

CIBL, Inc. and Subsidiaries

Condensed Consolidated Financial Statements

Quarterly Report for Period Ended September 30, 2008

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

	September 30, 2008	December 31, 2007	September 30, 2007
	(Unaudited)	(Audited)	(Unaudited)
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 1,335	\$ 647	\$ 65
Accounts receivable, net of allowance for doubtful accounts of \$11 in 2008 and 2007	91	99	80
Materials and supplies	371	210	210
Prepaid expenses	15	21	3
Due from affiliated entities	-	4	-
Total Current Assets	1,812	981	358
Property, plant and equipment, net	1,199	1,012	994
Equity method investments in affiliated entities	6,535	5,824	6,085
Note receivable due from Lynch Paging Corporation	1,389	1,509	-
Other investments, cost basis	100	100	100
	\$ 11,035	\$ 9,426	\$ 7,537
LIABILITIES AND PARENT'S EQUITY IN DIVISION			
Current Liabilities			
Accounts payable and accrued expenses	\$ 262	\$ 228	\$ 159
Deferred revenue	98	84	80
Due to affiliated entities	103	118	137
Income tax payable	260	62	-
Cumulative losses in excess of investment in equity method affiliated entity	1,118	963	995
Total Current Liabilities	1,841	1,455	1,371
Deferred income taxes	1,582	1,606	1,058
Minority interest	2,675	2,414	2,525
Commitments and contingencies			
Stockholders'/Parents Equity in Division			
Common stock, at par value \$.01, 30,000 shares authorized, 25,115 shares issued and outstanding	-	-	-
Capital contribution	3,862	3,862	-
Retained earnings	1,075	89	-
Total Stockholders'/Parents Equity in Division	4,937	3,951	2,583
	\$ 11,035	\$ 9,426	\$ 7,537

See notes to condensed combined financial statements

CIBL, Inc. and Subsidiaries

Condensed Consolidated Statements of Operations

(Unaudited)

(In Thousands)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2008	2007	2008	2007
INCOME				
Revenue	\$ 322	\$ 276	\$ 833	\$ 846
Management fees	<u>43</u>	<u>42</u>	<u>128</u>	<u>157</u>
Total Revenue	365	318	961	1,003
EXPENSES				
Management fees	50	42	150	157
Operating costs	254	231	768	668
Depreciation	<u>92</u>	<u>89</u>	<u>273</u>	<u>269</u>
Total Expenses	<u>396</u>	<u>362</u>	<u>1,191</u>	<u>1,094</u>
Operating Loss	<u>(31)</u>	<u>(44)</u>	<u>(230)</u>	<u>(91)</u>
OTHER INCOME				
Investment income	22	-	78	11
Equity in earnings of affiliated companies	<u>996</u>	<u>947</u>	<u>3,207</u>	<u>2,865</u>
Total Other Income	<u>1,018</u>	<u>947</u>	<u>3,285</u>	<u>2,876</u>
Net Income Before Minority Interest and Income Taxes	987	903	3,055	2,785
Minority interest	(456)	(421)	(1,421)	(1,289)
Income tax expense	<u>(212)</u>	<u>(172)</u>	<u>(648)</u>	<u>(590)</u>
Net Income	<u>\$ 319</u>	<u>\$ 310</u>	<u>\$ 986</u>	<u>\$ 906</u>
Weighted average share outstanding	25,115		25,115	
Net income per share	<u>\$ 12.70</u>		<u>\$ 39.26</u>	

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	-	986	986
Balance at September 30, 2008	<u>\$ 3,862</u>	<u>\$ 1,075</u>	<u>\$ 4,937</u>

See notes to condensed combined financial statements

CIBL, Inc. and Subsidiaries

Condensed Consolidated Statements of Cash Flows

(Unaudited)

(In Thousands)

