



COUNSEL  
RB CAPITAL INC

NEWS ANNOUNCEMENT

FOR IMMEDIATE RELEASE

**COUNSEL RB CAPITAL REPORTS 2011 FOURTH QUARTER RESULTS**

**- 2011 Full Year Combined Asset Liquidation Revenue and  
Earnings of Equity Accounted Asset Liquidation Investments (Pre-Tax) Rises 79% -**

WHITE PLAINS, NY, and TORONTO, CANADA March 22, 2012 – Counsel RB Capital Inc. (OTCQB: CRBN) (the “Company”), a leader in distressed and surplus capital asset transactions, today reported financial results for the fourth quarter and full year ended December 31, 2011 as summarized below.

<b>Summary Financial Data (unaudited)</b>				
(\$ in thousands, except per share amounts)	<b>Three Months Ended December 31,</b>		<b>Twelve Months Ended December 31,</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Asset liquidation revenue <sup>(1)</sup>	\$ 2,620	\$ 205	\$ 17,238	\$ 3,266
Earnings of equity accounted asset liquidation investments <sup>(2)</sup>	(12)	3,178	2,183	7,586
Operating income	(113)	1,924	4,583	5,430
Net income	26,125	2,808	30,713	6,214
Net income per diluted common share	\$ 0.97	\$ 0.12	\$ 1.13	\$ 0.21

<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.

**2011 Financial Highlights:**

- Full year 2011 combined asset liquidation revenue and earnings of equity accounted asset liquidation investments (pre-tax) rose 79% to \$19.4 million compared with the year-ago period.
- Full year 2011 net income and comprehensive income attributable to controlling interest increased to \$30.7 million, versus \$6.2 million in 2010, and was \$26.1 million for the three months ended December 31, 2011, compared to \$2.8 million for the three months ended December 31, 2010. The full-year increase of \$24.5 million was primarily due to a deferred tax recovery of \$26.3 million, recognized in 2011. With Counsel RB’s asset liquidation business consistently profitable for the past three years, and the recent successful acquisition of the Heritage Global Partners in-house auction operation, the Company concluded that it is more likely than not that it will utilize all of its tax losses against estimated future taxable income. Accordingly, Counsel RB was required to recognize the benefit of those losses in the fourth quarter.
- On a diluted per share basis, full year 2011 earnings were \$1.13 compared with \$0.21 in the twelve months ended December 31, 2010. Diluted per share earnings for the three months ended December 31, 2011 was \$0.97, compared to \$0.12 in the comparable year-ago period. Diluted EPS for both 2011 periods benefited from the aforementioned deferred tax recovery.
- Cash and cash equivalents rose to \$6.7 million at December 31, 2011, up from \$2.6 million on December 31, 2010.

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“Counsel RB’s fourth quarter and full year 2011 results again highlight the added value we consistently bring to our growing customer base, and we are justifiably very excited about 2012,” stated Counsel RB Capital Co-CEO Adam Reich. “We significantly increased our organization’s offerings earlier this year with the acquisition of leading, full-service, worldwide auction and asset advisory firm, Heritage Global Partners. After searching for approximately a year for the right partner in this space we are especially pleased that industry leaders Ross Dove and Kirk Dove, who collectively bring a half century of relevant auction experience and expertise to Counsel RB, agreed to join our growing team to oversee the Company’s newest division. They also brought with them a talented team of skilled, results oriented professional associates.

“In mid-2011 we expanded the Company’s operations with the acquisition of Equity Partners, a leading provider of financial solutions for distressed businesses and properties. Heritage Global Partners and Equity Partners bring to Counsel RB two valuable fee-based revenue streams and operations that are highly complementary to our core asset liquidation business. As such, we are far more vertically integrated, which strengthens our position to act as principal or a member of a syndicate and also participate in transactions via long-term forward flow contracts with large organizations that benefit from our expertise,” added Mr. Reich.

Counsel RB Capital Co-CEO Jonathan Reich commented, “We have come a long way in our brief corporate history, which is only about three years since inception. The Company achieved several key milestones and made important progress in 2011 and early 2012 toward our goal of building a unique, diversified and scalable full-service organization. During 2011 we participated in a number of high profile transactions and auctions including the sale of the Fraser Paper mill in New Hampshire and the successful asset dispositions of Solyndra and International Architectural Group. With the auctions of Mountain City Meat’s state-of-the-industry production machinery and Open Range Communications’ leading-edge digital technology and communications equipment earlier this year, 2012 is off to a strong start. We also have a solid transaction pipeline lined up for the first half of the year, including a steady stream of upcoming auctions being managed by Heritage Global Partners, our recently acquired in-house auction operation.”

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

Counsel RB Capital Inc. (OTCQB: CRBN) is a value-driven, innovative leader in distressed and surplus capital asset transactions. The Company focuses on identifying, acquiring and monetizing distressed and surplus capital assets. It specializes in acquiring turnkey manufacturing facilities, surplus industrial machinery and equipment, industrial inventories, accounts receivable portfolios and related intellectual property.

