



FOR IMMEDIATE RELEASE

**The Caldwell Partners International Issues Fiscal 2014
Fourth Quarter and Full Year Financial Results**

- Fourth quarter revenue up 28% over prior year to \$13.2 million.
- Company posts annual revenue of \$45.1 million, up 33% over prior year.
- Board declares 11th consecutive quarterly dividend – 2.0 cents per share, up 14% over prior quarter.

Toronto, Ontario– November 13, 2014 – Retained executive search firm The Caldwell Partners International Inc. (TSX: CWL) today issued its financial results for the fiscal 2014 fourth quarter and year ended August 31, 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 August 31		Year Ended August 31	
	2014	2013	2014	2013
Operating revenue	\$13,231	\$10,338	\$45,086	\$33,803
Expenses	\$13,059	\$9,392	\$43,823	\$33,935
Operating profit (loss) ¹	\$172	\$946	\$1,263	(\$132)
Investment income	\$13	\$2	\$24	\$13
Earnings (loss) before tax ¹	\$185	\$948	\$1,287	(\$119)
Net earnings (loss) after tax ^{1,2}	\$892	\$793	\$1,967	(\$282)
Net earnings (loss) per share ^{1,2}	\$ 0.044	\$ 0.045	\$ 0.101	(\$0.017)

1. *Included in the 2013 results are \$0.4 million in severance costs incurred in the third quarter. As the company did not recognize tax assets on operating losses during 2013, these items equally impacted net earnings before tax and net earnings after tax.*
2. *During the fourth quarter of 2014, the Company determined it was probable that it would be able to utilize deferred tax assets within its US subsidiary. Accordingly, the Company recognized a net tax benefit of \$707 (2013: expense of \$155) for the quarter and \$680 (2013: expense of \$163) for the year.*

“Our expansion over the last five years has been nothing less than outstanding,” said John Wallace, chief executive officer. “In 2009 our revenue was \$16 million from 27 partners billing an average \$0.6 million per partner. Five years later we have collectively attained \$45 million in revenue from an average of 32 partners billing \$1.4 million per partner. These results represent a 22.8%

compound annual growth rate since 2009. The economic tailwinds and favourable market conditions have played a part in this year's growth, but we also believe this is a concrete testament to the increasing quality of our partner and support teams. We now have the depth and breadth to serve our clients' needs across every major sector and geography, and we are seeing the resulting gains in our practices and corporate brand."

Wallace continued: "We are also elated by the prospects of our acquisition on October 1, 2014 of Hawksmoor Search Limited, based in London. This not only brought a known and talented team into our firm, but also created what we believe to be the premier global insurance practice in executive search. And with our footprint now established in the UK we are truly excited about our growth prospects and ability to deliver superior client service in Europe. We will also continue to seek out strategic new partner hires to complement and enhance our practices and geographic reach to deliver a superior level of service to our clients."

The Board of Directors today also declared the payment of a quarterly dividend of 2.0 cents per Common Share payable to holders of Common Shares of record on November 25, 2014 and to be paid on December 12, 2014.

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

- Operating revenue:
 - 2014 fourth quarter revenue increased by 28% over the comparable period last year to \$13,231 (2013: \$10,338).
 - 2014 annual revenue increased 33% over 2013 to \$45,086 (2013: \$33,803).
 - Revenue in the US for the quarter was up 36%, from higher search volumes offset by fewer partners.
 - Fourth quarter revenue in Canada was up 13%, primarily on increased average fees and to a lesser extent larger search volumes, delivered by a consistent number of partners.
 - For the year, US revenue was up 43%, on higher average fees and higher search volumes, partially offset by fewer partners.
 - Full year revenue in Canada was up 16% on higher average fees with stable volumes and number of partners.
 - US revenues represent 70% of consolidated revenues in 2014 versus 66% a year ago, driven by the faster growth in US revenue relative to Canada.

