000 in cash, cash equivalents and short-term investments and ICTC had $3,060,000.

CIBL's current assets of $22,914,000 exceed current liabilities, of $164,000, by $22,750,000. ICTC's current assets of $4,094,000 exceed current liabilities, of $508,000, by $3,586,000.

Debt

ICTC has subordinated notes payable of $2,072,000 outstanding, with an interest rate of 3.4%, payable quarterly, and a maturity of December 31, 2022. The notes may be prepaid at any time without penalty.

Also, ICTC currently has a loan of $659,000 as part of the Broadband Initiatives Program which is due in monthly payments of principal and interest over 22 years at an average interest rate of 3.02%. Principal payments over the next five years are approximately $29,000 per year.

Investment in ICTC Group Inc.

In November 2012, CIBL acquired 80,000 authorized but previously unissued shares of Class A Common Stock of ICTC, for $22 per share. On December 26, 2012, the Company completed a tender offer to ICTC shareholders in which it acquired an additional 81,552 shares for $22.25 per share. Including related transaction costs, this resulted in a $3,651,000 investment. Since that time, the Company purchased an additional 2,804 of ICTC at an average price of $24.76 per share.

The Board of Directors of ICTC authorized the purchase of 60,000 of shares of its Class A Common Stock. Through June 30, 2016, 22,655 shares of been repurchased at an average price of $19.82 per share. 1,158 shares were purchased during the six months ended June 30, 2016 at a price of $22.04 per share.

Share Repurchases and Distributions

CIBL's Board of Directors authorized the purchase of up to 5,300 shares of its common stock. Through June 30, 2016, the Company has acquired 3,417 shares of its common stock at an average price of $1,175. During the six months ended June 30, 2016, it acquired 773 shares at an average price of $1,263. Accordingly, 2,907 shares remain to be repurchased under the program.

In addition to its repurchase programs, the Company has conducted two tender offers for its shares. In December 2012, it completed a modified "Dutch Auction" tender offer and purchased 2,460 shares at an average investment, including transaction costs, of $896 per share. In January 2014, the Company completed another modified "Dutch Auction" tender offer and purchased 2,286 shares at an investment, including transaction costs, of $1,320 per share.

Since its spin-off from LICT Corporation in 2007, the Company has paid cumulative cash distributions to its shareholders of $4,264,000, or $170 per share and purchased a total of 8,014 of shares back for a total $9,040,000, or $1,128 per share.

Strategic Options

As of June 31, 2016, the Company had $22,647,000 of cash, cash equivalents, short-term investments.

On June 16, 2013 the Company announced that its Board of Directors had authorized the creation of a Special Purpose Acquisition Corporation ("SPAC") by CIBL. To this end, on August 7, 2015, PMV was formed by Nevada PMV as a SPAC for the purpose of effecting a merger, capital stock exchange, assert acquisition, stock purchase, reorganization or similar business combination involving PMV and one or more businesses. It is anticipated that this SPAC would seek an acquisition candidate from a broad range of industries, company sizes and geographies.

The Board of Directors is considering a number of possible options with regard to the future activities of the Company, including but not limited to:

- Acquiring a company or business in a related or unrelated industry, including additional shares of ICTC;
- Maximizing short and long term returns on its portfolio of liquid assets through alternative investments;
- Reacquiring CIBL's outstanding common shares, through open market purchases or another "Dutch Auction" tender offer;
- Making a cash distribution to CIBL shareholders; or
- Selling CIBL's remaining assets and liquidating the Company.

Among the factors being considered by the Board of Directors in determining the best way to serve shareholders' interests are:

- The current and future federal and state income tax effects of the various alternatives;
- The timing of the cash flow implications;
- The availability and attractiveness of potential acquisition candidates;
- The value of CIBL's remaining assets; and
- Any other factor that could help to maximize shareholder value.