



COUNSEL  
RB CAPITAL INC

News Announcement

For Immediate Release

COUNSEL RB CAPITAL REPORTS PROFITABLE 2012 FIRST QUARTER  
WITH TOP-LINE RESULTS UP 79%

WHITE PLAINS, NY, and TORONTO, CANADA May 14, 2012 – Counsel RB Capital Inc. (OTCQB: CRBN) (the “Company”), a leader in distressed and surplus capital asset transactions, today reported financial results for the first quarter ended March 31, 2012 as summarized below.

Summary Financial Data (unaudited)		
(\$ in thousands, except per share amounts)	Three Months Ended March 31,	
	2012	2011
Asset liquidation revenue <sup>(1)</sup>	\$ 3,034	\$ 734
Earnings of equity accounted asset liquidation investments <sup>(2)</sup>	1,069	1,560
Operating income (loss)	799	(340)
Net income	390	189
Net income per diluted common share	\$ 0.01	\$ 0.01

<sup>(1)</sup> Represents revenue generated from activities where Counsel RB acted in a principal capacity or had majority interest in a transaction.

<sup>(2)</sup> Represents equity income from activities where Counsel RB acted as a member of a syndicate in a transaction.

**2012 Q1 Financial Highlights:**

- Q1 2012 combined asset liquidation revenue and earnings of equity accounted asset liquidation investments (pre-tax) rose 79% to \$4.1 million, compared with the year-ago period.
- Q1 2012 net income and comprehensive income more than doubled to \$390,000 from \$189,000 in Q1 2011.
- On a diluted per share basis, Q1 2012 earnings were \$0.01, compared with \$0.01 in the three months ended March 31, 2011.
- Cash and cash equivalents was \$5.6 million at March 31, 2012, compared to \$6.7 million at 2011 year-end.

“We are off to a solid start in 2012 both financially and operationally, as we posted another profitable quarter,” stated Counsel RB Co-CEO Jonathan Reich. “Additionally, at the end of February we made a key acquisition that has transformed our organization. Heritage Global Partners is a leading worldwide auction and asset advisory firm headed by seasoned and well-respected industry leaders Ross Dove and Kirk Dove. We have worked with them on several transactions throughout the years and believe that the addition of the Doves and Heritage’s talented team of experienced professionals under Counsel RB’s corporate umbrella significantly strengthens the Company and its position within our industry.”

Co-CEO Adam Reich added, “With the Heritage purchase we should also be able to earn additional profits from asset transactions in which Counsel RB acts as a principal, eliminating the need to bring in an outside auction partner and any related third-party commission expenses.”

**About Counsel RB Capital** ([www.counselrb.com](http://www.counselrb.com))

Counsel RB Capital Inc. (OTCQB: CRBN) is a value-driven, innovative leader in monetizing surplus capital assets. The Company specializes in acquiring turnkey manufacturing facilities, surplus industrial machinery and equipment, industrial inventories, accounts receivable portfolios and related intellectual property. Our subsidiary, Heritage Global Partners, Inc. ( [www.hgpauctions.com](http://www.hgpauctions.com)), is a global leader in auction, asset advisory and appraisal services.

**Forward-Looking Statements**

The statements made in this release that are not historical facts contain forward-looking information that involves risks and uncertainties. All statements, other than statements of historical facts, which address the Company's expectations, should be considered as forward-looking statements. Such statements are based on knowledge of the environment in which the Company currently operates, but because of the factors listed herein, as well as other factors beyond the Company's control, actual results may differ materially from expectations in the forward-looking statements. Important factors that may cause actual results to differ from anticipated results include, but are not limited to, obtaining necessary approvals and other risks detailed from time to time in the Company's securities and other regulatory filings.

