CIBL Inc.
165 West Liberty Street, Suite 210
Reno, NV 89501
(775) 329-8555

To our shareholders:

Attached please find the CIBL Inc. ("CIBL") Financial Statements for the Quarter Ending March 31, 2018. The statements have been prepared under generally accepted accounting standards and consolidate the operating results of ICTC Group Inc. ("ICTC"). CIBL owns 43% of ICTC's outstanding shares.

On an unconsolidated, market value basis, CIBL's assets and liabilities at March 31, 2018 consisted of:

- Cash, United States Treasury investments, and an investment merger/arbitrage fund of $22.1 million, or $1,328 per share. At March 31, 2018, CIBL had 16,635 common shares outstanding.

- 166,566 common shares of ICTC. ICTC shares trade on OTC Pink®: ICTG. On April 3, 2018 (the date closest to March 31, 2018 in which ICTC's shares traded), ICTC shares traded at $60.00 per share which would value the ICTC shares owned be CIBL at $10.0 million, or $601 per CIBL share. Of note, CIBL's tax basis in the ICTC shares is $3.9 million.

- 10,000 shares in Solix, Inc., a private outsourcing firm that provides, among other services, billing and collection services to the telecommunications industry.

- A deferred tax liability of $0.7 million which primarily reflects a potential future tax liability on CIBL's share of ICTC's earnings since CIBL's acquisition of the ICTC shares in 2012.

- Current assets, other than cash and equivalents, were $87,000 and current liabilities were $98,000.

CIBL's shares trade on OTC Pink®: CIBY.
If you have any comments or questions, please contact us at the above or e-mail us at: office@ciblinc.com, or visit us on our website: ciblinc.com.

CIBL, Inc.
June 2018

CIBL, Inc. and Subsidiaries

Financial Report to Shareholders

March 31, 2018

CIBL, Inc. and Subsidiaries

Condensed Consolidated Financial Statements

March 31, 2018

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

	March 31, 2018	Dec. 31, 2017	March 31, 2017
Assets			
Current Assets			
Cash and cash equivalents	$26,327	$25,525	$16,208
Short term investments	--	--	7,991
Accounts receivable, net of allowance of $4	496	512	498
Prepaid income tax	71	48	294
Deferred income taxes	48	358	75
Other current assets	558	268	524
Total Current Assets	27,500	26,711	25,590
Telecommunications, plant and equipment, net	6,365	6,557	6,426
Goodwill	1,772	1,772	1,772
Investments in equity method affiliated entities	3,627	3,572	3,530
Other investments, at cost	1,642	1,716	1,140
Total Assets	$40,906	$40,328	$38,458
Liabilities and Equity			
Current Liabilities			
Accounts payable and accrued expenses	$220	$111	$149
Income tax payable	484	346	186
Other current liabilities	295	345	335
Current maturities of long-term debt	28	28	27
Total Current Liabilities	1,027	830	697
Long-term debt	2,655	2,662	2,684
Deferred income taxes	2,551	2,520	3,099
Total Liabilities	6,233	6,012	6,480
Equity			
Common stock, par value $.01, 30,000 shares authorized; 25,115 issued; 16,635.38; 16,635.38; and 16,692.38 outstanding	--	--	--
Contributed capital	3,108	3,108	3,093
Accumulated other comprehensive income	--	133	34
Retained earnings	33,787	33,554	32,782
Treasury stock, 8,479.62; 8,479.62; and 8,422.62 shares at cost	(9,659)	(9,659)	(9,582)
Total CIBL, Inc.'s Stockholders' Equity	27,236	27,136	26,327
Non-controlling interests	7,437	7,180	5,651
Total Equity	34,673	34,316	31,978
Total Liabilities and Equity	$40,906	$40,328	$38,458

