

## Radiant Communications Announces 2013 Second Quarter Results

**Vancouver, Canada, August 21, 2013** - Radiant Communications Corp. ("Radiant") (TSX-V:RCN), a leading provider of managed network and cloud hosting solutions for medium-size enterprises today announced its financial results for the second quarter ended June 30, 2013.

### HIGHLIGHTS:

- Record revenue of \$8.2 million for the second quarter ended June 30, 2013 increased by 1.7% compared to revenue of \$8.1 million for the second quarter ended June 30, 2012. Revenue for the first half of 2013 was \$16.5 million, an increase of 1.6% compared to revenue of \$16.3 million in the first half of 2012.
- Gross margin was 40.7% for the quarter compared to 41.9% in the second quarter of 2012.
- EBITDA for the second quarter ended June 30, 2013, was \$523,986 compared to \$710,568 in the second quarter of 2012, a decrease of 26.3%. Included in the second quarter 2013 EBITDA calculations are expenses related to the proposed plan of arrangement process of \$200,000. (See EBITDA section for the reconciliation of EBITDA to Net Income).
- Net income for the second quarter ended June 30, 2013 was \$225,466 or \$0.01 per share compared with net income of \$306,940 or \$0.02 per share in the second quarter of 2012. Included in the second quarter 2013 net income amount are expenses related to the proposed plan of arrangement process of \$200,000.
- The Company ended the quarter with cash and short-term investments of \$6.9 million and generated \$2 million of cash from operating activities during the second quarter.
- On March 8, 2013, the Company entered into an Arrangement Agreement with three controlling shareholders under which the Company would be taken private pursuant to a plan of arrangement under the provisions of the Canada Business Corporations Act. This agreement was later terminated on April 25, 2013.
- On April 26, 2013, Don Calder resigned as Chairman of the Board of Directors of Radiant.
- During the quarter ended June 30, 2012, the Company entered into an agreement with a vendor to provide services at fixed prices over a period of three years. The minimum purchase commitment over this three-year period was \$11.6 million. In July 2013 this agreement was amended, increasing the term to four years and the minimum purchase commitment to \$15.6 million.

"Radiant continues to make significant progress both financially and with our target customer base," said Paul Healey, President and CEO. "In the first six months of 2013 we have grown EBITDA by over 30% after excluding the canceled privatization process, and generated \$895,846 of cash from operations. We ended the quarter with a very healthy funnel of opportunities and look forward to continuing success. "

**EBITDA**

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

(\$000s)	Q2 2013	Q2 2012
Operating Income (loss)	\$ 186	\$288
Amortization	311	381
Stock-based compensation expense	27	42
<b>EBITDA</b>	<b>\$ 524</b>	<b>\$ 711</b>

In the second quarter of 2013, Radiant achieved EBITDA of \$523,986 compared to EBITDA of \$710,568 in the second quarter of 2012. Included in the EBITDA calculation for the second quarter of 2013 are expenses of \$200,000 related to the proposed plan of arrangement

(\$000s)	Six months ended June 30, 2013	Six months ended June 30, 2012
Operating Income (loss)	\$ 436	\$ 338
Amortization	644	744
Stock-based compensation expense	67	62
<b>EBITDA</b>	<b>\$ 1,147</b>	<b>\$ 1,144</b>

In the six months ended June 30, 2013 Radiant achieved positive EBITDA of \$1.15 million compared to positive EBITDA of \$1.14 in the comparable period of 2012. Included in the EBITDA calculation for the first half of 2013 are expenses of \$340,000 related to the proposed plan of arrangement.

**About Radiant**

Radiant Communications is a leading provider of managed network and cloud hosting solutions for medium-size enterprises. Leveraging one of the largest Internet footprints across Canada, Radiant offers a comprehensive portfolio of reliable, secure and scalable IT infrastructure services, simplified under a single point of contact. For over 15 years, many of Canada's most recognized brand names have been relying on Radiant to support their mission-critical business operations.

**For More Information**

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