

CIBL, Inc. and Subsidiaries
Financial Report to Shareholders
March 31, 2016

CIBL, Inc. and Subsidiaries
Condensed Consolidated Financial Statements
March 31, 2016

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

	March 31, 2016	Dec. 31, 2015	March 31, 2015
Assets			
Current Assets			
Cash and cash equivalents	\$6,204	\$6,701	\$27,288
Short term investments	19,986	19,986	--
Accounts receivable, net of allowance of \$4	452	576	366
Amounts due from sale of broadcasting interests	--	--	13
Amounts due under Stimulus Broadband Program	--	--	247
Deferred income taxes	93	93	87
Prepaid income tax	230	294	273
Other current assets	440	465	185
Total Current Assets	27,405	28,115	28,459
Telecommunications, plant and equipment, net	6,729	6,786	6,519
Goodwill	1,772	1,772	1,772
Note receivable due from an affiliate	--	--	109
Investments in equity method affiliated entities	1,959	1,854	1,732
Other investments, at cost	558	445	348
Deferred offering costs	196	196	--
	\$38,619	\$39,168	\$38,939
Liabilities and Equity			
Current Liabilities			
Accounts payable and accrued expenses	\$222	\$215	\$262
Income tax payable	192	127	75
Other current liabilities	352	332	331
Current maturities of long-term debt	27	26	18
Total Current Liabilities	793	700	686
Long-term debt	2,711	2,719	2,635
Deferred income taxes	2,873	2,834	2,695
Construction deposit	32	32	32
Total Liabilities	6,409	6,285	6,048
Equity			
Common stock, par value \$.01, 30,000 shares authorized; 25,115 issued; 17,101; 17,725; and 17,977 outstanding	--	--	--
Contributed capital	3,110	3,111	3,116
Retained earnings	32,914	32,915	32,879
Treasury stock, 8,014; 7,390; and 7,138 shares at cost	(9,040)	(8,258)	(7,924)
Total CIBL, Inc.'s Stockholders' Equity	26,984	27,768	28,071
Non-controlling interests	5,226	5,115	4,820
Total Equity	32,210	32,883	32,891
	\$38,619	\$39,168	\$38,939

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 March 31,	
	2016	2015
Revenues		
Broadband data/communications	\$973	\$959
Total Revenues	973	959
Costs and Expenses		
Cost of operating revenue, excluding depreciation	423	463
General and administrative costs of operations	182	161
Management fees	56	63
Corporate office expense at ICTC	51	47
Corporate office expense at CIBL	79	66
Depreciation	227	212
Total Costs and Expenses	1,018	1,012
Operating Profit(Loss)	(45)	(53)
Other Income (Expense)		
Investment income	159	80
Interest expense	(23)	(35)
Equity in earnings of affiliated entities	104	95
Total Other Income, Net	240	140
Net Income Before Income Taxes	195	87
Income tax expense	(74)	(39)
Net Income	121	48
Non-controlling interests	(122)	(79)
Net Loss Attributable to CIBL, Inc.'s Stockholders	(\$1)	(\$31)
Basic and diluted weighted average shares outstanding	17,332	18,026
Net income per share	\$6.97	\$2.65
Net loss per share attributable to CIBL	(\$0.04)	(\$1.72)

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						Non- Controlling Interests	Total Equity
	Common Shares Outstanding	Common Stock	Contributed Capital	Retained Earnings	Treasury Shares	Total		
Balance at December 31, 2015	17,725	\$--	\$3,111	\$32,915	(\$8,258)	\$27,768	\$5,115	\$32,883
Net income (loss)	--	--	--	(1)	--	(1)	122	121
Consolidation of ICTC Group, Inc.	--	--	(1)	--	--	(1)	(9)	(10)
Purchase of treasury stock	(380)	--	--	--	(782)	(782)	--	(782)
Other	--	--	--	--	--	--	(2)	(2)
Balance at March 31, 2016	<u>17,345</u>	<u>\$--</u>	<u>\$3,110</u>	<u>\$32,914</u>	<u>(\$9,040)</u>	<u>\$26,984</u>	<u>\$5,226</u>	<u>\$32,210</u>