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,	
	2018	2017
Revenues		
Broadband data/communications	$1,447	$1,365
Total Revenues	1,447	1,365
Costs and Expenses		
Cost of operating revenue, excluding depreciation	481	487
General and administrative costs of operations	200	182
Management fees	56	56
Corporate office expense at ICTC	111	64
Corporate office expense at CIBL	51	62
Depreciation	262	252
Total Costs and Expenses	1,161	1,103
Operating Profit(Loss)	286	262
Other Income (Expense)		
Investment income	262	128
Interest expense	(22)	(22)
Equity in earnings of affiliated entities	55	137
Other	(72)	21
Total Other Income, Net	223	264
Net Income (Loss) Before Income Taxes	509	526
Income tax expense	(153)	(230)
Net Income (Loss)	356	296
Non-controlling interests	(257)	(212)
Net Income (Loss) Attributable to CIBL, Inc.'s Stockholders	$99	$84
Basic and diluted weighted average shares outstanding	16,635	16,786
Net income (loss) per share	$21.47	$17.64
Net income (loss) per share attributable to CIBL	$5.98	$5.02

See notes to condensed consolidated financial statements.

CIBL, Inc. and Subsidiaries

Condensed Consolidated Statements of Changes in Equity

(In Thousands, except common shares data)

	Three Months Ended March 31, 2018								
	Common Shares Outstanding	Common Stock	Contributed Capital	Accumulated Other Comprehensive Income	Retained Earnings	Treasury Shares	Total	Non-Controlling Interests	Equity
Balance at December 31, 2017	16,634.38	$--	$3,108	$133	$33,555	($9,659)	$27,137	$7,180	$34,317
Net income	--	--	--	--	99	--	99	257	356
Reclassification of Accumulated Other Comprehensive income	--	--	--	(133)	133	--	--	--	--
Balance at March 31, 2018	16,634.38	$--	$3,108	$--	$33,787	($9,659)	$27,236	$7,437	$34,673

See notes to condensed consolidated financial statements.

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

	Three Months Ended March 31,	
	2018	2017
Cash Flows Provided By Operating Activities		
Net income (loss) attributable to CIBL, Inc.'s stockholders	$99	$84
Non-controlling interests	257	212
Net income	356	296
Adjustments to reconcile net income to net cash from operating activities:		
Equity in earnings of affiliated entities	(55)	(137)
Depreciation	262	252
Shares issued in lieu of cash compensation	--	24
Deferred income taxes	31	73
Unrealized losses(gains) on investments	72	(10)
Changes in operating assets and liabilities:		
Accounts receivable	16	(56)
Other current assets	(202)	(52)
Accounts payable and accrued expenses	109	(107)
Income tax payable/prepaid income tax	336	288
Other current liabilities	(49)	38
Net Cash Provided By Operating Activities	876	609
Cash Flows Provided By Investing Activities		
Capital spending	(70)	(63)
Purchase of United States Treasury Bills	--	(2,991)
Redemption of United States Treasury Bills	--	6,000
Purchase of marketable securities	--	(160)
Proceeds from sale of marketable securities	3	--
Acquisition of ICTC Group, Inc. Shares	--	(64)
Net Cash Provided By (Used In) Investing Activities	(67)	2,722
Cash Flows Used In Financing Activities		
Purchase of treasury stock	--	(189)
Principal payments on loan term debt	(7)	(7)
Net Cash Used in Financing Activities	(7)	(196)
Net Change In Cash And Cash Equivalents	802	3,135
Cash and Cash Equivalents		
Beginning of year	25,525	13,073
End of period	$26,327	$16,208
Supplemental Cash Flow Information		
Net cash paid for (refunds received) for income taxes	($131)	($94)
Cash paid for interest	$22	$23

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 March 31, 2018, the Company holds a 43.7% 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 55.8% 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 in 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) and is accounted for in accordance with the equity method.

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 included in the Company's annual report for the year ended December 31, 2017. 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-month period ended March 31, 2018 are not necessarily indicative of the results that may be expected for the year ending December 31, 2018. 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.

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, 2018, December 31, 2017, and March 31, 2017 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

(In Thousands)

Service Area ("RSA") 3 and RSA 5 in North Dakota. ICTC's interests in these RSA partnerships amount to 1.33% and 1.53%, respectively. The combined carrying value of these investments at March 31, 2018, December 31, 2017, and March 31, 2016 was approximately $165. During the three-month periods ended on March 31, 2018 and 2017, ICTC received combined distributions from these investments of $177 and $91 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

Marketable securities, included in other investments, consist of a publicly traded common stock held by ICTC. Effective with the ICTC's adoption of ASU 2016-01 "Recognition and Measurement of Financial Assets and Liabilities" on January 1, 2018, ICTC carries its investments in marketable equity securities that are traded on public stock exchanges at fair value through net income, which approximates market value. Prior to that adoption, ICTC classified these securities as available-for-sale and unrealized gains or losses, net of tax, were excluded from net income and included as a separate component of equity included in accumulated other comprehensive income (loss) until realized. During the three months ended on March 31, 2018, ICTC recorded a gain of $1 on the sale of marketable securities, and recorded $71 of unrealized losses which is included in "Other Income(Expense) – Other in the Condensed Consolidated Statement of Operations.

