



Radiant Communications Announces Third Quarter 2011 Results

Vancouver, Canada, November 24, 2011 - Radiant Communications Corp. ("Radiant") (TSX-V:RCN), Canada's leading supplier of Broadband Solutions for Business™, today announced its financial results for the third quarter and nine months ended September 30, 2011.

HIGHLIGHTS:

- Revenue of \$8.1 million for the quarter ended September 30, 2011 increased by 3.1% compared to revenue of \$7.8 million for the quarter ended September 30, 2010.
- Gross margin was 40.1% in the quarter.
- EBITDA in the third quarter was \$455,617 compared to \$408,380 in the third quarter of 2010.
- A decision to reorganize the Company in order to better focus on strategic long term shareholder return was made during the quarter with estimated costs of restructuring activities of \$523,377 expensed during the period.
- Net loss in the third quarter of \$383,576 amounted to a loss of \$0.03 per share.
- The Company ended the quarter with cash and short-term investments of \$4.9 million

"In the past 60 days I have worked very closely with the Board of Directors and management team at Radiant to gain an in depth understanding of the business and value proposition in order to build a strategy for shareholder appreciation" said Paul Healey, Radiant's President and CEO. "During this period we have restructured operations to increase efficiency and customer satisfaction, reviewed the product road map and reached out to many of our valued customers to determine how Radiant can improve our partnerships. I am very pleased to be working with an excellent team and some of Canada's most successful businesses. We've made remarkable progress in a short time frame and I look forward to the opportunity to report on our path forward in the near future."

Financial Review

Revenues for the quarter ended September 30, 2011 increased 3.1% to \$8.1 million compared to \$7.8 million in the third quarter of 2010. The increase is a result of ongoing installation and activation of new services directed at retailers and larger national businesses as well as the addition of new locations and services to existing customers. Radiant's revenues are primarily recurring in nature and due to extended two and three year customer contracts quarterly revenue growth is relatively predictable and consistent over time. One time hardware revenues can fluctuate from quarter to quarter depending on the requirements of customer rollouts that occur each quarter.

In the third quarter AlwaysThere virtual services accounted for 6.7% of revenue, up from 5.1% of revenue in the third quarter of 2010. With AlwaysThere services accounting for over 15% of new sales year to date we expect this higher margin business continue to grow.



Revenue in the third quarter of 2011 was flat compared to the preceding second quarter of 2011. The Company believes a stronger focus on increasing the dollar value of existing high value customers and a more targeted high margin product mix will deliver improved sales and revenue results.

For the quarter ended September 30, 2011, the Company's gross profit was \$3.2 million compared to \$3.2 million in the third quarter of 2010. Gross profit as a percent of revenue was 40.1% for the quarter ended September 30, 2011 compared to 40.3% for the same period in 2010 and 38.2% in the immediately preceding quarter. With increased pricing pressures on commoditized connectivity the Company believes an emphasis on high value services and monitoring technology will be attractive to existing and new customers.

Operating expenses, including sales and marketing, general and administrative, and amortization costs, but excluding restructuring costs, were \$3.2 million in the third quarter of 2011, an increase of 2.2% compared to \$3.1 million in the third quarter of 2010 and a decrease of 5.7% compared to the immediately preceding second quarter of 2011.

Sales and marketing expenses include compensation expenses, agent and channel distribution, and marketing costs. For the quarter ended September 30, 2011, sales and marketing expense decreased 13.6% to \$534,050 compared to \$618,084 in the third quarter of 2010. Sales and marketing expenses in the third quarter of 2011 decreased by 11.8% compared to sales and marketing costs in the second quarter of 2011. The impact of the reorganization will result in lower sales and marketing expenses in the short term. Over the long term the Company intends to invest in sales and marketing in alignment with a strategic focus on selling high value services to the underserved small and medium enterprise market.

General and administrative expenses, which include customer care, technical, network, executive and administrative staff, systems development, hardware, software, premises, office, amortization and general expenses, were 6.9% higher at \$2.6 million for the quarter ended September 30, 2011 compared to \$2.5 million in the third quarter of 2010. The increase is primarily due to the ongoing product development activities mentioned previously as well as investments in our provisioning and billing systems. General and administrative expenses in the third quarter of 2011 decreased by 4.3% compared to the second quarter of 2011.

