

ICTC GROUP, INC.

For Immediate Release

ICTC GROUP, INC. Reports Results for First Quarter of 2016

Nome, ND – May 3, 2016 – ICTC Group, Inc. (“ICTC”; OTC Pink[®]: ICTG) today announces its financial results for the first quarter of 2016. (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 2016, our revenues were \$973,000, an increase of \$14,000 or 1.5% from the first quarter of 2015. This increase was due primarily to increased Universal Service Fund revenue related to modifications of our switching facilities, partially offset by a decrease in broadband revenue due to a promotional free month of internet service in January 2016 and a decrease in facility lease revenue due to rate reductions on some circuits provided to the State of North Dakota. Regulated revenues were \$804,000 compared with \$755,000 in 2015, an increase of \$49,000 or 6.6%. Non-regulated revenues were \$169,000, compared to \$205,000 in 2015, a decrease of \$36,000 or 17.2%, primarily due to the internet promotion.

EBITDA from the company’s operations in the first quarter of 2016 increased by \$32,000, or 9.5%, to \$368,000 from \$336,000 in the first quarter of 2015. This reflected the increase in revenue and a decrease in operating costs of \$39,000, partially offset by an increase in general and administrative expenses of \$21,000.

The company earned an operating profit of \$65,000 in the first quarter of 2016 compared to an operating profit of \$53,000 in the first quarter of 2015, an increase of \$12,000 or 23.9%.

Net income in the first quarter of 2016 was \$217,000 compared to \$137,000 in 2015. Net income in 2016 included \$137,000 in distributions from our cellular partnerships compared to \$75,000 in the first quarter of 2015. The fourth quarter 2015 distributions of \$65,000 were received in January 2016. Earnings per share were \$0.57 during the first quarter versus \$0.37 in 2015.

ICTC has substantial investments in three other telecommunications 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 \$241,000 to ICTC's first quarter 2016 income before income taxes as compared to \$170,000 in 2015. As noted above, these investments provided ICTC with cash distributions of \$137,000 for the first quarter, as compared to \$75,000 for the first quarter of 2015.

Capital Expenditures – Total capital expenditures were \$171,000 in the first quarter of 2016 and \$142,000 in the first quarter of 2015. Our capital expenditures represent continued investment in our network infrastructure, primarily focused on expanding our fiber optic and other broadband facilities. The expenditure amounts are net of grants received under our American Recovery and Reinvestment Act stimulus project and contributions in aid to construction received from our customers. By extending fiber optic cable further throughout our network and installing upgraded electronics, we are rapidly improving the speed and reliability of our broadband network and will continue to do so through 2016.

Federal Regulation – Pursuant to an Order which the FCC issued on March 30, 2016, it is expected to finalize by mid-year 2016 a number of significant revisions to the current Universal Service Fund ("USF") financial support mechanisms. It is anticipated that these revisions will become effective for the 10-year period beginning 1/1/17. These revised support mechanisms will require rate-of-return RLECs such as Inter-Community Telephone Company to either adopt a newly-developed program called the Alternative - Connect America Cost Model ("A-CAM") or continue with a cost-based method. The cost-based method will include High Cost Loop Support ("HCLS") and a new Connect America Fund – Broadband Loop Support ("CAF-BLS") which will replace the current Interstate Common Line Support ("ICLS"), with certain modifications. The FCC is now in the process of finalizing both the A-CAM and cost-based support programs. Due to the uncertainty created by the current state of the regulatory process, the Company is unable at this time to determine the impact either choice will have on the Company's future revenues. Our estimates for the full year will be adjusted after we are able to analyze the effects of whatever action the FCC ultimately takes. 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 continued at historical levels. Due to this uncertainty and the opportunities being created by new technologies and the internet, we have focused on developing non-regulated, high-speed broadband services to supplement our traditional rural telephone services.

Balance Sheet – As of March 31, 2016, ICTC had approximately \$3,227,000 in cash and \$2,737,000 in total debt, resulting in net cash of \$490,000 (See Attachment B). This compares to net cash of \$272,000 as of December 31, 2015. In addition, as of March 31, 2016, the Company held marketable securities with a market value of \$208,000. Marketable securities were \$93,000 at December 31, 2015.

