



COUNSEL  
RB CAPITAL INC

For Immediate Release

News Announcement

**COUNSEL RB CAPITAL REPORTS 2012 Q2 OPERATING RESULTS AND  
UPDATES ON ONGOING CORPORATE PROGRESS**

WHITE PLAINS, NY, and TORONTO, CANADA August 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 second quarter ended June 30, 2012 as summarized below.

<b>Summary Financial Data (unaudited)</b>				
(\$ in thousands, except per share amounts)	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Total asset liquidation revenue <sup>(1)</sup>	\$ 3,831	\$ 11,735	\$ 6,865	\$ 12,469
Earnings of equity accounted asset liquidation investments <sup>(2)</sup>	158	157	1,227	1,717
Operating income (loss)	(328)	4,521	471	4,181
Net income (loss)	(421)	3,540	(31)	3,729
Earnings (loss) per diluted common share	\$ (0.01)	\$ 0.13	\$ 0.00	\$ 0.14

<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 Q2 Summary:**

- Combined asset liquidation revenue and earnings of equity accounted asset liquidation investments (pre-tax) was \$4.0 million. The year-ago quarterly results were positively impacted by Counsel RB’s successful participation in several high profile transactions including the Fraser Paper mill sale.
- The Company’s operating loss was \$0.3 million, compared to operating income of \$4.5 million in the year-earlier period.
- SG&A expenditures, including expenses to related parties, were \$2.7 million, versus \$1.3 million. The increase primarily reflects higher compensation expense related to the strategic acquisition of asset advisory and auction services firm Heritage Global Partners, which was completed in the first quarter of 2012.
- Total operating costs and expenses declined to \$4.3 million from \$7.4 million in Q2 2011, largely due to an approximate \$4.0 million reduction in asset liquidation costs, partially offset by the rise in SG&A.
- Net loss for the period was \$0.4 million, or a loss per basic and diluted common share of \$0.01.
- Cash and cash equivalents at June 30, 2012 was \$4.5 million, compared with \$6.7 million at December 31, 2011.

Counsel RB Capital Co-CEO Adam Reich stated, “We are very encouraged by the progress we have made year-to-date towards our goal of building Counsel RB into a world leader in surplus and distressed capital asset transactions. The acquisition of Heritage Global Partners (“HGP”), a leading worldwide

auction and asset advisory company, in the first quarter was a major transformational event. We spent the necessary time and effort during the second quarter to successfully and quickly integrate HGP into our existing operations and as a result it is already positively benefiting our organization. The acquisition adds several key components to our array of offerings and provides Counsel RB with the appropriate platform for growth. This truly differentiates us as a unique, turnkey, one-stop business for capital asset solutions and services.

“In July we entered into an exclusive strategic alliance to expand our footprint to key Latin American markets, which nicely complements our growing organization. We signed an agreement to join forces with Asset Remarketing S. De R.L. de C.V. Led by industry-veteran Oswaldo Mendoza, Asset Remarketing specializes in the monetization of manufacturing assets and real estate in countries including Mexico, Costa Rica and the Dominican Republic. The Company is also seeking to further expand its international footprint to additional attractive markets in the near future.”

Co-CEO Jonathan Reich added, “We have successfully executed upon our plan to expand our business platform and with the key pieces in place, Adam and I are confident in the future of Counsel RB and our ability to achieve our strategic long-term growth initiatives. Our industry is actually benefiting from the current economic slowdown as an increase in the supply of surplus assets combined with a wealth of foreign capital on the sidelines in regions with fast-growing economies and robust manufacturing sectors, creates an attractive environment for industrial equipment and related asset transactions. The new business pipeline for the remainder of the year looks quite robust and several projects that we had been working on in Q2 are now expected to close in the second half of 2012.”

**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 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

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

-financial tables follow-

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

(in thousands, except per share amounts)

	Three months ended June 30,		Six months ended June 30,	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>Revenue:</b>				
Asset sale proceeds	\$ 2,041	\$ 11,626	\$ 3,891	\$ 12,224
Commissions and other	1,790	109	2,974	245
Total asset liquidation revenue	<u>3,831</u>	<u>11,735</u>	<u>6,865</u>	<u>12,469</u>
<b>Operating costs and expenses:</b>				
Asset liquidation	1,675	5,697	3,208	6,136
Inventory maintenance	(26)	383	(23)	1,553
Patent licensing and maintenance	8	13	34	70
Selling, general and administrative	2,471	1,133	4,054	1,957
Expenses paid to related parties	181	145	337	289
Depreciation	8	---	11	---
Total operating costs and expenses	<u>4,317</u>	<u>7,371</u>	<u>7,621</u>	<u>10,005</u>
	(486)	4,364	(756)	2,464
Earnings of equity accounted asset liquidation investments	158	157	1,227	1,717
Operating income (loss)	<u>(328)</u>	<u>4,521</u>	<u>471</u>	<u>4,181</u>
Other income (expenses):				
Other income (expenses)	(317)	16	(307)	16
Interest expense – third party	(48)	(52)	(104)	(136)
Interest expense – related party	(8)	---	(11)	---
Total other income (expenses)	<u>(373)</u>	<u>(36)</u>	<u>(422)</u>	<u>(120)</u>
Income (loss) before the undernoted	(701)	4,485	49	4,061
Income tax expense (recovery)	(287)	978	26	380
Earnings (loss) of other equity accounted investments (net of \$0 tax)	(7)	33	(54)	48
Net income (loss) and comprehensive income (loss)	<u>\$ (421)</u>	<u>\$ 3,540</u>	<u>\$ (31)</u>	<u>\$ 3,729</u>
Weighted average common shares outstanding- basic (in thousands)	28,135	26,997	27,809	26,562
Weighted average common shares outstanding- diluted (in thousands)	28,135	27,229	27,809	26,683
Earnings (loss) per share – basic and diluted:				
Common shares	\$ (.01)	\$ 0.13	\$ 0.00	\$ 0.14

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)

	<u>As of June 30, 2012</u>	<u>As of December 31, 2011</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 4,475	\$ 6,672
Amounts receivable (net of allowance for doubtful accounts of \$0; 2011 - \$186)	2,531	917
Receivable from related parties	3,317	595
Deposits	2,153	69
Inventory – equipment	582	1,013
Other current assets	363	148
Deferred income tax assets	2,414	2,419
Total current assets	<u>15,835</u>	<u>11,833</u>
Other assets:		
Inventory – real estate	710	2,131
Asset liquidation investments	1,677	3,455
Investments	2,602	2,772
Property, plant and equipment	44	19
Goodwill	8,763	573
Deferred income tax assets	26,389	26,364
Total assets	<u>\$ 56,020</u>	<u>\$ 47,147</u>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 5,826	\$ 855
Income taxes payable	112	261
Debt payable to third parties	2,644	3,091
Debt payable to related parties	1,011	----
Total liabilities	<u>9,593</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 June 30, 2012 and December 31, 2011, liquidation preference of \$592 at June 30, 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 June 30, 2012 and 27,117,450 shares at December 31, 2011	281	271
Additional paid-in capital	281,916	278,408
Accumulated deficit	(235,776)	(235,745)
Total equity	<u>46,427</u>	<u>42,940</u>
Total liabilities and equity	<u>\$ 56,020</u>	<u>\$ 47,147</u>

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