



FOR IMMEDIATE RELEASE

**The Caldwell Partners International
Issues Fiscal 2017 Second Quarter Financial Results**

- **Second quarter revenue of \$13,727,000.**
- **Operating profit of \$606,000.**
- **Board declares twenty-first consecutive quarterly dividend of 2.0 cents.**

Toronto, Ontario- April 13, 2017 – Retained executive search firm The Caldwell Partners International Inc. (TSX: CWL) today issued its financial results for the fiscal 2017 second quarter ended February 28, 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:		Six Months Ended:	
	2.28.2017	2.29.2016	2.28.2017	2.29.2016
Professional fees	\$13,665	\$14,281	\$27,294	\$28,226
Investment income	-	\$787	-	\$787
License fees	\$62	\$67	\$137	\$132
Revenues	\$13,727	\$15,135	\$27,431	\$29,145
Cost of sales	9,725	11,693	19,946	22,561
Expenses (1)	3,396	2,733	5,780	6,022
Operating profit	\$606	\$709	\$1,705	\$562
Investment income from marketable securities	-	\$403	-	\$404
Earnings before tax	\$606	\$1,112	\$1,705	\$966
Net earnings after tax	\$267	\$764	\$1,029	\$600
Net earnings per share	\$0.013	\$0.038	\$0.051	\$0.030

1. *Included in Expenses are costs for the firm's annual partner conference held during the second quarter in the current year and the first quarter of the prior year. Expenses of \$318 were recorded during the quarter ended February, 28, 2017 compared to the prior year when expenses of \$339 were recorded in the quarter ended November 30, 2016. Year-to-date expenses for both periods reflect the costs of the conferences.*

“While lower average fees and a slightly lower number of partners during the current quarter put pressure on revenue, this was somewhat mitigated by a growth in search volumes, demonstrating continued strength in the recruitment sector,” said John Wallace, chief executive officer.

“Additionally, the cost-alignment initiatives enacted over the course of the prior fiscal year enabled us to deliver significantly higher profit year-over-year through the first half. We feel positive about the productivity metrics of our partner and supporting teams, and how that has translated into operating profit, and remain bullish about the direction of our firm.”

Wallace continued: “We continue to pursue high-calibre, content-driven professionals to join our firm, partners and teams who will expand the scope of our capabilities and market presence to the betterment of our clients. The additions in March of Matt Comyns (Stamford/New York), Shawn Banerji (Stamford/New York) and Manny Corsino (Miami) to our partner team adds significant depth to our cybersecurity and CIO/CTO functional capabilities; and incorporates regional expertise to further strengthen our already exceptional Latin American presence. The new partners will also contribute positively to our second half revenues.”

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 April 25, 2017 and to be paid on June 20, 2017.

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

- Operating revenue:

Second Quarter

- Professional fees for the second quarter of 2017 decreased 4.3% (a decline of 0.2% excluding a 4.1% variance from exchange rate fluctuations) over the comparable period last year to \$13,665 (2016: \$14,281).
 - Second quarter professional fees in the US were down 1.9% (up 3.3% excluding a 5.2% variance from exchange rate fluctuations) to \$10,621 (2016: \$10,828). Increases in the Number of Assignments per Partner were more than offset by a lower Average Fee per Assignment and a lower Average Number of Partners.
 - Second quarter professional fees in Canada were up 9.0% to \$2,979 (2016: \$2,732). A higher Average Number of Partners and higher Number of Assignments per Partner were partially offset by a lower Average Fee per Assignment.
 - Second quarter professional fees in Europe were down 91.0% (down 89.5% excluding a 1.5% variance from exchange rate fluctuations) to \$65 (2016: \$721). During the fourth quarter of fiscal 2016 and first quarter of fiscal 2017, two partners, whose aggregate related costs were significantly higher

than the revenue produced, left the firm and corresponding reductions were made to the support staff. As a result, there was a significant decrease during the quarter in the Average Number of Partners, exacerbated by decreases in Average Fee per Assignment and Number of Assignments per Partner. Additionally, with Europe's small partner base, we have limited diversification, and consequently, results will fluctuate significantly from quarter to quarter.

- License fees from our licensees in Latin America and New Zealand for the use of the Caldwell Partners brand and intellectual property for the 2017 second quarter were \$62 (2016: \$67).

