



# TAGLICH BROTHERS

The Standard of Excellence in the Microcap Market

Member: FINRA, SIPC

## Earnings Note

Investors should consider this report as only a single factor in making their investment decision.

### Radiant Logistics, Inc

Rating: Speculative Buy

Luis Martins

RLGT \$0.14 (OTC BB)

November 17, 2008

Radiant Logistics, Inc. (OTC BB: RLGT) is a global transportation and supply chain management company operating through a non-asset based business model. The Company has been operating under this model since October 2005.

On November 17, 2008, RLGT announced 2009 first quarter results for the period ended September 30, 2008. Below are the Company's results along with Taglich Brothers' estimates (in thousands \$):

	<u>Q1(9/08)A</u>	<u>Q1(9/08)E</u>	<u>Q1(9/07)A</u>
Total Revenues	\$ 32,403	\$ 33,374	\$ 25,557
Cost of Transportation	<u>21,220</u>	<u>22,603</u>	<u>17,116</u>
<b>Net Revenues</b>	11,183	10,772	8,441
<i>Gross Margins</i>	34.51%	32.28%	33.03%
Agent Commissions	7,553	7,370	5,852
Personnel Costs	1,614	1,546	1,547
S, G& A	1,117	1,195	695
D & A	315	250	240
Restructuring charge	<u>220</u>	<u>-</u>	<u>-</u>
Operating Expenses	<u>10,819</u>	<u>10,361</u>	<u>8,334</u>
<b>Operating Income</b>	<b>364</b>	<b>410</b>	<b>107</b>
<i>Operating Margin</i>	0.73%	1.23%	0.42%
<b>Total -other</b>	<b>28</b>	<b>(120)</b>	<b>(44)</b>
<b>Pre-Tax Income</b>	392	290	63
<i>Pre-Tax Margins</i>	1.21%	0.87%	0.25%
Taxes (Benefit)	<u>153</u>	<u>116</u>	<u>(8)</u>
<i>Tax Rate</i>	39.03%	40.00%	NMF
<i>Minority interest</i>	10		18
<b>Net Income</b>	\$ 250	\$ 174	\$ 88
<b>EPS-fully diluted</b>	<u>\$ 0.01</u>	<u>\$ 0.01</u>	<u>\$ -</u>
Avg Shares Out-fully diluted	<u>34,800</u>	<u>34,700</u>	<u>34,443</u>
<u>Percent of Revenue</u>			
Operating Expenses	33.39%	31.05%	33.39%
Net Margin	0.77%	0.52%	0.77%
<u>YEAR / YEAR GROWTH</u>			
Total Revenues	26.79%	30.59%	77.28%

\* Please view our disclaimer located on page 5.

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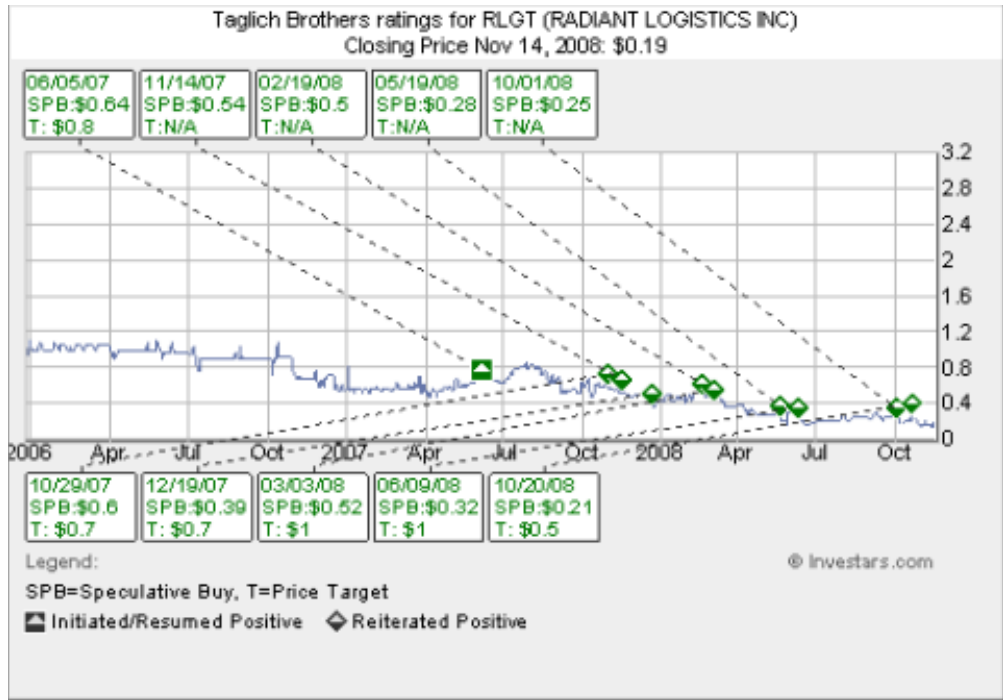
www.taglichbrothers.com

**Estimate Analysis:** Revenues were shy of expectations but EPS was essentially in line with expectations. Gross margins were slightly better than expectations; however, operating margins fell short of expectations primarily due to higher operating expenses and a \$0.220 million restructuring charge. Net margin was slightly better than expectations because of lower interest expense.