Additional Repurchase Authorization – The Board of Directors has authorized a share repurchase program totaling 60,000 shares of the Company's stock. The Company has repurchased a total of 21,888 shares at an average price of \$19.75. The Company plans to continue to repurchase stock in the open market from time to time on a discretionary basis and as it deems appropriate.

Business Initiatives for 2016 – ICTC actively seeks to expand its broadband capacities and other communication services. The Company is currently planning the extension of its fiber optic facilities and the associated electronics to support enhanced communications services both within and outside its franchised telephone service territory, in growing North Dakota markets nearby.

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 OTC Pink ® under the symbol ICTG. Its website address is <http://www.ictcgroup.net>.

Contact: Daniel Miller
(914) 921-5193

ICTC Group Inc.
Condensed Consolidated Income
Statement

	Three Months Ended	
	March 31,	
	2016	2015
Revenues	\$973,313	\$959,340
Costs and expenses:		
Cost of revenue, excluding depreciation	423,093	462,149
General and administrative costs at operations	181,956	160,747
Corporate office expense	75,939	71,711
Depreciation	226,996	212,022
Total Cost and Expenses	907,983	906,629
Operating Profit (Loss)	65,330	52,711
Other income(expense):		
Dividend income	140,390	78,144
Other Income (Loss)	--	(1,386)
Interest expense	(22,545)	(34,863)
Equity in earnings of investee	104,414	94,973
Total Other Income	222,260	136,868
Income before income taxes	287,590	189,579
Income tax provision	(70,244)	(52,151)
Net Income	\$217,346	\$137,428
Average Shares Outstanding	382,753	384,263
Earnings Per Share	\$0.57	\$0.36
Actual Shares Outstanding	382,538	384,136

ICTC Group, Inc.
Condensed Consolidated Balance Sheet

Attachment B

	March 31,	December 31,
	2016	2015
ASSETS		
Current Assets		
Cash and cash equivalents	\$3,226,674	\$3,016,485
Accounts receivable	452,463	551,052
Materials and supplies	318,798	296,564
Deferred income taxes	92,733	92,733
Prepaid tax benefit	--	88,246
Prepayments	104,066	143,061
Total Current Assets	4,194,735	4,099,895
Telecommunications Plant & Equipment		
Cost	23,134,887	23,011,653
Accumulated depreciation	16,407,803	16,228,574
	6,727,084	6,783,079
Other Assets:		
Investments	1,958,876	1,854,462
Other investments	457,956	344,946
Goodwill	1,772,179	1,772,179
	4,189,011	3,815,451
Total Assets	\$15,110,830	\$14,854,561
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities		
Accounts payable	\$56,400	\$84,325
Accrued Income Taxes	191,680	126,736
Other current liabilities	351,689	331,699
Current maturities of long-term debt	26,800	26,400
Total current liabilities	626,569	569,130
Long-Term Debt	2,710,682	2,717,911
Other Liabilities		
Construction deposits	32,080	32,080
Deferred income taxes	2,494,025	2,494,025
Total other liabilities	2,526,104	2,526,104
	5,863,356	5,813,146
Stockholders' Equity:		
Preferred stock	--	--
Common stock	40	40
Treasury Stock at cost	(432,200)	(423,562)
Additional paid in capital	1,759,992	1,759,992
Comprehensive Income	(2,653)	(5)
Retained earnings	7,922,295	7,704,949
Total stockholders' equity	9,247,474	9,041,415
Total liabilities and stockholders' equity	\$15,110,830	\$14,854,561

EBITDA

EBITDA is an established measure of operating performance and liquidity that is commonly reported and widely used by analysts, investors and other interested parties in the telecommunications industry because it eliminates many differences in financial, capitalization and tax structures, as well as non-cash and non-operating charges to earnings. We believe that EBITDA trends are a valuable indicator of whether our operations are able to produce sufficient operating cash flow to fund working capital needs, service debt obligations and fund capital expenditures.

EBITDA equals net income (loss), before interest expense, income tax expense (benefit), depreciation and amortization expense, investment income, equity in earnings of affiliated companies, gain (loss) on sale of investments, impairment charges and net income from discontinued operations.

	Three Months Ended	
	March 31,	
	2016	2015
EBITDA		
Operations	\$368,265	\$336,445
Corporate Office Expense	(75,939)	(71,711)
Total EBITDA	292,326	264,734
Depreciation and amortization	(226,996)	(212,022)
Operating profit	\$65,330	\$52,711