

Inter-Community Telephone Company LLC

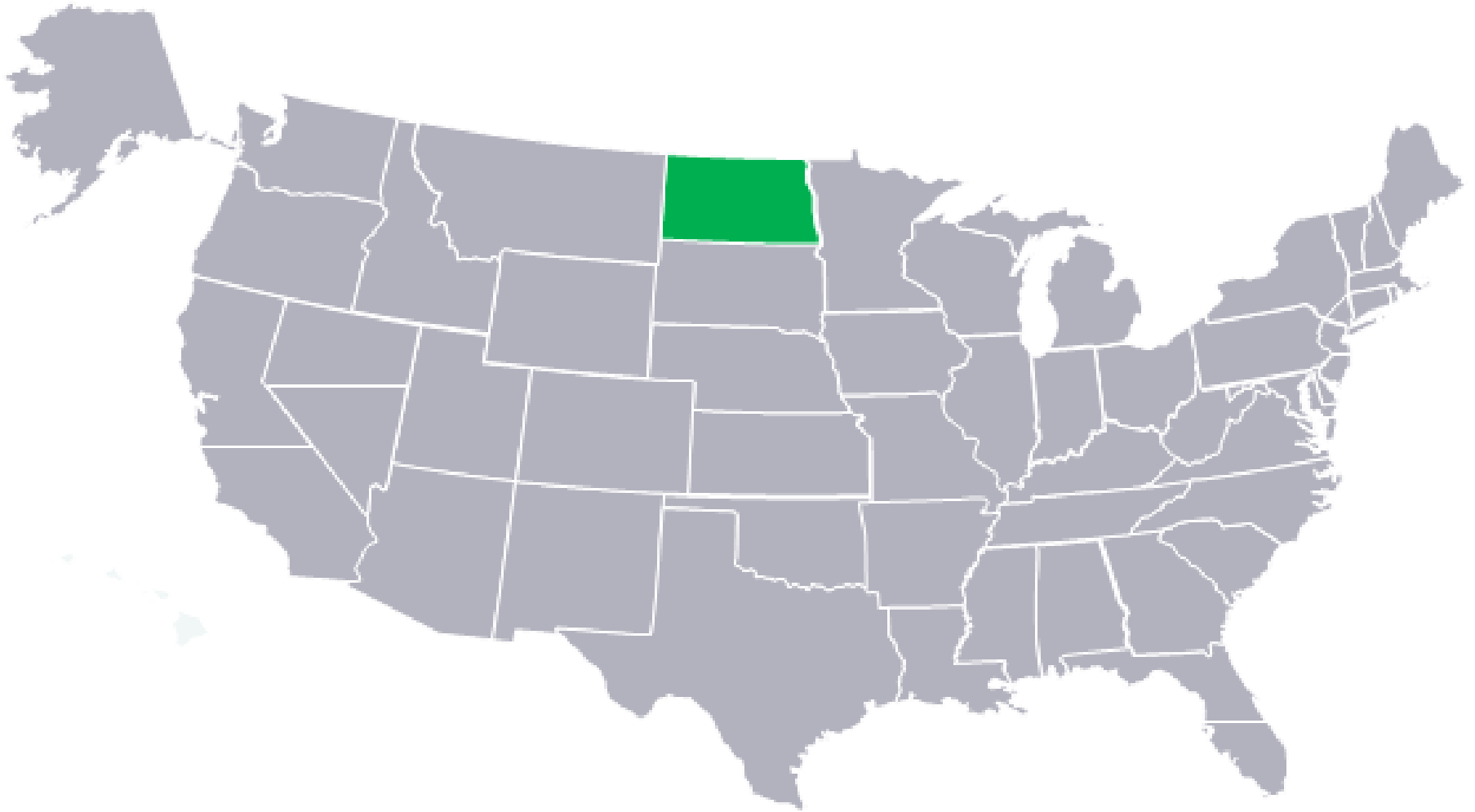


May 26, 2016



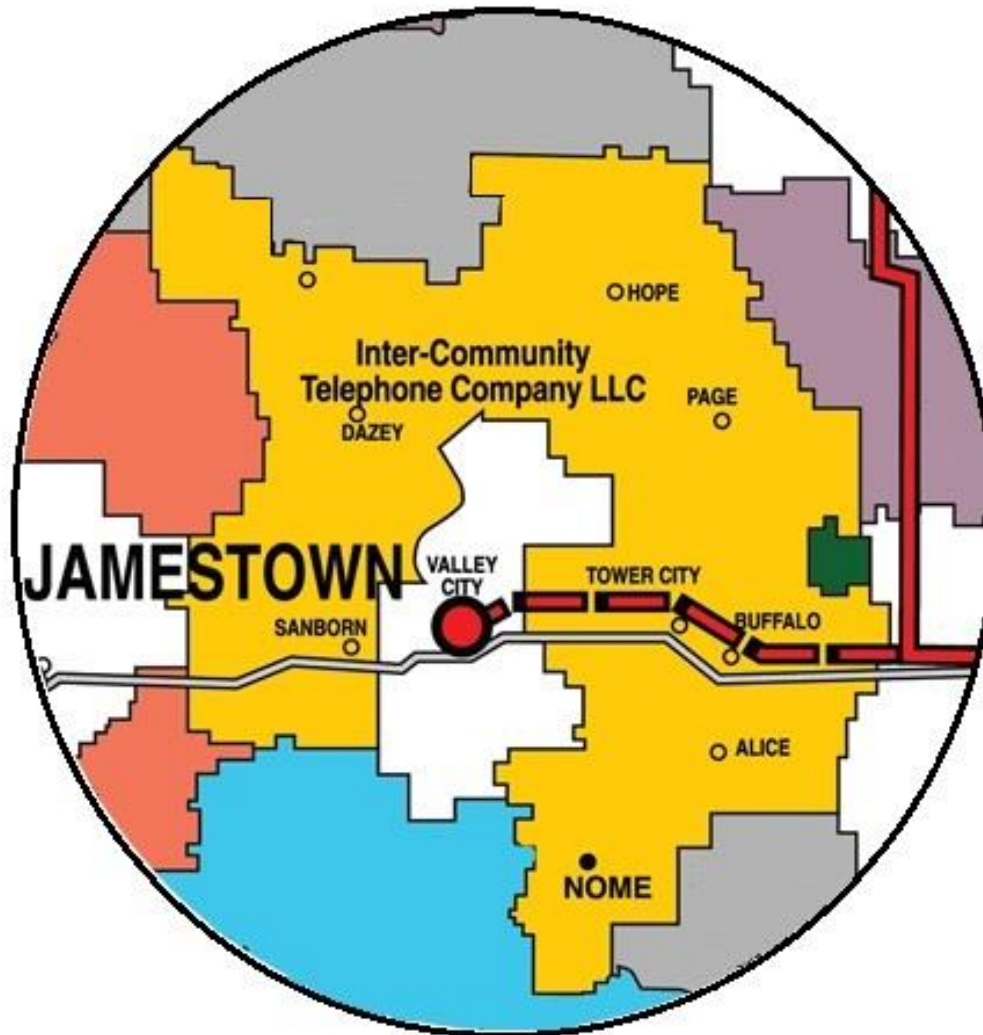
Notice

This presentation contains forward-looking statements. These forward-looking statements are based upon a number of factors, including but not limited to assumptions, forecasts and estimates regarding the economy and financial markets, ICTC's businesses, and the effects of regulation on ICTC. As a result, such information is subject to uncertainties, risks and inaccuracies, which could be material. Reference is also made to disclosure concerning forward-looking information in documents posted on ICTCGroup.net website.





Our Service Territory in North Dakota



ICTC GROUP, INC.

May 2010

Spun off from LICT Corporation.

April 2013

Stock becomes publicly tradable for non-affiliates.

November 2014

Multi-year stimulus project completed.

January-October 2015

Fiber optic build-out.

October 2015-January 2016

Trial of upgraded internet services and provided customers free month of internet service.

January – December 2016

Fiber optic build-out continues and educational program begins.

Our Business

▶ Telecommunications Operations:

▶ ***Inter-Community Telephone, LLC***

- Regulated RLEC business
 - 1,750 customers
 - 1,774 lines – 1,209 residential, 565 business

▶ ***Valley Communications, Inc.***

- Internet and other non-reg. business
 - 1,046 customers
 - 1,012 DSL lines

Our Business

- ▶ **Equity Investments:**

- ▶ ***Dakota Carrier Network, LLC (DCN)***

- 3.433% ownership interest in the North Dakota statewide fiber network

