

ICTC GROUP, INC.

For Immediate Release

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

Nome, ND – August 12, 2014 – ICTC Group, Inc. (“ICTC”; Pink Sheets ®: ICTG) today announced its financial results for the second 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.

Second Quarter Results – During the second quarter of 2014, our revenues were \$1,020,000, which is a \$26,000 increase from the 2013 second quarter. EBITDA before corporate costs was \$367,000 versus \$406,000 in the second quarter of 2013, or a decrease of \$39,000.

Regulated revenues were \$800,000 compared with \$825,000 in 2013, a decrease of \$25,000 due to a 2013 interstate cost study true-up. Non-regulated revenues were \$220,000, compared with \$169,000 in 2013, an increase of \$51,000. This was due in major part to increased broadband and CLEC sales. Operating profit was \$152,000 as compared with \$131,000 in the second quarter of 2013, a gain of \$21,000 or 16%. In addition, net income increased from \$161,000 to \$196,000 in 2014, a gain of \$35,000 or 21.7%.

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 \$173,000 to ICTC’s second quarter of 2014 income before income taxes, as compared to \$142,000 in 2013. These investments provided ICTC with cash distributions of \$195,000 for the second quarter, as compared to cash distributions of \$165,000 for the second quarter of 2013.

Earnings per share, excluding unusual items, were \$0.48 during the second quarter versus \$0.40 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 \$113,000 in the second quarter of 2014 and \$89,000 in the second 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 \$436,000 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 June 30, 2014, ICTC had approximately \$2,548,000 in cash and \$2,564,000 in total debt, resulting in net debt of \$16,000. (See Attachment B). This compares to net cash of \$369,000 as of June 30, 2013. This excludes the amount of \$436,000 noted above which is 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 and to additional areas of its franchised service territory. ICTC may also expand its CLEC operations to encompass the Bismarck area and other North Dakota locations, 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.
Condensed Consolidated Statement of Operations

Attachment A

| | Three Months Ended | | Six Months Ended | |
|--|---------------------------|-------------|-------------------------|-------------|
| | June 30 | | June 30 | |
| | 2014 | 2013 | 2014 | 2013 |
| Revenues | \$1,019,644 | \$993,487 | \$1,949,584 | \$1,956,307 |
| Costs and expenses: | | | | |
| Cost of revenue, excluding depreciation | 478,348 | 438,059 | 903,128 | 845,858 |
| General and administrative costs at operations | 174,206 | 149,781 | 323,465 | 306,409 |
| Corporate office expense | 59,854 | 88,186 | 126,164 | 179,401 |
| Depreciation | 155,121 | 186,361 | 311,978 | 364,777 |
| Total Expenses | 867,530 | 862,387 | 1,664,734 | 1,696,445 |
| Operating Profit | 152,114 | 131,100 | 284,850 | 259,861 |
| Other income(expense): | | | | |
| Dividend income | 57,518 | 32,706 | 121,554 | 81,982 |
| Interest expense | (35,389) | (32,402) | (69,718) | (64,129) |
| Equity in earnings of investee | 115,275 | 110,290 | 226,965 | 224,876 |
| Amortization of deferred loan fees | -- | -- | -- | -- |
| Other | -- | -- | -- | -- |
| Total Other Income | 137,404 | 110,594 | 278,801 | 242,729 |
| Income before income taxes | 289,519 | 241,694 | 563,651 | 502,590 |
| Income tax provision | (93,867) | (80,374) | (180,059) | (167,574) |
| Net Income | \$195,652 | \$161,320 | \$383,592 | \$335,016 |
| Average Shares Outstanding | 404,426 | 404,426 | 404,426 | 404,426 |
| Earnings Per Share | \$0.48 | \$0.40 | \$.95 | \$.83 |
| Actual Shares Outstanding | 404,426 | 404,426 | 404,426 | 404,426 |

ICTC Group, Inc.
Consolidated Balance Sheet

Attachment B

| | June 30, | December 31, | June 30, |
|---|---------------------|---------------------|---------------------|
| | 2014 | 2013 | 2013 |
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | \$2,547,604 | \$2,498,932 | \$2,645,005 |
| Accounts receivable | 370,161 | 296,087 | 277,041 |
| Funds due for stimulus broadband project | 436,426 | -- | -- |
| Materials and supplies | 57,149 | 41,770 | 55,406 |
| Deferred income taxes | 69,941 | 69,941 | 69,426 |
| Prepaid Tax Benefits | -- | 18,998 | -- |
| Prepayments | 112,374 | 105,710 | 86,358 |
| Total Current Assets | 3,593,655 | 3,026,901 | 3,133,236 |
| Telecommunications Plant & Equipment | | | |
| Cost | 23,400,900 | 23,382,169 | 23,003,013 |
| Accumulated depreciation | 16,896,809 | 16,584,831 | 17,251,489 |
| | 6,504,091 | 6,797,338 | 5,751,524 |
| Other Assets: | | | |
| Investments | 1,734,320 | 1,645,569 | 1,578,207 |
| Restricted cash | -- | -- | 545,050 |
| Other investments | 244,810 | 246,075 | 238,265 |
| Goodwill | 1,772,179 | 1,772,179 | 1,772,179 |
| | 3,774,248 | 3,663,826 | 4,133,701 |
| Total Assets | \$13,849,054 | \$13,488,065 | \$13,018,461 |
| LIABILITIES AND STOCKHOLDERS EQUITY | | | |
| Current Liabilities | | | |
| Accounts payable | \$181,670 | \$291,298 | 185,275 |
| Accrued income taxes | 79,523 | -- | 78,358 |
| Other current liabilities | 274,135 | 253,059 | 246,053 |
| Current maturities of long-term debt | 18,000 | 18,000 | -- |
| Total current liabilities | 553,328 | 562,237 | 509,686 |
| Long-Term Debt | 2,546,069 | 2,555,200 | 2,276,389 |
| Other Liabilities | | | |
| Deferred income taxes | 2,282,494 | 2,285,419 | 2,225,934 |
| Construction deposits | 63,038 | 64,556 | 43,002 |
| Deferred Broadband Program Grant | -- | -- | 340,461 |
| Total other liabilities | 2,345,532 | 2,349,975 | 2,609,397 |
| | 5,444,929 | 5,467,532 | 5,395,472 |
| Stockholders' Equity: | | | |
| Preferred stock | -- | -- | -- |
| Common stock | 40 | 40 | 40 |
| Additional paid in capital | 1,759,992 | 1,759,992 | 1,759,992 |
| Retained earnings | 6,644,094 | 6,260,501 | 5,862,957 |
| Total stockholders' equity | 8,404,126 | 8,020,533 | 7,622,989 |
| Total liabilities and stockholders' equity | \$13,849,054 | \$13,488,065 | \$13,018,461 |

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.

