CALDWELL PARTNERS

FOR IMMEDIATE RELEASE

The Caldwell Partners International Issues Fiscal 2016 Third Quarter Financial Results

- **Third quarter revenue of $13.8 million.**
- **Third quarter operating profit of $680,000.**
- **Board declares 2.0 cent quarterly dividend.**

Toronto– July 7, 2016 – Retained executive search firm The Caldwell Partners International Inc. (TSX: CWL) today issued its financial results for the fiscal 2016 third quarter ended May 31, 2016. 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 May 31		Nine Months Ended May 31	
	2016	**2015**	**2016**	**2015**
Professional fees	$13,680	$14,814	$41,906	$39,123
Investment income	$90	-	$877	-
License fee revenue	$57	-	$189	-
Operating revenue	$13,827	$14,814	$42,972	$39,123
Cost of sales	$10,596	$10,802	$33,157	$28,824
Expenses	$2,551	$3,106	$8,573	$8,576
Operating profit	$680	$906	$1,242	$1,723
Investment income from marketable securities	-	$33	$404	$58
Earnings before tax	$680	$939	$1,646	$1,781
Net earnings after tax	$339	$768	$939	$1,326
Net earnings per share	$0.017	$0.036	$0.046	$0.062

“This was a challenging quarter,” said John N. Wallace, chief executive officer. “Ongoing weakness in Western Canada, spurred on by continued low oil prices; an unforeseen softening of search volumes in the United States and Canada, where we were staffed to handle last fiscal year's all-time high search demand; and fixed costs exceeding disappointing revenue in the United Kingdom pressured our quarterly results. We have taken measures to reduce our fixed search delivery costs over the last quarter, and will continue to make adjustments in the fourth quarter, including the relocation of our New York office, which will both lower our cost basis and provide us with a more efficient and attractive client/employee working environment. We anticipate continued revenue pressure in the fourth quarter and our alignment initiatives may have an attendant financial cost to implement, but they will put us in a position to achieve the type of growing profitability that we have obtained over the prior three years."

Wallace continued: "We remain committed to our investment in the United Kingdom as important to our business strategy, and understand that this may result in additional modest operating losses in the region during fiscal 2017, but – as a result of recent actions – not of the magnitude we saw this year. Additional revenue and earnings growth remains the priority, but at a measured pace, that will not otherwise impede long term profitability and the continuation of regular dividend payments. We expect future growth to be driven by targeted partner hires as we seek to continue building our practice and functional offerings across geographies in United States, Canada and Europe."

The Board of Directors continues to believe that the payment of regular dividends is in the best interests of the Company and its shareholders. After careful review and consideration of many factors including current earnings results, future earnings projections, cash needs for operational growth and balances of Unencumbered Cash (as defined in the Management Discussion and Analysis) which can act as a buffer against short-term earnings volatility, the Board of Directors today also declared the payment of a quarterly cash dividend of 2.0 cents per Common Share payable on September 12, 2016 to shareholders of record on July 18, 2016.

Financial Overview (all numbers expressed in $000s)

- Operating revenue:

  Third quarter:

  - Professional fees for the third quarter of 2016 decreased 7.7% (a decline of 10.3% excluding a 2.6% favourable variance from exchange rate fluctuations) over the comparable period last year to $13,680 (2015: $14,814).
    - Third quarter professional fees in the US were down 0.9% (down 4.8% excluding a 3.9% favourable variance from exchange rate fluctuations) to $10,305 (2015: $10,399). Increases in the Average Fee per Assignment and the Average Number of Partners were more than offset by declines in the Number of Assignments per Partner. The Average Fee per Assignment rose

from exchange rate movements period to period and one specific search in the US where a placement commenced on a search booked in a prior period which resulted in incremental professional fees earned in the form of an equity grant valued at approximately $937.

  - Third quarter professional fees in Canada continued to be pressured by economic conditions in Western Canada as well as Financial Services across Canada and were down 28.4% to $3,020 (2015: $4,217) due to a higher Average Number of Partners being more than offset by lower Number of Assignments per Partner and lower Average Fees per Assignment.
  - Third quarter Europe professional fees were $355 versus $197 last year.