	Nine Months Ended September 30,	
	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 986	\$ 906
Adjustments to reconcile net income to cash provided by operating activities		
Equity in earnings of affiliated companies	(3,207)	(2,865)
Distributions from affiliated companies	2,650	2,000
Minority interest	1,421	1,289
Depreciation	273	269
Changes in operating assets and liabilities		
Accounts receivable	8	12
Other current assets	(165)	(82)
Due from and to affiliated entities	(15)	11
Accounts payable, accrued expenses and other current liabilities	354	(78)
Net Cash Provided by Operating Activities	2,305	1,462
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(460)	(139)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash distributed to minority partner	(1,157)	(857)
Distributions to LICT	-	(475)
Net Cash Used by Financing Activities	(1,157)	(1,332)
Net Change in Cash and Cash Equivalents	688	(9)
CASH AND CASH EQUIVALENTS		
Beginning of period	647	75
End of period	\$ 1,335	\$ 66
Cash income taxes paid	\$ 484	

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 51% ownership of Wescel Cellular of New Mexico, L.P., whose sole assets include 25% and 33% interests in two New Mexico RSAs, and included in equity in earnings of affiliated companies. 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 September 30, 2008 and December 31, 2007), Capital Communications Company, Inc. ("Capital") (49% owned at September 30, 2008 and December 31, 2007) and its 100% ownership in Wescel Cellular Inc II, whose sole asset is a 8.3% interest in a New Mexico RSA.

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 and nine month periods ended September 30, 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:

	September 30, 2008	December 31, 2007
Land	\$ 12	\$ 12
Buildings	97	97
Machinery and equipment	4,677	4,217
	<u>4,786</u>	<u>4,326</u>
Less accumulated depreciation	3,588	3,314
Property, plant and equipment, Net	<u>\$ 1,198</u>	<u>\$ 1,012</u>

3. Equity Method Investments

Summarized combined financial information for investments in broadcasting companies owned by Coronet and Capital, accounted for by the equity method as of and for the three and nine months ended September 30, is as follows:

	Broadcasting Combined	
	September 30, 2008	September 30, 2007
Current assets	\$ 3,581	\$ 3,790
Property, plant and equipment, intangibles and other	7,915	8,816
Total Assets	<u>\$ 11,495</u>	<u>\$ 12,606</u>
Current liabilities	\$ 3,420	\$ 3,257
Long term liabilities	16,040	16,521
Equity	(7,964)	(7,172)
Total Liabilities and Equity	<u>\$ 11,406</u>	<u>\$ 12,606</u>
<u>Three Months ended:</u>		
Revenues	\$ 2,435	\$ 2,791
Gross profit	281	572
Net loss	(587)	(455)
<u>Nine Months ended:</u>		
Revenues	\$ 8,348	\$ 8,258
Gross profit	1,863	1,858
Net loss	(944)	(1,253)

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 and nine months ended September 30, is as follows:

	Telecommunications Combined	
	September 30, 2008	September 30, 2007
Current assets	\$ 7,921	\$ 5,813
Property, plant and equipment, intangibles and other	13,135	10,632
Total Assets	<u>\$ 21,056</u>	<u>\$ 16,445</u>
Current liabilities	\$ 1,710	\$ 1,495
Long term liabilities	156	122
Equity	19,190	14,828
Total Liabilities and Equity	<u>\$ 21,056</u>	<u>\$ 16,445</u>
<u>Three Months ended:</u>		
Revenues	\$ 10,871	\$ 8,505
Gross profit	6,477	5,495
Net loss	3,239	3,128
<u>Nine Months ended:</u>		
Revenues	\$ 31,580	\$ 17,467
Gross Profit	19,390	11,066
Net income (loss)	10,084	6,084

4. Commitments

The Company is subject to an operating lease from an affiliate for a building that it occupies. As of September 30, 2008, future minimum rental payments total \$38 including \$5 per year for the next five years.

5. Related Party

Management fee income for the three and six month periods were received from Capital and Coronet, based on management agreements. In 2007, the Company was charged a management fee on such broadcasting investments equal to the amount of the management fee income.

CIBL has a temporary management and administrative services agreement with LICT Corporation, its former parent, with a fee for such services at a rate of \$200 per year.

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. Charges for services received from such entities approximated \$109 and \$117 during the nine month period ended September 30, 2008 and 2007, respectively. As of September 30 2008 and December 31, 2007, Giant has a liability to such entities, included in due to affiliated entities in the combined balance sheets, of \$103 and \$118, respectively.