



COUNSEL
RB CAPITAL INC

News Announcement

COUNSEL RB CAPITAL REPORTS 2013 Q2 OPERATING RESULTS

- Company Changing Name Later This Month -

SAN DIEGO, California, and TORONTO, CANADA August 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 second quarter and six months ended June 30, 2013 as summarized below.

| Summary Financial Data (unaudited) | | | | |
|---|--|--------------------|--------------------------------------|--------------------|
| (\$ in thousands, except per share amounts) | Three months ended June 30, | | Six months ended June 30, | |
| | <u>2013</u> | <u>2012</u> | <u>2013</u> | <u>2012</u> |
| Total Asset liquidation revenue ⁽¹⁾ | \$ 1,932 | \$ 3,831 | \$ 3,324 | \$ 6,865 |
| Earnings of equity accounted asset liquidation investments ⁽²⁾ | 7 | 158 | 809 | 1,227 |
| Operating income (loss) | (1,107) | (328) | (2,012) | 471 |
| Net income (loss) | (743) | (421) | (1,390) | (31) |
| Earnings (loss) per diluted common share | \$ (0.03) | \$ (0.01) | \$ (0.05) | \$ (0.00) |

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

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

2013 Q2 Summary:

- The Company’s operating loss was approximately \$1.1 million, compared to an operating loss of approximately \$300,000 in the 2012 period.
- Combined asset liquidation revenue and earnings of equity accounted asset liquidation investments (pre-tax) was approximately \$1.9 million, compared to approximately \$4.0 million in the prior year period.
- SG&A expenditures, including expenses paid to related parties, were modestly lower at \$2.6 million, versus \$2.7 million in the year-ago quarter.
- Total operating costs and expenses declined approximately 29%.
- Net loss for the period was \$743,000, or a loss of \$0.03 per diluted common share.

Counsel RB Capital Chairman and President Allan Silber stated, “As previously announced, Counsel RB Capital is changing its name to Heritage Global later this month, but the focus of the Company will remain essentially the same. Heritage will continue to participate in principal and syndicated surplus capital asset transactions, long-term forward flow contracts with leading corporations, and of course, asset advisory and turnkey auction services. With reduced corporate overhead and infrastructure levels, we are optimistic about the near- and longer-term prospects at Heritage and believe we have put the Company in position to generate improved operating results under the leadership of industry veterans Kirk and Ross Dove, as well as their experienced team of seasoned professionals.”

About Counsel RB Capital

Counsel RB Capital Inc. (OTCQB: CRBN) is a value-driven, innovative leader in distressed and surplus capital assets valuations and transactions. The Company focuses on identifying, valuing, acquiring and monetizing distressed and surplus capital assets in twenty-five global manufacturing and technology sectors. It specializes in both acting as an advisor as well as 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 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.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME

(unaudited)

