

ICTC GROUP, INC.

For Immediate Release

ICTC GROUP, INC. REPORTS RESULTS FOR FIRST QUARTER OF 2014

Nome, ND – June 3, 2014 – ICTC Group, Inc. (“ICTC”; Pink Sheets ®: ICTG) today announced its financial results for the first quarter of 2014. (See Attachment A.) ICTC’s operating subsidiaries, Inter-Community Telephone Company, LLC, a rural local exchange carrier (“RLEC”), and Valley Communications, Inc., a competitive local exchange carrier (“CLEC”), provide telecommunications services in southeastern North Dakota.

First Quarter Results – During the first quarter of 2014, our revenues were \$930,000, which is a \$33,000 decrease from the 2013 first quarter. EBITDA before corporate costs was \$356,000 versus \$398,000 in the first quarter of 2013, or a decrease of \$42,000.

Regulated revenues were \$733,000 compared with \$797,000 in 2012, a decrease of \$64,000. Non-regulated revenues were \$197,000, compared with \$166,000 in 2012, an increase of \$31,000. This was due primarily to increased broadband and CLEC sales. Operating costs, excluding depreciation, increased by \$10,000, to \$574,000 from \$564,000. Corporate expenses were \$66,000, a decrease of \$25,000 compared to the first quarter of 2013, due to lower professional fees. Operating profit was \$133,000 as compared with \$129,000 in the first quarter of 2013, a gain of \$4,000 or 3.1%. In addition, net income increased from \$174,000 to \$188,000 in 2014, a gain of \$14,000 or 8.2%.

ICTC has substantial investments in three other broadband providers: Dakota Carrier Network, a state-wide North Dakota fiber network owned by North Dakota RLECs; and two providers of wireless voice and broadband communications services in Southeastern North Dakota, North Dakota RSA # 3 and North Dakota RSA # 5, both operated by Verizon Wireless. These investments contributed \$176,000 to ICTG’s first quarter of 2014 income before income taxes, as compared to \$162,000 in 2013. These investments provided ICTC with cash distributions of \$64,000 for the first quarter, as compared to cash distributions of \$48,000 for the first quarter of 2013.

Earnings per share, excluding unusual items, were \$0.46 during the first quarter versus \$0.43 in 2013. This increase in earnings per share resulted primarily from lower depreciation expenses and increased earnings from investments.

Capital Expenditures – Total Capital expenditures were \$344,000 in the first quarter of 2014 and \$181,000 in the first quarter of 2013. These amounts include amounts spent under our American Recovery and Reinvestment Act stimulus project loan, and our continued investment in our network infrastructure, particularly our broadband facilities, but are net of grants received under the stimulus project and contributions in aid to construction received from our customers. The Company has incurred costs of \$413,000 which are expected to be reimbursed through the stimulus funding. By extending fiber optic cable further throughout our network and installing upgraded electronics, we are improving the speed and reliability of our broadband network and will continue to do so in 2014.

Federal Regulation – In November 2011, the Federal Communications Commission ("FCC") ordered significant modifications to Intercarrier Compensation ('ICC') and the Universal Service Fund ("USF"). Since that time, the FCC has issued a number of additional orders clarifying and modifying its ICC and USF mechanisms. Most recently, in April 2014 the FCC announced that it is making further reforms, the details of which are not yet available, which will impact carriers such as our company. It is not possible to predict the impact these regulatory actions will have on the Company's future revenues at this time. ICC and USF programs generate, on a combined basis, approximately 60% of our revenues. We believe that government policy will continue to encourage and support communication services in rural areas, but there is no certainty that such support will be maintained at historical levels. Because of this and because of the opportunities created by the Internet and other new technologies, we have focused on developing non-regulated, high speed businesses, such as broadband fiber and DSL service, to move beyond our traditional rural telephone services.

Balance Sheet – As of March 31, 2014, ICTC had approximately \$2,375,000 in cash and \$2,568,000 in total debt, resulting in net debt of \$193,000. (See Attachment B.) This compares to net cash of \$192,000 as of March 31, 2013, and excludes the \$413,000 recoverable under the stimulus program.

