

LICT CORPORATION

For Immediate Release

LICT CORPORATION REPORTS SECOND QUARTER 2018 RESULTS

- **Revenues increased 3.5% to \$27.5 million from \$26.6 million**
- **EBITDA grew 5.2% to \$12.8 million from \$12.2 million**
- **EPS rose to \$248 per share from \$180 per share – this excludes \$120 per share gain from the sale of a minority interest in an investment.**

Rye, NY – July 18, 2018 – LICT Corporation (“LIC T” or the “Company”; OTC Pink®: LIC T) reports financial results for the second quarter ended June 30, 2018.

SECOND QUARTER RESULTS – In 2018, LIC T’s second quarter revenues increased by \$0.9 million, or 3.5%, to \$27.5 million compared to \$26.6 million for the corresponding quarter in 2017. Non-regulated revenues gained 9.8%, to \$12.6 million from the prior year’s \$11.5 million due to increased broadband and competitive local exchange carrier (“CLEC”) revenues. Regulated revenues decreased slightly by 1.3%, to \$14.9 million in the second quarter of 2018 from the prior year’s \$15.1 million.

EBITDA before corporate costs was \$12.8 million as compared to \$12.2 million in the previous year’s second quarter, a 5.2% increase. Non-regulated EBITDA, including affiliate distributions, rose 14.6% to \$5.6 million, from \$4.9 million, while regulated EBITDA decreased slightly to \$7.2 million, from \$7.3 million.

ALTERNATIVE – CONNECT AMERICA COST MODEL” (“A-CAM”) PROGRAM – Effective January 1, 2017, ten of LIC T’s rural telephone companies elected to participate in the FCC’s A-CAM program. The A-CAM program is designed to speed and expand the deployment of broadband capacities throughout the nation’s rural areas and replaced two prior USF mechanisms for companies electing A-CAM. During 2018, the FCC expanded the A-CAM program for companies whose support was initially capped and offered the LIC T companies an additional \$2.9 million in annual A-CAM funding, which is retroactive to January 1, 2017. LIC T expects to receive an additional \$5.8 million from the expanded A-CAM program in 2018, \$2.9 million of which relates to the twelve months of 2017. Through June 30, 2018, no A-CAM revenues from the expanded program have been recorded. Funding is expected to begin in the third quarter of 2018.

FULL YEAR RESULTS – Bolstered by the additional A-CAM revenues, the Company forecasts that revenues for 2018 will approximate \$116 million and EBITDA before corporate costs, charitable contributions and non-operating income will approximate \$57 million, of which \$54 million is recurring. The previous estimates were \$110 million and \$50 million, respectively.

LIQUIDITY EVENT FROM INVESTMENT– We recorded, in other income, in the second quarter of 2018, a gain from the partial proceeds from the sale of assets in a minority position we own, this resulted in an increase in earnings per share of \$120, after tax effects.

EARNINGS PER SHARE – Diluted earnings per share, during the second quarter were \$248 per share in 2018 as compared to \$180 per share in 2017 (\$368 per share after including the non-recurring gain stemming from the sale of assets in a minority position we own). Shares outstanding at June 30, 2018, were 20,304 versus 20,509 at December 31, 2017.

BALANCE SHEET – Our net debt was \$12.4 million at June 30, 2018, as compared to \$23.9 million on December 31, 2017.

CEO SEARCH – As previously announced, we are searching for a successor to Mario J. Gabelli as Chief Executive Officer of LICT. The individual should have knowledge of broadband and, in particular, of rural communities, as well as opportunities to serve colleges, universities, hospitals, small businesses and residences. Mr. Gabelli will continue to serve as Executive Chairman upon the completion of the search.

SHAREHOLDER DESIGNATED CHARITABLE CONTRIBUTION PROGRAM – On April 30, 2018 the Company announced it was continuing its shareholder Charitable Contribution Program in 2018 for all registered shareholders. The program was originally adopted in 2016 and all **registered shareholders** as of July 20, 2018, will be eligible to designate charities to which the company will make a donation of \$100 per share on behalf of the shareholder. Subsequent to July 27, 2018, we will send a letter to each registered shareholder, requesting their designated 501 (c) (3) organization. During 2017, the Company conducted a similar Shareholder Designated Contribution Program, also at \$100 per share, and charitable contributions totaled \$1.2 million.

CONNECT AMERICA FUND II (“CAF II”) Reverse Auction 903 – The Company is an accepted bidder in the FCC Auction 903 – CAF II. In this Auction, the FCC is providing qualified bidders the right to receive annual support payments for ten years in exchange for a bidder’s commitment to provide specified levels of broadband service to certain rural areas of the United States that are currently unserved or under-served. In the Auction, which is scheduled to begin on July 24, 2018, bidders bid for declining amounts of annual support until the Auction meets its specified target level of approximately \$200 million.

