

LICT CORPORATION

For Immediate Release

- **Revenues - Fourth Quarter- \$23.8 million
Full Year- \$90.7 million**
- **EBITDA - Fourth Quarter- \$10.0 million
Full Year- \$36.7 million**
- **A-CAM Provides Significant Benefit to Communities We Serve**

Rye, NY – February 13, 2017 – LICT Corporation (“LICT”; OTC Pink®: LICT) reports preliminary, unaudited results for the fourth quarter and full year ended December 31, 2016.

FOURTH QUARTER RESULTS – In 2016, fourth quarter revenues increased by \$1.4 million, or 6.5%, to \$23.8 million compared to the corresponding quarter in 2015. Non-regulated revenues grew by 12.3% to \$11.0 million from the prior year’s \$9.8 million due to increased broadband and competitive local exchange carrier (“CLEC”) revenues. Regulated revenues rose to \$12.8 million from \$12.6 million in 2015, due to increased intra-state revenues, primarily at our New Mexico operation offset by lower interstate revenues at most rest of our other RLECs.

EBITDA before corporate costs was \$10.0 million, as compared to \$9.3 million in the previous year’s fourth quarter. Non-regulated EBITDA, including affiliate distributions, increased \$0.8 million to \$5.2 million, while regulated EBITDA declined by \$0.1 million. Unallocated Corporate expenses of \$649,000 were reported in the fourth quarter of 2016 as compared to \$494,000 in the fourth quarter of 2015.

ALTERNATIVE CONNECT AMERICA COST MODEL (“A-CAM”) – As we previously disclosed, beginning in early 2017, the Federal Communications Commission (“FCC”) instituted a revised, voluntary Universal Service Fund (“USF”) mechanism for rate-of-return Incumbent Local Exchange Carriers (“ILECs”) called A-CAM. A-CAM replaces the prior Interstate Common Line Support (“ICLS”) and High Cost Loop Support (“HCLS”) cost-based methods, which were based on specific company or industry actual yearly expenditures for operations and capital. The A-CAM program was designed by the FCC to expedite the deployment of broadband capabilities throughout the nation’s rural areas, that are served by rate-of-return carriers. Seven of LICT’s nine operating areas elected to participate in A-CAM. The A-CAM program will provide a fixed amount of annual funding for a period of ten years, effective back to January 1, 2017. As part of the A-CAM model, our ILECs must meet certain service requirements over the ten-year period.

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 \$36.7 million, as compared to revenues of \$86.7 million and EBITDA of \$36.4 million in 2015. Reflecting the A-CAM elections, 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 \$48 million.

EARNINGS PER SHARE – Basic earnings during the fourth quarter were \$95 per share in 2016 versus \$86 per share in 2015. On a full year basis, basic earnings per share, from continuing

operations, were \$371 in 2016, prior to the after-tax effects of our charitable contribution program discussed in more detail below, as compared to \$350 in 2015. In 2016, basis earnings per share were \$340 after reflecting the effects of the charitable contribution program. Shares outstanding at December 31, 2016, were 21,282 versus 22,272 at December 31, 2015.

CAPITAL EXPENDITURES AND DEPRECIATION EXPENSE – In 2016, capital expenditures were \$5.1 million for the fourth quarter and \$16.1 million for the full year, with \$8.8 million related to our regulated activities and \$7.3 million focused on our non-regulated activities. This reflects our commitment to provide the communities we serve with enhanced communication capabilities. We are accomplishing this through our continued investment in the improvement of our products and network infrastructure, particularly 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 December 31, 2016, LICT operations are currently deploying 4,206 miles of fiber optic cable, 11,430 miles of copper cable, and 513 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. A total of \$991,000 of contributions were made to charitable organizations under this program, which reduced our full year earnings per share by \$31, after income tax effects.

OTHER BROADBAND REGULATION – In the same Order the FCC adopted A-CAM, in March 2016, it also modified the rules for RLECs that do not elect to participate in A-CAM. If a company does not adopt A-CAM, or is not eligible to adopt A-CAM, HCLS will continue for that RLEC; however, effective January 1, 2017, ICLS was eliminated and replaced with a new Connect America Fund - Broadband Loop Support (“CAF-BLS”) mechanism. CAF-BLS includes a series of new caps and limitations for operating expense, capital expenditures, overall support and support in areas served by unsubsidized competitors, but adds support for data-only broadband. CAF-BLS companies may also have specific broadband build-out requirements if their percentage of broadband deployment is not at the FCC required levels. LICT’s three smallest RLECs now receive CAF-BLS support.

BALANCE SHEET - The Company’s net debt (total debt less liquid assets) was \$21.6 million at December 30, 2016 as compared to \$30.1 million on December 31, 2015.

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.

SHARE REPURCHASES – During the year ended December 31, 2016, the Company repurchased 622 shares for \$2.6 million at an average price of \$5,244 per share. As of December 31, 2016, 21,282 shares were outstanding. On that date, there were 2,980 shares remaining under our stock repurchase program as authorized by the Board of Directors.