Year to date

- Professional fees for the first six months of 2017 decreased 3.3% (1.0% excluding a 2.3% variance from exchange rate fluctuations) over the comparable period last year to \$27,294 (2016: \$28,226).
 - Year to date professional fees in the US were down 3.0% (0.4% excluding a 2.6% variance from exchange rate fluctuations) to \$20,178 (2016: \$20,801). Increases in the Number of Assignments per Partner were more than offset by a lower Average Fee per Assignment and a lower Average Number of Partners.
 - Year to date professional fees in Canada were up 7.7% to \$6,568 (2016: \$6,102). A higher Average Number of Partners and higher Number of Assignments per Partner were partially offset by a lower Average Fee per Assignment.
 - Year to date professional fees in Europe were down 58.5% (down 49.6% excluding an 8.9% variance from exchange rate fluctuations) to \$548 (2016: \$1,323), for the reasons described above.
- License fees from our licensees in Latin America and New Zealand for the use of the Caldwell Partners brand and intellectual property for the six-month period ended February 28, 2017 were \$137 (2016: \$132).

- Operating profit:

Second Quarter

- For the second quarter of 2017, lower revenue (\$1,408), lower cost of sales (\$1,968) and higher expenses (\$664) decreased operating profit by \$103 to \$606 over the comparable period in the prior year (2016: \$709). The higher expenses resulted from increases in share-based compensation expense caused by increases in the share price in the current year compared with share price declines in the previous year and partner conference expenses in the current quarter versus the first quarter in the prior year.

- The firm held its global partner conference during the second quarter which caused additional expenses of \$318 during the second quarter of the current year (\$339 when held during the first quarter of fiscal 2016).
- Excluding exchange rate variances, operating profit decreased \$27 to \$682. On a segment basis, \$457 of operating profit was from the US (\$696 net of intercompany license fees), \$335 (\$96 net of intercompany license fees) of operating profit was from Canada and Europe’s operating loss was \$186 from the variances discussed above.

Year to date

- Year to date, lower revenue (\$1,714), offset by lower cost of sales (\$2,615) and lower expenses (\$242) increased operating profit by \$1,143 to \$1,705 over the comparable period in the prior year (2016: \$562). The lower expenses were driven by a decrease in share-based compensation expense caused by a lower average share price in the current year and a reduction in the contingent consideration payable related to the Hawksmoor acquisition based on final earn-out achievement calculations, partially offset by increases in management operating performance bonus accruals.
 - Excluding exchange rate variances, operating profit increased \$1,212 to \$1,773. On a segment basis, \$1,184 of operating profit was from the US (\$1,639 net of intercompany license fees), \$773 of operating profit was from Canada (\$318 net of intercompany license fee revenue) and Europe’s operating loss was \$252 from the variances discussed above.
- Net earnings after tax:
 - Second quarter net income was \$267 (\$0.013 per share), as compared to \$764 (\$0.038 per share) in the comparable period a year earlier.
 - Year-to-date net income was \$1,029 (\$0.051 per share), as compared to \$600 (\$0.030 per share) in the comparable period a year earlier.

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; volatility of the market price and volume of common shares; and legal matters. 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.

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THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(unaudited - in \$000s Canadian)

	<i>As at</i> <i>February 28</i> <i>2017</i>	<i>As at</i> <i>August 31</i> <i>2016</i>
Assets		
Current assets		
Cash and cash-equivalents	4,467	8,422
Marketable securities	5,076	5,056
Accounts receivable	8,801	10,031
Prepaid expenses and other assets	1,633	2,416
	19,977	25,925
Non-current assets		
Restricted cash	140	187
Marketable securities	289	573
Advances	143	502
Property and equipment	1,909	1,838
Intangible assets	235	279
Goodwill	2,860	2,920
Deferred income taxes	2,497	2,475
Total assets	28,050	34,699
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	2,703	2,384
Compensation payable	9,898	16,125
Dividends payable	403	403
Income taxes payable	627	513
Contingent consideration	-	289
Deferred revenue	180	1,187
	13,811	20,901
Non-current liabilities		
Compensation payable	612	687
Provisions	165	184
	14,588	21,772
Equity attributable to owners of the Company		
Share Capital	7,515	7,295
Contributed surplus	14,992	15,025
Accumulated other comprehensive income	1,304	1,179
Deficit	(10,349)	(10,572)
Total equity	13,462	12,927
Total liabilities and equity	28,050	34,699

