



The Caldwell Partners International Issues Fiscal 2014 Second Quarter Financial Results

- **Year-over-year second quarter revenue increased 34% to \$9,158.**
- **Board declares ninth consecutive quarterly dividend - 1.75 cents per share.**

Toronto, Ontario– April X, 2014 – Retained executive search firm The Caldwell Partners International Inc. (TSX: CWL) today issued its financial results for the fiscal 2014 second quarter ended February 28, 2014. All references to quarters or years are for the fiscal periods unless otherwise noted and all currency amounts are in Canadian dollars.

Financial Highlights (in \$000s except per share amounts)

	Three Months Ended February 28		Six Months Ended February 28	
	2014	2013	2014	2013
Revenue	\$9,158	\$6,825	\$19,497	\$14,242
Expenses	\$9,107	\$7,484	\$19,038	\$14,953
Operating profit/(loss)	\$50	\$(659)	\$458	\$(711)
Investment income	\$4	\$7	\$5	\$9
Net profit/(loss) before tax	\$54	\$(652)	\$463	\$(702)
Net profit/(loss) after tax	\$43	\$(653)	\$436	\$(709)
Net profit/(loss) per share	\$0.002	\$(0.038)	\$0.024	\$(0.041)

“This is the fourth consecutive quarter in which we have seen strong revenue levels,” said John N. Wallace, chief executive officer. “We are also experiencing positive gains in important metrics such as average fee, number of searches per partner and overall billings per partner.”

Wallace continued: “We are getting consistent production out of our team in a market that is strengthening. We remain focussed and committed to making targeted, strategic additions to the partner and support teams to both broaden our client coverage capabilities and to continue to increase and sustain revenues and profitability. The recent addition of John Strackhouse (Philadelphia) to our partner team adds depth to our Technology, Industrial, and CEO/Board practices and will contribute positively to our second half revenues.”

The Board of Directors today also declared the payment of a quarterly dividend of 1.75 cents per Common Share payable June 13, 2014 to shareholders of record on April 21, 2014.

Financial Overview (all numbers expressed in \$000s)

- Operating revenue:
 - Fiscal 2014 second quarter operating revenue increased by 34% over the comparable period last year to \$9,158 (2013: \$6,825).
 - US revenues increased 45% (33% excluding a 12% favourable variance from exchange rate fluctuations) to \$6,568 in the comparable period of 2013, driven primarily by increased search volumes, and to a lesser extent increased average fees.
 - Revenues from Canadian operations increased 12% to \$2,590 in the current period, from higher average fees, partially offset by decreased search volumes.
 - Year to date revenue increased 37% over the prior year to \$19,497 (2013: \$14,242).
- Operating profit:
 - For the second quarter, higher year-over-year revenues (\$2,332) partially offset by the related higher cost of sales (\$1,264) and expenses (\$359) resulted in the net increase of \$709 to operating profit of \$50 in the second quarter of fiscal 2014, up from an operating loss of \$659 in the second quarter of fiscal 2013.
 - Year to date, higher year-over-year revenues (\$5,254) partially offset by the related higher cost of sales (\$3,398) and expenses (\$686) resulted in the net increase of \$1,169 to operating profit of \$458 in the first half of fiscal 2014, up from an operating loss of \$659 in the first half of fiscal 2013.
- Net profit:
 - The second quarter net earnings were \$43 (\$0.002 per share) in fiscal 2014, as compared to a net loss of \$653 (\$0.038 per share) in the comparable period a year earlier.
 - Year to date net earnings were \$436 (\$0.024 per share) in fiscal 2014, as compared to a net loss of \$709 (\$0.041 per share) in the comparable period a year earlier.

For a complete discussion of the quarterly financial results, please see the company's Management Discussion and Analysis posted on SEDAR at www.sedar.com

About Caldwell Partners

Caldwell Partners is one of North America's premier providers of executive search and has been for 40 years. As one of the region's most trusted advisors in executive search, the firm has a sterling

reputation built on successful searches for boards, chief and senior executives, and selected functional experts.

