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

Overview

CIBL, Inc.'s (the "Company" or "CIBL") current results of operations through the operating loss line include management fee revenues received from the Company's television broadcasting operations for management services less management fee expense that CIBL pays to LICT Corporation under a management agreement, and certain administrative expenses. Two significant events affect the comparability of the first quarter results:

- On May 9, 2012, CIBL sold its interests in its wireless communications properties in New Mexico RSA #3 and RSA #5 for cash proceeds, net of costs, of $31,805,000.
- In November and December 2012, CIBL acquired an approximately 40% interest in ICTC Group, Inc. ("ICTC"), a broadband/telecommunications company located in North Dakota, for $3,651,000 including related transaction costs.

The majority of the Company's earnings have come from its less than 50% owned investments in operating cellular telephone providers, which were sold May 9, 2012; network-affiliated broadcasters; and broadband/telecommunication providers (ICTC), from November 21, 2012, which are reflected in "Equity in earnings of affiliated entities."

Through a wholly-owned subsidiary, CIBL owned a 51% limited partnership interest in Wescel Cellular of New Mexico LP ("Wescel Cellular"). Wescel Cellular owned 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, until both interests were sold on May 9, 2012. Because of its 51% ownership, the Company consolidated the results of Wescel Cellular. Accordingly, in the Consolidated Statements of Income, the 2012 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 2012 earnings associated with the 49% interest of Wescel Cellular that the Company does not own are classified as Non-controlling Interests. Through a wholly-owned subsidiary, the Company owned, until its sale on May 9, 2012, an additional 8.33% limited partnership interest in New Mexico RSA #3.

First Quarter 2013 compared to 2012

The Company's revenues and certain of its expenses are based on contractual management fee arrangements that have remained constant in both years. In addition to the management fees, other operating expenses increased by $11,000 from 2012 to 2013 due to increased professional fees. Accordingly, the Company's operating loss increased by $11,000, from a loss of $110,000 in 2012 to a loss of $121,000 in 2013.

Equity in earnings of affiliates decreased by $1,814,000, or 96%, from $1,894,000 in 2012 to $80,000 in 2013. The decrease was primarily due to earnings of $1,819,000 in the 2012 quarter from the Company's investments in its wireless communications interests that were sold on May 9, 2012. In addition, the Company recorded $75,000 in equity earnings from its broadcasting affiliates, Capital Communications Company Inc. ("Capital") and Coronet Communications Company ("Coronet") in 2012 compared to $11,000 in 2013 partially due to significant political advertising revenue in 2012. CIBL's share of earnings from Capital were zero for 2013 as compared to $49,000 in 2012. In 2013, primarily due to a $1 million cash dividend from Capital in December 2012, the Company's cumulative accounting losses have exceeded its net cash investment in Capital by $218,000. The Company will not record its share of Capital's earnings until the cumulative earnings equal the net cash investment. The Company's share of the income of Coronet decreased to $11,000 in 2013, from $26,000 in 2012, due to the high level of political advertising revenue in 2012. In addition, in 2013, the Company recorded $69,000 in earnings from its investment in ICTC.

Investment income was $11,000 in both 2013 and 2012. The lower interest income due to the decreasing balance of the promissory note receivable was offset by interest income from our investment in U.S. Treasury securities in the 2013 period.

The Company's effective tax rates for 2013 and 2012 were 32.0% and 22.6%, respectively. The difference between these rates and the federal statutory rate of 34% is primarily due to the income attributable to non-controlling interests, which is not included in CIBL's taxable income, offset by the effect of state income taxes.

Non-controlling interests were $768,000 in 2012 due to the earnings from New Mexico RSA #3 and RSA #5.

As a result of the above, net income attributable to CIBL was $9,000 in 2013 compared to $654,000 in 2012.

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2013, the Company has $106,000 in cash and an additional $17,735,000 in short term marketable securities (United States Treasury Securities). Current assets of $17,897,000 exceed current liabilities, of $90,000, by $17,807,000.

CIBL has no debt at the current time but a wholly-owned subsidiary of the Company has guaranteed $3,500,000 of Coronet's debt, which debt comes due on June 15, 2016.

As noted in the Overview section, in May 2012, the Company sold its interest in both RSA #3 and RSA #5 resulting in approximately $21,400,000 in net cash proceeds after deducting cash costs of the sales and associated cash income tax payments.

In November 2012, CIBL acquired 80,000 authorized but previously unissued shares of Class A Common Stock of ICTC Group, 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.

The Company's Board of Directors has authorized the purchase of up to 1,500 shares of common stock, of which 567 shares have been purchased through March 31, 2013, at an average price of $750 per share. No shares were purchased in the 2013 quarter.

In addition, during November 2012, the Company's Board of Directors authorized a modified "Dutch Auction" tender offer to purchase up to 7,000 shares of common stock. In 2012, the Company purchased 2,861 shares at an investment of $880 per share, including 2,460 shares from the Dutch auction, at an average investment of $893 per share.

The Company paid special cash dividends to CIBL shareholders of $1,247,000 in January 2012, or $50 per share.

CIBL has approximately $17,800,000 in liquid assets. The Board of Directors is considering a number of additional options with regard to 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";
- Making a loan to or an investment in LICT Corporation;
- 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.