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Doren Quinton, *President*  
Josh Kier, *VP*

(250) 376 - 8989  
info@qiscapital.com

## Company Summary

April 16, 2008

### Radiant Communications Corp. (RCN : TSX-V)

Current Price : \$1.30

Coverage Initiated:  
\$1.01 (March 7, 2008)

#### Highlights:

- 5 consecutive quarters of EBITDA positive results
- large customers including Wal-Mart, Burger King, and 7-Eleven
- successful introduction of new product suite in January 2008
- 85% of recurring revenues denominated in Canadian dollars
- trading at low multiple of annual sales

### DISCUSSION:

Radiant Communications Corp. is one of Canada's leading providers of IP-based data communications and broadband solutions focused exclusively on helping business clients harness the power of the Internet. These services include managed DSL services, secure virtual private networks (VPN), secure IP connectivity to payment processor gateways for debit and credit card transactions, and high availability web hosting and content management solutions to customers in Canada, the US and internationally. In operation since 1996, the company currently serves over 14,000 business locations from its offices in Vancouver, Toronto, Montreal, Calgary, and Edmonton. A new management team took control of operations in 2006.

New applications, equipment, and management systems are driving a need for businesses to switch from old, slow and expensive network technologies to fast, cost-efficient IP-based networks. The company has constructed its operations to meet the increased demand for secure, high-performance nation-wide IP networks to connect remote locations, head offices and service providers for retailers, financial service providers and franchise operations. Radiant's customers include very large multi-location retailers such as Wal-Mart, HDS Retail, 7-Eleven, Burger King, Forzani, Blacks Photo, WhiteSpot, and Lululemon; as well as financial service organizations such as Sun Life and First Ontario Credit Corporation, and many smaller 5-10 location organizations.

Radiant's customers with multiple locations benefit from the company's agreements with over 40 partners to provide the most extensive network reach in Canada, utilizing the best methods available; whether it is DSL, cable or wireless technologies. Radiant provides the fastest implementation time for any location in Canada and offers quality ongoing support.

On October 11, 2007, the company negotiated a wholesale services agreement for the supply of broadband connectivity to the Canadian locations of one of the world's largest telecommunication services providers.

In November 2007, Radiant completed a private IP-based network for over 120 corporate Burger King restaurants in Canada. The company also completed a nationwide data solutions rollout for 7-Eleven Canada. The Burger King network now enables each restaurant to securely and reliably connect to the head office, vendors, and other third party sites. The contract also provides a single bill, a single price, and a single service level agreement tailored to the customer rather than dealing with several different IP service companies each with its own contract. In addition, this Cisco-based network allows the restaurants to run applications such as digital voice, video surveillance, and inventory management over a secure private network. Under the 7-Eleven agreement, Radiant's fully-managed VPN allows each store to process POS transactions 4 to 5 times faster than previously possible.

In mid-December 2007, the company announced the launch of a new business continuity disaster recovery solution specifically customized to provide secure redundant network communications for all 17 of FirstOntario Credit Union's branches and 29 ATM's. This recovery solution is part of Radiant's AlwaysThere™ Business Continuity Solutions Suite. This product suite is a tool kit for small to medium sized enterprises (SME), which enables enterprise-level business continuity and email archiving.

In early February 2008, the company announced that its new hosted email solution, AlwaysThere™ hosted Exchange, was ordered by 7 major customers totaling more than 1,300 seats during its first 60 days of availability. This product was tested thoroughly during the fourth quarter of 2007 and commenced commercial sales in early January 2008.

Radiant is poised for significant growth in 2008 and beyond through its recent innovative launch of VPN, Digital Voice services, and AlwaysThere™ hosted Exchange. These services enable Radiant to capitalize on new sales opportunities with existing clients resulting in a multi-fold increase (in some cases 8x) in revenues per client. These new product and service offerings are providing about 90% of new growth opportunities while historical services continue to grow at about 10-12% per year. With over 85% of

recurring revenue denominated in Canadian currency, Radiant is well protected from the recent appreciation of the Cdn dollar.

