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# THE CALDWELL PARTNERS INTERNATIONAL INC.

## CONSOLIDATED BALANCE SHEET

(unaudited)

	<i>As at</i>	<i>As at</i>
	<i>May 31</i>	<i>August 31</i>
	<i>2011</i>	<i>2010</i>
<b>Assets</b>		
Current Assets		
Cash and short-term deposits	\$5,502,269	\$6,456,274
Marketable securities	4,353,137	4,124,785
Accounts receivable	6,172,380	5,875,065
Income taxes receivable	35,070	87,377
Prepaid expenses and other assets	1,300,565	1,693,133
	17,363,421	18,236,634
Loans receivable, long-term	277,799	471,020
Property and equipment	1,835,484	1,655,907
Intangible assets	879,973	1,015,728
Goodwill	723,390	723,390
Future income taxes	222,611	0
	\$21,302,678	\$22,102,679
<b>Liabilities</b>		
Current Liabilities		
Accounts payable and accrued liabilities	\$9,587,740	\$9,174,008
Deferred revenue	200,831	207,346
Current portion of incentive accrual	1,136,120	1,639,818
	10,924,691	11,021,172
Long-term incentive accrual	32,094	466,614
Shareholders' equity		
Capital stock	16,064,078	16,064,078
Contributed surplus	4,173,122	4,154,196
Deficit	(10,404,716)	(9,888,438)
Accumulated other comprehensive income	513,409	285,057
	10,345,893	10,614,893
	\$21,302,678	\$22,102,679

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# THE CALDWELL PARTNERS INTERNATIONAL INC.

## CONSOLIDATED STATEMENT OF EARNINGS (LOSS)

(unaudited)

	Three months ended		Nine months ended	
	May 31		May 31	
	2011	2010	2011	2010
Operating revenue	\$9,562,394	\$7,365,501	\$24,861,054	\$16,477,963
Direct cost of revenue	7,240,249	5,718,490	19,785,351	12,751,993
Gross operating profit	2,322,145	1,647,011	5,075,703	3,725,970
Expenses				
Other employee compensation, general and administration	1,632,170	1,522,570	4,864,453	4,609,498
Depreciation	107,458	86,737	285,961	238,418
Amortization of intangibles	43,332	37,173	137,435	207,115
Foreign exchange loss	30,726	49,308	355,593	61,351
	1,813,686	1,695,788	5,643,442	5,116,382
Earnings (loss) before the following	508,459	(48,777)	(567,739)	(1,390,412)
Restructuring costs	0	0	0	(1,001,055)
Investment income, net	20,019	158,079	51,461	279,264
Net earnings (loss) before tax	528,478	109,302	(516,278)	(2,112,203)
Provision for (recovery of) income taxes:				
Current	222,611	0	222,611	0
Future	(222,611)	0	(222,611)	0
	0	0	0	0
Net earnings (loss) for the period	\$528,478	\$109,302	(\$516,278)	(\$2,112,203)
Earnings (loss) per share	\$0.032	\$0.007	(\$0.030)	(\$0.128)

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (LOSS)

(unaudited)

	Three months ended		Nine months ended	
	May 31		May 31	
	2011	2010	2011	2010
Net earnings (loss) for the period	\$528,478	\$109,302	(\$516,278)	(\$2,112,203)
Other comprehensive income:				
Unrealized gain (loss) on marketable securities	49,075	(127,847)	228,352	133,259
Reclassification of (gains) losses included in the consolidate statement of earnings (loss)	0	(120,684)	0	(140,042)
	49,075	(248,531)	228,352	(6,783)
Comprehensive earnings (loss)	\$577,553	(\$139,229)	(\$287,926)	(\$2,118,986)

# THE CALDWELL PARTNERS INTERNATIONAL INC.

## CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND ACCUMULATED OTHER COMPREHENSIVE INCOME

(unaudited)

