



COUNSEL  
RB CAPITAL INC

News Announcement

For Immediate Release

**COUNSEL RB CAPITAL REPORTS 2013 Q1 OPERATING RESULTS AND  
UPDATES ON ONGOING CORPORATE PROGRESS**

WHITE PLAINS, NY, and TORONTO, CANADA May 14, 2013 – 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, 2013 as summarized below.

<b>Summary Financial Data</b> (unaudited)		
(\$ in thousands, except per share amounts)	<b>Three months ended March 31,</b>	
	<b>2013</b>	<b>2012</b>
Total asset liquidation revenue <sup>(1)</sup>	<b>\$ 1,392</b>	\$ 3,034
Earnings of equity accounted asset liquidation investments <sup>(2)</sup>	<b>802</b>	1,069
Operating income (loss)	<b>(905)</b>	799
Net income (loss)	<b>(647)</b>	390
Earnings (loss) per diluted common share	<b>\$ (0.02)</b>	\$ 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.

**2013 Q1 Summary:**

- The Company’s operating loss was approximately \$905,000, compared to operating income of \$799,000 in the 2012 period.
- Combined asset liquidation revenue and earnings of equity accounted asset liquidation investments (pre-tax) was approximately \$2.2 million, compared to \$4.1 million in the prior year period.
- Patent licensing revenue related to the settlement of a patent infringement lawsuit was \$200,000.
- SG&A expenditures, including expenses paid to related parties, were \$2.6 million, versus \$1.7 million. The increase primarily reflects higher compensation expense related to Heritage Global Partners (HGP), a leading auction and asset advisory firm that was acquired late in the first quarter of 2012, as well as expenses related to HGP’s European expansion.
- Total operating costs and expenses were relatively flat at \$3.3 million, largely due to an approximate \$1.2 million decrease in asset liquidation costs, which offset the aforementioned SG&A rise.
- Net loss for the period was approximately \$647,000, or a loss of \$0.02 per diluted common share.

Counsel RB Capital Co-CEO Adam Reich stated, “Counsel RB continues to be a leading resource for existing and potential new clients requiring a one-stop solution for a wide array of capital asset solutions. In order to achieve our objectives we have continued to strengthen our organization’s core competencies domestically, and we also expanded the Company’s operations internationally during the second half of 2012. Looking ahead, we remain focused on further growing Counsel RB’s principal and fee-based revenue opportunities.”

**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.

**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  
[JCIR](mailto:JCIR) – Investor Relations/Corporate Communications  
[CRBN@jcir.com](mailto:CRBN@jcir.com) or 212/835-8500

-financial tables follow-

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

(unaudited)

(in thousands of US dollars, except share and per share amounts)

	Three months ended March 31,	
	<u>2013</u>	<u>2012</u>
Revenue:		
Asset liquidation		
Asset sales	\$ 446	\$ 1,850
Commissions and other	946	1,184
Total asset liquidation revenue	<u>1,392</u>	<u>3,034</u>
Patent licensing	200	--
Total revenue	<u>1,592</u>	<u>3,034</u>
Operating costs and expenses:		
Asset liquidation	356	1,533
Inventory maintenance	74	3
Patent licensing and maintenance	150	26
Selling, general and administrative	2,394	1,582
Expenses paid to related parties	204	157
Depreciation and amortization	121	3
Total operating costs and expenses	<u>3,299</u>	<u>3,304</u>
	(1,707)	(270)
Earnings of equity accounted asset liquidation investments	<u>802</u>	<u>1,069</u>
Operating income (loss)	<u>(905)</u>	<u>799</u>
Other income (expenses):		
Other income	--	10
Interest expense – total third and related party	(95)	(59)
Total other income (expenses)	<u>(95)</u>	<u>(49)</u>
Income (loss) before undernoted	<u>(1,000)</u>	<u>750</u>
Income tax expense (recovery)	(353)	313
Earnings (loss) of other equity accounted investments (net of \$0 tax)	<u>--</u>	<u>(47)</u>
Net income (loss)	<u>(647)</u>	<u>390</u>
Other comprehensive loss:		
Currency translation adjustment	(7)	--
Comprehensive income (loss)	<u>\$ (654)</u>	<u>\$ 390</u>
Weighted average common shares outstanding – basic (in thousands)	28,945	27,484
Weighted average common shares outstanding – diluted (in thousands)	28,945	27,844
Earnings (loss) per share – basic	\$ (0.02)	\$ 0.01
Earnings (loss) per share – diluted	\$ (0.02)	\$ 0.01

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.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(unaudited)  
(in thousands of US dollars, except share and per share amounts)

	As of March 31, 2013	As of December 31, 2012
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,230	\$ 4,314
Amounts receivable (net of allowance for doubtful accounts of \$0; 2012 - \$0)	1,315	1,068
Receivable from a related party	2,224	2,929
Deposits	334	1,481
Inventory – equipment	510	820
Other current assets	283	312
Income taxes recoverable	119	70
Deferred income tax assets	1,949	1,956
Total current assets	7,964	12,950
Non-current assets:		
Inventory – real estate	6,078	6,078
Asset liquidation investments	2,901	3,618
Investments	1,729	2,426
Property, plant and equipment, net	49	52
Intangible assets, net	5,150	5,263
Goodwill	5,301	5,301
Deferred income tax assets	25,955	25,622
Total assets	\$ 55,127	\$ 61,310
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 3,349	\$ 4,415
Debt payable to third parties	6,260	10,883
Total liabilities	9,609	15,298
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, 2013 and December 31, 2012, liquidation preference of \$592 at March 31, 2013 and December 31, 2012	6	6
Common stock, \$0.01 par value, authorized 300,000,000 shares; issued and outstanding 28,945,228 shares at March 31, 2013 and December 31, 2012	290	290
Additional paid-in capital	283,441	283,281
Accumulated deficit	(238,205)	(237,558)
Accumulated other comprehensive loss	(14)	(7)
Total equity	45,518	46,012
Total liabilities and equity	\$ 55,127	\$ 61,310

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