

Third Quarter & Letter to Shareholders

July 5, 2007

I am pleased to report that the high levels of new business activity we experienced in the second quarter of 2007 led to increased third quarter operating revenue. The momentum we have been able to generate in this area so far this year, continued in the third quarter of 2007, as new business activity increased once again. For the nine month period ended May 31, 2007, new business bookings have increased 31%, compared to the same period in 2006.

We remain committed to leveraging our brand and professional staff to drive organic growth, add complementary services and expand our market presence. During the third quarter of 2007, we continued to build our team by hiring new search professionals, including a Managing Partner in our Calgary office. We expect that, as we execute our growth strategy and invest in growing our team of professionals, we will incur higher costs that will have an adverse affect on our margins in the near term. However, as our new partners and professional staff ramp up their utilization rates and add revenue, we expect revenue growth and margin enhancement over the longer term.

Third Quarter Results

For the three months ended May 31, 2007, operating revenue increased 8.2% to \$3,568,119 compared to \$3,298,409 in the third quarter a year ago. The increase in revenue resulted from strong new business activity in the second quarter which, given the Company's method of recognizing revenue over a three-month period, is now being realized in the third quarter.

For the third quarter of 2007, total expenses, including employee compensation, general and administrative, and amortization, rose 18% to \$3,906,409 from \$3,298,409 in the third quarter a year ago. Increased total expenses resulted from higher variable and fixed compensation costs, reflecting the additional investment in new search professionals, and higher legal expenses.

Operating loss for the third quarter of 2007 totaled \$338,401, compared to operating income of \$386,751 in the third quarter of fiscal 2006. The operating loss in the third quarter reflects higher compensation costs and increased legal expenses associated with the Company's defence of a statement of claim brought against the Company.

Investment income for the third quarter of 2007 increased to \$332,422 from \$154,479 in the third quarter of 2006.

Net profits for the period were \$61,287 or \$0.004 cents per share, compared to net earnings of \$338,118 or \$0.023 cents per share in the third quarter a year ago.

Quarterly Dividend declared

The Company's Board of Directors declared a dividend for the third quarter of 2007 of \$0.02 per Class A non-voting and Class B voting share payable on August 17, 2007 to shareholders of record on August 7, 2007. Based on the closing price of the Company's Class A shares on July 4, 2007, the dividend represents an annualized yield of approximately 5.5 percent.

Year-to-Date Results

Operating revenue for the nine months ended May 31, 2007 was \$10,523,424, compared to \$10,239,517 for the same period in fiscal 2006. Total expenses, including executive compensation, general and administrative, and amortization were \$10,809,592 compared to \$9,488,651 for the same period a year ago. Operating loss for the first nine months of fiscal 2007 totaled \$286,168 compared to operating income of \$750,866 in the same period in 2006. **Eliminating the impact of increased litigation fees incurred in fiscal 2007 would result in an operating profit of \$144, 940 for the nine months ended May 31, 2007.**

Investment income for the first nine months of 2007 increased to \$625,291, from \$483,374 in the corresponding period in 2006. Net earnings for the nine months ended May 31, 2007 were \$335,167, compared to \$937,883 for the same period a year ago.

As at May 31, 2007, the Company had cash and cash equivalents of \$5,484,729 and marketable securities of \$13,499,279. The Company had no long-term debt as at May 31, 2007.

Corporate

The Caldwell Partners' vision is to move beyond its current position as Canada's leading, national executive search firm towards becoming the premier Canadian-based, diversified human capital services organization. We believe that the opportunities for The Caldwell Partners to profitably grow our business have never been greater and we appreciate the continuing support of our shareholders, clients, and everyone across our organization.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Douglas Caldwell". The signature is fluid and cursive, with a prominent flourish at the end.

