

Attention Business/Financial Editors:  
The Caldwell Partners Announces Fiscal 2007 Fourth Quarter and Annual  
Financial Results

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- Fourth-quarter operating revenue up 53% from 2006 period; operating income increases 63%
- Fourth-quarter net income up 50% compared with 2006 period
- New business bookings up 80% in dollar value in fourth quarter, following third-quarter increase of 50%
- Annual operating revenue grows 15%
- \$0.08 dividend paid for the year, yielding 5.5% - Board today declares quarterly cash dividend of \$0.02 per share
- Board approves Normal Course Issuer Bid to repurchase Class A shares

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TORONTO, Oct. 30 /CNW/ - The Caldwell Partners International Inc. (TSX: CWL.A), Canada's first, largest, and only truly national human capital services firm, today announced its financial results for fiscal 2007 and the fourth quarter ended August 31, 2007. All references to quarters or years are for the fiscal periods unless otherwise noted and all currency amounts are in Canadian dollars.

#### Fourth-Quarter Operating Revenue Highest for Any Quarter Since 2000

The Caldwell Partners reported fourth-quarter 2007 operating revenue of \$5,021,034, up 53 percent compared with \$3,284,338 in the 2006 period. This volume represents a significant increase over the previous eight quarters, the result of higher levels of new business bookings in both the third and fourth quarters of the year. New business bookings in the fourth quarter will continue to be billed and will have a positive impact on the first quarter of the new fiscal year as well.

Operating income rose 63 percent in the 2007 fourth quarter to \$603,888 from \$370,734 in the 2006 quarter. With the 53 percent increase in operating revenue, the company was more than able to offset the higher compensation costs associated with its significant investment in new partners and other professional staff, as it executes its strategic growth plan.

Operating revenue and operating income are non-GAAP measures, however, the company believes that they provide a useful understanding of the performance of its core human capital services operations as they exclude income or loss from investments and taxes.

Investment income was \$19,550 in the 2007 fourth quarter, compared with \$175,795 a year earlier. The decline is largely attributable to weakness in the stock markets during the summer as well as losses incurred on the sale of some preferred shares. At the 2007 year-end, the market value of investments was \$417,161 above the book value. This unrealized gain is not reflected in the financial statements.

Income before tax rose 14 percent to \$623,438, compared with \$546,529 in the 2006 fourth quarter.

Net income in the 2007 fourth quarter rose 50 percent to \$355,394 (\$0.020 per basic and fully diluted share), compared with \$236,886 (\$0.014 per share on a basic and fully diluted basis) in the 2006 period.

#### Strong Revenue Growth in 2007

The Caldwell Partners recorded a nearly 15 percent increase in operating revenue in 2007 to \$15,544,458, compared with \$13,523,855 mainly as the result of the second-half growth in new business bookings.

Operating income, however, declined for the year to \$317,720 from \$1,121,600 in 2006. The decline is attributable to several factors, foremost among them being an increase in compensation as well as legal expenses. This year's higher compensation expense reflects the growth in revenue and the

as-planned higher expenses related to the significant investments in bringing on-stream new partners and other professional staff.

The company was recently informed that its insurer will cover substantially all of its legal expenses, but the recovery of these costs has not been reflected in the 2007 financial statements as reimbursement has not yet been received.

Investment income for 2007 was down slightly from the previous year at \$644,841, compared with \$659,169, reflecting the decline experienced in the fourth quarter. At year-end, \$8.2 million of the company's \$13.7 million was being managed by third-party investment managers, compared with about \$4 million at the end of 2006. The balance of the portfolio is almost entirely invested in preferred shares. The company's holding of cash and cash equivalents is in government treasury bills, money market instruments and bank deposits. No amount is affected by the liquidity issues associated with the recent Asset Backed Commercial Paper problems in the banking community.

Income before tax was \$962,561, compared with \$1,780,769 in 2006. The effective tax rate for 2007 declined to 28.3 percent, compared with 34.0 percent for 2006.

Net income for 2007 amounted to \$690,561 (\$0.04 per basic and fully diluted share), compared with \$1,174,769 (\$0.069 per share on a basic and fully diluted basis) in 2006.

#### Quarterly Dividend of 2 Cents Brings Dividend to 8 Cents For the Year

The company's Board of Directors also declared a cash dividend for the 2007 fourth quarter of \$0.02 per Class A non-voting and Class B voting share payable on November 16, 2007 to shareholders of record on November 6, 2007. For 2007, the company declared total dividends of \$0.08 per share, representing a yield of 5.5 percent based on the closing price of its shares on October 29, 2007.

#### Normal Course Issuer Bid Approved

The Board also approved filing of a Notice of Intention with the Toronto Stock Exchange to purchase Class A Non-voting shares of The Caldwell Partners' through a Normal Course Issuer Bid. The number of shares and the time period of purchases will be subject to approval by the Toronto Stock Exchange. A further news release will be made when the application is approved.