With offices and partners in Vancouver, San Francisco, Los Angeles, Dallas, Calgary, Philadelphia, Atlanta, Toronto, Stamford, New York City, and a strategic presence in London and Hong Kong, the firm takes pride in delivering an unmatched level of service and expertise to its clients.

Caldwell Partners' Common shares are listed on The Toronto Stock Exchange (TSX: CWL). Please visit our website at www.caldwellpartners.com for further information.

Forward-Looking Statements

Forward-looking statements in this document are based on current expectations that are subject to significant risks and uncertainties. Actual results might differ materially due to various factors such as the competitive nature of the executive search industry, the ability of the company to execute its growth strategies, the performance of the Canadian domestic and international economies, and the company's ability to retain key personnel. The Caldwell Partners assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward-looking statements.

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THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(unaudited - in \$Canadian)

	<i>As at</i> <i>February 28</i> <i>2014</i>	<i>As at</i> <i>August 31</i> <i>2013</i>
Assets		
Current assets		
Cash and cash-equivalents	11,033,218	7,612,957
Marketable securities	3,723,240	3,576,811
Accounts receivable	4,605,139	7,088,555
Prepaid expenses and other assets	1,241,440	1,060,998
	<u>20,603,037</u>	<u>19,339,321</u>
Non-current assets		
Restricted cash	255,916	255,012
Advances	197,654	292,035
Property and equipment	1,358,437	1,360,646
Intangible assets	431,333	447,434
Goodwill	1,093,647	1,039,922
Total assets	<u>23,940,024</u>	<u>22,734,370</u>
Liabilities		
Current liabilities		
Accounts payable	1,722,341	1,345,146
Compensation payable	6,904,379	9,156,182
Dividends payable	367,513	255,983
Taxes payable	46,082	13,741
Deferred revenue	1,112,396	1,357,718
	<u>10,152,711</u>	<u>12,128,770</u>
Non-current liabilities		
Non-current severance accrual	43,750	148,750
Share-based compensation accrual	144,892	231,231
	<u>10,341,353</u>	<u>12,508,751</u>
Equity attributable to owners of the Company		
Share Capital	7,352,337	4,080,020
Contributed surplus	16,250,809	16,247,987
Accumulated other comprehensive income	908,993	580,959
Deficit	(10,913,468)	(10,683,347)
Total equity	<u>13,598,671</u>	<u>10,225,619</u>
Total liabilities and equity	<u>23,940,024</u>	<u>22,734,370</u>

The accompanying notes are an integral part of these consolidated interim financial statements.

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF EARNINGS

(unaudited - in \$Canadian)

	Three months ended		Six months ended	
	February 28		February 28	
	2014	2013	2014	2013
Revenues	9,157,785	6,825,047	19,496,334	14,242,258
Cost of sales	6,859,444	5,594,969	14,613,607	11,215,089
Gross profit	2,298,341	1,230,078	4,882,727	3,027,169
Expenses				
General and administrative	2,122,238	1,745,077	4,146,203	3,454,791
Sales and marketing	222,361	151,899	383,014	278,856
Foreign exchange (gain) loss	(96,111)	(8,054)	(103,983)	4,805
	2,248,488	1,888,922	4,425,234	3,738,452
Operating profit (loss)	49,853	(658,844)	457,493	(711,283)
Investment income	3,894	6,707	5,319	9,230
Earnings before income tax	53,747	(652,137)	462,812	(702,053)
Income tax	10,750	514	26,683	6,619
Net earnings (loss) for the period attributable to owners of the Company	42,997	(652,651)	436,129	(708,672)
Earnings (loss) per share:				
Basic and diluted	\$0.002	(\$0.038)	\$0.024	(\$0.042)

CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE EARNINGS/(LOSS)

(unaudited - in \$Canadian)

