

MANAGEMENT'S DISCUSSION 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 combined financial statements and related notes. Some of the information contained in this discussion and analysis constitutes forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those discussed in these forward-looking statements.

RESULTS OF OPERATIONS

Overview

The historical financial information presented herein was accounted for at historical cost in a manner similar to a "Pooling of Interests". Such financial information includes periods prior to November 19, 2007, during which CIBL did not operate as an independent company.

CIBL's results of operations through the operating loss line are primarily affected by the operations of Giant. Giant is a cable television provider in northeast Kansas, with 1,748 cable television subscribers and 534 high-speed data subscribers as of September 30, 2008. Also included in revenues are management fees received from the Company's television broadcasting operations, paid to CIBL for management services.

The majority of the Company's earnings come from its less-than-50%-owned investments in operating cellular telephone providers which are reflected in "Equity in earnings of affiliated companies."

Through a wholly-owned subsidiary, CIBL owns a 51% limited partnership interest in Wescel Cellular of New Mexico LP ("Wescel Cellular"). Wescel Cellular owns a 33% limited partnership interest in New Mexico RSA #5 Limited Partnership and a 25% limited partnership interest in New Mexico RSA #3 Limited Partnership. Through a wholly-owned subsidiary, the Company owns an additional 8.33% limited partnership interest in New Mexico RSA #3. Because of its 51% ownership, the Company consolidates the results of Wescel Cellular. Accordingly, in the Combined Statements of Income, the equity in earnings of affiliated companies includes the full Wescel Cellular share of the earnings of New Mexico RSA # 5 and New Mexico # 3, of 33% and 25% respectively. The earnings associated with the 49% interest of Wescel Cellular that the Company does not own are classified as Minority Interests. Verizon Wireless is the general partner and operator of both New Mexico RSA # 5 and New Mexico RSA # 3, and all services are sold as Verizon Wireless.

Third Quarter 2008 compared to 2007

Revenues increased by \$47,000, or 14.8%, in the third quarter of 2008 compared to 2007. During the third quarter of 2008, Giant revenue increased by \$46,000 as a loss in cable television subscribers offset an increase in the number of its high-speed data subscribers. Management fees from the broadcasting interests were approximately the same in both 2008 and 2007.

Total expenses increased by \$34,000, or 9.4%, in the third quarter of 2008. Operating cost increased by \$23,000 due to increased repairs and maintenance, partially offset by lower programming costs. Management fees increased by \$8,000 in 2008. The 2008 management fees are based on a temporary management and administrative services agreement with LICT whereas in 2007 management fees were equal to management fee revenue from the broadcast interests. Depreciation expense, entirely related to Giant, was \$3,000 higher in 2008.

As a result of the above, the Company's operating loss decreased by \$13,000, from a loss of \$44,000 in 2007 to a loss of \$31,000 in 2008.

Equity in earnings of affiliates increased by \$49,000, or 5.2%, from \$947,000 in 2007 to \$996,000 in 2008. The increase was primarily due to increased earnings from the Company's investments in its cellular interests. Both New Mexico RSA #5 and New Mexico RSA #3 recorded increased numbers of subscribers and revenues during 2008, which resulted in the increased earnings. The Company share of the losses of Coronet was \$84,000 in 2008 compared to \$56,000 in 2007. CIBL no longer records the equity in losses of Capital, because the investment in Capital has previously been written down to zero and the Company has no legal obligation to fund such losses.

Investment income was \$22,000 in 2008 compared to zero in 2007 due to the issuance of the promissory note receivable as part of the spin-off and interest income on the cash balance.

Minority interests increased from \$421,000 in 2007 to \$456,000 in 2008 due to the aforementioned increase in earnings in New Mexico RSA #5 and New Mexico RSA #3.

The Company's effective tax rates for 2008 and 2007 were 39.9% and 35.7%, respectively. The difference between these rates and the federal statutory rate of 34% is primarily due to state income taxes.