Available for sale securities are valued using Level 1 inputs based on quoted prices in active markets. The cost and fair values of these securities at March 31, 2018, December 31, 2017, and March 31, 2017 were as follows:

	New Ulm Inc. Common Shares		
	Original Cost	Gross Unrealized Gains (Losses)	Fair Value
March 31, 2018	$596	$697	$1,293
December 31, 2017	$598	$769	$1,367
March 31, 2017	$672	$122	$794

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, 2015, and determined that there was no impairment at that time. There were no impairment losses recorded during the three-month periods ended on March 31, 2018 and 2017.

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-month periods ended on March 31, 2018 and 2017.

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 the tax rates that are expected to be 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 on December 31, 2014.

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 31, 2018.

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 383,134. 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 months ended on March 31, 2018 and 2017 is as follows:

	2018	2017
Current assets	$7,949	$7,444
Property, plant and equipment, net	58,529	53,280
Other assets	620	648
Total Assets	$67,098	$63,372
Current liabilities	$1,320	$987
Equity	65,778	62,385
Total liabilities and equity	$67,098	$63,372
Three Months Ended		
Revenues	$11,986	$11,915
Expenses	$8,997	$8,977
Net Income	$2,989	$2,938

ICTC recognized equity earnings from DCN of $103 and $101 during the three months ended on March 31, 2018 and 2017, respectively. ICTC received distributions no from DCN the three-month periods ended March 31, 2018 and 2017, respectively.

6. Telecommunications, Plant and Equipment

At March 31, 2018, December 31, 2017, and March 31, 2017, the telecommunications plant and equipment accounts at ICTC consisted of the following:

	Mar. 31 2018	Dec. 31 2017	Mar. 31 2017	Depreciation Rate
Land and support assets	$2,619	$2,679	$2,562	2.9%-20.0%
Central office switching equipment	4,086	4,086	4,132	6.67%-20.0%
Cable and wire facilities	15,693	15,670	15,397	3.9%-6.67%
Internet equipment	322	321	325	15.0%
Total in service	22,720	22,756	23,416	
Under construction	163	136	48	
	22,883	22,892	22,464	
Accumulated depreciation	(16,518)	(16,335)	(16,038)	
	$6,365	$6,557	$6,426	

(In Thousands)

7. Long-Term Debt

At March 31, 2018, December 31, 2017, and March 31, 2017, ICTC's long-term debt consisted of:

	Mar. 31 2018	Dec. 31 2017	Mar. 31 2017
RUS Broadband Loan	$611	$618	$639
Subordinated notes	2,072	2,072	2,072
	2,683	2,690	2,711
Less current maturities	(28)	(28)	(27)
	$2,655	$2,662	$2,684

ICTC has subordinated notes with former shareholders of Inter-Community for $2,072 as of March 31, 2018. 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. 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.

8. 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 3,677 shares of its common stock at an average price of $1,186 per share. At March 31, 2018, 2,589 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.

9. 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 of $56 for both the three-month periods ended on March 31, 2018 and 2017.

At March 31, 2018, December 31, 2017 and March 31, 2017, cash and short-term investments of $23,897, $23,631 and $14,829, 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, 2018

CIBL, Inc. and Subsidiaries
Consolidating Balance Sheets
March 31, 2018
(In Thousands)

	CIBL Inc. Consolidated Excluding ICTC Group, Inc.	ICTC Group, Inc. Consolidated	Eliminations	Consolidated
Assets				
Current Assets				
Cash and cash equivalents	$20,724	$5,603	$--	$26,327
Accounts receivable, net of allowance of $4	--	496	--	496
Deferred income taxes	--	48	--	48
Prepaid income taxes	71	--	--	71
Other current assets	16	542	--	558
Total Current Assets	20,811	6,689	--	27,500
Telecommunications, plant and equipment, net	--	6,365	--	6,365
Goodwill	--	1,772	--	1,772
Investments in equity method affiliated entities	7,839	2,258	(6,470)	3,627
Other investments	100	1,542	--	1,642
Total Assets	$28,750	$18,626	($6,470)	$40,906