- During the second quarter the firm monetized an equity position obtained as a portion of professional fee consideration in the US from a prior period. During the third quarter the fee calculation was finalized resulting in an additional $90 in revenue.
- License fees from our licensees in Latin America and New Zealand for the use of the Caldwell Partners brand and intellectual property for the 2016 third quarter were $57 (2015: nil). As the licensing agreements were signed in the fourth quarter of fiscal 2015 and first quarter of fiscal 2016, respectively, there was no corresponding license fee revenue in the third quarter of last year.

Year to date:

- Professional fees for the first nine months of 2016 increased 7.1% (a decline of 1.8% excluding an 8.9% favourable variance from exchange rate fluctuations) over the comparable period last year to $41,906 (2015: $39,123).
- The positive impact of higher Average Number of Partners and a higher Average Fee per Assignment was partially offset by lower productivity per partner. The increase in Average Fee per Assignment was driven by favourable foreign exchange movements and incremental professional fees recognized on placements that began during the current year but related to searches conducted in prior periods.

• Operating profit:

Third quarter:

- For the third quarter of 2016, lower revenue ($986) partially offset by lower cost of sales ($205) and expenses ($556) resulted in a decrease in operating profit of $225 or 24.9% to $680 (2015: $905) over the comparable period in the prior year. Excluding exchange rate variances, operating profit decreased $264 or 29.2% to $641.

- On a segment basis, $870 of profit was from the US ($1,080 excluding the impact of the intercompany license fees), $220 of profit was from Canada ($10 excluding $210 in intercompany license fee revenue) and Europe's operating loss was $410.
- Third quarter cost of sales decreased 1.9% or $205 to $10,596 (a decrease of 4.4% excluding the 2.5% variance from exchange rate fluctuations) from $10,801. As a percentage of Professional Revenue, cost of sales rose to 76.9%, up 4.0% from 72.9% in the same period last year. The increase as a percentage of Professional Revenue is due to the fixed costs within search delivery support team compensation which do not fluctuate with short-term variances in revenue.
- Expenses in the third quarter decreased 17.9% or $556 over the same period in the prior year to $2,551 (2015: $3,107). Excluding exchange rate variances, expenses decreased $624 or 20.1% over the same period last year. Constant currency increases in occupancy costs from increased space in the UK, the addition of our Charleston office and higher lease costs in certain US relocations ($59), business development ($26) and general increases across other categories ($15) have been more than offset by reductions in management operating performance bonus accruals ($507) and share-based compensation expense ($217).

Year to date:

- Year to date, higher year-over-year revenues ($3,848) and lower expenses ($3) were more than offset by the related higher cost of sales ($4,333) resulting in a net decrease of $481 or 27.9% to operating profit of $1,242, down from $1,723 in the same period in the prior year. Excluding exchange rate variances, operating profit decreased $707 or 41.3%.
- On a segment basis, $762 of profit was from Canada, or $70, excluding $692 in intercompany license fee revenue (2015: $810), $1,435 of profit was from the US, or $2,127 excluding the impact of the intercompany license fees (2015: $968), and Europe's operating loss was $955 (2015: loss of $55).
- Year to date cost of sales increased 15.0% to $33,157 (an increase of 5.3% excluding the 9.7% variance from exchange rate fluctuations) from $28,824. As a percentage of Professional Revenue, cost of sales rose to 77.5% as a percentage of Professional Revenue, up $4,333 or 3.8% of Professional Revenue from 73.7% in the same period last year. The increase as a percentage of Professional Fees is primarily attributable to cost of sales falling slower than revenue arising from our fixed support cost base and the investment in hires made in the UK office in the fourth quarter of the previous fiscal year.
- Similar to the quarterly results, excluding intercompany license fees that were not begun until Q4 of fiscal 2015, the decrease in operating profit of $481 was the result

of increased performance in the US ($1,159) more than offset by decreased performance in Canada caused primarily by weakness in Western Canada and the Financial Services sector ($740) and the investment in Europe related to the addition of 2 new partners and their respective teams with the teams' transitional revenue increase not growing as quickly as the immediately added fixed costs ($900).

- Net profit:
  - Third quarter net income was $339 ($0.017 per share), as compared to $768 ($0.036 per share) in the comparable period a year earlier.
  - Year-to-date net income in fiscal 2016 was $939 ($0.046 per share), as compared to $1,326 ($0.062 per share) in the comparable period a year earlier.