Business Initiatives for 2014 – ICTC has applied for a franchise from the city of Valley City to expand its fiber-based broadband business there. ICTC is also analyzing the extension of its fiber optic facilities to the growing marketplace of Bismarck. ICTC may also expand its CLEC operations to encompass the Bismarck area, where it could provide voice and data services over broadband facilities.

This release contains certain forward-looking information within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including without limitation anticipated financial results, capital expenditures and corporate transactions. It should be recognized that such information is based upon certain assumptions, projections and forecasts, including without limitation business conditions and financial markets, regulatory and other approvals, and the cautionary statements set forth in documents filed by ICTC on its website, www.ictcgroup.net. As a result, there can be no assurance that any possible transactions will be accomplished or be successful or that financial targets will be met, and such information is subject to uncertainties, risks and inaccuracies that could be material.

ICTC is a holding company with subsidiaries in voice, broadband and other telecommunications services that may seek acquisitions, principally in its existing business areas.

ICTC is listed on the Pink Sheets[®] under the symbol ICTG. Its World Wide Web address is <http://www.ictcgroup.net>.

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ICTC Group Inc.

	Three Months Ended March 31	
	2014	2013
Revenues	\$929,940	\$962,819
Costs and expenses:		
Cost of revenue, excluding depreciation	424,780	407,799
General and administrative costs at operations	149,258	156,628
Corporate office expense	66,309	91,215
Depreciation	156,856	178,416
Total Expenses	797,204	834,058
Operating Profit	132,736	128,761
Other income(expense):		
Dividend income	64,036	49,276
Interest expense	(34,329)	(31,727)
Equity in earnings of investee	111,690	114,586
Amortization of deferred loan fees	--	--
Other	--	--
Total Income	141,397	132,135
Income before income taxes	274,133	260,896
Income tax provision	(86,192)	(87,200)
Net Income	\$187,941	\$173,696
Average Share Outstanding	404,426	359,209
Earnings Per Share	\$0.46	\$0.43
Actual Shares Outstanding	404,426	404,426

ICTC Group, Inc.
Condensed Consolidated Balance Sheet

Attachment B

	March 31,	December 31,
	2014	2013
ASSETS		
Current Assets		
Cash and cash equivalents	\$2,374,914	\$2,498,932
Accounts receivable	296,143	296,087
Funds due for stimulus broadband project	413,435	--
Materials and supplies	47,253	41,770
Deferred income taxes	69,941	65,404
Prepaid Tax Benefits	--	18,998
Prepayments	97,883	105,710
Total Current Assets	3,299,569	3,026,901
Telecommunications Plant & Equipment		
Cost	23,312,223	23,382,169
Accumulated depreciation	16,741,688	16,584,831
	6,570,535	6,797,338
Other Assets:		
Investments	1,757,259	1,645,569
Other investments	238,265	246,075
Goodwill	1,772,179	1,772,179
	3,774,248	3,663,826
Total Assets	\$13,644,352	\$13,488,065
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities		
Accounts payable	\$220,137	291,298
Accrued income taxes	24,656	--
Other current liabilities	276,724	253,059
Current maturities of long-term debt	18,000	18,000
Total current liabilities	539,517	562,357
Long-Term Debt	2,550,266	2,555,200
Other Liabilities		
Deferred income taxes	2,282,494	2,285,419
Total other liabilities	2,346,095	2,349,975
	5,435,878	5,467,532
Stockholders' Equity:		
Preferred stock	--	--
Common stock	40	40
Additional paid in capital	1,759,992	1,759,992
Retained earnings	6,448,442	6,260,501
Total stockholders' equity	8,208,474	8,020,533
Total liabilities and stockholders' equity	\$13,644,352	\$13,488,065

As of December 31, 2013, ICTC Group, Inc. incurred \$307,143 of costs which are recoverable under the RUS BIP program. This amount is recorded in Telecommunications Plant & Equipment – Cost.

