



COUNSEL  
RB CAPITAL INC

For Immediate Release

News Announcement

**COUNSEL RB CAPITAL REPORTS 2012 Q3 OPERATING RESULTS AND  
UPDATES ON ONGOING CORPORATE PROGRESS**

WHITE PLAINS, NY, and TORONTO, CANADA November 12, 2012 – Counsel RB Capital Inc. (OTCQB: CRBN) (the “Company”), a leader in distressed and surplus capital asset transactions, today reported financial results for the third quarter and nine months ended September 30, 2012 as summarized below.

Summary Financial Data (unaudited)				
(\$ in thousands, except per share amounts)	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Total Asset liquidation revenue <sup>(1)</sup>	\$ 3,052	\$ 2,149	\$ 9,917	\$ 14,618
Earnings of equity accounted asset liquidation investments <sup>(2)</sup>	222	478	1,449	2,195
Operating income (loss)	(1,575)	516	(1,104)	4,697
Net income (loss)	(1,000)	860	(1,031)	4,589
Earnings (loss) per diluted common share	\$ (0.03)	\$ 0.03	\$ (0.04)	\$ 0.17

<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 Q3 Summary:**

- Combined asset liquidation revenue and earnings of equity accounted asset liquidation investments (pre-tax) increased 25% to \$3.3 million.
- Asset sale proceeds increased 8% to \$1.3 million, compared to \$1.2 million in the prior year period.
- Commissions and other revenue increased 84% to \$1.8 million, compared to approximately \$960,000 in the prior year period.
- The Company’s operating loss was \$1.6 million, compared to operating income of \$0.5 million in the year-earlier period.
- SG&A expenditures, including expenses to related parties, were \$3.4 million, versus \$1.2 million. The increase primarily reflects higher compensation expense related to asset advisory and auction services firm Heritage Global Partners (“HGP”), which was acquired in the first quarter of 2012, expenses related to our recent European and Latin American expansions, and a one-time expense of approximately \$1.1 million as a result of the issuance of 800,000 CRBN common shares to its Co-CEOs as consideration for an exclusive, perpetual license to use their names in connection with the Company and its affiliates.
- Total operating costs and expenses increased to \$4.8 million from \$2.1 million in Q3 2011, largely due to an approximate \$250,000 increase in asset liquidation costs and the rise in SG&A.
- Net loss for the period was \$1.0 million, or a loss per basic and diluted common share of \$0.03.
- Cash and cash equivalents at September 30, 2012 was \$6.1 million, compared with \$6.7 million at December 31, 2011.

Counsel RB Capital Co-CEO Jonathan Reich stated, “Counsel RB remains focused on building our organization for sustainable, long-term global success. Pursuant to that strategy we acquired in house auction and asset advisory expertise earlier this year via Heritage Global Partners (“HGP”) and are aggressively expanding the Company’s geographic footprint, thereby creating a wealth of additional global opportunities for both existing and prospective corporate clients. In the near-term, earnings have been impacted by the additional incremental costs associated with the integration of HGP and our investment in international expansion; however, we expect to see recurring benefits from these initiatives to be positively reflected in our future operating results.

“The successful integration of HGP into Counsel RB’s existing operations during the second quarter has facilitated our extended reach into several new and attractive markets. In July we entered into an exclusive strategic alliance with industry-veteran Oswaldo Mendoza, who expanded the Company’s footprint into key Latin American markets through the launch of Asset Remarketing - HGP Latin America. Building upon this momentum, in October we launched Heritage Global Partners Europe, which recently opened three new offices in the UK, Germany and Spain.”

Co-CEO Adam Reich added, “Our newly established Latin American and European presence adds considerable scale and talented human capital to Counsel RB’s growing international organization, while underscoring our focus on providing the organization’s worldwide customer base with an unparalleled array of value-added capital asset solutions. We believe our organization’s expanded global platform will also help us achieve our long-term goal of increasing the Company’s principal and fee-based revenue channels.”

**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.hgpauction.com](http://www.hgpauction.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 the expectations expressed 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.

