

LICT CORPORATION

For Immediate Release

LICT CORPORATION REPORTS FIRST QUARTER 2017 RESULTS

- Revenues were up by 21%
- Earnings more than doubled to \$170 per share from \$69 per share in 2016

Rye, NY – April 27, 2017 – LICT Corporation (“LICT”; OTC Pink®: LICT) reports results for the first quarter ended March 31, 2017.

FIRST QUARTER RESULTS – In 2017, first quarter revenues increased by \$4.6 million, or 21.2%, to \$26.1 million compared to the corresponding quarter in 2016. Non-regulated revenues grew by \$1.3 million, or 13.5%, to \$11.2 million from the prior year’s \$9.9 million due to increased broadband and competitive local exchange carrier (“CLEC”) revenues. Regulated revenues grew by \$3.2 million, or 27.7%, to \$14.9 million in the first quarter of 2017 from the prior year’s \$11.6 million. Alternative-Connect America Cost Model, (“A-CAM”) revenues were \$5.9 million and exceeded the 2016 USF revenue streams replaced by A-CAM by \$2.6 million.

EBITDA before corporate costs was \$11.6 million as compared to \$8.2 million in the previous year’s first quarter, a 41.9% increase. Non-regulated EBITDA, including affiliate distributions, increased \$0.4 million to \$4.6 million, while regulated EBITDA increased by \$3.1 million to \$7.0 million.

FULL YEAR RESULTS – For the year ended December 31, 2016, LICT recorded revenues of \$90.7 million and EBITDA, prior to corporate costs but including cash received from our equity affiliates, of \$36.5 million. Reflecting A-CAM, the company is currently estimating that revenues in 2017 will be approximately \$106 million and EBITDA, prior to corporate costs but including cash received from our equity affiliates, will be approximately \$49 million, down slightly from the previous estimate.

EARNINGS PER SHARE – Diluted earnings during the first quarter were \$170 per share in 2017 versus \$69 per share in 2016. Shares outstanding at March 31, 2017, were 21,266 versus 22,282 at December 31, 2016.

CAPITAL EXPENDITURES AND DEPRECIATION EXPENSE – In 2017, capital expenditures were \$3.6 million for the first quarter of 2017, of which \$1.9 million was for non-regulated activities and \$1.7 million, for regulated activities. We expect to spend up to \$18 million in 2017. This reflects our commitment to provide the communities we serve with enhanced communication capabilities and higher broadband capacities, using A-CAM support. We are accomplishing this through our continued investment in the improvement of our products and network infrastructure, particularly the increased construction of fiber optic facilities for our broadband networks. Through upgraded electronics and fiber extensions deeper into our networks, we have improved the speed, the capacity and the reliability of our broadband service offerings. At March 31, 2017, LICT operations were utilizing 4,225 miles of fiber optic cable, 11,234 miles of copper cable, and 578 miles of coaxial cable.

SHAREHOLDER DESIGNATED CHARITABLE CONTRIBUTION PROGRAM —In September 2016, the Company completed its 2016 Shareholder Designated Contribution Program. Under this program, each registered shareholder was eligible to designate a charity to which the Company would make a donation of \$100 per share on behalf of the shareholder. Our charitable contributions totaled \$991,000 under this program. The company’s Board of Directors decided to renew this program again.

BALANCE SHEET – Our net debt, adjusted for the return of the \$10.3 million in deposits for the FCC Auction 1002, was \$17.5 million at March 31, 2017, as compared to \$22.6 million on December 31, 2016.

REFINANCING THE COMPANY – The Board of Directors and management have implemented measures which have improved liquidity and reduced the Company’s debt position. At this time, the Board is considering whether the Company should acquire additional leverage which would enable us to explore broader opportunities both within and outside our current industry segments. We have recently increased our line of credit with CoBank, N.A from \$30 million to \$50 million and extended it for an additional two years, from December 2017 to December 2019.

SHARE REPURCHASES – During the three months ended March 31, 2017, the Company repurchased 51 shares for \$0.3 million at an average price of \$6,116 per share. During the first quarter of 2017, the company issued 35 shares as a management incentive measure. As of March 31, 2017, 21,266 shares were outstanding.

FCC SPECTRUM AUCTIONS – In this auction, LICT Wireless acquired two 10 MHz licenses in the lower peninsula of Michigan, covering the communities of Traverse City and Alpena, which are areas to which the company is expanding service. Total outlay for the licenses was \$686,000 and the company received its excess deposit of \$10.3 million in April 2017.

