

Contact Info:

Ph: (250) 377-1182
Fax: (250) 377-1183
info@qiscapital.com
www.qiscapital.com

Doren Quinton,
President

Josh Kier,
Vice President

QIS COMPANY PROFILE



NTG Clarity Networks Inc.

(NCI:TSX-V)

Date: July 18, 2011

Price: \$0.155

(coverage initiated on Feb. 4, 2010 at \$0.045)



KEY INFORMATION

Fiscal Year-end	December 31
52-Week High/Low	\$0.245 - \$0.06
3-Month Avg. Daily Trading Volume	27,900 shares
Market Capitalization	\$3.9 million
Enterprise Value	\$5.1 million
Book Value per Share	\$0.39
Working Capital per share (Mar. 31)	\$0.073
Current Ratio	1.8
Gross Margin (qtr ended Mar. 31)	40%
LT Debt to Equity	0.03
Price to 2009 Earnings	17.2
Price to 2010 Earnings	5.7

FINANCIAL HISTORY (000s of Canadian Dollars)

	2007	2008	2009	2010
Revenues	6,277	5,485	6,114	6,357
Oper. Income	1,099	788	1,180	1,393
Net Income	91	539	221	669
per share	0.00	0.021	0.009	0.027

FINANCIAL DATA (000s of Canadian Dollars)

	3 Months Mar. 31		Yr Ended Dec. 31	
	2011	2010	2010	2009
Revenues	\$ 1,765	\$ 1,304	\$ 6,357	\$ 6,114
Cost of Sales	1,061	717	3,236	3,118
Gross Profit	704	588	3,121	2,997
Net Income	278	60	669	221
per share	0.011	0.002	0.027	0.009

BALANCE SHEET (as at March 31, 2011)

Current Assets	\$ 4,076,230
Total Assets	12,261,249
Current Liabilities	2,238,838
Long-Term Debt	280,865
Shareholders' Equity	9,741,546

SHARES OUTSTANDING (as at March 31, 2011)

Basic (25% held by mgmt & insiders)	25,153,391
Fully-Diluted	29,751,891

Highlights:

- targeting growth in an expanding int'l market, primarily the Middle East
- profitable with strong gross margins
- large working capital position of \$1.84 million or \$0.073 per share as at March 31, 2011 with minimal long-term debt
- trading at 5.7 times 2010 earnings excluding the sizeable working capital position

CORPORATE OVERVIEW

NTG Clarity Networks Inc. is a global leader in delivering network, IT (information technology) and infrastructure solutions to telecommunications service providers. The company has been developing niche software products directed at the business-to-business Internet market since its inception in 1992. NTG Clarity has a team of more than 120 network professionals offering design, engineering, implementation, software development and security expertise. The company's primary business focus is on the delivery of a world leading OSS (Operations Support System) product called NTS and the associated consulting services and training to implement the product. NTG Clarity's services are offered internationally with offices and operations in Canada, Egypt, Saudi Arabia, Algeria, Bahrain and Kuwait.

Management believes that NTG Clarity's brand is gaining increased recognition as a reliable, quality supplier to telecommunications and network service providers. The company is striving to increase market share in the telecom sector while expanding the enterprise and wireless areas of the business. NTG Clarity will continue to focus on enhancing its cost structure while targeting revenue and profit margin growth. A significant portion of future growth is expected to originate from the Middle Eastern marketplace due in part to the deregulation of the telecom sector and the licensing of new mobile operators.

In early 2009, NTG Clarity signed an agreement with Al Mozon Group Architectural Contracting to open a joint venture company called NTG Clarity Arabia. The new company provides telecommunications and information technology consulting services and products in the Kingdom of Saudi Arabia (KSA).

On June 29, 2010, the company received a \$1.7 million letter of intent for systems integration, interface development and data migration with a leading telecom operator in the Middle East with work set to take place over a period of about 12 months. In addition, in late September 2010, NTG announced a contract with one of Egypt's leading mobile operators to deploy part of its NTS OSS solution to manage this repeat client's site rollout and transmission network. NTG is actively marketing for additional NTS customers in the Middle East and in other emerging markets.

In October 2010, NTG Clarity received two letters of intent totaling \$4.15 million. A \$1.4 million LOI was received for the supply, installation and integration of its NTS OSS/BSS Telecom in a Box system from a leading mobile operator in the Gulf area with work set to be completed within 3 months. In addition, a \$2.75 million LOI was received from a leading system integrator in the Gulf region for the supply, provision, installation, and implementation of its NTS BSS system in a new state-of-the-art technology complex. This contract is expected to be completed within the next 12 months and could include additional revenue for the company resulting from the support of the system over the next 4 to 5 years.

On November 17, 2010, the company announced that it had initiated a normal course issuer bid under which NTG can buy back up to 1,878,932 of its common shares for cancellation until November 15, 2011.

In March 2011, the company reached a deal with Saudi Arabia's leading International Telecom services provider, Al-Harbi Telecom, to deploy its NTS OSS/BSS solution to manage Al-Harbi's growing Telecom business.

On April 11, 2011, NTG Clarity received a Letter of Award (LOA) totaling US\$5.65 million from a leading telecommunications company based in the Middle East. The contract was comprised of the initial installation of software, hardware, and licenses as well as a 3 year agreement for support and managed services. Unfortunately, in July 2011, the company announced that this LOA had been terminated due to unforeseen circumstances and disputes. NTG Clarity is in the process of settling work already completed under this agreement and the company maintains all of its legal rights under this LOA.

For the quarter ended March 31, 2011, NTG posted revenues of \$1.7 million, up from sales of \$1.3 million achieved during Q1 2010. Net earnings for the period were \$278,000 or \$0.011 per share which is a significant improvement over net income of \$60,000 or \$0.002 per share generated in 2010. As at March 31, 2011, the company had positive working capital of \$1.84 million or \$0.073 per share with long-term debt of \$280,865. First quarter results were positively impacted by recently announced contracts and further growth is anticipated for 2011, despite the termination of the LOA that had been received in April.

The company is presently trading at just 5.7 times 2010 earnings without giving effect to its positive working capital position of over \$0.07 per share. Adjusting for working capital, NTG Clarity is presently trading at just 3.0 times trailing earnings.

NTG Clarity Networks Inc.

Suite 202, 2820 14th Avenue

Markham, ON L3R 0S9

Contact: Ashraf Zaghloul, CEO & Chairman

Phone: (905) 305-1325

Fax: (905) 752-0469

Email: azaghloul@ntgclarity.com

Website: www.ntgclarity.com

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