
THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED BALANCE SHEET

(unaudited)

	<i>As at</i> <i>February 28</i> <i>2011</i>	<i>As at</i> <i>August 31</i> <i>2010</i>
Assets		
Current Assets		
Cash and short-term deposits	\$1,914,722	\$6,456,274
Marketable securities	4,304,062	4,124,785
Accounts receivable	6,529,081	5,875,065
Income taxes receivable	103,149	87,377
Prepaid expenses and other assets	1,371,049	1,693,133
	<hr/> 14,222,063	<hr/> 18,236,634
Loans receivable, long-term	325,440	471,020
Property and equipment	1,654,513	1,655,907
Intangible assets	921,625	1,015,728
Goodwill	723,390	723,390
	<hr/> \$17,847,031	<hr/> \$22,102,679
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	\$6,748,049	\$9,174,008
Deferred revenue	200,831	207,346
Current portion of incentive accrual	1,136,120	1,639,818
	<hr/> 8,085,000	<hr/> 11,021,172
Long-term incentive accrual	0	466,614
Shareholders' Equity		
Capital stock	16,064,078	16,064,078
Contributed surplus	4,166,813	4,154,196
Deficit	(10,933,194)	(9,888,438)
Accumulated other comprehensive income	464,334	285,057
	<hr/> 9,762,031	<hr/> 10,614,893
	<hr/> \$17,847,031	<hr/> \$22,102,679

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENT OF EARNINGS (LOSS)

(unaudited)

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>February 28</i>	<i>February 28</i>	<i>February 28</i>	<i>February 28</i>
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
Operating revenue	\$8,844,360	\$5,282,093	\$15,298,660	\$9,112,150
Direct cost of revenue	6,924,281	3,845,179	12,545,102	7,033,481
Gross operating profit	1,920,079	1,436,914	2,753,558	2,078,669
Other expenses				
Other employee compensation, general and administration	1,585,478	1,416,380	3,232,283	3,086,928
Depreciation of property and equipment	92,552	74,539	178,503	151,681
Amortization of intangibles	46,617	84,507	94,103	169,942
Foreign exchange loss	162,188	7,432	324,867	12,043
	1,886,835	1,582,858	3,829,756	3,420,594
Earnings (loss) before the following	33,244	(145,944)	(1,076,198)	(1,341,925)
Restructuring costs	0	(1,001,055)	0	(1,001,055)
Investment income	14,799	96,454	31,442	121,185
Net earnings (loss) before tax	48,043	(1,050,545)	(1,044,756)	(2,221,795)
Provision for taxes	0	0	0	0
Net earnings (loss) for the period	\$48,043	(\$1,050,545)	(\$1,044,756)	(\$2,221,795)
Earnings (loss) per share	\$0.002	(\$0.064)	(\$0.062)	(\$0.135)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (LOSS)

(unaudited)

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>February 28</i>	<i>February 28</i>	<i>February 28</i>	<i>February 28</i>
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
Net earnings (loss) for the period	\$48,043	(\$1,050,545)	(\$1,044,756)	(\$2,221,795)
Other comprehensive income:				
Unrealized gain on marketable securities	87,405	193,758	179,277	261,107
Reclassification of gains included in net loss	0	(19,358)	0	(19,358)
	87,405	174,400	179,277	241,749
Comprehensive earnings (loss)	\$135,448	(\$876,145)	(\$865,479)	(\$1,980,046)

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

(unaudited)

	Three months ended		Six months ended	
	February 28 2011	February 28 2010	February 28 2011	February 28 2010
Operating Activities				
Net earnings (loss) for the period	\$48,043	(\$1,050,545)	(\$1,044,756)	(\$2,221,795)
Items not affecting cash				
Depreciation of property and equipment	92,552	74,539	178,503	151,681
Amortization of intangibles	46,617	84,507	94,103	169,942
Gain on sale of marketable securities	0	(64,826)	0	(64,826)
Stock compensation expense	6,309	13,753	12,617	24,712
Loss on disposition of fixed assets	0	6,354	0	6,354
Non-cash incentive compensation	(15,908)	(73,354)	(63,632)	(198,852)
	177,613	(1,009,573)	(823,165)	(2,132,784)
Net changes in working capital balances related to operations				
Increase in accounts receivable	(1,772,450)	(891,083)	(654,016)	(342,903)
Increase in income taxes receivable	(5,350)	(73,188)	(15,772)	(112,272)
Decrease (increase) in prepaid expenses and other assets	103,943	(549,689)	322,084	(413,120)
(Decrease) increase in accounts payable and accrued liabilities	(1,289,244)	483,714	(2,425,959)	201,409
Decrease in incentive accrual	(195,434)	(292,446)	(906,680)	(41,671)
Increase (decrease) in deferred revenue	0	146,407	(6,515)	86,703
	(2,980,922)	(2,185,858)	(4,510,023)	(2,754,638)
Investment Activities				
Proceeds on sale of marketable securities	0	1,048,535	0	1,048,535
Decrease (increase) in loans receivable, long-term	167,694	(50,289)	145,580	(44,606)
Additions to property and equipment	(67,351)	(19,381)	(177,109)	(128,352)
Acquisition of business costs	0	0	0	(3,758)
Acquisition of intangible assets	0	0	0	(906)
	100,343	978,865	(31,529)	870,913
Net decrease in cash and cash equivalents during the period	(2,880,579)	(1,206,992)	(4,541,552)	(1,883,725)
Cash and cash equivalents, beginning of period	4,795,301	4,041,281	6,456,274	4,718,014
Cash and cash equivalents, end of period	\$1,914,722	\$2,834,289	\$1,914,722	\$2,834,289

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 (Loss)	Total Shareholders' Equity
		Common Shares	Class A Non-Voting Shares	Class B Voting Shares			
Balance - August 31, 2009	(\$8,635,678)	\$0	\$16,046,899	\$17,179	\$4,098,998	\$175,384	\$11,702,782
Net loss for the year ended August 31, 2010	(1,252,760)	-	-	-	-	-	(1,252,760)
Conversion of Class B to Class A shares, and reclassification to Common shares	-	16,064,078	(16,046,899)	(17,179)	-	-	0
Stock compensation	-	-	-	-	55,198	-	55,198
Change in unrealized gains and losses on marketable securities available for sale	-	-	-	-	-	109,673	109,673
Balance - August 31, 2010	(\$9,888,438)	\$16,064,078	\$0	\$0	\$4,154,196	\$285,057	\$10,614,893
Net loss for the period ended February 28, 2011	(1,044,756)	-	-	-	-	-	(1,044,756)
Stock compensation	-	-	-	-	12,617	-	12,617
Change in unrealized gains and losses on marketable securities available for sale	-	-	-	-	-	179,277	179,277
Balance - February 28, 2011	(\$10,933,194)	\$16,064,078	\$0	\$0	\$4,166,813	\$464,334	\$9,762,031