Professional Revenue, Average Number of Partners, Professional Fees per Partner, Number of Assignments, Number of Assignments per Partner and Average Fee per Assignment do not have any standardized meaning under IFRS and may not be comparable to measures presented by other companies. These operating measures are used by the Company to analyze its results. Please refer to section "Non-GAAP Financial Measures and Other Operating Measures" in the Company's MD&A for a definition of these terms.

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 45 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, Europe, Latin America and Asia Pacific, 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 the significant risks and uncertainties cited. These forward-looking statements generally can be identified by use of statements that include phrases such as "believe," "expect," "anticipate," "intend," "plan," "foresee," "may," "will," "likely," "estimates," "potential," "continue" or other similar words or phrases. Similarly, statements that describe our objectives, plans or goals also are forward-looking statements. The Company is subject to many factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statement including, but not limited to, the Company's ability to attract and retain key personnel; the performance of the Canadian, US domestic and international economies; competition from other companies directly or indirectly engaged in executive search; the possibility of a significant shareholder impacting shareholder votes; foreign currency exchange rate risks; the Company's ability to invest retained earnings in marketable securities and in short-term money market instruments to generate consistent investment income returns; and volatility of the market price and volume of common shares. For more information on the factors that could affect the outcome of forward-looking statements, refer to the "Risk Factors" section of our Annual Information Form and other public filings (copies of which may be obtained at www.sedar.com). These factors should be considered carefully and the reader should not place undue reliance on the forward-looking statements. Although any forward-looking statements are based on what management currently believes to be reasonable assumptions, we cannot assure readers that actual results, performance or achievements will be consistent with these forward-looking statements, and management's assumptions may prove to be incorrect. Except as required by Canadian securities laws, we do not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by us or on our behalf; such statements speak only as of the date made. The forward-looking statements included herein are expressly qualified in their entirety by this cautionary language.

For further information, please contact:

Investors & Analysts:
Chris Beck, CPA, Chief Financial Officer
The Caldwell Partners International
cbeck@caldwellpartners.com
+1.617.934.1843

Media:
Caroline Lomot, Director of Marketing
The Caldwell Partners International
clomot@caldwellpartners.com
+1.516.830.3535

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(unaudited - in $000s Canadian)

	As at May 31 2016	*As at August 31 2015*
Assets		
Current assets		
Cash and cash-equivalents	6,038	9,956
Marketable securities	6,033	7,765
Accounts receivable	7,909	8,329
Prepaid expenses and other assets	2,045	1,948
	22,025	27,998
Non-current assets		
Restricted cash	187	498
Advances	820	1,022
Property and equipment	1,905	1,818
Intangible assets	301	375
Goodwill	3,088	3,220
Deferred income taxes	2,876	2,900
Total assets	31,202	37,831
Liabilities		
Current liabilities		
Accounts payable	1,700	1,736
Compensation payable	12,864	16,614
Accrued share purchase	-	1,604
Dividends payable	403	425
Income taxes payable	658	321
Contingent consideration	287	271
Deferred revenue	834	945
	16,746	21,916
Non-current liabilities		
Compensation payable	614	1,064
Contingent consideration	-	262
	17,360	23,242
Equity attributable to owners of the Company		
Share capital	7,295	7,295
Contributed surplus	15,025	15,025
Accumulated other comprehensive income	1,635	2,112
Deficit	(10,113)	(9,843)
Total equity	13,842	14,589
Total liabilities and equity	31,202	37,831

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF EARNINGS

(unaudited - in $000s Canadian, except per share amounts)

	Three months ended May 31		Nine months ended May 31	
	2016	*2015*	*2016*	*2015*
Revenues				
Professional fees	13,680	14,814	41,906	39,123
Investment income `	90	-	877	-
License fees	57	-	189	-
	13,827	14,814	42,972	39,123
Cost of sales	10,596	10,802	33,157	28,824
Gross profit	3,231	4,012	9,815	10,299
Expenses				
General and administrative	2,313	2,879	7,787	7,868
Sales & marketing	257	223	787	667
Foreign exchange loss (gain)	(19)	4	(1)	41
	2,551	3,106	8,573	8,576
Operating profit	680	906	1,242	1,723
Investment income from marketable securities	-	33	404	58
Earnings before income tax	680	939	1,646	1,781
Income tax	341	171	707	455
Net earnings for the period attributable to owners of the Company	339	768	939	1,326
Earnings per share				
Basic and diluted	$0.017	$0.036	$0.046	$0.062

CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE EARNINGS

(unaudited - in $000s Canadian)

	Three months ended May 31		Nine months ended May 31	
	2016	*2015*	*2016*	*2015*
Net earnings for the period	339	768	939	1,326
Other comprehensive income:				
Items that may be reclassified subsequently to net income				
Realization of gains included in net income	-	-	(403)	-
Unrealized gain on marketable securities	142	9	114	28
Cumulative translation adjustment	(152)	(47)	(188)	802
Comprehensive earnings for the period attributable to owners of the Company	329	730	462	2,156

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(unaudited - in $000s Canadian)

				Accumulated Other Comprehensive Income (Loss)		
	Deficit	Capital Stock	Contributed Surplus	Cumulative Translation Adjustment	Unrealized Gains on Marketable Securities	Total Equity
Balance - September 1, 2014	**(10,118)**	**7,331**	**16,254**	**(1)**	**912**	**14,378**
Net earnings for the nine month period ended May 31, 2015	1,326	-	-	-	-	1,326
Dividend payments declared	(1,276)	-	-	-	-	(1,276)
Common share issuance	-	379	-	-	-	379
Change in unrealized gain on marketable securities available for sale	-	-	-	-	28	28
Change in cumulative translation adjustment	-	-	-	802	-	802
Balance - May 31, 2015	**(10,068)**	**7,710**	**16,254**	**801**	**940**	**15,637**
Balance - September 1, 2015	**(9,843)**	**7,295**	**15,025**	**1,271**	**841**	**14,589**
Net earnings for the six month period ended May 31, 2016	939	-	-	-	-	939
Dividend payments declared	(1,209)	-	-	-	-	(1,209)
Realization of gains included in net income	-	-	-	-	(403)	(403)
Change in unrealized loss on marketable securities available for sale	-	-	-	-	114	114
Change in cumulative translation adjustment	-	-	-	(188)	-	(188)
Balance - May 31, 2016	**(10,113)**	**7,295**	**15,025**	**1,083**	**552**	**13,842**

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW

(unaudited - in $000s Canadian)

	Nine months ended May 31	
	2016	*2015*
Cash flow provided by (used in)		
Operating activities		
Net earnings for the period	939	1,326
Adjustments for:		
Depreciation	403	302
Amortization	71	63
Capital gains	(403)	-
Change in fair value of contingent consideration	8	-
Unrealized foreign exchange on subsidiary loans	42	19
Decrease (increase) in long term incentive accrual	(450)	223
Increase in marketable securities	(1,309)	-
Disposal of property and equipment	-	5
Decrease in accounts receivable	225	80
Increase in prepaid expenses and other assets	(98)	(39)
Decrease in accounts payable	(282)	(183)
Increase (decrease) in income taxes payable	345	(1,760)
Decrease in compensation payable	(3,355)	(2,113)
Payment of contingent consideration	(254)	-
Payment of compensation payable	(449)	(597)
Decrease in deferred revenue	(114)	(761)
Net cash used in operating activities	(4,681)	(3,435)
Investment activities		
Proceeds from sale of marketable securities	3,171	-
Acquisition of business, net of cash acquired	-	(1,003)
Increase in marketable securities	-	(28)
Decrease (increase) in advances	133	(111)
Decrease (increase) in restricted cash	313	(31)
Additions to property and equipment	(267)	(378)
Net cash provided by (used in) investing activities	3,350	(1,551)
Financing activities		
Share purchase and cancellation	(1,603)	-
Dividend payments	(1,231)	(1,219)
Net cash used in investing activities	(2,834)	(1,219)
Effect of exchange rate changes on cash and cash equivalents	247	590
Net decrease in cash and cash equivalents	(3,918)	(5,615)
Cash and cash equivalents, beginning of period	9,956	12,743
Cash and cash equivalents, end of period	6,038	7,128