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF EARNINGS

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

	Three months ended		Six months ended	
	February 28 2017	February 29 2016	February 28 2017	February 29 2016
Revenues				
Professional fees	13,665	14,281	27,294	28,226
Investment income	-	787	-	787
License fees	62	67	137	132
	13,727	15,135	27,431	29,145
Cost of sales	9,725	11,693	19,946	22,561
Gross profit	4,002	3,442	7,485	6,584
Expenses				
General and administrative	3,116	2,439	5,372	5,474
Sales and marketing	262	270	439	530
Foreign exchange loss (gain)	18	24	(31)	18
	3,396	2,733	5,780	6,022
Operating profit	606	709	1,705	562
Investment income	-	403	-	404
Earnings before income tax	606	1,112	1,705	966
Income tax	339	348	676	366
Net earnings for the period attributable to owners of the Company	267	764	1,029	600
Earnings per share:				
Basic	\$0.013	\$0.038	\$0.051	\$0.030
Diluted	\$0.013	\$0.038	\$0.051	\$0.029

CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE EARNINGS

(unaudited - in \$000s Canadian)

	Three months ended		Six months ended	
	February 28 2017	February 29 2016	February 28 2017	February 29 2016
Net earnings for the period	267	764	1,029	600
Other comprehensive income:				
Realization of gains included in net income	-	(403)	-	(403)
Unrealized (loss) gain on marketable securities	115	(52)	153	(28)
Cumulative translation adjustment	(113)	(50)	(28)	(36)
Comprehensive earnings for the period attributable to owners of the Company	269	259	1,154	133

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(unaudited - in \$000s Canadian)

	Deficit	Capital Stock	Contributed Surplus	Accumulated Translation Adjustment	Other Comprehensive Income Unrealized Gains on Marketable Securities	Total Equity
Balance - September 1, 2015	(9,843)	7,295	15,025	1,271	841	14,589
Net earnings for the six month period ended February 29, 2016	600	-	-	-	-	600
Dividend payments declared	(806)	-	-	-	-	(806)
Realization of gains included in net income	-	-	-	-	(403)	(403)
Change in unrealized loss on marketable securities available for sale	-	-	-	-	(28)	(28)
Change in cumulative translation adjustment	-	-	-	(36)	-	(36)
Balance - February 29, 2016	(10,049)	7,295	15,025	1,235	410	13,916
Balance - September 1, 2016	(10,572)	7,295	15,025	841	338	12,927
Net earnings for the six month period ended February 28, 2017	1,029	-	-	-	-	1,029
Dividend payments declared	(806)	-	-	-	-	(806)
Employee share option plan share issue	-	220	(33)	-	-	187
Change in unrealized gain on marketable securities available for sale	-	-	-	-	153	153
Change in cumulative translation adjustment	-	-	-	(28)	-	(28)
Balance - February 28, 2017	(10,349)	7,515	14,992	813	491	13,462

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW

(unaudited - in \$000s Canadian)

	Six months ended	
	February 28	February 29
	2017	2016
Cash flow provided by (used in)		
Operating Activities		
Net earnings for the period	1,029	600
Adjustments for:		
Depreciation	265	268
Amortization	47	48
Amortization of advances	337	550
Realized gain on marketable securities	-	(403)
Change in fair value of contingent consideration	(108)	5
Unrealized foreign exchange on subsidiary loans	(27)	30
Decrease in long term incentive accrual	(74)	(533)
Decrease (increase) in accounts receivable	1,285	(1,230)
Decrease in marketable securities	432	-
Decrease in prepaid expenses and other assets	454	41
Increase in accounts payable	300	914
Increase in income taxes payable	102	186
Decrease in compensation payable	(5,583)	(6,084)
Payment of contingent consideration	(181)	(254)
Payment of compensation payable	(709)	(449)
Decrease in deferred revenue	(999)	(332)
Decrease in provisions	(19)	-
Net cash used in operating activities	(3,449)	(6,643)
Investment Activities		
Proceeds from sale of marketable securities	-	3,171
Decrease (increase) in advances	350	(592)
Decrease in restricted cash	48	313
Additions to property and equipment	(326)	(171)
Net cash provided by investing activities	72	2,721
Financing Activities		
Share issuance from employee share option plan	187	-
Share purchase and cancellation	-	(1,604)
Dividend payments	(806)	(828)
Net cash used in financing activities	(619)	(2,432)
Effect of exchange rate changes on cash and cash equivalents	41	205
Net decrease in cash and cash equivalents	(3,955)	(6,149)
Cash and cash equivalents, beginning of period	8,422	9,956
Cash and cash equivalents, end of period	4,467	3,807