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-financial tables follow-

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

(in thousands, except share and per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenue:				
Asset liquidation				
Asset sales	\$ 1,284	\$ 1,190	\$ 5,175	\$ 13,415
Commissions and other	1,768	959	4,742	1,203
Total asset liquidation revenue	<u>3,052</u>	<u>2,149</u>	<u>9,917</u>	<u>14,618</u>
Operating costs and expenses:				
Asset liquidation	1,152	900	4,360	7,036
Inventory maintenance	15	(6)	(8)	1,547
Patent licensing and maintenance	4	5	38	75
Selling, general and administrative	3,210	1,067	7,265	3,024
Expenses paid to related parties	196	145	532	434
Depreciation and amortization	272	---	283	---
Total operating costs and expenses	<u>4,849</u>	<u>2,111</u>	<u>12,470</u>	<u>12,116</u>
	(1,797)	38	(2,553)	2,502
Earnings of equity accounted asset liquidation investments	<u>222</u>	<u>478</u>	<u>1,449</u>	<u>2,195</u>
Operating income (loss)	<u>(1,575)</u>	<u>516</u>	<u>(1,104)</u>	<u>4,697</u>
Other income (expenses):				
Other income (expenses)	8	8	(299)	24
Interest expense – third party	(71)	(45)	(175)	(181)
Interest (expense) credit – related party	11	---	---	---
Total other income (expenses)	<u>(52)</u>	<u>(37)</u>	<u>(474)</u>	<u>(157)</u>
Income (loss) before undernoted	<u>(1,627)</u>	<u>479</u>	<u>(1,578)</u>	<u>4,540</u>
Income tax recovery	(638)	(416)	(612)	(36)
Earnings (loss) of other equity accounted investments (net of \$0 tax)	(11)	(35)	(65)	13
Net income (loss) and comprehensive income (loss)	<u>\$ (1,000)</u>	<u>\$ 860</u>	<u>\$ (1,031)</u>	<u>\$ 4,589</u>
Weighted average common shares outstanding – basic (in thousands)	28,593	27,088	28,072	26,739
Weighted average common shares outstanding – diluted (in thousands)	28,593	27,381	28,072	26,990
Earnings (loss) per share – basic and diluted:				
Common shares	\$ (0.03)	\$ 0.03	\$ (0.04)	\$ 0.17

The notes contained in our Quarterly Report on Form 10-Q are an integral part of these condensed consolidated financial statements.

-balance sheets follow-

**COUNSEL RB CAPITAL INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(unaudited)

(in thousands, except share and per share amounts)

	As of September 30, 2012	As of December 31, 2011
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 6,077	\$ 6,672
Amounts receivable (net of allowance for doubtful accounts of \$0; 2011 - \$186)	2,075	917
Receivable from related parties	3,290	595
Deposits	4,004	69
Inventory – equipment	2,671	1,013
Other current assets	449	148
Income taxes recoverable	73	-
Deferred income tax assets	2,421	2,419
Total current assets	21,060	11,833
Other assets:		
Inventory – real estate	-	2,131
Asset liquidation investments	1,773	3,455
Investments	2,597	2,772
Property, plant and equipment, net	43	19
Intangible assets, net	5375	-
Goodwill	5,301	573
Deferred income tax assets	24,783	26,364
Total assets	\$ 60,932	\$ 47,147
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 9,455	\$ 855
Income taxes payable	-	261
Debt payable to third parties	4,833	3,091
Total liabilities	14,288	4,207
Commitments and contingencies		
Equity:		
Preferred stock, \$10.00 par value, authorized 10,000,000 shares; issued and outstanding 592 Class N shares at September 30, 2012 and December 31, 2011, liquidation preference of \$592 at September 30, 2012 and December 31, 2011	6	6
Common stock, \$0.01 par value, authorized 300,000,000 shares; issued and outstanding 28,945,228 shares at September 30, 2012 and 27,117,450 shares at December 31, 2011	290	271
Additional paid-in capital	283,124	278,408
Accumulated deficit	(236,776)	(235,745)
Total equity	46644	42,940
Total liabilities and equity	\$ 60,932	\$ 47,147

The notes contained in our Quarterly Report on Form 10-Q are an integral part of these condensed consolidated financial statements.