CIBL, Inc. and Subsidiaries
Consolidating Balance Sheets – Continued
March 31, 2018
(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	$98	$122	$--	$220
Income tax payable	--	484	--	484
Other current liabilities	--	295	--	295
Current maturities of long-term debt	--	28	--	28
Total Current Liabilities	98	929	--	1,027
Long-term debt	--	2,655	--	2,655
Deferred income taxes	666	1,885	--	2,551
Total Liabilities	764	5,469	--	6,233
Equity				
Common stock, par value $.01, 30,000 shares authorized; 25,115 issued; and 16,635 outstanding	--	--	--	--
Contributed capital	3,858	1,947	(2,697)	3,108
Retained earnings	33,787	11,806	(11,806)	33,787
Treasury stock, 8,481 shares at cost	(9,659)	(596)	596	(9,659)
Total CIBL, Inc.'s Stockholders' Equity	27,986	13,157	(13,907)	27,236
Non-controlling interest	--	--	7,437	7,437
Total Equity	27,986	13,157	(6,470)	34,673
Total Liabilities and Equity	$28,750	$18,626	($6,470)	$40,906

CIBL, Inc. and Subsidiaries
Consolidating Statement of Operations
Three Months Ended March 31, 2018
(In Thousands)

	CIBL Inc.	ICTC Group, Inc. Consolidated	Eliminations	Consolidated
Revenue				
Broadband data/communications	$--	$1,447	--	$1,447
Total Revenue	--	1,447	--	1,447
Costs and Expenses				
Cost of operating revenue, excluding depreciation	--	481	--	481
General and administrative costs of operations	--	200	--	200
Management fees	31	25	--	56
Corporate office expense at ICTC	--	111	--	111
Corporate office expense at CIBL	51	--	--	51
Depreciation	--	262	--	262
Total Operating Expenses	82	1,079	--	1,161
Operating Income (Loss)	(82)	368	--	286
Other Income (Expense)				
Investment income	65	197	--	262
Interest expense	--	(22)	--	(22)
Equity in earnings of affiliated entities	151	103	(199)	55
Other	--	(72)	--	(72)
Total Other Income (Expense)	216	206	(199)	223
Net Income (Loss) Before Income Taxes	134	574	(199)	509
Income tax benefit (expense)	(35)	(118)	--	(153)
Net Income (Loss)	99	456	(199)	356
Non-controlling interests	--	--	(257)	(257)
Net Income (Loss) Attributable to CIBL, Inc.'s Stockholders	$99	$456	($456)	$99

CIBL, Inc. and Subsidiaries
Consolidating Statements of Cash Flows
Three Months Ended March 31, 2018
(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	$99	$456	($456)	$99
Non-controlling interests	--	--	257	257
Net income (loss)	99	456	(199)	356
Adjustments to reconcile net income to net cash from operating activities:				
Equity in earnings of affiliated entities	(151)	(103)	199	(55)
Depreciation	--	262	--	262
Deferred income taxes	49	(18)	--	31
Unrealized gains (losses) on investments	--	72	--	72
Changes in operating assets and liabilities:				
Accounts receivable	--	16	--	16
Other current assets	9	(211)	--	(202)
Accounts payable and accrued expenses	43	66	--	109
Income tax payable/prepaid income tax	197	139	--	336
Other current liabilities	--	(49)	--	(49)
Net Cash Provided By (Used In) Operating Activities	246	630	--	876

CIBL, Inc. and Subsidiaries
Consolidating Statements of Cash Flows - Continued
Three Months Ended March 31, 2018
(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	--	(70)	--	(70)
Proceeds from sale of marketable securities	--	3	--	3
Net Cash Provided By (Used In) Investing Activities	--	(67)	--	(67)
Cash Flows Provided By (Used In) Financing Activities				
Principal payments of long-term debt	--	(7)	--	(7)
Net Cash Provided By (Used In) Financing Activities	--	(7)	--	(7)
Net Change in Cash and Cash Equivalents	246	556	--	802
Cash and Cash Equivalents				
Beginning of year	20,478	5,047	--	25,525
End of period	$20,724	$5,603	$--	$26,327
Supplemental Cash Flow Information				
Cash paid for (recovered from) income taxes	($210)	($3)	$--	($213)
Cash paid for interest	$--	$22	$--	$22

