CIBL, INC

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

Forward-Looking Statements and Uncertainty of Financial Projections

Forward-looking statements are not based on historical information but relate to future operations, strategies, financial results or other developments. Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject, without limitation, to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control and many of which, with respect to future business decisions, are subject to change. These uncertainties and contingencies can affect actual results and could cause actual results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, the Company.

Overview

Currently, CIBL, Inc. ("CIBL" or the "Company") has one operating business, through a 43% ownership in ICTC Group, Inc. ("ICTC"), a provider of broadband data transport and voice communications in southeastern North Dakota. Under a Voting Rights Agreement, the Company's voting interest in ICTC is 54.75% and, accordingly, it reports ICTC results on a consolidated basis.

In addition, as a result of the sale of certain of its investments over the last couple of years, the majority of the Company's assets are comprised of cash and cash equivalents. As discussed in more detail below, the Company is evaluating various strategic options at this time.

Three Months Ended March 31, 2015 and 2014

The Company recorded $959,000 in consolidated revenues in the first quarter of 2015 as compared to $930,000 in the first quarter of 2014. All consolidated revenues were the result of CIBL's consolidation of ICTC. ICTC revenues increased due to sale of additional non-regulated circuits and higher regulated inter-state revenues due to increased depreciation expense.

Consolidated operating costs and expenses of $1,012,000 in the first quarter of 2015 consisted of $103,000 of corporate office expense at CIBL, as compared to $135,000 in 2014, and $907,000 of costs and expenses associated with ICTC. ICTC's costs and expenses increased by $111,000 from the 2014 period of $797,000 and reflect the following significant variances: increased depreciation costs of $55,000 due to a change in depreciation rates in the fourth quarter of 2014, and increased network and repair and maintenance costs of $38,000. CIBL's costs reduction included a $38,000 decrease in CIBL's management fee to LICT Corporation. A $25,000 management fee, which in 2014 was paid to CIBL from ICTC, and, accordingly was eliminated in consolidation, in 2015 is being paid directly to LICT Corporation.

Accordingly, ICTC results contributed $51,000 to CIBL's consolidated operating profit in the first quarter of 2015 as compared to $133,000 in 2014, and CIBL incurred an operating loss of $104,000, as compared to an operating loss of $110,000 in the 2014 period.

Investment income of $80,000 for the three months ended March 31, 2015 and $69,000 for the three months ended March 31, 2014. Investment income is primarily the cash distributions from ICTC's minority ownership in two wireless telecommunications and data operations in eastern North Dakota (North Dakota RSAs # 3 and # 5).

Equity in earnings of affiliates was $95,000 for the three months ended March 31, 2015 and represents ICTC's minority ownership in Dakota Carrier Network, LLC ("DCN"). The amount was $112,000 in 2014.

Interest expense was $35,000 for the three nine months ended March 31, 2015, and $34,000 for the three months ended March 31, 2014, and represents interest on ICTC's long term debt.

The Company's effective tax rates for 2015 and 2014 were 44.8% and 41.8%, respectively. The difference between these rates and the federal statutory rate of 34% is primarily due to the double taxation on ICTC's earnings since they are not included in CIBL's consolidated tax returns and the effect of state income taxes.

Non-controlling interests in 2015 of $79,000 and $112,000 in 2014 represent the share of ICTC's earnings that are attributable to the ICTC shares that are not owned by CIBL.

As a result of the above, CIBL recorded a net loss of $31,000 for the three months ended March 31, 2015 as compared to net loss of $13,000 in the for the three months ended March 31, 2014.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital

As of March 31, 2015, CIBL had $24,353,000 in cash and cash equivalents and ICTC had $2,935,000 in cash and cash equivalents.

CIBL's current assets of $24,564,000 exceed current liabilities, of $70,000, by $24,494,000. ICTC's current assets of $3,894,000 exceed current liabilities, of $616,000, by $3,278,000.

Debt

ICTC has subordinated notes payable of $2,072,000 outstanding, with an interest rate of 6%, payable quarterly, and a maturity of December 31, 2022. The notes may be prepaid at any time without penalty.

Also, ICTC currently has a loan of $581,000 as part of the Broadband Initiatives Program. The loan, which is expected to be will ultimately reach $685,000 at June 30, 2015, is due in monthly payments of principal and interest over 23 years at an average interest rate of 3.11%. Principal payments over the next five years are approximately $20,000 per year.

Cash Proceeds from Sale

In September 2013, the Company sold its interests is its two television broadcasting stations. The net cash proceeds from the sale of Station WOI-TV, after repayment of debt, expenses associated with the sale, liquidation of remaining net assets, and associated income tax payments were $10,983,000, of which $5,440,000 was received in 2013 and $5,544,000 was received in 2014. The net cash proceeds from the sale of Station WHBF-TV, after repayment of debt, expenses associated with the sale, liquidation of remaining net assets, and associated income tax payments were $1,030,000, of which $3008,000 was paid in 2013 and $1,330 was received in 2014, with the small remainder to be received in later part of 2015.

Investment in ICTC Group Inc.

In November 2012, CIBL acquired 80,000 authorized but previously unissued shares of Class A Common Stock of ICTC, 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. During 2014 and 2013 and, the Company purchased an additional 555 and 2,200 shares, respectively of ICTC at an average price of $22.14 per share.

In November 2014 the Board of Directors of ICTC authorized the purchase of 25,000 of shares of its Class A Common Stock and in March 2015 it authorized the purchase of an additional 25,000 shares. Through March 31, 2015, 20,290 shares of been repurchased at an average price of $19.46 per share. 260 shares were purchased during the three months ended March 31, 2015 at a price of $19.05 per share.

Share Repurchases and Distributions

On July 16, 2013 CIBL's Board of Directors authorized the purchase of up to 2,000 shares of its common stock, of which 1,368 shares have been purchased through March 31, 2015, of which 128 were purchased during the three months ended March 31, 2015 at an average price of $1,358 per share. Since CIBL was spun off by LICT Corporation, on November 19, 2007, the Company has acquired 2,392 shares of its common stock at an average price of $1,130.

In addition to its repurchase programs, the Company has conducted two tender offers for its shares. In December 2012, it completed a modified "Dutch Auction" tender offer and purchased 2,460 shares at an average investment, including transaction costs, of $896 per share. In January 2014, the Company completed another modified "Dutch Auction" tender offer and purchased 2,286 shares at an investment, including transaction costs, of $1,320 per share.

Since its spin-off from LICT Corporation in 2007, the Company has paid cumulative cash distributions to its shareholders of $4,264,000, or $170 per share and purchased a total of 7,138 of shares back for a total $7,924,000, or 1,110 per share.

Strategic Options

As of March 31, 2015, CIBL Company had $24,353,000 of cash and cash equivalents.

The Board of Directors is considering a number of possible options with regard to the future activities of 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" tender offer;
- 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.