

ICTC Group, INC.

For Immediate Release

ICTC Group, INC. Reports Second Quarter 2017 Results

Nome, ND – July 28, 2017 – ICTC Group, Inc. (“ICTC”; OTC Pink ®: ICTG) today reported results for the quarter ending June 30, 2017.

Operating revenues were \$1,379,000 compared to \$1,069,000 in the second quarter of 2016.

Regulated revenues increased to \$1,142,000 from \$847,000 last year, attributable to the Alternative Connect America Model (“A-CAM”) that began in January 2017. In the second quarter of 2017 ICTC received \$774,000 in A-CAM revenues as compared to \$351,000 of Universal Service Fund support in the prior year.

Non-regulated revenues increased to \$237,000 from \$222,000 in the quarter due to continued growth in broadband subscribers attributable to investments in our network.

EBITDA from the company’s operations increased to \$617,000 from \$317,000 in the second quarter of 2016.

Investment income in the second quarter was \$167,000 on a pre-tax basis, compared to \$169,000 in 2016.

Net income in the second quarter of 2017 was \$340,000 compared to \$160,000 in 2016. Earnings per share were \$0.89 during the second quarter versus \$0.42 in 2016.

Capital Expenditures – Total capital expenditures were \$113,000 in the second quarter of 2017 representing continued investment in our network infrastructure, including the expansion of our fiber optic and broadband facilities. We expect capital investment will increase significantly in the third quarter of 2017 and again during the construction season in 2018 as part of our 10-year commitment to bring high-speed internet service to all constituents in our service territory.

Balance Sheet – As of June 30, 2017, ICTC had approximately \$4,875,000 in cash and marketable securities, and \$2,704,000 in total debt. The strength of our balance sheet will allow the Company to pursue investments and acquisitions that align with our goal of allocating capital to surface shareholder value.

Additional Repurchase Authorization – The Board of Directors had previously authorized a share repurchase program totaling 74,037 shares of the Company’s stock. Through June 30, 2017, the Company has repurchased a total of 27,292 shares under this program at an average price of \$21.84. The Company will continue to repurchase stock in the open market on an opportunistic basis.

Business Initiatives –While ICTC continues to expand its broadband capacities and enhance its communication platform in North Dakota, the Company is also seeking growth initiatives outside its core business and evaluating opportunities for surfacing value for shareholders through strategic opportunities.

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>.

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	Three Months Ended June 30		Six Months Ended June 30	
	2017	2016	2017	2016
Revenues	\$1,378,884	\$1,068,837	\$2,744,206	\$2,042,150
Costs and expenses:				
Cost of revenue, excluding depreciation	445,745	404,070	932,627	827,163
General and administrative costs at operations	196,119	223,281	378,602	405,237
Corporate office expense	120,178	124,602	209,467	200,542
Depreciation	252,871	232,873	504,331	459,869
Total Expenses	1,014,914	984,827	2,025,027	1,892,810
Operating Profit	363,970	84,010	719,179	149,340
Other income(expense):				
Dividend income	71,194	81,514	172,602	221,905
Other Income (Loss)	5,440	--	26,564	--
Interest expense	(22,894)	(22,945)	(45,227)	(45,490)
Equity in earnings of investee	95,635	87,533	196,493	191,947
Total Other Income	149,375	146,102	349,893	368,362
Income before income taxes	513,344	230,112	1,069,072	517,702
Income tax provision	(172,861)	(69,855)	(352,434)	(140,099)
Net Income	\$340,483	\$160,257	\$716,638	\$377,603
Average Shares Outstanding	381,134	383,164	381,056	382,961
Earnings Per Share	\$0.89	\$0.42	\$1.88	\$0.99
Actual Shares Outstanding	381,634	383,271	381,634	383,271

ICTC Group, Inc.
Condensed Consolidated Balance Sheet

Attachment B

	June 30,	December 31,
	2017	2016
ASSETS		
Current Assets		
Cash and cash equivalents	\$3,790,225	\$3,071,376
Accounts receivable	491,114	443,664
Materials and supplies	392,136	225,011
Deferred income taxes	72,051	75,453
Prepayments	195,997	221,551
Total Current Assets	<u>4,941,524</u>	<u>4,037,055</u>
Telecommunications Plant & Equipment		
Cost	22,579,151	22,508,137
Accumulated depreciation	16,289,218	15,895,330
	<u>6,289,933</u>	<u>6,612,807</u>
Other Assets:		
Investments in affiliate	2,115,232	2,040,702
Other investments	1,330,477	903,978
Goodwill	1,772,179	1,772,179
	<u>5,217,888</u>	<u>4,716,859</u>
Total Assets	<u>\$16,449,345</u>	<u>\$15,366,721</u>
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities		
Accounts payable	\$38,758	\$70,319
Accrued Income Taxes	287,280	6,155
Other current liabilities	269,422	297,722
Current maturities of long-term debt	27,200	27,200
Total current liabilities	<u>622,660</u>	<u>401,396</u>
Long-Term Debt	<u>2,676,813</u>	<u>2,690,236</u>
Other Liabilities		
Deferred income taxes	2,600,478	2,558,319
Total other liabilities	<u>2,600,478</u>	<u>2,558,319</u>
	<u>5,899,952</u>	<u>5,649,951</u>
Stockholders' Equity:		
Preferred stock	--	--
Common stock	41	41
Treasury Stock at cost	(596,190)	(532,348)
Additional paid in capital	1,876,616	1,827,241
Comprehensive Income/(Loss)	217,993	87,542
Retained earnings	9,050,933	8,334,294
Total stockholders' equity	<u>10,549,393</u>	<u>9,716,770</u>
Total liabilities and stockholders' equity	<u>\$16,449,345</u>	<u>\$15,366,721</u>

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		Six Months Ended	
	June 30,		June 30,	
	2017	2016	2017	2016
EBITDA				
Operations	\$737,019	\$441,486	\$1,432,978	\$809,751
Corporate Office Expense	(120,178)	(124,602)	(209,467)	(200,542)
Total EBITDA	616,841	316,883	1,223,510	609,209
Depreciation and amortization	(252,871)	(232,873)	(504,331)	(459,869)
Operating profit	\$363,970	\$84,010	\$719,179	\$149,340