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 second quarter and nine month results:

- On September 16, 2013, agreements were reached for the sale of CIBL's interests in two network affiliated television stations: Station WOI-TV, an ABC affiliate in the Des Moines/Ames, Iowa market and Station WHBF-TV, a CBS Network Affiliate serving the Quad Cities area in Iowa/Illinois. It is expected that CIBL will ultimately receive approximately $22 million in net proceeds from these transactions, after the expenses of the transactions. CIBL recorded its share of the broadcasting operations through the date of sale September 16, 2013.
- On May 9, 2012, CIBL sold its interests in its wireless communications properties in New Mexico Rural Service Area ("RSA") #3 and RSA #5 for cash proceeds, net of costs, of $31,805,000. Prior to the sale, operations of the RSAs, which were reflected in the equity in earnings from affiliates and noncontrolling interests, provided the majority of the Company's net income.
- In November and December 2012, CIBL acquired a 30.05% interest in ICTC Group, Inc. ("ICTC"), a broadband/telecommunications company located in North Dakota, for $3,651,000 including related transaction costs. On April 11, 2013, a Voting Rights Agreement brought the Company's voting interest in ICTC to 51.3% and it began reporting ICTC results on a consolidated basis. Accordingly, since April 11, 2013, CIBL"s Income Statement and Balance Sheet now reflect 100% of operating activities, and the 60.05% not owned by CIBL is shown as noncontrolling interests. Accordingly, the below financial data only reflects operating activity from ICTC during the 2013 period. Please refer to the Management Discussion and Analysis of Operations located on ICTC's website, www.ictcgroup.net, for a comparative analysis of ICTC's operating results.

Third Quarter 2013 compared to 2012

The Company reported $964,000 of revenues for the three months ended September 30, 201[3] as compared to [$43,000] for the three months ended September 30, 2013. $921,000 of these revenues results from the consolidation of ICTC. CIBL's consolidated operating expenses were $958,000 for 2013 Third Quarter, which includes $807,000 operating expenses relating to ICTC and $151,000 of expenses relating to CIBL's corporate operations, which compares to $129,000 of CIBL's Corporate expenses recorded in the Third Quarter of 2012. Accordingly, ICTC contributed $114,000 of operating profit to CIBL's Third Quarter Results which was offset by a $110,000 operating loss at CIBL, prior to the consolidation of ICTC, or a $4,000 operating profit for the three months ended September 30, 2013, which compares to an operating loss of $86,000 for the three months ended September 30, 2012.

For the three months ended September 30, 2013 equity in earnings of affiliates of $4,760,000 consisted of the following: $19,000 of equity in earnings from the operations of the broadcasting companies from July 1, 2013 to the date of sale, September 16, 2013, $95,000 in earnings from Dakota Carrier Network, an affiliate in which an interest is owned by ICTC, and CIBL's share from the gain on the sale of WHBF-TV of $4,741.000. For the three months ended September 30, 2012 equity in earnings of affiliates of $4,760,000 consisted of the following: $359,000 of equity in earnings from the operations of the broadcasting companies for three months ended September 30, 2012. 2012's broadcasting earnings were bolstered by political advertising. [??]

Investment income was $51,000 for the three months ended September 30, 2013 compared to $12,000 in the 2012 Third Quarter. The 2013 period included distributions from ICTC's ownership interests in two wireless communications properties in North Dakota, RSA #3 and RSA #5, of $43,000. The 2012 period only included income from our investment in U.S. Treasury securities.

The Company's effective tax rates for 2013 and 2012 were 35.0% and 35.1%, respectively. These rates reflect a federal statutory rate of 35% with effect of state income taxes offset by deferred tax adjustments. Non-controlling interests were $91,000 in 2013 resulting from consolidating ICTC.

As a result of the above, net income attributable to CIBL was $14,634,000 in 2013 compared to $14,990,000[?] in 2012. The 2013 third quarter included the $14,688,000 after-tax gain on the sale of the broadcasting operations.

Nine months ended September 30, 2013 compared to 2012

The Company reported $1,922,000 of revenues for the nine months ended September 30, 2013 as compared to $128,000 for the nine months ended September 30, 2013. $1,794,000 of these revenues results from the consolidation of ICTC from April 11, 2013 to September 30, 2013. CIBL's consolidated operating expenses were $1,944,000 for First Three Quarters of 2013, which includes $1,566,000 of operating expenses relating to ICTC and $378,000 of expenses relating to CIBL's corporate operations, which compares to $364,000 of CIBL's Corporate expenses recorded in the First Three Quarters of 2012. Accordingly, ICTC contributed $228,000 of operating profit to CIBL's Results for the nine months ended September 30, 2013 which was offset by a $250,000 operating loss at CIBL, prior to the consolidation of ICTC, or a $22,000 operating loss, which compares to an operating loss of $236,000 for the nine months ended September 30, 2012.

Investment income was $110,000 in 2013 compared to $44,000 in 2012. The 2013 period included distributions from ICTC's ownership interests in two wireless communications properties in North Dakota, RSA #3 and RSA #5, of $71,000. The 2012 period only included income from our investment in U.S. Treasury securities.

The Company's effective tax rates for 2013 and 2012 were 42.1% and 37.6%, respectively. The difference between these rates and the federal statutory rate of 34% in 2013 is primarily due to the double taxation on ICTC's earnings since they are not included in CIBL's tax return, and in 2012 due to income attributable to non-controlling interests, which is not included in CIBL's taxable income, offset by the effect of state income taxes. In addition, the 2012 rate included state tax on the gain and a 35% federal rate due to the higher pre-tax income.

Non-controlling interests were $85,000 in 2013 resulting from consolidating ICTC and $1,196,000 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 $50,000 in 2013 compared to $15,644,000 in 2012. The 2012 period included the $24,093,000 pre-tax gain on the sale of the New Mexico RSAs.

LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2013, the Company has $31,775,000 in cash, including $2,916,000 from consolidating ICTC. The amount also includes $11,489,000 of proceeds received to date on the sale of the broadcasting properties. In addition, it is currently estimating the remaining receivables from the sale of the broadcasting properties, less payment of taxes and remaining expenses, at $1,054,000.

Current assets of $43,766,000 exceed current liabilities, of $8,213,000, by $35,552,000.

CIBL has no debt at the current time but ICTC has $2,277,000 of long term debt.

As noted in the Overview section, in May 2012, the Company sold its interest in both New Mexico 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 in ICTC.

The Company's Board of Directors has authorized the purchase of up to 1,500 shares of common stock, of which 1,037 shares have been purchased through September 30, 2013, at an average price of $896 per share. This includes 470 shares that were purchased in the 2013 nine months, all of which were purchased in the second quarter, at an average price of $972 per share.

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 which resulted in the purchase of 2,460 shares at an average price of $896 per share.

On December 2, 2013, the Board of Directors appointed a Special Committee consisting of Philip J. Lombardo and Salvatore Muoio to consider a Dutch auction tender offer for a portion of CIBL's outstanding stock. Such a tender offer, which would commence in December 2013 and terminate in January 2014, may offer to repurchase approximately 2,000 to 3,000 shares in a range of $1,300-1,350 per share.

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

Currently, CIBL has approximately $28,860,000 in liquid assets, not including the $2,916,000 of cash at ICTC. 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 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 cash flow implications and the timing thereof;
- 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.