**Contact:**

Stephen A. Weintraub  
Executive Vice President, Secretary & CFO  
[sweintraub@counselrb.com](mailto:sweintraub@counselrb.com) or 416/866-3058

Joseph Jaffoni or Robert Rinderman  
J C I R – Investor Relations  
[CRBN@jcir.com](mailto:CRBN@jcir.com) or 212/835-8500

-tables follow-

**COUNSEL RB CAPITAL INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**AND COMPREHENSIVE INCOME**  
**(unaudited)**

(In thousands of US dollars, except per share amounts)

Three months ended  
March 31,

	<u>2012</u>	<u>2011</u>
Revenue:		
Asset liquidation		
Asset sales	\$ 1,850	\$ 598
Commissions and other	1,184	136
Total asset liquidation revenue	<u>3,034</u>	<u>734</u>
Operating costs and expenses:		
Asset liquidation	1,533	439
Inventory maintenance	3	1,170
Patent licensing and maintenance	26	57
Selling, general and administrative	1,739	968
Depreciation	3	—
Total operating costs and expenses	<u>3,304</u>	<u>2,634</u>
Earnings of equity accounted asset liquidation investments	(270)	(1,900)
Operating income (loss)	<u>1,069</u>	<u>1,560</u>
Other income (expenses):		
Other income	10	—
Interest expense	(59)	(84)
Total other income (expenses)	<u>(49)</u>	<u>(84)</u>
Income (loss) before the undernoted	750	(424)
Income tax expense (recovery)	313	(598)
Earnings (loss) of other equity accounted investments (net of \$0 tax)	<u>(47)</u>	<u>15</u>
Net income and comprehensive income	<u>\$ 390</u>	<u>\$ 189</u>
Weighted average common shares outstanding (in thousands):		
Basic	27,484	26,149
Diluted	27,844	26,182
Weighted average preferred shares outstanding (in thousands):		
Basic and diluted	1	1
Earnings per share – basic:		
Common shares	\$ 0.01	\$ 0.01
Preferred shares	\$ 0.57	\$ 0.29
Earnings per share –diluted:		
Common shares	\$ 0.01	\$ 0.01
Preferred shares	\$ 0.56	\$ 0.29

-balance sheets follow-

**COUNSEL RB CAPITAL INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In thousands of U.S. dollars, except share and per share amounts)  
(unaudited)

	<u>As of March 31, 2012</u>	<u>As of December 31, 2011</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 5,630	\$ 6,672
Amounts receivable (net of allowance for doubtful accounts of \$186; 2011 - \$186)	1,660	917
Receivables from related parties	2,595	595
Deposits	2,029	69
Inventory – equipment	763	1,013
Other current assets	200	148
Deferred income tax assets	2,415	2,419
Total current assets	<u>15,292</u>	<u>11,833</u>
Other assets:		
Inventory – real estate	1,073	2,131
Asset liquidation investments	1,032	3,455
Investments	2,588	2,772
Property, plant and equipment	52	19
Goodwill	8,613	573
Deferred income tax assets	26,129	26,364
Total assets	<u>\$ 54,779</u>	<u>\$ 47,147</u>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 6,669	\$ 855
Income taxes payable	117	261
Debt payable to third parties	456	3,091
Debt payable to related parties	1,003	—
Total liabilities	<u>8,245</u>	<u>4,207</u>
Commitments and contingencies		
Equity:		
Preferred stock, \$10.00 par value, authorized 10,000,000 shares; issued and outstanding 592 Class N shares at March 31, 2012 and December 31, 2011, liquidation preference of \$592 at March 31, 2012 and December 31, 2011	6	6
Common stock, \$0.01 par value, authorized 300,000,000 shares; issued and outstanding 28,135,228 shares at March 31, 2012 and 27,117,450 shares at December 31, 2011	281	271
Additional paid-in capital	281,602	278,408
Accumulated deficit	(235,355)	(235,745)
Total equity	<u>46,534</u>	<u>42,940</u>
Total liabilities and equity	<u>\$ 54,779</u>	<u>\$ 47,147</u>

###