	Three months ended		Six months ended	
	February 28		February 28	
	2014	2013	2014	2013
Net earnings (loss) for the period	42,997	(652,651)	436,129	(708,672)
Other comprehensive income:				
Unrealized gain on marketable securities	91,927	111,610	146,429	209,139
Cumulative translation adjustment	146,718	98,756	181,605	119,193
Comprehensive earnings (loss) for the period attributable to owners of the Company	281,642	(442,285)	764,163	(380,340)

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THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW

(unaudited - in \$Canadian)

	Six months ended	
	February 28	
	2014	2013
Cash flow provided by (used in)		
Operating Activities		
Net earnings (loss) for the period	436,129	(708,672)
Adjustments for:		
Depreciation	162,715	189,123
Amortization	37,675	35,092
Stock-option expense	2,822	12,367
Unrealized foreign exchange on subsidiary loans	(84,748)	(117,180)
Decrease in non-current severance accrual	(105,000)	160,214
Decrease in share-based compensation accrual	(86,339)	-
Disposal of property and equipment	14,444	-
Changes in items of working capital		
Decrease in accounts receivable	2,620,958	25,619
Decrease in income taxes receivable	-	1,500
Increase in prepaid expenses and other assets	(151,718)	(203,125)
Increase (decrease) in accounts payable	327,518	(929,658)
Increase in taxes payable	32,507	-
Decrease in compensation payable	(2,125,819)	(2,318,333)
Payment of share-based compensation	(330,013)	-
Decrease in deferred revenue	(271,075)	-
Net cash provided by (used in) operating activities	480,056	(3,853,053)
Investment Activities		
Decrease in advances	111,033	80,181
Increase in restricted cash	(904)	(572)
Additions to property and equipment	(149,428)	(92,908)
Net cash used in investing activities	(39,299)	(13,299)
Financing Activities		
Dividend payments	(554,719)	(510,765)
Common share issuance	3,272,317	44,800
Net cash proved by (used in) investing activities	2,717,598	(465,965)
Effect of exchange rate changes on cash and cash equivalents	261,906	98,893
Net increase in cash and cash equivalents	3,420,261	(4,233,424)
Cash and cash equivalents, beginning of period	7,612,957	6,494,246
Cash and cash equivalents, end of period	11,033,218	2,260,822

The accompanying notes are an integral part of these consolidated interim financial statements.

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(unaudited - in \$Canadian)

	Deficit	Capital Stock	Contributed Surplus	Accumulated Other Comprehensive Income (Loss) Cumulative Translation Adjustment	Unrealized Gains on Marketable Securities	Total Equity
Balance - September 1, 2012	(9,377,513)	4,016,020	16,245,848	(284,523)	406,815	11,006,647
Net loss for the six month period ended February 28, 2013	(708,672)	-	-	-	-	(708,672)
Dividend payments declared	(511,965)	-	-	-	-	(511,965)
Employee stock option plan share issue	-	64,000	(14,776)	-	-	49,224
Share-based payment expense	-	-	7,942	-	-	7,942
Change in unrealized gains on marketable securities available for sale	-	-	-	-	209,139	209,139
Change in cumulative translation adjustment	-	-	-	119,193	-	119,193
Balance - February 28, 2013	(10,598,150)	4,080,020	16,239,014	(165,330)	615,954	10,171,508
Balance - September 1, 2013	(10,683,347)	4,080,020	16,247,987	(99,623)	680,582	10,225,619
Net earnings for the six month period ended February 28, 2014	436,129	-	-	-	-	436,129
Dividend payments declared	(666,250)	-	-	-	-	(666,250)
Share-based payment expense	-	-	2,822	-	-	2,822
Common share issuance	-	3,272,317	-	-	-	3,272,317
Change in unrealized gain on marketable securities available for sale	-	-	-	-	146,429	146,429
Change in cumulative translation adjustment	-	-	-	181,605	-	181,605
Balance - February 28, 2014	(10,913,468)	7,352,337	16,250,809	81,982	827,011	13,598,671

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