#### **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.

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

(in thousands, except per share amounts)

	(Unaudited)		(Audited)	
	Three months ended		Twelve months ended	
	December 31,		December 31,	
	2011	2010	2011	2010
<b>Revenue:</b>				
Asset sale proceeds	\$ 1,318	\$ 38	\$ 14,733	\$ 2,733
Commissions and other	1,302	167	2,505	533
Total asset liquidation revenue	<u>2,620</u>	<u>205</u>	<u>17,238</u>	<u>3,266</u>
<b>Operating costs and expenses:</b>				
Asset liquidation	1,208	33	8,244	2,087
Inventory maintenance	(25)	(18)	1,522	(50)
Asset liquidation costs paid to a related party	---	---	---	25
Patent licensing	9	109	84	128
Selling, general and administrative	1,391	1,232	4,408	2,791
Expenses paid to related parties	138	103	578	441
Depreciation	1	---	2	---
Total operating costs and expenses	<u>2,721</u>	<u>1,459</u>	<u>14,838</u>	<u>5,442</u>
	<u>(101)</u>	<u>(1,254)</u>	<u>2,400</u>	<u>(2,156)</u>
Earnings of equity accounted asset liquidation investments	<u>(12)</u>	<u>3,178</u>	<u>2,183</u>	<u>7,586</u>
Operating income	<u>(113)</u>	<u>1,924</u>	<u>4,583</u>	<u>5,430</u>
<b>Other income (expense):</b>				
Other income	6	(83)	30	(55)
Goodwill impairment	---	(173)	---	(173)
Interest expense – third party	(64)	(26)	(245)	(272)
Interest expense – related party	---	---	---	(64)
Total other income (expense)	<u>(58)</u>	<u>(282)</u>	<u>(215)</u>	<u>(564)</u>
Income from continuing operations before the undernoted	<u>(171)</u>	<u>1,642</u>	<u>4,368</u>	<u>4,866</u>
Income tax expense (recovery)	<u>(26,281)</u>	<u>(1,589)</u>	<u>(26,317)</u>	<u>(1,318)</u>
Earnings (loss) of other equity accounted investments (net of \$0 tax)	<u>15</u>	<u>(28)</u>	<u>28</u>	<u>30</u>
Net income and comprehensive income	<u>26,125</u>	<u>3,203</u>	<u>30,713</u>	<u>6,214</u>
Net and comprehensive income attributable to non-controlling interest	<u>---</u>	<u>(395)</u>	<u>---</u>	<u>(1,385)</u>
Net and comprehensive income attributable to controlling interest	<u>\$ 26,125</u>	<u>\$ 2,808</u>	<u>\$ 30,713</u>	<u>\$ 4,829</u>
<b>Weighted average common shares outstanding:</b>				
Weighted average common shares outstanding:	26,834	22,887	26,834	22,887
Weighted average preferred shares outstanding	1	1	1	1
<b>Net income per share - diluted:</b>				
Common shares	\$ 0.97	\$ 0.12	\$ 1.13	\$ 0.21
Preferred shares	\$ 38.52	\$ 4.88	\$ 45.30	\$ 8.43

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

-balance sheets follow-

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

(in thousands, except share and per share amounts)

	<u>As of December 31, 2011</u>	<u>As of December 31, 2010</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 6,672	\$ 2,608
Amounts receivable (net of allowance for doubtful accounts of \$186; 2010 - \$168)	917	203
Receivable from a related party	595	392
Deposits	69	771
Inventory – equipment	1,013	2,594
Other current assets	148	63
Deferred income tax assets	<u>2,419</u>	<u>2,228</u>
Total current assets	11,833	8,859
Other assets:		
Inventory – real estate	2,131	1,573
Asset liquidation investments	3,455	3,548
Investments	2,772	2,706
Property, plant and equipment	19	---
Goodwill	573	---
Deferred income tax assets	<u>26,364</u>	<u>---</u>
Total Assets	<u>\$ 47,147</u>	<u>\$ 16,686</u>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 855	\$ 2,555
Income taxes payable	261	198
Debt payable to third parties	<u>3,091</u>	<u>4,485</u>
Total liabilities	<u>4,207</u>	<u>7,238</u>
Commitments and contingencies		
Equity:		
Preferred stock, \$10.00 par value, authorized 10,000,000 shares; issued and outstanding 592 Class N shares at December 31, 2011 and 2010, liquidation preference of \$592 at December 31, 2011 and 2010	6	6
Common stock, \$0.01 par value, authorized 300,000,000 shares; issued and outstanding 27,117,450 shares at December 31, 2011 and 25,960,080 at December 31, 2010	271	259
Additional paid-in capital	278,408	275,641
Accumulated deficit	<u>(235,745)</u>	<u>(266,458)</u>
Total equity	<u>42,940</u>	<u>9,448</u>
Total liabilities and equity	<u>\$ 47,147</u>	<u>\$ 16,686</u>

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