

CIBL, Inc. and Subsidiaries

Condensed Consolidated Financial Statements

Quarterly Report for Period Ended March 31, 2008

CIBL, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(Unaudited)
(In Thousands)

	<u>March 31,</u> 2008	<u>December 31,</u> 2007
	(Unaudited)	(Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 908	\$ 647
Accounts receivable, net of allowance for doubtful accounts of \$11 in 2008 and 2007	87	99
Materials and supplies	176	210
Prepaid expenses	15	21
Due from affiliated entities	<u>-</u>	<u>4</u>
Total Current Assets	1,186	981
Property, plant and equipment, net	1,033	1,012
Equity method investments in affiliated entities	6,226	5,824
Note receivable due from Lynch Paging Corporation	1,453	1,509
Other investments, cost basis	<u>100</u>	<u>100</u>
	<u>\$ 9,998</u>	<u>\$ 9,426</u>
LIABILITIES AND PARENT'S EQUITY IN DIVISION		
Current Liabilities		
Accounts payable and accrued expenses	\$ 157	\$ 228
Deferred revenue	83	84
Due to affiliated entities	109	118
Income tax payable	293	62
Cumulative losses in excess of investment in equity method affiliated entity	<u>1,005</u>	<u>963</u>
Total Current Liabilities	1,647	1,455
Deferred income taxes	1,540	1,606
Minority interest	2,569	2,414
Commitments and contingencies		
Stockholders' equity	<u>4,242</u>	<u>3,951</u>
	<u>\$ 9,998</u>	<u>\$ 9,426</u>

See notes to condensed combined financial statements

CIBL, Inc. and Subsidiaries

Condensed Consolidated Statements of Operations

(Unaudited)

(In Thousands)

	Three Months Ended	
	March 31,	
	2008	2007
INCOME		
Revenue	\$ 248	\$ 286
Management fees	43	35
Total Revenue	291	321
EXPENSES		
Management fees	50	35
Operating costs	254	220
Depreciation	89	94
Total Expenses	393	349
Operating Loss	(102)	(28)
OTHER INCOME		
Investment income	23	-
Equity in earnings of affiliated companies	1,010	950
Total Other Income	1,033	950
Net Income Before Income Taxes and Minority Interest	931	922
Minority interest	(446)	(431)
Income tax expense	(194)	(205)
Net Income	\$ 291	\$ 286

See notes to condensed combined financial statements

CIBL, Inc. and Subsidiaries

Condensed Consolidated Statements of Changes in Stockholders' Equity

(Unaudited)

(In Thousands)

	Contributed Capital	Retained Earnings	Total
Balance at January 1, 2008	\$ 3,862	\$ 89	\$ 3,951
Net income	-	291	291
Balance at March 31, 2008	<u>\$ 3,862</u>	<u>\$ 380</u>	<u>\$ 4,242</u>

See notes to condensed combined financial statements

CIBL, Inc. and Subsidiaries

Condensed Consolidated Statements of Cash Flows

(Unaudited)

(In Thousands)

	Three Months Ended March 31,	
	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 291	\$ 286
Adjustments to reconcile net income to cash provided by operating activities		
Equity in earnings of affiliated companies	(1,010)	(950)
Distributions from affiliated companies	650	1,072
Minority interest	446	431
Depreciation	89	94
Changes in operating assets and liabilities		
Accounts receivable	13	(33)
Other current assets	34	8
Due from and to affiliated entities	5	69
Accounts payable, accrued expenses and other current liabilities	217	8
Other	(77)	-
Net Cash Provided by Operating Activities	<u>658</u>	<u>985</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	<u>(110)</u>	<u>(55)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash distributed to minority partner	(287)	(429)
Distributions to LICT	-	(443)
Net Cash Used by Financing Activities	<u>(287)</u>	<u>(872)</u>
Net Change in Cash and Cash Equivalents	261	58
CASH AND CASH EQUIVALENTS		
Beginning of period	<u>647</u>	<u>74</u>
End of period	<u>\$ 908</u>	<u>\$ 132</u>
Cash income taxes paid	<u>\$ 75</u>	

See notes to condensed combined financial statements

CIBL, Inc. and Subsidiaries

(In Thousands Except Share Data)

Notes To Condensed Consolidated financial Statements

1. Organization and Basis of Presentation

Basis of Presentation

CIBL, Inc. (the "Company" or "CIBL") consists of assets that were distributed to shareholders of its former parent company, LICT Corporation ("LICT") on November 19, 2007 (the "Spin-Off"). The accompanying financial statements include the historical basis of assets and liabilities and the historical results of operations of the Spin-Off business from LICT. Because the Spin-Off represents a transfer of entities and assets from entities under common control, the Spin-Off has been accounted for at historical cost in a manner similar to a "*Pooling of Interests*", as though the Spin-Off had occurred as of the earliest period presented.

