
THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED BALANCE SHEET

	<i>As at August 31</i>	
	<i>2011</i>	<i>2010</i>
Assets		
Current Assets		
Cash and short-term deposits	\$6,944,084	\$6,456,274
Marketable securities	3,126,827	4,124,785
Accounts receivable	6,537,347	5,875,065
Income taxes receivable	80,053	87,377
Prepaid expenses and other assets	1,178,793	1,693,133
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	17,867,104	18,236,634
Restricted cash	250,000	0
Loans receivable, long-term	162,543	471,020
Property and equipment	1,781,892	1,655,907
Intangible assets	682,829	1,015,728
Goodwill	1,235,218	723,390
Future income taxes	72,834	0
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	\$22,052,420	\$22,102,679
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	10,724,428	\$9,174,008
Deferred revenue	0	207,346
Current portion of incentive accrual	530,250	1,639,818
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	11,254,678	11,021,172
Long-term incentive accrual	53,490	466,614
Shareholders' equity		
Capital stock	16,064,078	16,064,078
Contributed surplus	4,179,399	4,154,196
Deficit	(9,729,821)	(9,888,438)
Accumulated other comprehensive income	230,596	285,057
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	10,744,252	10,614,893
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	\$22,052,420	\$22,102,679

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENT OF EARNINGS (LOSS)

	<i>Three months ended</i>		<i>Year Ending</i>	
	<i>August 31</i>		<i>August 31</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
Operating revenue	\$9,376,749	\$10,425,848	\$34,237,803	\$26,903,811
Direct cost of revenue	6,911,543	7,989,438	26,696,894	20,741,431
Gross operating profit	2,465,206	2,436,410	7,540,909	6,162,380
Expenses:				
Other employee compensation, general and administration	1,551,542	1,591,798	6,415,995	6,201,296
Depreciation of property and equipment	95,090	87,394	381,051	325,812
Amortization of intangibles	197,144	64,257	334,579	271,372
Foreign exchange (gain) loss	(28,130)	(83,117)	327,463	(21,766)
Earnings (loss) before the following	1,815,646	1,660,332	7,459,088	6,776,714
Earnings (loss) before the following	649,560	776,078	81,821	(614,334)
Investment income, net	194,800	83,365	246,261	362,629
Earnings (loss) before the following	844,360	859,443	328,082	(251,705)
Restructuring costs	0	0	0	(1,001,055)
Net earnings (loss) before tax	844,360	859,443	328,082	(1,252,760)
Provision for (recovery of) income taxes				
Current	19,688	0	242,299	0
Future	149,777	0	(72,834)	0
	169,465	0	169,465	0
Net earnings (loss) for the period	\$674,895	\$859,443	\$158,617	(\$1,252,760)
Earnings (loss) per share	\$0.039	\$0.052	\$0.009	(\$0.076)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (LOSS)

	<i>Three months ended</i>		<i>Year Ending</i>	
	<i>August 31</i>		<i>August 31</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
Net earnings (loss) for the period	\$674,895	\$859,443	\$158,617	(\$1,252,760)
Other comprehensive income:				
Unrealized gain on marketable securities	2,244	151,798	230,596	285,057
Reclassification of gains included in the consolidated statement of earnings (loss)	(285,057)	(35,342)	(285,057)	(175,384)
	(282,813)	116,456	(54,461)	109,673
Comprehensive earnings (loss)	\$392,082	\$975,899	\$104,156	(\$1,143,087)

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND ACCUMULATED OTHER COMPREHENSIVE INCOME

	Deficit	Capital Stock			Contributed Surplus	Accumulated Other Comprehensive Income	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)	0	0	0	0	0	(1,252,760)
Conversion of Class B to Class A shares, and reclassification to Common shares (note 10)	0	16,064,078	(16,046,899)	(17,179)	0	0	0
Stock compensation (note 10)	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
Balance - August 31, 2010	(\$9,888,438)	\$16,064,078	\$0	\$0	\$4,154,196	\$285,057	\$10,614,893
Net profit for the period ended August 31, 2011	158,617	0	0	0	0	0	158,617
Stock compensation (note 10)	0	0	0	0	25,203	0	25,203
Change in unrealized gains and losses on marketable securities available for sale	0	0	0	0	0	(54,461)	(54,461)
Balance - August 31, 2011	(\$9,729,821)	\$16,064,078	\$0	\$0	\$4,179,399	\$230,596	\$10,744,252

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

	<i>Three months ended</i>		<i>Year Ending</i>	
	<i>August 31</i>		<i>August 31</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
Operating Activities				
Net earnings (loss) for the period	\$674,895	\$859,443	\$158,617	(\$1,252,760)
Items not affecting cash				
Depreciation of property and equipment	95,090	87,394	381,051	325,812
Amortization of intangibles	197,144	64,257	334,579	271,372
Gain on sale of marketable securities	(176,206)	0	(176,206)	(198,567)
Stock compensation expense	6,276	14,547	25,203	55,198
Non-cash incentive compensation	21,396	47,725	117,122	294,300
Future income taxes	149,777	0	(72,834)	0
	968,372	1,073,366	767,532	(504,645)
Net changes in working capital balances related to operations				
Increase in accounts receivable	(364,967)	(733,323)	(662,282)	(2,777,731)
(Increase) decrease in income taxes receivable	(44,983)	(87,709)	7,324	233,201
Decrease (increase) in prepaid expenses and other assets	121,772	(44,891)	514,340	(673,104)
Increase in accounts payable and accrued liabilities	1,136,688	4,049,322	1,550,420	4,931,529
Decrease in incentive accrual	(605,870)	0	(1,639,814)	(439,374)
Decrease in deferred revenue	(200,831)	(509,528)	(207,346)	(118,863)
	1,010,181	3,747,237	330,174	651,013
Investment Activities				
Proceeds on sale of marketable securities	2,119,703	0	2,119,703	1,508,615
Purchase of marketable securities	(1,000,000)	0	(1,000,000)	0
Decrease (increase) in loans receivable, long-term	115,256	166,872	308,477	(52,083)
Additions to property and equipment	(41,497)	(47,033)	(507,036)	(264,434)
Disposals of property and equipment	0	0	0	4,615
Acquisition of business costs	(511,828)	0	(511,828)	(3,758)
Acquisition of intangible assets	0	(104,138)	(1,680)	(105,708)
Increase in restricted cash	(250,000)	0	(250,000)	0
	431,634	15,701	157,636	1,087,247
Net increase in cash and cash equivalents during the period				
	1,441,815	3,762,938	487,810	1,738,260
Cash and cash equivalents, beginning of period	5,502,269	2,693,336	6,456,274	4,718,014
Cash and cash equivalents, end of period	\$6,944,084	\$6,456,274	\$6,944,084	\$6,456,274