Radiant Communications Announces Second Quarter 2011 Results

Vancouver, Canada, August 25, 2011 - Radiant Communications Corp. ("Radiant") (TSX-V:RCN), Canada's leading supplier of Broadband Solutions for Business™, today announced its financial results for the second quarter ended June 30, 2011.

HIGHLIGHTS:

- Revenue of $8.1 million for the quarter ended June 30, 2011 increased by 4.9% compared to revenue of $7.8 million for the quarter ended June 30, 2010.
- Gross margin was 38.2% in the quarter.
- EBITDA in the second quarter was $143,171 compared to $126,010 in the second quarter of 2010.
- Net loss in the second quarter of $237,569 amounted to a loss of $0.02 per share.
- The Company ended the quarter with cash and short-term investments of $4.0 million

Financial Review

Revenues for the quarter ended June 30, 2011 increased 4.9% to $8.1 million compared to $7.8 million in the second 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 second quarter AlwaysThere virtual services accounted for 6.7% of revenue, up from 4.7% of revenue in the second quarter of 2010. With AlwaysThere services accounting for over 15% of new sales year to date we expect to this high margin business continue to grow.

Revenue in the second quarter of 2011 increased by 2.6% compared to the preceding first quarter of 2011. This increase is attributable to several of our larger customers expanding locations as well as a decrease in the churn of the established base. Surelink revenue was 2.6% of revenue in the second quarter and increased by 33.4% over the preceding first quarter of 2011.

For the quarter ended June 30, 2011, the Company's gross profit was $3.1 million compared to $3.0 million in the second quarter of 2010. Gross profit as a percent of revenue was 38.2% for the quarter ended June 30, 2011 compared to 38.9% for the same period in 2010 and 40.1% in the immediately preceding quarter. In both the first and second quarters of 2011 Radiant has invested in additional monthly backhaul expenses for the new Surelink Central Office locations. We have also re-signed several of our core long term customers to new multi-year contracts with lower monthly revenue.

Operating expenses, including sales and marketing, general and administrative, and amortization costs of $3.3 million in the second quarter of 2011 increased by 4.8% compared to $3.2 million in the second quarter of 2010 and increased by 3.7% compared to the immediately preceding first quarter of 2011. Historically Radiant has held headcount flat and is committed to managing expenses in a conservative manner while the economic environment begins to stabilize. At the same time the Company is investing in the Surelink product and sees an immediate opportunity to capture market share.

Sales and marketing expenses include compensation expenses, agent and channel distribution, and marketing costs. For the quarter ended June 30, 2011, sales and marketing expense decreased 6.6% to $605,612 compared to $648,576 in the second quarter of 2010. Sales and marketing expenses in the second quarter of 2011 increased by 2.3% compared to sales and marketing costs in the first quarter of 2011.

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 7.7% higher at $2.7 million for the quarter ended June 30, 2011 compared to $2.5 million in the second 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 to accommodate our recent high growth rate. General and administrative expenses in the second quarter of 2011 were 0.1% higher compared to the first quarter of 2011.

The Company had a net loss of $237,569 or a loss of $0.02 per share for the quarter ended June 30, 2011 compared to a net loss of $166,199 or $0.01 per share in the second quarter of 2010. The weighted average number of shares outstanding for the second quarter of 2011 was 15.1 million and for the second quarter of 2010 was 14.4 million.

At June 30, 2011 Radiant had cash and short term investments of $4.0 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 $1.0 million for 2011 and $1.2 million 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)	Q2 2011	Q2 2010
Operating Income (loss)	$ (236)	$ (173)
Amortization	364	271
Stock-based compensation expense	15	28
EBITDA	$ 143	$ 126

In the second quarter of 2011, Radiant achieved EBITDA of $143,171 compared to EBITDA of $126,010 in the second 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 & the US, 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: Chuck Leighton, CFO, 604.692.4531, mail to: cleighton@radiant.net, or

Media: Maria LoScerbo, Epic PR, 604.732.6221, mail to: maria@epicpr.ca

Broadband Solutions for Business and AlwaysThere are registered trademarks of Radiant Communications Corp. All other trademarks, service marks, registered trademarks, or registered service marks are the property of their respective owners.

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.
The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

RADIANT COMMUNICATIONS CORP.

BALANCE SHEETS

(Expressed in Canadian dollars)
(Unaudited)

	Note	June 30, 2011	December 31, 2010
Assets			
Current assets			
Cash and cash equivalents		$ 3,505,014	$ 3,748,225
Short-term investments		533,376	533,376
Trade and other receivables		3,833,081	3,057,969
Inventories		293,473	296,888
Prepaid expenses		537,123	272,330
		8,702,067	7,908,788
Other non-current assets		620,951	811,520
Property and equipment		2,348,296	2,276,688
Right of access		1,961,413	2,097,065
Goodwill		1,574,228	1,574,228
		$ 15,206,955	$ 14,668,289
Liabilities and Shareholders' Equity			
Current liabilities			
Trade and other payables		$ 3,227,925	$ 2,282,750
Advance billings and customer deposits		3,470,737	3,402,461
Provisions and other current liabilities		241,785	329,189
		6,940,447	6,014,400
Unearned revenue		841,588	967,081
Provisions and other non-current liabilities		36,707	33,788
		7,818,742	7,015,269
Shareholder's equity			
Issued capital		7,511,130	7,511,130
Contributed surplus		4,690,462	4,655,230
Deficit		(4,813,379)	(4,513,340)
		7,388,213	7,653,020
		$ 15,206,955	$ 14,668,289

RADIANT COMMUNICATIONS CORP.

STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian dollars)
(Unaudited)

	Three months ended June 30, 2011	Three months ended June 30, 2010	Six months ended June 30, 2011	Six months ended June 30, 2010
Revenue	$ 8,139,848	$ 7,758,217	$ 16,073,318	$ 15,568,986
Cost of sales	(5,028,023)	(4,738,033)	(9,778,499)	(9,378,022)
Gross profit	3,111,825	3,020,184	6,294,819	6,190,964
Expenses				
Sales and marketing	(605,612)	(648,578)	(1,197,438)	(1,142,095)
General and administrative	(2,742,129)	(2,546,220)	(5,481,312)	(5,065,552)
Other income/expenses	207	1,232	104,280	18,985
	(3,347,534)	(3193,566)	(6,574,470)	(6,188,662)
Operating (loss) income	(235,709)	(173,382)	(279,651)	2,302
Interest expense	230	145	385	196
Finance recovery (costs)	(721)	(5,052)	2,729	(11,817)
Foreign exchange gain (loss)	(1,369)	12,090	(23,502)	2,794
Net loss and comprehensive loss for the period	$ (237,569)	$ (166,199)	$ (300,039)	$ (6,525)
Attributable to Equity shareholders of the Company	$ (237,569)	$ (166,199)	$ (300,039)	$ (6,525)
Basic and diluted earnings (loss) per share	$ (0.02)	$ (0.01)	$ (0.02)	$ (0.00)
Weighted average common shares, used in computing basic and diluted earnings (loss) per share	15,125,664	14,433,356	15,125,664	14,433,356