- Operating profit:
 - For the 2014 fourth quarter, higher revenue (\$2,893) offset by higher cost of sales (\$2,563) from the increased revenue and higher expenses (\$1,104) resulted in a decrease in operating profit of \$774 over the comparable period in the prior year. The increase in expenses related to higher compensation on improved company performance on both short-term incentive plan achievement and the impact of share price increases on share-based compensation plans.

- For the 2014 full year, higher revenue (\$11,283) less related increased cost of sales (\$8,047) and expenses (\$1,841) resulted in operating profit of \$1,263. The \$1,395 increase over the prior year’s operating loss of \$132 was driven by factors similar to the fourth quarter as well as \$446 of severance expense in 2013.
- Net earnings after tax:
 - For the fourth quarter of 2014, the revenue increase, less higher cost of sales and expenses offset by a net tax benefit from the recognition of deferred tax assets resulted in a net earnings after income taxes of \$892 compared to net earnings after income taxes of \$793 a year ago.
 - The full year 2014 net earnings after tax was \$1,967 including the recognition of deferred tax assets compared to the \$282 of net loss after tax in 2013.

The Caldwell Partners continues to expand its respected brand. The firm now has 34 partners worldwide in 3 Canadian offices, 7 US offices, and the newly-established office in the United Kingdom.

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 a leading international provider of executive search and has been for more than 40 years. As one of the world’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 across North America and in London, the firm takes pride in delivering an unmatched level of service and expertise to its clients.

The 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 STATEMENTS OF FINANCIAL POSITION

(in \$Canadian)

	<i>As at</i> <i>August 31</i> <i>2014</i>	<i>As at</i> <i>August 31</i> <i>2013</i>
Assets		
Current assets		
Cash and cash equivalents	12,742,873	7,612,957
Marketable securities	7,809,403	3,576,811
Accounts receivable	8,141,145	7,088,555
Prepaid expenses and other assets	1,364,383	1,060,998
	<u>30,057,804</u>	<u>19,339,321</u>
Non-current assets		
Restricted cash	452,138	255,012
Advances	195,033	292,035
Property and equipment	1,609,811	1,360,646
Intangible assets	384,470	447,434
Goodwill	1,072,315	1,039,922
Deferred income taxes	2,443,435	-
	<u>36,215,006</u>	<u>22,734,370</u>
Liabilities		
Current liabilities		
Accounts payable	1,399,983	1,345,146
Compensation payable	15,752,702	9,156,182
Dividends payable	367,513	255,983
Income taxes payable	1,790,091	13,741
Deferred revenue	1,974,144	1,357,718
	<u>21,284,433</u>	<u>12,128,770</u>
Compensation payable	<u>552,799</u>	<u>379,981</u>
	<u>21,837,232</u>	<u>12,508,751</u>
Equity attributable to owners of the Company		
Share capital	7,330,563	4,080,020
Contributed surplus	16,253,631	16,247,987
Accumulated other comprehensive income	911,417	580,959
Deficit	(10,117,837)	(10,683,347)
Total equity	<u>14,377,774</u>	<u>10,225,619</u>
Total liabilities and equity	<u>36,215,006</u>	<u>22,734,370</u>

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

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

(in \$Canadian)

	Years ended August 31	
	2014	2013
Revenues	45,086,251	33,802,994
Cost of sales	34,052,702	26,005,284
Gross profit	11,033,549	7,797,710
Expenses		
General and administrative	9,097,474	7,275,173
Sales and marketing	751,408	689,686
Foreign exchange gain	(78,128)	(35,035)
	9,770,754	7,929,824
Operating profit (loss)	1,262,795	(132,114)
Investment income	23,944	12,713
Earnings (loss) before income tax	1,286,739	(119,401)
Income tax (recovery) expense	(680,047)	162,503
Net earnings (loss) for the year attributable to owners of the Company	1,966,786	(281,904)
Earnings (loss) per share		
Basic	0.101	(0.017)
Diluted	0.100	(0.017)

CONSOLIDATED STATEMENTS OF

COMPREHENSIVE EARNINGS

(in \$Canadian)

