

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED BALANCE SHEET

(unaudited)

	As at	
	November 30	August 31
	2010	2010
Assets		
Cash and cash equivalents	\$4,795,301	\$6,456,274
Marketable securities	4,216,657	4,124,785
Accounts receivable	4,756,632	5,875,065
Income taxes receivable	97,799	87,377
Prepaid expenses and other assets	1,474,992	1,693,133
	15,341,381	18,236,634
Loans receivable, long-term	493,134	471,020
Property and equipment	1,679,712	1,655,907
Intangible assets	968,243	1,015,728
Goodwill	723,390	723,390
	\$19,205,860	\$22,102,679
Liabilities		
Accounts payable and accrued liabilities	\$8,037,293	\$9,174,008
Deferred revenue	200,831	207,346
Current portion of incentive accrual	833,250	1,639,818
	9,071,374	11,021,172
Long-term incentive accrual	514,212	466,614
Shareholders' equity		
Capital stock	16,064,078	16,064,078
Contributed surplus	4,160,505	4,154,196
Deficit	(10,981,238)	(9,888,438)
Accumulated other comprehensive income	376,929	285,057
	9,620,274	10,614,893
	\$19,205,860	\$22,102,679

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF LOSS

(unaudited)

	<i>Three months ended</i>	
	<i>November 30</i>	
	<i>2010</i>	<i>2009</i>
Operating revenue	\$6,454,300	\$3,830,061
Direct cost of revenue	5,620,821	3,188,302
Gross operating profit	833,479	641,759
Expenses		
Other employee compensation, general and administration	1,646,805	1,670,552
Depreciation of property and equipment	85,952	77,142
Amortization of intangibles	47,486	85,435
Foreign exchange loss	162,679	4,611
	1,942,922	1,837,740
Operating loss	(1,109,443)	(1,195,981)
Investment income	16,643	24,731
Net loss before tax	(1,092,800)	(1,171,250)
Provision for taxes	0	0
Net loss for the period	(\$1,092,800)	(\$1,171,250)
Loss per share	(\$0.064)	(\$0.071)

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 November 30, 2010	(1,092,800)	-	-	-	-	-	(1,092,800)
Stock compensation	-	-	-	-	6,309	-	6,309
Change in unrealized gains and losses on marketable securities available for sale	-	-	-	-	-	91,872	91,872
Balance - November 30, 2010	(\$10,981,238)	\$16,064,078	\$0	\$0	\$4,160,505	\$376,929	\$9,620,274

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

(unaudited)

	<i>Three months ended</i>	
	<i>November 30</i>	
	<i>2010</i>	<i>2009</i>
Operating Activities		
Net loss for the period	(\$1,092,800)	(\$1,171,250)
Items not affecting cash		
Depreciation	85,952	77,142
Amortization of intangibles	47,486	85,435
Stock compensation expense	6,309	10,917
Non-cash incentive compensation	47,598	125,277
	(905,455)	(872,479)
Net changes in working capital balances related to operations		
Decrease in accounts receivable	1,118,433	548,178
Increase in income taxes receivable	(10,423)	(39,040)
Decrease in prepaid expenses and other assets	218,141	136,569
Decrease in accounts payable and accrued liabilities	(1,136,715)	(282,305)
Decrease in short-term liabilities	(806,568)	0
Decrease in deferred revenue	(6,515)	(59,704)
	(1,529,102)	(568,781)
Investment Activities		
(Increase) decrease in loans receivable, long-term	(22,114)	5,683
Additions to property and equipment	(109,757)	(108,971)
Acquisition of business costs	0	(3,758)
Acquisition of intangible assets	0	(906)
	(131,871)	(107,952)
Net decrease in cash and cash equivalents during the period	(1,660,973)	(676,733)
Cash and cash equivalents, beginning of period	6,456,274	4,718,014
Cash and cash equivalents, end of period	\$4,795,301	\$4,041,281