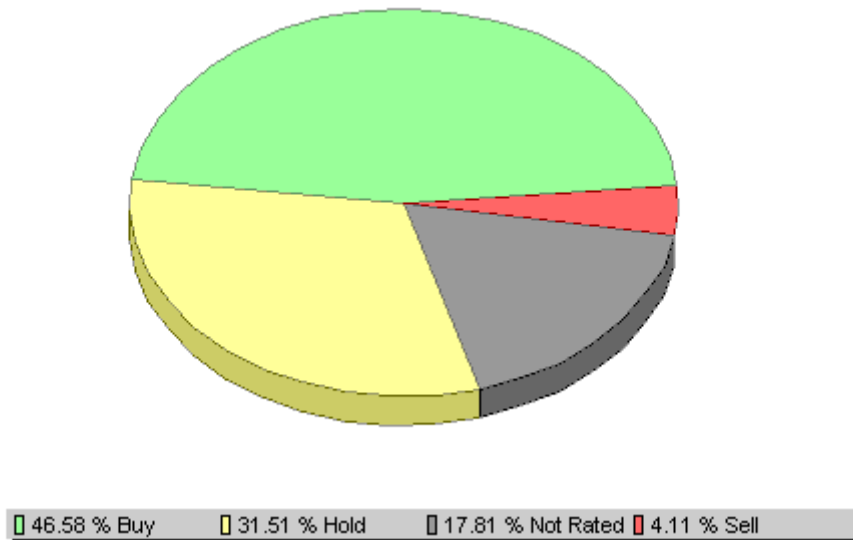
**Rating:** We are maintaining our Speculative Buy rating.

**Risks:** Please review our latest research report (dated October 20, 2008) for a summary of the principal risks underlying the stock.

Radiant Logistics, Inc.



Taglich Brothers Current Ratings Distribution



Investment Banking Services for Companies Covered in the Past 12 Months		
Rating	#	%
Buy	0	0
Hold	1	7.14%
Sell	0	0
Not Rated	0	0

### Meaning of Ratings

#### Buy

We believe the Company is undervalued relative to its market and peers. We believe its risk reward ratio strongly advocates purchase of the stock relative to other stocks in the marketplace. Remember, with all equities there is always downside risk.

#### Speculative Buy

We believe that the long run prospects of the Company are positive. We believe its risk reward ratio advocates purchase of the stock. We feel the investment risk is higher than our typical “buy” recommendation. In the short run, the stock may be subject to high volatility and continue to trade at a discount to its market.

#### Neutral

We will remain neutral pending certain developments.

#### Underperform

We believe that the Company may be fairly valued based on its current status. Upside potential is limited relative to investment risk.

#### Sell

We believe that the Company is significantly overvalued based on its current status. The future of the Company's operations may be questionable and there is an extreme level of investment risk relative to reward.

### **Some notable Risks within the Microcap Market**

**Stocks in the Microcap segment of the market have many risks that are not as prevalent in Large-cap, Blue Chips or even Small-cap stocks. Often it is these risks that cause Microcap stocks to trade at discounts to their peers. The most common of these risks is liquidity risk, which is typically caused by small trading floats and very low trading volume which can lead to large spreads and high volatility in stock price. In addition, Microcaps tend to have significant company specific risks that contribute to lower valuations. Investors need to be aware of the higher probability of financial default and higher degree of financial distress inherent in the microcap segment of the market.**

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From time to time our analysts may choose to withhold or suspend a rating on a company. We continue to publish informational reports on such companies; however, they have no ratings or price targets. In general, we will not rate any company that has too much business or financial uncertainty for our analysts to form an investment conclusion, or that is currently in the process of being acquired.

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All research issued by Taglich Brothers, Inc. is based on public information. The company paid for the creation and dissemination of research reports for the first year a monetary fee of \$21,000 (USD) on March 2007 and since July 2008 pays a monthly monetary fee of \$1,750 (USD) to Taglich Brothers, Inc. for the creation and dissemination of research reports.

**I, Luis Martins, the research analyst of this earnings note, hereby certify that the views expressed in this note accurately reflect my personal views about the subject securities and issuers; and that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this report.**