See notes to condensed consolidated financial statements

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

	Three Months Ended March 31,	
	2016	2015
Cash Flows Provided By Operating Activities		
Net loss attributable to CIBL, Inc.'s stockholders	(\$1)	(\$31)
Non-controlling interests	122	79
Net income	121	48
Adjustments to reconcile net income to net cash from operating activities		
Equity in earnings of affiliated entities	(104)	(95)
Distributions from affiliated entities	--	161
Depreciation	227	212
Deferred income taxes	29	1
Interest income (in-kind)	--	(1)
Management fees (in-kind)	--	38
Unrealized gain on investments	(14)	(2)
Changes in operating assets and liabilities:		
Accounts receivable	124	154
Other current assets	25	32
Accounts payable and accrued expenses	7	15
Income tax payable/prepaid income tax	129	(61)
Other current liabilities	20	(6)
Net Cash Provided By Operating Activities	574	494
Cash Flows Provided By Investing Activities		
Capital spending	(171)	(142)
Funds recovered under BIP grant program	--	234
Purchase of United States Treasury Bills	(9,985)	--
Redemption of United States Treasury Bills	10,000	--
Purchase of marketable securities	(117)	--
Acquisition of ICTC Group, Inc. Shares	(9)	(5)
Net Cash Provided By Investing Activities	(282)	87
Cash Flows Used In Financing Activities		
Purchase of treasury stock	(782)	(174)
Principal payments on loan term debt	(7)	(5)
Advances under BIP Loan	--	103
Net Cash Used In Financing Activities	(789)	(76)
Net Change in Cash and Cash Equivalents	(497)	505
Cash and Cash Equivalents		
Beginning of year	6,701	26,783
End of year	\$6,204	\$27,288
Supplemental Cash Flow Information		
Cash paid for (recovered from) income taxes	(\$94)	\$98
Cash paid for interest	\$23	\$35

See notes to condensed consolidated financial statements

CIBL, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
March 31, 2016
(In Thousands)

1. Organization

CIBL, Inc. (the "Company" or "CIBL") currently holds an investment in a broadband data transport/communications company. At March 31, 2016, the Company holds a 43.54% 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 55.51% 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 March 31, 2016 and December 31, 2015, CIBL owned 76.21% of Nevada PMV and Nevada PMV owned 97.10% of PMV. The remaining interests 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.

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Notes to Condensed Consolidated Financial Statements
March 31, 2016
(In Thousands)

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, 2014. 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 nine month period ended September 30, 2015 are not necessarily indicative of the results that may be expected for the year ending December 31, 2015. 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

CIBL, Inc. and Subsidiaries
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(In Thousands)

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 March 31, 2016, December 31, 2015 and March 31, 2014 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 March 31, 2016, December 31, 2015, and March 31, 2014 was approximately \$160. During the three periods ended March 31, 2015, ICTC received combined distributions from these investments of \$138 and \$75, 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 March 31, 2016, December 31, 2015, and March 31, 2014 of \$210, \$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.

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(In Thousands)

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

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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 month periods ended March 31, 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 May 12, 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 382,538. In total, the Company paid \$3,769 or \$22.63 per share for its shares.

CIBL, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
March 31, 2016
(In Thousands)

4. Equity Method Investment in DCN

Summarized financial information for the investment in DCN as of and for the three months ended March 31, 2016 and 2015 is as follows:

	<u>2016</u>	<u>2015</u>
Current assets	\$6,060	\$5,186
Property, plant and equipment, net	51,080	45,616
Other assets	594	127
Total Assets	<u>\$57,734</u>	<u>\$50,929</u>
Current liabilities	\$671	\$463
Equity	57,063	50,466
Total liabilities and equity	<u>\$57,734</u>	<u>\$50,929</u>
 <u>Three Months Ended</u>		
Revenues	\$11,470	\$10,928
Expenses	\$8,428	\$8,303
Net Income	\$3,042	\$2,767

ICTC recognized equity earnings from DCN of \$104 and \$65 during the three months ended March 31, 2016 and 2015, respectively. ICTC received distributions from DCN of \$0 and \$161 the three month periods ended March 31, 2016 and March 31, 2015, respectively.

6. Telecommunications, Plant and Equipment

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

	<u>Mar. 31</u> 2015	<u>Dec. 31</u> 2015	<u>Mar. 31</u> 2015	<u>Depreciation</u> Rate
Land and support assets	\$2,476	\$2,490	\$2,251	2.9%-20.0%
Central office switching equipment	5,057	4,941	5,061	6.67%-20.0%
Cable and wire facilities	15,167	15,165	14,744	3.9%-6.67%
Internet equipment	322	322	321	15.0%
Total in service	<u>23,022</u>	<u>22,918</u>	<u>22,377</u>	
Under construction	116	97	82	
	23,138	23,015	23,459	
Accumulated depreciation	<u>16,409</u>	<u>16,229</u>	<u>15,940</u>	
	<u>\$6,729</u>	<u>\$6,786</u>	<u>\$6,630</u>	

7. Note Receivable

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

CIBL, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
March 31, 2016
(In Thousands)

service fees and expenses owed by CIBL to LICT are offset against the note on a periodic basis. As of March 31 2015, there was a \$109 outstanding on the note receivable. During the three month period ended March 31, 2015 management fees of \$38 was offset against the note by LICT (see Note 11). In addition, interest accrued on the note was \$1 three months ended March 31, 2015.