	Deficit	Capital Stock			Contributed Surplus	Accumulated Other Comprehensive Income	Total Shareholders' Equity
		Common Shares	Class A Non-Voting Shares	Class B Voting Shares			
<b>Balance - August 31, 2009</b>	<b>(\$8,635,678)</b>	<b>\$0</b>	<b>\$16,046,899</b>	<b>\$17,179</b>	<b>\$4,098,998</b>	<b>\$175,384</b>	<b>\$11,702,782</b>
Net loss for the year ended August 31, 2010	(1,252,760)	0	0	0	0	0	(1,252,760)
Conversion of Class B to Class A shares, and reclassification to Common shares	0	16,064,078	(16,046,899)	(17,179)	0	0	0
Stock compensation	0	0	0	0	55,198	0	55,198
Change in unrealized gains and losses on marketable securities available for sale	0	0	0	0	0	109,673	109,673
<b>Balance - August 31, 2010</b>	<b>(\$9,888,438)</b>	<b>\$16,064,078</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,154,196</b>	<b>\$285,057</b>	<b>\$10,614,893</b>
Net loss for the period ended May 31, 2011	(516,278)	0	0	0	0	0	(516,278)
Stock compensation	0	0	0	0	18,926	0	18,926
Change in unrealized gains and losses on marketable securities available for sale	0	0	0	0	0	228,352	228,352
<b>Balance -May 31, 2011</b>	<b>(\$10,404,716)</b>	<b>\$16,064,078</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,173,122</b>	<b>\$513,409</b>	<b>\$10,345,893</b>

# THE CALDWELL PARTNERS INTERNATIONAL INC.

## CONSOLIDATED STATEMENT OF CASH FLOWS

(unaudited)

	Three months ended		Nine months ended	
	May 31		May 31	
	2011	2010	2011	2010
<b>Operating Activities</b>				
Net earnings (loss) for the period	\$528,478	\$109,302	(\$516,278)	(\$2,112,203)
Items not affecting cash				
Depreciation of property and equipment	107,458	86,737	285,961	238,418
Amortization of intangibles	43,332	37,173	137,435	207,115
Gain on sale of marketable securities	0	(133,739)	0	(198,567)
Stock compensation expense	6,309	15,940	18,926	40,651
Loss on disposal of fixed assets	0	0	0	4,615
Non-cash incentive compensation	32,094	47,724	95,726	246,576
Future income taxes	(222,611)	0	(222,611)	0
	495,060	163,137	(200,841)	(1,573,395)
<b>Net changes in working capital balances related to operations</b>				
Increase (decrease) in accounts receivable	356,701	(1,701,218)	(297,315)	(2,044,408)
Decrease in income taxes receivable	68,079	433,182	52,307	320,910
Decrease (increase) in prepaid expenses and other assets	70,484	(215,093)	392,568	(628,213)
Increase in accounts payable and accrued liabilities	2,839,691	680,798	413,732	882,207
Decrease in incentive accrual	0	0	(1,033,943)	(439,375)
Increase (decrease) in deferred revenue	0	303,962	(6,515)	390,665
	3,830,015	(335,232)	(680,007)	(3,091,609)
<b>Investment Activities</b>				
Proceeds on sale of marketable securities	0	460,079	0	1,508,615
Decrease (increase) in loans receivable, long-term	47,641	(174,349)	193,221	(218,955)
Additions to property and equipment	(288,429)	(90,788)	(465,538)	(217,401)
Acquisition of business costs	0	0	0	(3,758)
Acquisition of intangible assets	(1,680)	(663)	(1,680)	(1,570)
	(242,468)	194,279	(273,997)	1,066,931
Net increase (decrease) in cash and cash equivalents during the period	3,587,547	(140,953)	(954,005)	(2,024,678)
Cash and cash equivalents, beginning of period	1,914,722	2,834,289	6,456,274	4,718,014
Cash and cash equivalents, end of period	\$5,502,269	\$2,693,336	\$5,502,269	\$2,693,336