MANAGEMENT'S DISCUSSION 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

Overview

CIBL Inc.'s (the "Company" or "CIBL") results of operations through the operating loss line include management fee revenues received from the Company's television broadcasting operations for contractual management services and management fee expense that CIBL pays to LICT Corporation under a contractual management agreement. On May 21, 2010, the Company closed on the sale of Giant, a cable television provider in northeast Kansas, to Giant Communications, Inc. a Competitive Local Exchange Carrier ("CLEC") located in Holton, Kansas. CIBL received $2.1 million in cash for Giant, which represents approximately $80/share for each share of CIBL's common stock currently outstanding. The ultimate parent entity of Giant Communications, Inc. is LICT, the company from which CIBL was originally spun off from in November 2007. The operations of Giant before the sale have been presented as part of discontinued operations in 2010.

The majority of the Company's earnings come from its less-than-50%-owned investments in operating cellular telephone providers which are reflected in "Equity in earnings of affiliated entities."

Through a wholly-owned subsidiary, CIBL owns a 51% limited partnership interest in Wescel Cellular of New Mexico LP ("Wescel Cellular"). Wescel Cellular owns a 33% limited partnership interest in New Mexico RSA #5 Limited Partnership and a 25% limited partnership interest in New Mexico RSA #3 Limited Partnership. Through a wholly-owned subsidiary, the Company owns an additional 8.33% limited partnership interest in New Mexico RSA #3. Because of its 51% ownership, the Company consolidates the results of Wescel Cellular. Accordingly, in the Consolidated Statements of Income, the equity in earnings of affiliated entities includes the full Wescel Cellular share of the earnings of New Mexico RSA # 5 and New Mexico # 3, of 33% and 25% respectively. The earnings associated with the 49% interest of Wescel Cellular that the Company does not own are classified as Noncontrolling Interests. Verizon Wireless is the general partner and operator of both New Mexico RSA # 5 and New Mexico RSA # 3, and all services are sold as Verizon Wireless.

Third Quarter 2011 compared to 2010

Revenues and expenses are primarily contractual management fee arrangements that remain constant in the quarters of both years. Due to a variance in other operating expenses, the Company's operating loss decreased by $9,000, from a loss of $72,000 in 2010 to a loss of $63,000 in 2011.

Equity in earnings of affiliates increased by $279,000, or 20.2%, from $1,381,000 in 2010 to $1,660,000 in 2011. The increase was due to a $268,000 increase in earnings from the Company's investments in its cellular interests. Both New Mexico RSA #3 and New Mexico RSA #5 recorded increased numbers of subscribers and revenues during 2011. In addition, the Company's share of the income of Coronet was $7,000 in the 2011 period compared to a loss of $4,000 in 2010. CIBL does not record the equity in the cumulative losses of Capital, because the investment in Capital has previously been written down to zero and the Company has no legal obligation to fund such losses.

Investment income was $11,000 in 2011 compared to $14,000 in 2010.

The Company's effective tax rates for the third quarters of 2011 and 2010 were 22.0% and 21.8%, respectively. The difference between these rates and the federal statutory rate of 34% is primarily due to state income taxes and the income attributable to non-controlling interest, which is not included in CIBL's tax returns.

Noncontrolling interests increased by $117,000 from $591,000 in 2010 to $708,000 in 2011 due to the aforementioned increase in earnings in New Mexico RSA #3 and New Mexico RSA #5.

As a result of the above, net income attributable to CIBL increased by $103,000, or 23.3%, to $546,000 in 2011.

Nine months 2011 compared to 2010

Revenues and expenses are primarily contractual management fee arrangements that remain constant in the quarters of both years. Due to a variance in other operating expenses, the Company's operating loss decreased by $29,000, from a loss of $217,000 in 2010 to a loss of $188,000 in 2011.

Equity in earnings of affiliates increased by $1,536,000, or 42.3%, from $3,633,000 in 2010 to $5,169,000 in 2011. The increase was due to a $1,493,000 increase in earnings from the Company's investments in its cellular interests. Both New Mexico RSA #3 and New Mexico RSA #5 recorded increased numbers of subscribers and revenues during 2011, and in 2010, costs incurred in connection with the acquisition of the Alltel properties at RSA #3, resulted in lower earnings. In addition, the Company's share of the income of Coronet was $77,000 in the 2011 period compared to $34,000 in 2010. CIBL does not record the equity in the cumulative losses of Capital, because the investment in Capital has previously been written down to zero and the Company has no legal obligation to fund such losses.

Investment income was $49,000 in 2011 compared to $56,000 in 2010.

The Company's effective tax rates for the six months of 2011 and 2010 were 22.2% and 21.8%, respectively. The difference between these rates and the federal statutory rate of 34% is primarily due to state income taxes and the income attributable to non-controlling interest, which is not included in CIBL's tax returns.

The operations of Giant LLC, prior to its sale in May 2010, are included in discontinued operations, and include an operating loss of $64,000 and a $378,000 loss on sale.

Noncontrolling interests increased by $627,000 from $1,547,000 in 2010 to $2,174,000 in 2011 due to the aforementioned increase in earnings in New Mexico RSA #3 and New Mexico RSA #5.

As a result of the above, net income attributable to CIBL increased by $1,013,000, or over 100%, to $1,738,000 in 2011.

LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2011, the Company has $1,466,000 in cash. Current assets of $1,692,000 exceed current liabilities of $42,000, by $1,650,000.

CIBL liquidity and on-going cash flow is heavily dependent on the cash distributions from New Mexico RSA #5 and New Mexico RSA #3. The Company's net cash distributions received, net of payments to the noncontrolling partner of Wescel Cellular (Verizon Wireless), were $1,920,000 in the nine months of

2011 and $935,000 in 2010. In addition, the Company received broadcast management fees of $85,000 in both 2011 and 2010. Purchases of property and equipment by the Discontinued Operations were $95,000 in 2010, prior to the sale.

The Company believes that New Mexico RSA #5 and New Mexico RSA #3 will continue to generate cash distributions at levels adequate to fund the Company's on-going cash needs. While management expects to obtain adequate financing resources to enable the Company to meet its obligations, there cannot be complete assurance that such can be obtained readily or at reasonable costs.

The Company's Board of Directors has authorized the purchase of up to 500 shares of the Company's common stock. In the nine months ended September 30, 2011, 85 shares have been purchased for an average investment of $605 per share.

The Company has received, and is reviewing an expression of interest in certain of its remaining telecommunications properties at values in excess of the current trading price for CIBL stock. There can be no assurance that this expression of interest will result in a transaction of any sort, and the Company cannot predict the outcome, timing or any other element of this matter. However, it is possible that the result could be financially significant for the Company.

CIBL has no debt at the current time but a wholly-owned subsidiary of the Company has guaranteed $3.5 million of Coronet's debt, which debt comes due on June 15, 2016.