

NEWS RELEASE FROM:
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FOR IMMEDIATE RELEASE:

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\$500,000 Distribution Announced at Meeting

MACOMB Members attending the 57th McDonough Telephone Cooperative annual meeting received news on the financial status of the co-op and honored several 50-year members.

Treasurer R. Stephen Hunt stated in his report that the cooperative ended the year with total assets of \$24,499,265.

Board Chairman Jim Torrance reviewed the cooperative's accomplishments and activities of the past year.

This was a very active year for your cooperative, said Torrance. First, we paid out the first half of 1995 capital credits in the amount of \$500,000. In December all of our members also received a \$25 Merry Christmas bill credit.

Other member outreach activities have been the Morning and Lunchtime Exchanges and Customer Appreciation cookouts.

Your cooperative supports its youth by joining with the Illinois Electric and Telephone Cooperatives in the Youth to Washington Tour, Torrance said.

This year, for the first time, the board voted to send a total of four students to Washington.

Another student, Erica Lawver of Industry, was awarded a \$2,500 scholarship funded by the Foundation for Rural Services and McDonough Telephone.

Torrance discussed some new additions to our video service.

We are proud to announce we have added Video on Demand to our TV offering, he said.

Soon, we'll be adding HDTV as well. These products are currently not available to all members due to technical limitations, but our technical group is working on solutions.

Torrance reported that the cooperative recently completed a fiber to the home (FTTH) build outside of Colchester.

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FTTH gives us the opportunity to deliver a large amount of bandwidth to the customers homes which in turn allows us to offer more services, he explained.

Torrance then delivered the well-received news that the board had moved to pay out the last half of the capital credits from 1995.

This distribution will equal \$500,000, Torrance announced.

President Bill Buchanan introduced Les Fowler. Fowler in turn introduced Tim Stein of Colchester, Amelia Finch of Sciota, Chloe Li of Colchester and Brittany Pieper of Bushnell who represented McDonough Telephone on the annual Youth to Washington Tour. The students thanked members for the experience of a lifetime and encouraged continued support of this educational program.

Michelle Torrance then took the stage to explain the cooperative's anniversary program and to introduce the members celebrating a 50th anniversary with the co-op. This year five memberships achieved 50 year anniversaries: Barbara Skien, Adair; Bernard Allen, Adair; Ruth & Herb Bozard, Industry; Jim and Sammy Blender, Raritan; and Gene and Barbara Lashbrook, Adair. A brief video was played of Bernard Allen reminiscing about the many changes in farming and in communications he's witnessed through the past 50 years.

Buchanan opened his report with a graph indicating a drop of approximately 100 phone lines since the beginning of the year. He attributed this decrease to people moving away from the rural area and the trend of using cell phones and voice over internet protocols in place of landline phones.

Our video and DSL take rates continue to increase, but the numbers are starting to level off, explained Buchanan. This is understandable since regulatory issues require us to tie video and DSL to phone service. The declining phone numbers affect the video and DSL numbers as well. The only way we can grow is horizontal.

Buchanan announced that the purchase of Infobahn Outfitters in Macomb earlier this year was part of the strategy of strengthening the co-op through horizontal growth.

The companies have integrated very well, said Buchanan.

Buchanan ended his presentation with an explanation of the Grow Illinois Alliance (GIA). The GIA was spearheaded by McDonough Telephone and Egyptian Telephone Cooperatives who were later joined by all of the members of the Illinois Independent Telephone Association. The organization was conceived of as a way to get the message of small phone companies out to a

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larger audience both on the consumer level and on the government level. The marketing program should launch within the next several weeks.

During the meeting, members re-elected Donald Rings, District 6-Colusa, Jerry Payne, District 8- Swan Creek, Mitchell Welsh, District 9- Blandinsville and R. Stephen Hunt- District 10, Colchester to the board of directors.

McDonough Telephone Cooperative serves 4,000 member-owners in Fulton, Hancock, Henderson, McDonough, Warren and Schuyler Counties. For more information, go to www.mdtc.net.

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