8. Long-Term Debt

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

	Mar. 31 2016	Dec. 31 2015	Mar. 31 2015
RUS Broadband Loan	\$666	\$673	\$581
Subordinated notes	2,072	2,072	2,072
	2,738	2,745	2,653
Less current maturities	(27)	(26)	(18)
	\$2,711	\$2,719	\$2,635

ICTC has subordinated notes with former shareholders of Inter-Community for \$2,072 as of September 30, 2015. 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. During the three months ended March 31, 2015, ICTC has received \$103 in broadband loan payments and \$234 in grant funds as final payments relating to the project.

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 3,268 shares of its common stock at an average price of \$1,169 per share. During the three months ended March 31, 2016, CIBL acquired 624 shares at an average price \$1,253 per share. At March 31, 2016, 3,056 shares are remaining under the Board authorized share repurchase program.

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March 31, 2016
(In Thousands)

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 three month periods ended March 31, 2016 and 2015 of \$56 and \$63, respectively.

At March 31, 2016, December 31, 2015 and March 31, 2015, cash and short-term investments of \$4,239, \$5,069 and \$25,860, 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**

March 31, 2016

CIBL, Inc. and Subsidiaries
Consolidating Balance Sheets
March 31, 2016
(In Thousands)

	CIBL Inc. Consolidated Excluding ICTC Group, Inc.	ICTC Group, Inc. Consolidated	Eliminations	Consolidated
Assets				
Current Assets				
Cash and cash equivalents	\$2,977	\$3227	\$--	\$6,204
Short-term investments	19,986	--	--	19,986
Accounts receivable, net of allowance of \$4	--	452	--	452
Deferred income taxes	--	93	--	93
Prepaid income taxes	230	--	--	230
Other current assets	17	423	--	440
Total Current Assets	23,210	4,195	--	27,405
Telecommunications, plant and equipment, net	2	6,727	--	6,729
Goodwill	--	1,772	--	1,772
Investments in equity method affiliated entities	4,779	1,959	(4,779)	1,959
Other investments, at cost	100	458	--	558
Deferred offering costs	196	--	--	193
Total Assets	\$28,287	\$15,111	(\$4,779)	\$38,619

CIBL, Inc. and Subsidiaries
Consolidating Balance Sheets – Continued
March 31, 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	\$167	\$55	\$--	\$222
Income tax payable	--	192	--	192
Other current liabilities	--	352	--	352
Current maturities of long-term debt	--	27	--	27
Total Current Liabilities	167	626	--	626
Long-term debt	--	2,711	--	2,711
Deferred income taxes	379	2,494	--	2,873
Construction deposit	--	32	--	32
Total Liabilities	546	5,863	--	6,409
Equity				
Common stock, par value \$.01, 30,000 shares authorized; 25,115 issued; and 17,101 outstanding	--	--	--	--
Contributed capital	3,862	1,760	(2,512)	3,110
Retained earnings	32,914	7,920	(7,220)	32,914
Treasury stock, 8,014 shares at cost	(9,040)	(432)	432	(9,040)
Total CIBL, Inc.'s Stockholders' Equity	27,736	9,248	(10,000)	26,984
Non-controlling interest	5	--	5,221	5,226
Total Equity	27,741	9,248	(4,779)	32,210
Total Liabilities and Equity	\$28,287	\$15,111	(\$4,779)	\$38,619

CIBL, Inc. and Subsidiaries
Consolidating Statement of Operations
Three Months Ended March 31, 2016
(In Thousands)

	CIBL Inc.	ICTC Group, Inc. Consolidated	Eliminations	Consolidated
Revenue				
Broadband data/communications	\$--	\$973	--	\$1,115
Total Revenue	--	973	--	1,115
Costs and Expenses				
Cost of operating revenue, excluding depreciation	--	423	--	483
General and administrative costs of operations	--	182	--	182
Management fee	31	25	--	56
Corporate office expense at ICTC	--	51	--	51
Corporate office expense at CIBL	79	--	--	68
Depreciation	--	227	--	227
Total Operating Expenses	110	908	--	1,018
Operating Income (Loss)	(110)	65	-	(45)
Other Income (Expense)				
Investment income	17	142	--	159
Interest expense	--	(23)	--	(23)
Equity in earnings of affiliated entities	95	104	(95)	104
Total Other Income (Expense)	112	223	(95)	240
Net Income (Loss) Before Income Taxes	2	288	(95)	195
Income tax benefit (expense)	(4)	(70)	--	(74)
Net Income (Loss)	(2)	218	(95)	121
Non-controlling interests	1	--	(123)	(122)
Net Income (Loss) Attributable to CIBL, Inc.'s Stockholders	(\$1)	\$218	(\$218)	(\$1)