As a result of the above, net income increased by \$9,000, or 2.9%, to \$319,000 in 2008.

Nine months ended September 30, 2008 compared to 2007

Revenues decreased by \$42,000, or 4.2%, in the nine months of 2008 compared to 2007. During the nine months of 2008, Giant revenue decreased by \$13,000 as a loss in cable television subscribers offset an increase in the number of its high-speed data subscribers. Management fees from the broadcasting interests decreased by \$29,000 in 2008 due to a retroactive adjustment in the second quarter of 2007.

Total expenses increased by \$97,000, or 8.9%, in the nine months of 2008. Operating cost increased by \$100,000 due to increased repairs and maintenance, partially offset by lower programming costs. Management fees decreased by \$7,000 in 2008. The 2008 management fees were based on a temporary management and administrative services agreement with LICT whereas in 2007 management fees were equal to management fee revenue from the broadcast interests, which included a retroactive adjustment in 2007. Depreciation expense, entirely related to Giant, was \$4,000 higher in 2008.

As a result of the above, the Company's operating loss increased by \$139,000, from a loss of \$91,000 in 2007 to a loss of \$230,000 in 2008.

Equity in earnings of affiliates increased by \$342,000, or 11.9%, from \$2,865,000 in 2007 to \$3,207,000 in 2008. The increase was primarily due to increased earnings from the Company's investments in its cellular interests. Both New Mexico RSA #5 and New Mexico RSA #3 recorded increased numbers of subscribers and revenues during 2008, which resulted in the increased earnings. The Company share of the losses of Coronet was \$155,000 in 2008 compared to \$166,000 in 2007. CIBL no longer records the equity in losses of Capital, because the investment in Capital has previously been written down to zero and the Company has no legal obligation to fund such losses.

Investment income was \$78,000 in 2008 compared to \$11,000 in 2007. The increase resulted from the issuance of the promissory note receivable as part of the spin-off and interest income on the cash balance.

Minority interests increased from \$1,289,000 in 2007 to \$1,421,000 in 2008 due to the aforementioned increase in earnings in New Mexico RSA #5 and New Mexico RSA #3.

The Company's effective tax rates for 2008 and 2007 were 39.7% and 39.4%, respectively. The difference between these rates and the federal statutory rate of 34% is primarily due to state income taxes.

As a result of the above, net income increased by \$80,000, or 8.8%, to \$986,000 in 2008.

LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2008, the Company has \$1,335,000 in cash. Current assets of \$1,812,000 are less than current liabilities, of \$1,841,000, by \$29,000 primarily due to the inclusion of the \$1,118,000 negative investment in Coronet as a current liability.

CIBL liquidity and on-going cash flow is heavily dependent on the cash distributions from New Mexico RSA #5 and New Mexico RSA #3. The Company's net cash distributions received, net of payments to the minority partner of Wescel Cellular (Verizon Wireless), were \$1,493,000 in 2008 and \$1,143,000 in 2007. In addition, the Company received broadcast management fees of \$128,000 in 2008 and \$157,000 in 2007. In total, CIBL's operating activities have provided cash of \$2,305,000 in 2008 and \$1,462,000 in 2007. It has purchased property and equipment of \$460,000 in 2008 and \$139,000 in 2007. In addition, Giant is anticipating capital expenditures of approximately \$2 million over the next two years. Finally, the Company currently expects that corporate administrative costs will be about \$300,000 annually on an on-going basis.

The Company believes that New Mexico RSA #5 and New Mexico RSA #3 will continue to generate cash distributions at levels adequate to fund the Company's on-going cash needs. In addition, the Company is evaluating financing alternatives to supplement its liquidity and to support the capital spending needs of Giant. While management expects to obtain adequate financing resources to enable the Company to meet its obligations, there cannot be complete assurance that such can be obtained readily or at reasonable costs.

CIBL has no debt at the current time but a wholly-owned subsidiary of the Company has guaranteed \$3.5 million of Coronet's debt, which debt comes due on December 31, 2010.