In the third quarter ended September 30, 2011 the Company initiated a restructuring plan which was implemented in September and October of 2011. Restructuring costs related to severance, legal fees and other items totaling \$523,377 were recorded in the statement of income (loss) for the three and nine month periods ending September 30, 2011.

The Company had a net loss of \$383,576 or a loss of \$0.03 per share for the quarter ended September 30, 2011 compared to a net income of \$45,005 or \$0.00 per share in the third quarter



of 2010. The weighted average number of shares outstanding for the third quarter of 2011 and the third quarter of 2010 was 15.1 million.

At September 30, 2011 Radiant had cash and short term investments of \$4.9 million compared to \$4.3 million at December 31, 2010. Radiant has established a consistent record of positive cash flows from operating activities that are sufficient to fund all expected capital acquisitions and non-cash working capital requirements for the existing business. Existing future commitments are primarily for premises and equipment leases and amount to \$156,211 for 2011 and \$833,652 for the remaining four years to 2015. The Company believes it has sufficient funds to ensure ongoing operations and will not require additional funding from capital markets or other sources in 2011.

EBITDA

Earnings before Interest, Taxes, Depreciation and Amortization is calculated as follows:

(\$000s)	Q3 2011	Q3 2010
Operating Income (loss)	\$ (447)	\$ 64
Amortization	366	318
Stock-based compensation expense	14	27
Restructuring costs	523	-
EBITDA	\$ 456	\$ 409

In the third quarter of 2011, Radiant achieved EBITDA of \$455,617 compared to EBITDA of \$408,380 in the third quarter of 2010.

Additional details on the quarter results, including the unaudited Financial Statements and Management Discussion and Analysis, will be made available at www.sedar.com under Radiant Communications Corp.

Non-GAAP Non-IFRS Measures

The Company reports EBITDA because it is a key measure used by management to evaluate the Company's performance. The Company believes that EBITDA is useful supplemental information as it provides an indication of the results generated by the Company's main business activities prior to taking into consideration how those activities are financed and taxed and also prior to taking into consideration asset depreciation and other non-cash expenses. EBITDA is not a recognized measure under Canadian GAAP or IFRS, and accordingly investors are cautioned that EBITDA should not be construed as an alternative to net earnings or loss determined in accordance with Canadian GAAP or IFRS as an indicator of the financial performance of the Company or as a measure of the Company's liquidity and cash flows. The Company's method of calculating EBITDA differs from other issuers and, accordingly, EBITDA may not be comparable to similar measures presented by other issuers. Please see the schedule below that sets out the Company's EBITDA calculations.

About Radiant



In operation since 1996, Radiant currently serves over 20,000 business locations in Canada and the United States from its offices in Vancouver, Toronto and Montreal.

Headquartered in Vancouver, Canada, Radiant Communications (www.radiant.net) provides businesses across Canada with a comprehensive and innovative suite of data communications and cloud computing services: the largest on-net DSL footprint across Canada, T1 and E10/E100 fibre broadband, MPLS private networking, and AlwaysThere Cloud Computing services. Many of Canada's largest retail chains and thousands of other small to mid-sized businesses depend on Radiant solutions for their mission-critical data networks and enterprise-level applications.

For More Information:

Investors and Media: Chuck Leighton, CFO, 604.692.4531, mail to: cleighton@radiant.net.

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This press release may contain forward-looking statements, including statements regarding the business and anticipated financial performance of Radiant, which involve risks and uncertainties. These risks and uncertainties may cause Radiant's actual results to differ materially from those contemplated by the forward-looking statements. Factors that might cause or contribute to such differences include, among others, competitive pressures, the growth rate of the Internet and telecommunications concerns, constantly changing technology and market acceptance of Radiant's products and services. Investors are also directed to consider the other risks and uncertainties discussed in Radiant's required financial statements and filings. All other companies and products listed herein may be trademarks or registered trademarks of their respective holders.

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