C. Douglas Caldwell
Founder and Chief Executive Officer

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENT OF EARNINGS

(unaudited)

	<i>Three months ended May 31</i>		<i>Nine months ended May 31</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
Operating revenue	\$3,568,119	\$3,298,409	\$10,523,424	\$10,239,517
Expenses				
Employee compensation, general and administration	3,504,312	2,772,718	10,017,315	9,117,953
Other expenses	307,672	51,909	543,273	112,165
Amortization	94,536	87,031	249,004	258,533
	3,906,520	2,911,658	10,809,592	9,488,651
	(338,401)	386,751	(286,168)	750,866
Investment income	332,422	154,479	625,291	483,374
Net income before tax	(5,979)	541,230	339,123	1,234,240
Provision for income taxes:				
Current	(90,209)	158,139	(22,001)	306,523
Future	22,943	(5,027)	25,957	(10,166)
	(67,266)	153,112	3,956	296,357
Net earnings for the period	\$61,287	\$388,118	\$335,167	\$937,883
Earnings per share	\$0.004	\$0.023	\$0.020	\$0.055

CONSOLIDATED BALANCE SHEET

(unaudited)

	<i>As at May 31</i>		<i>As at August 31</i>
	<i>2007</i>	<i>2006</i>	<i>2006</i>
Assets			
Cash and short-term deposits	\$5,024,156	\$7,927,699	\$10,005,443
Accounts receivable	3,347,114	2,778,541	2,963,787
Income taxes receivable	790,567	1,059,733	269,562
Prepaid expenses	168,151	152,633	146,590
	9,329,988	11,918,606	13,385,382
Marketable securities (market value at May 31, 2007 - \$14,194,505)	13,499,279	10,920,772	9,569,342
Loans receivable	962,797	809,917	808,317
Property and equipment	2,233,600	2,155,936	2,235,574
Future income taxes	-	84,569	24,041
	\$26,025,664	\$25,889,800	\$26,022,656
Liabilities			
Accounts payable and accrued liabilities	\$3,582,017	\$2,644,816	\$2,951,041
Deferred revenue	308,384	233,102	250,112
	3,890,401	2,877,918	3,201,153
Future income taxes	316,884	369,330	314,968
Shareholders' equity	21,818,379	22,642,552	22,506,535
	\$26,025,664	\$25,889,800	\$26,022,656

THE CALDWELL PARTNERS INTERNATIONAL INC.

**CONSOLIDATED STATEMENT OF
CHANGES IN CASH FLOWS**

(unaudited)

	<i>Three months ended May 31</i>		<i>Nine months ended May 31</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
Operating Activities				
Net earnings for the period	\$61,287	\$388,118	\$335,167	\$937,883
Items not affecting cash:				
Amortization	94,536	87,031	249,004	258,533
Loss on sale of investments	16,081	27,706	15,881	52,447
Other realized gains on investments	(212,005)	-	(212,005)	-
Provision for impairment of investments	-	30,000	-	90,000
Future income taxes	22,943	(5,027)	25,957	(10,166)
	(17,158)	527,828	412,004	1,328,697
Net decrease (increase) in working capital balances related to operations	90,666	466,726	(391,126)	(775,784)
	75,508	994,554	20,878	552,913
Investment Activities				
Proceeds on sale of marketable securities	296,487	1,620,238	2,614,637	3,498,641
Additions to marketable securities	-	(251,816)	(6,346,459)	(1,494,053)
Additions to property and equipment	(27,670)	(34,730)	(247,030)	(98,769)
	268,817	1,333,692	(3,978,843)	1,905,819
Financing Activities				
Dividends on Class A and B shares	(341,232)	(340,178)	(1,023,323)	(1,022,407)
	(341,232)	(340,178)	(1,023,323)	(1,022,407)
Net increase (decrease) in cash during the period	1,093	1,988,068	(4,981,288)	1,436,325
Cash and cash equivalents, beginning of period	5,923,062	5,939,631	10,005,443	6,491,374
Cash and cash equivalents, end of period	\$5,924,155	\$7,927,699	\$5,024,155	\$7,927,699

**CONSOLIDATED STATEMENTS OF
SHAREHOLDERS' EQUITY**

(unaudited)

	<i>Three months ended May 31</i>		<i>Nine months ended May 31</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
Balance, beginning of period	\$22,098,323	\$22,594,612	\$22,506,535	\$22,727,076
Net earnings for the period	61,287	388,118	335,167	937,883
Dividends on Class A and Class B shares	(341,232)	(340,178)	(1,023,323)	(1,022,407)
Balance, end of period	\$21,818,379	\$22,642,552	\$21,818,379	\$22,642,552