The historical financial information presented herein for periods prior to November 19, 2007 reflects periods during which the Company did not operate as an independent company and, accordingly, certain assumptions were made in preparing such financial information. Such information, therefore, may not necessarily reflect the results of operations financial condition or cash flows in the future.

All material intercompany transactions and balances have been eliminated. The Company consolidates its ownership of Wescel Cellular of New Mexico, L.P. The 49% ownership interest in Wescel Cellular of New Mexico, L.P., not owned by CIBL, Inc., is shown as minority interest in the accompanying financial statements. Investments in affiliates in which the Company does not have a majority voting control, but has the ability to significantly influence management decisions, are accounted for in accordance with the equity method, consisting of: Coronet Communications Company ("Coronet") (20% owned at March 31, 2008 and December 31, 2007), and Capital Communications Company, Inc. ("Capital") (49% owned at March 31, 2008 and December 31, 2007).

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information. Accordingly, they are not audited and do not include all of the information and footnotes required for complete financial statements. These consolidated financial statements and footnotes should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's annual report for the year ended December 31, 2007. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month period ended March 31, 2008 are not necessarily indicative of the results that may be expected for the year ending December 31, 2008. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. Property, Plant and Equipment

Cable television plant is stated at cost. Depreciation is provided over the estimated useful lives of the assets which range from five to forty years. Major classes of plant assets consist of the following:

	March 31, 2008	December 31, 2007
Land	\$ 12	\$ 12
Buildings	97	97
Machinery and equipment	4,327	4,217
	<u>4,436</u>	<u>4,326</u>
Less accumulated depreciation	3,403	3,314
Property, plant and equipment, Net	<u>\$ 1,033</u>	<u>\$ 1,012</u>

3. Equity Method Investments

Summarized combined financial information for investments in broadcasting companies accounted for by the equity method as of and for the three months ended March 31, is as follows:

	Broadcasting Combined	
	March 31, 2008	March 31, 2007
Current assets	\$ 3,646	\$ 3,711
Property, plant and equipment, intangibles and other	8,243	8,569
Total Assets	<u>\$ 11,889</u>	<u>\$ 12,280</u>
Current liabilities	\$ 3,138	\$ 2,663
Long term liabilities	16,037	15,852
Equity	(7,286)	(6,235)
Total Liabilities and Equity	<u>\$ 11,889</u>	<u>\$ 12,280</u>
Revenues	\$ 2,962	\$ 2,846
Gross profit	762	591
Net income (loss)	(266)	(498)

3. Equity Method Investments (continued)

Summarized combined financial information for telecommunications companies, consisting of the New Mexico cellular telephone providers accounted for by the equity method as of and for the three months ended March 31, is as follows:

	Telecommunications Combined	
	March 31, 2008	March 31, 2007
Current assets	\$ 7,125	\$ 6,772
Property, plant and equipment, intangibles and other	12,935	9,529
Total Assets	<u>\$ 20,060</u>	<u>\$ 16,301</u>
Current liabilities	1,662	1,382
Long term liabilities	136	118
Equity	18,262	14,801
Total Liabilities and Equity	<u>\$ 20,060</u>	<u>\$ 16,301</u>
Revenues	\$ 10,029	\$ 8,961
Gross Profit	6,185	5,571
Net income (loss)	3,156	2,956

4. Commitments

The Company is subject to an operating lease for a building that it occupies. As of March 31, 2008, future minimum rental payments total \$41 including \$5 per year for the next five years.

5. Related Party

Management fee income for the three months ended March 31, 2008 and 2007 totals \$25 and \$18, respectively, received from Capital and Coronet.

CIBL has a temporary management and administrative services agreement with LICT Corporation, its former parent. Expense for such services at \$200 per year, totaled \$25 in the three months ended March 31, 2008.

J.B.N. Telephone Company and Giant Communications, Inc, entities affiliated by common ownership, provide the following services to Giant: administrative services, office space and overhead and high-speed bandwidth used in the provision of Giant's Internet service. During the three month periods ended March 31, 2008 and 2007, charges for services received from such entities approximated \$29 and \$38, respectively. As of March 31 2008 and December 31, 2007, Giant has a liability to such entities, included in due to affiliated entities in the combined balance sheets, of \$109 and \$111, respectively.