Radiant has achieved 5 consecutive quarters of EBITDA positive results and reported its 23<sup>rd</sup> consecutive quarter of revenue growth for the three months ended Dec. 31, 2007. The company also has a clean balance sheet with no debt, approximately \$3.1 million in cash and investments (\$0.28 per share), and positive working capital. Radiant reported record annual revenues of \$21.8 million in 2007, and expects to achieve sales of about \$25.0 million in 2008 and over \$30 million in 2009. With a current market capitalization of only \$14.2 million, the company's share price to sales ratio is only 0.65X, 0.57X, and 0.47X, respectively. While the company has been able to generate positive earnings, Radiant is currently focused on gaining market share which is expected to result in significantly higher margins and net earnings in 2009 and beyond. Radiant may further represent an attractive takeover candidate due its market penetration, growth opportunities, and current trading multiples.

## FINANCIAL SUMMARY (For the years ending December 31 - Canadian Dollars)

	2002	2003	2004	2005	2006*	2007	2008e	2009e
Revenues	\$ 11,629,944	\$ 15,516,458	\$ 15,034,139	\$ 17,590,542	\$ 19,283,902	\$ 21,782,269	25,000,000	30,000,000
Gross Profit	5,464,496	7,244,789	7,922,004	8,919,556	9,963,446	10,817,275	12,000,000	15,500,000
Cash Flow	(3,722,976)	(1,921,660)	(1,623,437)	(1,899,223)	885,394	1,564,796	1,200,000	2,500,000
Net Income (Loss)	(5,667,878)	(3,717,796)	(3,374,856)	(5,168,552)	14,928	414,564	-	-
per share	(\$ 0.41)	(\$ 0.19)	(\$ 0.72)	(\$ 0.86)	\$ 0.002	\$ 0.038	-	-

\* Radiant completed a 6 for 1 share consolidation in January 2006

## LATEST FINANCIAL RESULTS

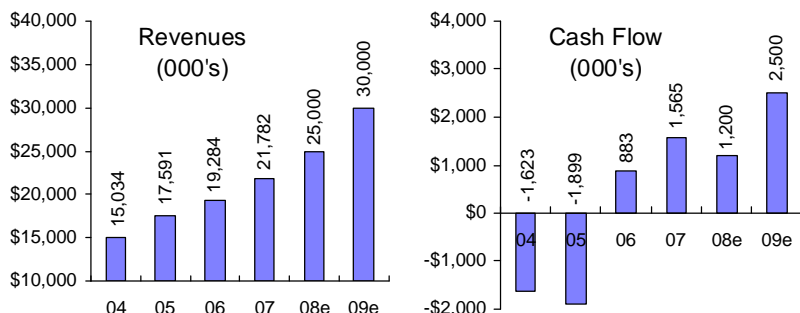
	3 Months Ended Dec. 31		Year Ended Dec. 31	
	2007	2006	2007	2006
Revenues	\$ 5,818,926	\$ 4,935,870	21,782,269	19,283,902
Cost of Sales	2,985,167	2,339,609	10,964,994	9,320,456
Gross Profit	2,833,759	2,596,261	10,817,275	9,963,446
Sales & Mktg. Exp.	452,106	558,919	2,049,463	2,377,998
G&A Expense	1,864,364	1,767,664	7,143,285	6,556,275
Amort. Expense	256,615	208,242	895,684	837,386
Net Income	184,982	76,215	414,564	14,928
per share	0.017	0.008	0.038	0.002

## BALANCE SHEET

(As at December 31, 2007)

Current Assets	\$ 6,620,751
Total Assets	9,596,182
Current Liabilities*	6,032,747
Capital Lease Obligations	133,293
Shareholders' Equity	3,418,274

\* includes deferred revenue of \$3.4 million



## SHARES OUTSTANDING

(As at December 31, 2007)

Basic	10,925,658*
Fully-diluted	14,480,956**

\* management and insiders own approximately 55% of the basic shares issued and outstanding

\*\* includes 1,016,676 options exercisable at an average price of \$1.33 and 2,538,622 warrants exercisable at \$2.40

## MANAGEMENT TEAM:

**David Buffett**, *President, CEO*

**Chuck Leighton**, *CFO*

**Tom Gillette**, *Executive VP, Sales & Marketing*

**Adrian Byram**, *Executive VP & CTO*

**Karen Sam Leong**, *Human Resources Manager*

## CONTACT INFORMATION:

**Head Office:** 1600 - 1050 West Pender St.  
Vancouver, BC V6E 4T3  
**Telephone:** (604) 692-4531  
**Fax:** (604) 608-0999  
**Email:** [cleighton@radiant.net](mailto:cleighton@radiant.net)  
**Website:** [www.radiant.net](http://www.radiant.net)  
**Contact Person:** Chuck Leighton

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