TAX CUTS AND JOBS ACT - On December 22, 2017, the United States Congress passed the Tax Cuts and Jobs Act of 2017 (“Act”). Two aspects of this Act significantly impacted LICT: (a) reducing the Federal corporate income tax rate to 21%, from LICT’s 35% 2017 rate, (b) 100% expensing of capital expenditures through 2023. As previously reported, the change in the Federal tax rate reduced our liability for deferred income taxes at the end of 2017 by \$7.1 million, and lower over effective tax rate in the first half of 2018 to 26.4%, from 39.5% in the first half of 2017.

GROWING 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 continues to re-evaluate its acquisition activity and related refinancing alternatives.

CAPITAL EXPENDITURES – In the first half of 2018, capital expenditures were \$9.9 million, of which \$5.6 million was for non-regulated activities and \$4.3 million for regulated activities. In order to expand the Company’s non-regulated fiber initiatives and provide a high level of broadband to our customers in the rural areas of the United States, we are expecting capital expenditures of \$21 million in 2018. This capital enables us to offer enhanced broadband speeds and will increase the overall fiber route miles in our network. As of June 30, 2018, LICT operations deployed 4,511 miles of fiber optic cable, 12,042 miles of copper cable, and 695 miles of coaxial cable.

SHARE REPURCHASES – During the six months ended June 30, 2018, the Company repurchased 240 shares for \$2.9 million, with an average price of \$11,997 per share. In addition, in the first

quarter of 2018, 35 shares were issued under the Company's Restricted Stock Awards program. As of June 30, 2018, 20,304 shares were outstanding.

OPERATING STATISTICS – As of June 30, 2018, the Company's DSL penetration in its franchised telephone service territories, based on its total Incumbent Local Exchange Carrier ("ILEC") voice lines, was 80.9%, compared to 79.5% as of December 31, 2017. Our summary operating statistics are as follows:

	Jun. 30, 2018	Dec. 31, 2017	Increase (Decrease)	Percent Increase (Decrease)
Broadband lines	32,878	31,521	1,357	4.3%
Voice Lines				
ILEC	26,403	26,655	(252)	(0.9%)
CLEC	7,229	7,006	223	3.2%
Total	33,632	33,661	(29)	(0.1%)
Video Subscribers	5,733	5,985	(252)	(4.2%)
Revenue Generating Units	72,243	71,167	1,076	1.5%

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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914/921-8821
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LICT CORPORATION
Statements of Operations and Selected Balance Sheet Data
(In Thousands, Except Per Share Data)

Exhibit A
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STATEMENTS OF OPERATIONS

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2018	2017	2018	2017
Revenues	\$27,487	\$26,554	\$54,665	\$52,640
Cost and Expenses:				
Cost of revenue, excluding depreciation	12,261	11,845	24,194	23,685
Selling, general and administration	2,922	2,951	5,721	5,764
Corporate Office Expenses	941	1,006	1,923	2,059
Depreciation and amortization	4,813	4,526	9,877	9,121
Total Costs and Expenses	20,937	20,328	41,715	40,629
Operating profit	6,550	6,226	12,940	12,011
Other Income (Expense)				
Investment income	59	51	342	326
Interest expense	(443)	(539)	(936)	(1,131)
Equity in earnings of affiliated companies	677	678	1,022	1,074
Other	3,311	(2)	3,330	--
	3,604	188	3,758	269
Income Before Income Tax Provision	10,154	6,414	16,698	12,280
(Provision) Benefit for Income Taxes	(2,681)	(2,593)	(4,404)	(4,851)
Net Income	\$7,473	\$3,821	\$12,294	\$7,429
Capital Expenditures	\$4,622	\$4,300	\$9,868	\$7,746
Weighted Average Shares:				
Basic	20,278.50	21,140.52	20,368.28	21,158.08
Diluted	20,328.50	21,234.52	20,405.32	21,252.24
Actual shares outstanding at end of period	20,304.23	21,014.37	20,304.23	21,014.37
Earnings Per Share:				
Basic Net Income	\$368.52	\$180.74	\$603.59	\$351.12
Dilutive Earnings Per Share	\$367.61	\$179.94	\$602.49	\$349.56

See EBITDA on page 2

LICT Corporation
Statements of Operations and Selected Balance Sheet Data-Continued

(in thousands, Except Per Share Data)

Exhibit A
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SELECTED BALANCE SHEET DATA	June 30, 2018	Dec. 31, 2017
Cash and Cash Equivalents	\$7,876	\$7,055
Note receivables and other deposits	3,250	3,250
Long-Term Debt (including current portion)	20,276	31,001
Liabilities, including taxes, other than debt	\$28,418	\$26,685
Shareholders' Equity	\$131,338	\$122,239
Shares Outstanding at Date	20,304	20,509

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 June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
EBITDA				
Operating Subsidiaries	\$12,304	\$11,758	\$24,740	\$23,191
Cash received from equity affiliates	525	437	1,063	650
	12,829	12,195	25,803	23,841
Corporate Office Expense	(941)	(1,006)	(1,923)	(2,059)
Total EBITDA	11,888	11,189	23,880	21,782
Depreciation and amortization	(4,813)	(4,526)	(9,877)	(9,121)
Less Cash received from equity affiliates, above	(525)	(437)	(1,063)	(650)
Operating profit	\$6,550	\$6,226	\$12,940	\$12,011