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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|-------------------|------------------------------|-------------------|
| (In thousands of US dollars, except per share amounts) | <u>2013</u> | <u>2012</u> | <u>2013</u> | <u>2012</u> |
| Revenue: | | | | |
| Asset liquidation | | | | |
| Asset sales | \$ 152 | \$ 2,041 | \$ 598 | \$ 3,891 |
| Commissions and other | 1,780 | 1,790 | 2,726 | 2,974 |
| Total asset liquidation revenue | <u>1,932</u> | <u>3,831</u> | <u>3,324</u> | <u>6,865</u> |
| Patent licensing | <u>—</u> | <u>—</u> | <u>200</u> | <u>—</u> |
| Total revenue | <u>1,932</u> | <u>3,831</u> | <u>3,524</u> | <u>6,865</u> |
| Operating costs and expenses: | | | | |
| Asset liquidation | 226 | 1,675 | 582 | 3,208 |
| Inventory maintenance | 115 | (26) | 189 | (23) |
| Patent licensing and maintenance | 6 | 8 | 156 | 34 |
| Selling, general and administrative | 2,376 | 2,471 | 4,770 | 4,054 |
| Expenses paid to related parties | 204 | 181 | 408 | 337 |
| Depreciation and amortization | 119 | 8 | 240 | 11 |
| Total operating costs and expenses | <u>3,046</u> | <u>4,317</u> | <u>6,345</u> | <u>7,621</u> |
| | <u>(1,114)</u> | <u>(486)</u> | <u>(2,821)</u> | <u>(756)</u> |
| Earnings of equity accounted asset liquidation investments | <u>7</u> | <u>158</u> | <u>809</u> | <u>1,227</u> |
| Operating income (loss) | <u>(1,107)</u> | <u>(328)</u> | <u>(2,012)</u> | <u>471</u> |
| Other income (expenses): | | | | |
| Other income (expenses) | — | (317) | — | (307) |
| Interest expense – third party | (174) | (48) | (269) | (104) |
| Interest expense – related party | — | (8) | — | (11) |
| Total other income (expenses) | <u>(174)</u> | <u>(373)</u> | <u>(269)</u> | <u>(422)</u> |
| Income (loss) before the undernoted | <u>(1,281)</u> | <u>(701)</u> | <u>(2,281)</u> | <u>49</u> |
| Income tax expense (recovery) | (500) | (287) | (853) | 26 |
| Earnings (loss) of other equity accounted investments (net of \$0 tax) | <u>38</u> | <u>(7)</u> | <u>38</u> | <u>(54)</u> |
| Net income (loss) | <u>(743)</u> | <u>(421)</u> | <u>(1,390)</u> | <u>(31)</u> |
| Other comprehensive loss: | | | | |
| Currency translation adjustment (net of tax of \$0) | <u>(2)</u> | <u>—</u> | <u>(9)</u> | <u>—</u> |
| Comprehensive income (loss) | <u>\$ (745)</u> | <u>\$ (421)</u> | <u>\$ (1,399)</u> | <u>\$ (31)</u> |
| Weighted average common shares outstanding – basic (in thousands) | 28,954 | 28,135 | 28,949 | 27,809 |
| Weighted average common shares outstanding—diluted (in thousands) | 28,954 | 28,135 | 28,949 | 27,809 |
| Earnings (loss) per share – basic and diluted: | | | | |
| Common shares | \$ (0.03) | \$ (0.01) | \$ (0.05) | \$ (0.00) |

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
(In thousands of U.S. dollars, except share and per share amounts)
(unaudited)

| | <u>June 30,</u> <u>2013</u> | <u>December 31,</u> <u>2012</u> |
|--|--------------------------------|------------------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 5,569 | \$ 4,314 |
| Amounts receivable (net of allowance for doubtful accounts of \$0; 2012 - \$0) | 1,458 | 1,068 |
| Receivable from a related party | — | 2,929 |
| Deposits | 129 | 1,481 |
| Inventory – equipment | 358 | 820 |
| Other current assets | 682 | 312 |
| Income taxes recoverable | 216 | 70 |
| Deferred income tax assets | <u>1,952</u> | <u>1,956</u> |
| Total current assets | 10,364 | 12,950 |
| Non-current assets: | | |
| Inventory – real estate | 6,400 | 6,078 |
| Asset liquidation investments | 2,803 | 3,618 |
| Investments | 1,736 | 2,426 |
| Property, plant and equipment, net | 43 | 52 |
| Intangible assets, net | 5,037 | 5,263 |
| Goodwill | 5,301 | 5,301 |
| Deferred income tax assets | <u>26,376</u> | <u>25,622</u> |
| Total assets | <u>\$ 58,060</u> | <u>\$ 61,310</u> |
| LIABILITIES AND EQUITY | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 7,573 | \$ 4,415 |
| Debt payable to third parties | 3,922 | 10,883 |
| Debt payable to a related party | <u>1,615</u> | <u>—</u> |
| Total current liabilities | <u>13,110</u> | <u>15,298</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, 2013 and December 31, 2012, liquidation preference of \$592 at June 30, 2013 and December 31, 2012 | 6 | 6 |
| Common stock, \$0.01 par value, authorized 300,000,000 shares; issued and outstanding 28,966,728 shares at June 30, 2013 and 28,945,228 shares at December 31, 2012 | 290 | 290 |
| Additional paid-in capital | 283,618 | 283,281 |
| Accumulated deficit | (238,948) | (237,558) |
| Accumulated other comprehensive loss | <u>(16)</u> | <u>(7)</u> |
| Total equity | <u>44,950</u> | <u>46,012</u> |
| Total liabilities and equity | <u>\$ 58,060</u> | <u>\$ 61,310</u> |

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