CIBL, Inc. and Subsidiaries

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

March 31, 2018

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 43.5% 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 55.5% 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 1,550 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 1,100 customers throughout Inter-Community’s telephone service territory and in adjacent areas including Valley City, ND.

Three Months Ended On March 31, 2018 and 2017

The Company recorded $1,447,000 in consolidated revenues for the three months ended on March 31, 2018 as compared to $1,365,000 in the respective 2017 period, a $82,000 or 6.0% increase. All consolidated revenues were the result of CIBL’s consolidation of ICTC. The increase was primarily due to a regulated revenue true-up in 2018.

Consolidated operating costs and expenses of $1,161,000 for the three months ended on March 31, 2018 consisted of $82,000 of corporate office expense at CIBL and $1,079,000 of costs and expenses associated with ICTC. Comparable amounts in the respective 2017 period were $1,103,000, $93,000, and $1,010,000 respectively.

Accordingly, ICTC results contributed $368,000 to CIBL's consolidated operating profit for the three months ended on March 31, 2018 as compared to $355,000 in the respective 2017 period and CIBL incurred an operating loss of $82,000 for the three months ended on March 31, 2018 as compared to an operating loss of $93,000 in the respective 2017 period.

Investment income was $262,000 for the three months ended on March 31, 2018 and $128,000 in the respective 2017 period. 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), $177,000 in 2018 and $91,000 in 2017. The remaining investment income is primarily interest from United States Treasury Bills and dividends from marketable securities.

Equity in earnings of affiliates was $55,000 for both the three months ended on March 31, 2018 and $137,000 in the 2017 period representing ICTC's minority ownership in Dakota Carrier Network, LLC ("DCN") and CIBL's ownership in a merger/arbitrage limited partnership. ICTC share of DCN's earnings was 103,000 in 2018 and $101,000 in 2017 and CIBL's share of the merger/arbitrage fund was a loss of $48,000 in 2018 and a profit of $35,000 in 2017.

Interest expense was $22,000 for the three months ended on March 31, 2018 and 2017 and represents interest on ICTC's long term debt.

The Company's effective tax rates for 2018 and 2017 were 30.0% and 43.7%, respectively. The change is predominantly due to decrease in the federal statutory rate from 34% in 2017 to 21% in 2018. The difference between CIBL's effective rates and the federal statutory rates 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 is the Company's jurisdictions, and a dividend received deduction on the distributions from the RSA's.

Non-controlling interests in 2018 of $257,000 and $212,000 in 2017 and represent the share of ICTC's earnings that are attributable to the ICTC shares that are not owned by CIBL.

Because of the above, CIBL recorded a net income of $99,000 for the three months ended on March 31, 2018 as compared to net income of $84,000 in the respective 2017 period.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital

At March 31, 2018, CIBL had $22,093,000 in cash, cash equivalents, marketable securities, and other short-term investments and ICTC had $6,897,000.

CIBL's current assets of $20,811,000 exceed current liabilities, of $98,000, by $20,713,000. ICTC's current assets of $6,689,000 exceed current liabilities, of $929,000, by $5,760,000.

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 $611,000 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.

As of March 31, 2018, the Board of Directors of ICTC authorized the cumulative purchase of 74,037 of shares of its Class A Common Stock. Through that date, 27,292 shares of been repurchased at an average price of $21.84 per share. No shares were purchased during the three months on ended on March 31, 2018.

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, 2018, the Company has acquired 3,735 shares of its common stock at an average price of $1,188. No shares were acquired during the three months ended March 31, 2018. Accordingly, 2,589 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 8,481 of shares back for a total $9,659,000, or $1,139 per share.

Strategic Options

At March 31, 2018, the Company had $22,093,000 of cash, cash equivalents, and other short-term investments.

The Board of Directors is considering several possible options regarding 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.