

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED BALANCE SHEET

	<i>As at</i>	
	<i>August 31</i>	
	<i>2010</i>	<i>2009</i>
Assets		
Current Assets		
Cash and short-term deposits	\$6,456,274	\$4,718,014
Marketable securities	4,124,785	\$5,325,160
Accounts receivable	5,875,065	3,097,334
Income taxes receivable	87,377	320,578
Prepaid expenses and other assets	1,693,133	1,020,029
	18,236,634	14,481,115
Loans receivable, long-term	471,020	418,937
Property and equipment	1,655,907	1,721,900
Intangible assets	1,015,728	1,181,392
Goodwill	723,390	415,896
	\$22,102,679	\$18,219,240
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	\$9,174,008	\$3,938,743
Deferred revenue	207,346	326,209
Current portion of incentive accrual	1,639,818	530,250
	11,021,172	4,795,202
Long-term incentive accrual	466,614	1,721,256
Shareholders' equity		
Capital stock	16,064,078	16,064,078
Contributed surplus	4,154,196	4,098,998
Deficit	(9,888,438)	(8,635,678)
Accumulated other comprehensive income	285,057	175,384
	10,614,893	11,702,782
	\$22,102,679	\$18,219,240

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENT OF EARNINGS (LOSS)

	<i>Three months ended</i>		<i>Year Ended</i>	
	<i>August 31</i>		<i>August 31</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
Operating revenue	\$11,175,768	\$4,590,922	\$29,200,571	\$16,130,469
Direct cost of revenue	8,739,358	4,914,976	23,038,191	14,883,389
Gross profit	2,436,410	(324,054)	6,162,380	1,247,080
Expenses				
Other employee compensation, general and administration	1,591,798	1,350,060	6,201,296	5,512,398
Depreciation	87,394	95,191	325,812	312,990
Amortization of intangibles	64,257	18,846	271,372	75,384
Foreign exchange (gain) loss	(83,117)	266	(21,766)	79,843
	1,660,332	1,464,363	6,776,714	5,980,615
Operating profit (loss) before the following	776,078	(1,788,417)	(614,334)	(4,733,535)
Investment income (loss), net	83,365	(1,567,100)	362,629	(2,647,068)
Earnings (loss) before the following:	859,443	(3,355,517)	(251,705)	(7,380,603)
Restructuring costs	0	0	(1,001,055)	0
Net earnings (loss) before tax	859,443	(3,355,517)	(1,252,760)	(7,380,603)
Provision for income taxes	0	936,260	0	189,000
Net earnings (loss) for the period	\$859,443	(\$4,291,777)	(\$1,252,760)	(\$7,569,603)
Earnings (loss) per share	\$0.052	(\$0.252)	(\$0.076)	(\$0.461)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	<i>Three months ended</i>		<i>Year Ended</i>	
	<i>August 31</i>		<i>August 31</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
Net earnings (loss) for the period	\$859,443	(\$4,291,777)	(\$1,252,760)	(\$7,569,603)
Other comprehensive income:				
Unrealized gain on marketable securities	151,798	175,384	285,057	175,384
Reclassification of (gains) losses included in the consolidated statement of earnings (loss)	(35,342)	1,806,190	(175,384)	561,295
	116,456	1,981,574	109,673	736,679
Comprehensive earnings (loss)	\$975,899	(\$2,310,203)	(\$1,143,087)	(\$6,832,924)

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND ACCUMULATED OTHER COMPREHENSIVE INCOME

	Deficit	Capital Stock			Contributed Surplus	Accumulated Oth Comprehensive Income (Loss)	Total Shareholders' Equity
		Common Shares	Class A Non-Voting Shares	Class B Voting Shares			
Balance - August 31, 2008	(\$1,066,075)	\$0	\$19,582,200	\$20,950	\$488,693	(\$561,295)	\$18,464,473
Net loss for the year ended August 31, 2009	(7,569,603)	0	0	0	0	0	(7,569,603)
Repurchase and cancellation of Class A Non-voting Shares	0	0	(12,811)	0	5,416	0	(7,395)
Stock compensation	0	0	0	0	78,628	0	78,628
Reduction of stated capital	0	0	(3,522,490)	(3,771)	3,526,261	0	0
Change in unrealized gains and losses on marketable securities available for sale	0	0	0	0	0	736,679	736,679
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		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
Balance - August 31, 2010	(\$9,888,438)	\$16,064,078	\$0	\$0	\$4,154,196	\$285,057	\$10,614,893

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

	<i>Three months ended</i>		<i>Year Ended</i>	
	<i>August 31</i>		<i>August 31</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
Operating Activities				
Net earnings (loss) for the period	\$859,443	(\$4,291,777)	(\$1,252,760)	(\$7,569,603)
Items not affecting cash				
Depreciation of plant and equipment	87,394	114,037	325,812	312,990
Amortization of intangibles	64,257	0	271,372	75,384
Loss (gain) on sale of marketable securities	0	681,039	(198,567)	1,901,515
Provision for writedowns	0	929,459	0	929,459
Stock compensation expense	14,547	20,512	55,198	78,628
Non-cash incentive compensation	47,725	125,277	294,300	652,240
	1,073,366	(2,421,454)	(504,645)	(3,619,387)
Net changes in working capital balances related to operations				
Increase in accounts receivable	(733,323)	(843,547)	(2,777,731)	(67,953)
(Increase) decrease in income taxes receivable	(87,709)	867,938	233,201	760,454
Increase in prepaid expenses, other assets and loans receivable	(44,891)	(777,511)	(673,104)	(753,807)
Increase (decrease) in accounts payable and accrued liabilities	4,049,322	884,865	4,931,529	(698,600)
Decrease in incentive accrual	0	0	(439,374)	(530,250)
(Decrease) increase in deferred revenue	(509,528)	56,908	(118,863)	69,800
	3,747,237	(2,232,801)	651,013	(4,839,743)
Investment Activities				
Proceeds on sale of marketable securities	0	3,490,148	1,508,615	6,281,227
Purchase of marketable securities	0	0	0	(2,791,079)
Increase (decrease) in loans receivable, net	166,872	804,622	(52,083)	(84,959)
Additions to property and equipment	(47,033)	(147,634)	(264,434)	(547,931)
Disposals of property and equipment	0	84,016	4,615	84,017
Acquisition of business costs	0	(1,384,086)	(3,758)	(1,384,086)
Acquisition of intangible assets	(104,138)	0	(105,708)	0
	15,701	2,847,065	1,087,247	1,557,189
Financing Activities				
Cancellation of Class Shares	0	0	0	(7,395)
Net increase (decrease) in cash and cash equivalents during the period				
Cash and cash equivalents, beginning of period	2,693,336	4,103,749	4,718,014	8,007,963
Cash and cash equivalents, end of period	\$6,456,274	\$4,718,014	\$6,456,274	\$4,718,014