

CEO's Perspective

TeraGo Networks *Broadband Your Business™*



invest

Delivering Broadband Services to Businesses in Canada

TeraGo Networks delivers high quality broadband data connectivity to businesses across Canada over a next generation wireless broadband network. Substantial critical business is now conducted over the Internet. Companies are reaching out to their customers and suppliers online and transmitting increasing quantities of data. More than ever, businesses need a broadband connection to be successful. TeraGo focuses on the needs of small and medium businesses located in suburban offices and industrial parks. Our target market is outside the main core of larger cities, where there is less competition for broadband services. We aim to provide our customers with high quality, high touch service and reliable system performance.

Broadband service delivery for Canadian business customers is a multi-billion dollar market, growing at an estimated 5% to 15% per year. TeraGo is growing rapidly, too. We now offer services in 42 cities across Canada and serve over 4,300 customer locations. With the bulk of our geographical expansion complete, we can devote more effort to expanding our customer base and increasing profitability.

A key differentiator for customers is that we own the infrastructure that connects the customer's location to our network and to the Internet. We do not rely on any other service provider within the cities we operate. This allows us to control performance and deliver exceptional service. It also allows us to provide redundancy for customers that need two connections for mission critical applications.

Our proven business model has been key to our success and differs significantly from the more traditional model. Typically, broadband companies require a massive upfront investment in infrastructure before bringing on any customers. In contrast, our use of capital expenditures is more efficient and is progressive with the onset of revenue. We spend a relatively small amount of

Company Facts and Statistics

Year founded:	1999
Number of employees:	183
Product:	Broadband services
Website:	www.terago.ca
Canadian Fund's initial investment:	September 2004
Amount invested to November 30, 2008:	\$3.8 million

capital to get started in a new city and a small amount as we sign up each customer.

TeraGo successfully completed an IPO in 2007. We appreciate the added value GrowthWorks has brought to our development. GrowthWorks Canadian Fund has been a source of both financing and great business insights, and has introduced us to new customers and partners.

Our immediate goal is to increase our market share and we see exciting future opportunities in expanding the suite of services we offer over our networks.

Bryan Boyd, President & CEO

Commissions, trailing commissions, management fees and expenses all may be associated with investments in retail venture capital funds (RVCs). RVCs are not guaranteed, their values change frequently and past performance may not be repeated. Please read the Fund's prospectus before investing. Certain technical and industry information contained herein, while obtained from sources we believe reliable, is not guaranteed as to accuracy or completeness. This document contains "forward-looking" statements, actual results may differ from those implied by such statements and we assume no obligation to update such statements. Effective November 29, 2005, the Fund purchased the assets of Canadian Science and Technology Growth Fund Inc. and Capital Alliance Ventures Inc. in exchange for Class A shares distributed to former shareholders of those investment funds. Effective October 24, 2008, the Fund purchased the assets of ENSIS Growth Fund Inc. in exchange for Class A shares distributed to former shareholders of that investment fund.