CIBL, Inc. and Subsidiaries
Consolidating Statements of Cash Flows
Nine Months Ended March 31, 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	(\$1)	\$218	(\$306)	(\$47)
Non-controlling interests	(1)	--	175	79
Net income (loss)	(2)	218	(131)	128
Adjustments to reconcile net income to net cash from operating activities:				
Equity in earnings of affiliated entities	(95)	(104)	131	(188)
Depreciation	--	227	--	431
Deferred income taxes	29	--	--	27
Unrealized gains on investments	(15)	1	--	(2)
Changes in operating assets and liabilities:				
Accounts receivable	25	99	--	124
Other current assets	8	17	--	25
Accounts payable and accrued expenses	35	(28)	--	7
Income tax payable/prepaid income tax	64	65	--	129
Other liabilities	--	20	--	20
Net Cash Provided By Operating Activities	59	515	--	574

CIBL, Inc. and Subsidiaries
Consolidating Statements of Cash Flows - Continued
Three Months Ended March 31, 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	--	(171)	--	(171)
Purchase of United States Treasury Bills	(9,985)	--	--	(9,985)
Redemption of United States Treasury Bills	10,000	--	--	10,000
Purchase of marketable securities	--	(117)	--	(117)
Acquisition of shares in ICTC Group, Inc.	--	--	(9)	(9)
Net Cash Provided By (Used In) Investing Activities	<u>15</u>	<u>(288)</u>	<u>(9)</u>	<u>(282)</u>
Cash Flows Provided By (Used In)				
Financing Activities				
Purchase of treasury stock	(782)	(9)	9	(782)
Principal payments of long-term debt	--	(7)	--	(5)
Net Cash Provided By (Used In) Financing Activities	<u>(782)</u>	<u>(16)</u>	<u>9</u>	<u>(789)</u>
Net Change in Cash and Cash Equivalents	(708)	211	--	(497)
Cash and Cash Equivalents				
Beginning of year	<u>3,685</u>	<u>3,016</u>	<u>--</u>	<u>6,701</u>
End of year	<u>\$2,977</u>	<u>\$3,227</u>	<u>\$--</u>	<u>\$6,204</u>
Supplemental Cash Flow Information				
Cash paid for (recovered from) income taxes	(\$99)	\$5	\$--	(\$94)
Cash paid for interest	\$--	\$23	\$--	\$23

CIBL, Inc. and Subsidiaries

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

September 30, 2015

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

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 54.77% 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 March 31, 2016 and 2015

The Company recorded \$973,000 in consolidated revenues in the first quarter of 2016 as compared to \$959,000 in the first quarter of 2015. All consolidated revenues were the result of CIBL's consolidation of ICTC. Regulated revenues grew by \$50,000 due to increased Universal Service Fund revenue related to modifications of our switching facilities and non-regulated revenues decreased by \$36,000 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 \$1,018,000 in the first quarter of 2016 consisted of \$110,000 of corporate office expense at CIBL, as compared to \$104,000 in 2015, and \$908,000 of costs and expenses associated with ICTC. Comparable amounts for the three months ended March 31, 2015 were \$1,012,000, \$104,000, and \$908,000 respectively.

Accordingly, ICTC results contributed \$65,000 to CIBL's consolidated operating profit in the first quarter of 2016 as compared to \$51,000 in 2015, and CIBL incurred an operating loss of \$110,000, as compared to an operating loss of \$104,000 in the 2015 period.

Investment income of \$159,000 for the three months ended March 31, 2016 and \$80,000 for the three months ended March 31, 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), \$142,000 in 2016 and \$79,000 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 \$104,000 for the three months ended March 31, 2016 and represents ICTC's minority ownership in Dakota Carrier Network, LLC ("DCN"). The amount was \$95,000 in 2015.

Interest expense was \$23,000 for the three months ended March 31, 2016, and \$35,000 for the three months ended March 31, 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 38.0% and 44.8%, 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 2015 of \$122,000 and \$79,000 in 2014 and predominately 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 \$1,000 for the three months ended March 31, 2016 as compared to net loss of \$31,000 in the for the three months ended March 31, 2015.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital

As of March 31, 2016, CIBL had \$22,963,000 in cash, cash equivalents and short-term investments and ICTC had \$3,227,000.

CIBL's current assets of \$23,210,000 exceed current liabilities, of \$167,000, by \$23,043,000. ICTC's current assets of \$4,195,000 exceed current liabilities, of \$627,000, by \$3,568,000.

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 \$666,000 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 March 31, 2016, 21,888 shares of been repurchased at an average price of \$19.75 per share. 391 shares were purchased during the three months ended March 31, 2016 at a price of \$22.10 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 March 31, 2016, the Company has acquired 3,268 shares of its common stock at an average price of \$1,168. During the three months ended March 31, 2016, it acquired 624 shares at an average price of \$1,253. Accordingly, 3,056 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 March 31, 2016, the Company had \$22,963,000 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, asset 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.