- ▶ Cellular Providers in Rural Service Areas (RSAs) operated by Verizon

- ***RSA #3*** – 1.33% ownership interest
 - ***RSA #5*** – 1.53% ownership interest

Our Goals

▶ *Faster Speeds*

▶ *Enhanced Services*

Faster Speeds

- ▶ FCC's new "A-CAM" Program
- ▶ Fiber optic facilities throughout our network
- ▶ State-of-the-art electronics
- ▶ Increasing broadband speeds
- ▶ Enhancing customers' understanding of the uses of speed

Enhanced Services

▶ **Learning sessions on our services.**

- ▶ Social-event format.
- ▶ During both business day and evenings.
- ▶ Basic and advanced levels of instruction.
 - ▶ Data usage
 - ▶ Video usage

▶ **Equipment support and training.**

- ▶ Computers, tablets and video gear.
- ▶ Guidance on best fit for customers' needs.
- ▶ Sales and rentals at cost.

Operating Results

(Full Years from 2012 to 2014)

	2013	Full Year 2014	2015
Revenue	\$ 3,853,410	\$ 4,063,472	\$ 4,020,373
EBITDA from Operations	<u>1,159,051</u>	<u>1,200,181</u>	<u>1,051,018</u>
Net Income	\$ 732,561	\$ 659,170	\$ 785,280
Earnings Per Share	\$ 1.81	\$ 1.64	\$ 2.05
Capital Expenditures	\$ 1,530,761	\$ 1,107,193	\$ 1,090,202

Balance Sheet

	2013	At Year-End 2014	2015
Cash	\$ 2,498,932	\$ 2,145,236	\$ 3,016,485
Total Debt	2,573,200	2,554,957	2,744,311
Net Debt	<u>\$ 74,268</u>	<u>\$ 409,721</u>	<u>\$ (272,174)</u>
Net Debt to EBITDA	0.1	0.3	(0.3)
Stockholders Equity	\$ 8,020,533	\$ 8,289,873	\$ 9,041,421
Shares Outstanding	404,426	384,396	382,929
Book Value per Share	\$ 19.83	\$ 21.57	\$ 23.61

Our Priorities

1. Broadband
2. Focus on Customers
3. Growth