OPERATING STATISTICS – As of March 31, 2017, the Company’s DSL penetration in its franchised telephone service territories, based on its total RLEC voice lines, was 80.4%, compared to 78.5% as of December 31, 2016. Our summary operating statistics are as follows (note, some of the increase in ILEC voice lines represents seasonal activity):

	Mar. 31, 2017	Dec. 31, 2016	Increase (Decrease)	Percent Increase (Decrease)
Broadband lines	31,224	30,647	577	1.9%
Voice Lines				
ILEC	27,671	26,680	991	3.7%
CLEC	6,453	6,243	210	3.4%
Total	34,124	32,923	1,201	3.6%
Video Subscribers	6,141	6,219	(78)	(1.3%)
Revenue Generating Units	71,489	69,989	1,700	2.4%

This release contains certain forward-looking information within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including without limitation anticipated financial results, financing, capital expenditures and corporate transactions. It should be recognized that such information is based upon certain assumptions, projections and forecasts, including without limitation, business conditions and financial markets, regulatory and other approvals, and the cautionary statements set forth in documents filed by LICT on its website, www.lictcorp.com. As a result, there can be no assurance that any possible transactions will be accomplished or be successful, or that financial targets will be met. Such forward-looking information is subject to uncertainties, risks and inaccuracies, which could be material.

LICT Corporation is a holding company with subsidiaries in broadband and other telecommunications services that actively seeks acquisitions, principally in its existing business areas.

LICT Corporation is listed on the OTC Pink[®] under the symbol LICT. For further information visit our website at <http://www.lictcorp.com>.

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Release: 17-2

LICT CORPORATION
Statements of Operations and Selected Balance Sheet Data
(In Thousands, Except Per Share Data)

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STATEMENTS OF OPERATIONS

	Three Months Ended	
	March 31,	
	2017	2016
Revenues	\$26,086	\$21,528
Cost and Expenses:		
Cost of revenue, excluding depreciation	11,840	10,938
Selling, general and administration	2,813	2,759
Depreciation and amortization	4,595	4,442
Operating profit (before Corporate office expense)	<u>6,838</u>	<u>3,389</u>
Corporate Office Expense:		
Allocated Corporate office expense	412	375
Un- Allocated Corporate office expense	641	583
Total Corporate Office Expense	<u>1,053</u>	<u>958</u>
Operating profit	5,785	2,431
Other Income (Expense)		
Investment income	275	342
Interest expense	(592)	(676)
Equity in earnings of affiliated companies	396	427
Other gains/(losses)	2	3
	<u>81</u>	<u>96</u>
Income Before Income Tax Provision	5,866	2,527
Provision For Income Taxes	(2,258)	(1,027)
Net Income	<u>\$3,608</u>	<u>\$1,500</u>
Capital Expenditures	\$3,596	\$2,766
Weighted Average Shares:		
Basic	21,175.83	21,550.95
Diluted	21,270.15	21,639.95
Actual shares outstanding at end of period	21,266.37	21,650.37
Earnings Per Share:		
Basic	\$170.36	\$69.60
Dilutive Earnings Per Share	\$169.61	\$69.32

See EBITDA on page 2

LICT Corporation
Statements of Operations and Selected Balance Sheet Data-Continued
Preliminary and Un-Audited
(in thousands, Except Per Share Data)

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SELECTED BALANCE SHEET DATA	March 31, 2017	Dec. 31, 2016
Cash and Cash Equivalents	\$11,792	\$8,470
Auction 1002 Deposit	11,000(a)	11,000
Note receivables and other deposits	3,250	3,250
Long-Term Debt (including current portion)	39,642	42,130
Liabilities, including taxes, other than debt	\$36,066	\$34,283
Shareholders' Equity	\$111,913	\$108,476
Shares Outstanding at Date	21,266.37	21,282.37

(a) \$10,314 was received on April 24, 2017.

EBITDA

EBITDA is an established measure of operating performance and liquidity that is commonly reported and widely used by analysts, investors, and other interested parties in the telecommunications industry because it eliminates many differences in financial, capitalization, and tax structures, as well as non-cash and non-operating charges to earnings. We believe that EBITDA trends are a valuable indicator of whether our operations are able to produce sufficient operating cash flow to fund working capital needs, service debt obligations, and fund capital expenditures.

EBITDA equals net income (loss), before interest expense, income tax expense (benefit), depreciation and amortization expense, investment income, equity in earnings of affiliated companies, gain (loss) on sale of investment, impairment charges, and net income from discontinued operations. EBITDA also now includes the cash distributions we receive from the equity in earnings of affiliated companies. Although we do not have majority voting control of such companies, we have the ability to significantly influence financial and accounting policies. The inclusion of cash received from equity companies is a change from past practice.

	Three Months Ended March 31,	
	2017	2016
EBITDA		
Operating Subsidiaries	\$11,433	\$7,831
Cash received from equity affiliates	213	375
	11,646	8,206
Corporate Office Expense	(1,053)	(958)
Total EBITDA	10,591	7,248
Depreciation and amortization	(4,595)	(4,442)
Less Cash received from equity affiliates, above	(213)	(375)
Operating profit	\$5,785	\$2,431