	Years ended August 31	
	2014	2013
Net earnings (loss) for the year	1,966,786	(281,904)
Other comprehensive income:		
Items that may be reclassified subsequently to net earnings (loss)		
Unrealized gain on marketable securities	231,632	273,767
Cumulative translation adjustment	98,826	184,900
Comprehensive earnings for the year attributable to owners of the Company	2,297,244	176,763

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

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in \$Canadian)

	Deficit	Share Capital	Contributed Surplus	Accumulated Translation Adjustment	Other Comprehensive Earnings (Loss) Unrealized Gains on Marketable Securities	Total Equity
Balance - August 31, 2012	(9,377,513)	4,016,020	16,245,848	(284,523)	406,815	11,006,647
Net loss for the year	(281,904)	-	-	-	-	(281,904)
Dividend payments declared	(1,023,930)	-	-	-	-	(1,023,930)
Employee stock option plan share issue	-	64,000	(14,776)	-	-	49,224
Share-based payment expense	-	-	16,915	-	-	16,915
Change in unrealized gains on marketable securities	-	-	-	-	273,767	273,767
Change in cumulative translation adjustment	-	-	-	184,900	-	184,900
Balance - August 31, 2013	(10,683,347)	4,080,020	16,247,987	(99,623)	680,582	10,225,619
Net earnings for the year	1,966,786	-	-	-	-	1,966,786
Dividend payments declared	(1,401,276)	-	-	-	-	(1,401,276)
Share-based payment expense	-	-	5,644	-	-	5,644
Common share issuance	-	3,250,543	-	-	-	3,250,543
Change in unrealized gain on marketable securities	-	-	-	-	231,632	231,632
Change in cumulative translation adjustment	-	-	-	98,826	-	98,826
Balance - August 31, 2014	(10,117,837)	7,330,563	16,253,631	(797)	912,214	14,377,774

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

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in \$Canadian)

	<i>Years ended</i>	
	<i>August 31</i>	
	<i>2014</i>	<i>2013</i>
Cash provided by (used in)		
Operating activities		
Net earnings (loss) for the year	1,966,786	(281,904)
Adjustments for:		
Depreciation	354,256	400,283
Amortization	76,326	71,563
Share-based payment expense	5,644	21,339
Unrealized foreign exchange on subsidiary loans	(60,689)	(164,300)
(Decrease) increase in non-current severance accrual	(148,750)	44,964
(Increase) decrease in deferred taxes	(2,458,962)	77,403
Increase in non-current share-based compensation accrual	321,568	148,750
Disposal of property and equipment	20,079	-
Net changes in working capital		
Increase in accounts receivable	(1,024,956)	(722,625)
Decrease in income taxes recoverable	-	49,501
Increase in prepaid expenses and other assets	(291,772)	(248,119)
Increase in accounts payable	35,971	303,171
Increase in compensation payable	6,798,423	1,250,695
Increase in income taxes payable	1,787,888	12,465
Increase in dividends payable	-	1,201
Payment of share-based compensation	(330,313)	-
Increase in deferred revenue	599,825	1,348,890
Net cash provided by operating activities	7,651,324	2,313,277
Investing activities		
Purchase of marketable securities	(4,000,960)	-
Decrease (increase) in advances	105,466	(177,627)
Increase in restricted cash	(198,364)	(2,046)
Additions to property and equipment	(608,558)	(221,360)
Net cash used in investing activities	(4,702,416)	(401,033)
Financing activities		
Dividend payments	(1,289,746)	(1,023,930)
Common share issuance	3,250,543	44,800
Net cash provided by (used in) financing activities	1,960,797	(979,130)
Effect of exchange rate changes on cash and cash equivalents	220,211	185,597
Net increase in cash and cash equivalents during the year	5,129,916	1,118,711
Cash and cash equivalents, beginning of year	7,612,957	6,494,246
Cash and cash equivalents, end of year	12,742,873	7,612,957

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