FCC SPECTRUM AUCTIONS – LICT Wireless Broadband Company, LLC (“LICT Wireless”), a wholly owned subsidiary of the Company, is participating in the forward auction phase of the FCC’s broadcast incentive auction – Auction 1002 (“Auction”). As required by the FCC, consistent with

previous spectrum auctions, LICT made an upfront deposit on June 30, 2016 to participate in this Auction. FCC rules restrict information that bidders may disclose about their participation in this Auction, including the amount of their upfront payment.

OPERATING STATISTICS – As of December 31, 2016, the Company’s DSL penetration in its franchised telephone service territories, based on total ILEC voice lines, was 78.6%, compared to 75.0% as of December 31, 2015. Our summary operating statistics are as follows:

	Dec. 31, 2016	Dec. 31, 2015	Increase (Decrease)	Percent Increase (Decrease)
Broadband lines	30,193	28,368	1,825	6.4%
Voice Lines				
ILEC	26,680	27,690	(1,010)	(3.6%)
CLEC	6,243	5,353	890	16.6%
Total	32,923	33,043	(120)	(0.4%)
Video Subscribers	6,219	6,570	(351)	(5.3%)
Revenue Generating Units	69,335	68,981	1,354	2.0%

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.lietcorp.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.lietcorp.com>.

Contact: Robert E. Dolan
EVP and Chief Financial Officer
(914) 921-8821

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

Exhibit A
Page 1 of 2

STATEMENTS OF OPERATIONS

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2016	2015	2016	2015
Revenues	\$23,792	\$22,349	\$90,740	\$86,680
Cost and Expenses:				
Cost of revenue, excluding depreciation	11,563	10,859	44,783	41,290
Selling, general and administration	2,848	2,804	11,167	11,332
Depreciation and amortization	4,819	4,392	17,972	17,730
Charitable Contributions	73	--	1,064	--
Operating profit (before Corporate office expense)	4,489	4,294	15,754	16,328
Corporate Office Expense:				
Allocated Corporate office expense	417	317	1,499	1,148
Un- Allocated Corporate office expense	649	494	2,334	1,788
Total Corporate Office Expense	1,066	811	3,833	2,936
Operating profit	3,423	3,483	11,921	13,392
Other Income (Expense)				
Investment income	46	43	480	366
Interest expense	(597)	(710)	(2,542)	(2,923)
Equity in earnings of affiliated companies	667	459	2,075	1,810
Other- charitable contributions in 2016	(35)	4	(27)	26
	81	(204)	(14)	(721)
Income Before Income Tax Provision	3,504	3,279	11,907	12,671
Provision For Income Taxes	(1,305)	(1,391)	(4,634)	(4,960)
Net Income before discontinued operations	2,199	1,888	7,273	7,711
Net Income from discontinued operations	--	--	--	117
Net Income attributable to LICT	\$2,014	\$1,888	\$7,273	\$7,828
Capital Expenditures	\$5,084	\$5,649	\$16,129	\$17,973
Weighted Average Shares:				
Basic	21,212.33	21,839.49	21,384.48	22,047.56
Diluted	21,335.33	21,928.49	21,497.64	22,136.59
Actual shares outstanding at end of period	21,282.37	21,650.37	21,282.37	21,650.37
Basic Earnings Per Share				
Net income	\$103.66	\$86.45	\$340.11	\$349.74
Net Income from discontinued operations	--	--	--	5.31
Net income attributable to LICT	\$103.66	\$86.45	\$331.41	\$355.05
Dilutive Earnings Per Share				
Net Income	\$103.66	\$86.10	\$338.32	\$348.34
Net Income from discontinued operations*	--	--	--	5.28
Net Income attributable to LICT	\$103.66	\$86.10	\$338.32	\$353.62

*As a result of the management buy-out of our New York operations

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)

Exhibit A
Page 2 of 2

SELECTED BALANCE SHEET DATA

	Dec. 31, 2016	Dec. 31, 2015
Cash and Cash Equivalents	\$8,470	\$14,748
Note receivables and other deposits	14,250	3,250
Long-Term Debt (including current portion)	42,084	44,846
Liabilities, including taxes, other than debt	\$3,282	\$32,088
Shareholders' Equity	\$108,476	\$103,447
Shares Outstanding at Date	21,282.37	21,739.37

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 Dec. 31,		Year Ended Dec. 31,	
	2016	2015	2016	2015
EBITDA				
Operating Subsidiaries	\$9,381	\$8,686	\$34,790	\$34,058
Cash received from equity affiliates	650	600	1,950	2,350
Charitable Contributions	(73)	--	(1,064)	--
Corporate Office Expense	9,031	9,286	36,740	36,408
	(1,066)	(811)	(3,833)	(2,936)
Total EBITDA	8,892	8,475	30,843	33,472
Depreciation and amortization	(4,819)	(4,392)	(17,973)	(17,730)
Less Cash received from equity affiliates, above	(650)	(600)	(1,950)	(2,350)
Operating profit	\$3,423	\$3,483	\$11,921	\$13,392