"Our Board and management agree that the current price at which The Caldwell Partners' shares are trading on the Toronto Stock Exchange does not adequately reflect the value of our company, our financial performance, and the outlook for our business," said C. Douglas Caldwell, Chief Executive Officer.

"We therefore view the repurchase of shares as being very good use of a portion of the cash that we have been maintaining to carry out our strategic growth plans. This planned repurchase is consistent with our efforts to create value for our shareholders," he said.

#### Outlook is Positive for 2008

"Our accomplishments in 2007, particularly during the second half of the year, as well as the continued general strength of the Canadian economy in most sectors provide solid reasons to take a positive view of the outlook for The Caldwell Partners in 2008," said Mr. Caldwell.

"We continue to review with our Board our strategies for growing our business and creating additional value for the company's shareholders. We look forward to reporting on our progress in this throughout 2008," Mr. Caldwell said.

#### About The Caldwell Partners

The Caldwell Partners International Inc., founded in 1970, was Canada's first executive search firm. Today it is the largest and only truly national human capital services company, serving clients across Canada from its offices

in Halifax, Montreal, Ottawa, Toronto, Calgary, and Vancouver, as well as internationally. The Caldwell Partners focuses, in particular, on recruiting "C-class" executives (chief executive, chief financial, chief information officers, as well as other senior executives). The Caldwell Partners takes pride in delivering unmatched depth of service and expertise to its clients, the caliber and experience of its staff, and the successful completion of its engagements. The Caldwell Partners founded and continues to promote the prestigious national awards programs recognizing Canada's Outstanding CEO of the Year(TM) and Canada's Top 40 Under 40(TM), and advises and supports the Canada's CFO of the Year Award(TM) program. In 2007, the Canada's Outstanding CEO of the Year(TM) and Canada's Top 40 Under 40(TM) programs marked their respective 19th and 14th anniversaries.

The Caldwell Partners' Class-A non-voting shares are listed on The Toronto Stock Exchange (TSX: CWL.A). Please visit our website at [www.caldwell.ca](http://www.caldwell.ca) 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 STATEMENT OF EARNINGS

	Three months ended August 31		Twelve months ended August 31	
	2007	2006	2007	2006
Operating revenue	\$5,021,034	\$3,284,338	\$15,544,458	\$13,523,855
Expenses				
Employee compensation, general and administration	4,278,541	2,795,105	14,295,856	11,913,058
Other expenses	41,265	30,000	584,538	142,165
Amortization	97,340	88,499	346,344	347,032
	4,417,146	2,913,604	15,226,738	12,402,255
	603,888	370,734	317,720	1,121,600
Investment income	19,550	175,795	644,841	659,169
Net income before tax	623,438	546,529	962,561	1,780,769
Provision for income taxes:				
Current	258,001	303,477	236,000	610,000
Future	10,043	6,166	36,000	(4,000)
	268,044	309,643	272,000	606,000

Net earnings for the period	\$355,394	\$236,886	\$690,561	\$1,174,769
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Earnings per share	\$0.020	\$0.014	\$0.040	\$0.069
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CONSOLIDATED BALANCE SHEET

	As at August 31	
	2007	2006
<b>Assets</b>		
Cash and short-term deposits	\$5,839,292	\$10,005,443
Accounts receivable	3,886,522	2,963,787
Income taxes receivable	679,337	269,562
Prepaid expenses	169,545	146,590
	10,574,696	13,385,382
Marketable securities (market value at August 31, 2007 (equal sign) \$14,151,821)	13,734,660	9,569,342
Loans receivable	355,966	631,546
Property and equipment	2,190,973	2,235,574
Future income taxes	24,041	24,041
	\$26,880,336	\$25,845,885
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$2,961,487	\$1,988,590
Deferred revenue	397,854	250,112
	3,359,341	2,238,702
Long-term liabilities	1,337,148	785,680
Future income taxes	350,968	314,968
Shareholders' equity	21,832,879	22,506,535
	\$26,880,336	\$25,845,885

CONSOLIDATED STATEMENT OF  
CHANGES IN CASH FLOWS

	Three months ended August 31		Twelve months ended August 31	
	2007	2006	2007	2006

Operating Activities

Net earnings for the period	\$355,394	\$236,886	\$690,561	\$1,174,769
Items not affecting cash:				
Amortization	97,340	88,499	346,344	347,032
Loss on sale of investments	117,899	136,568	4,671	189,016
Other realized losses (gains) on investments	2,425	-	(82,471)	-
Provision for impairment of investments	-	(90,000)	-	-
Future income taxes	10,043	6,166	36,000	(4,000)
Non-cash incentive compensation	132,563	148,474	551,468	525,846
	715,664	526,593	1,546,573	2,232,663
Net decrease in working capital balances related to operations	850,785	787,329	40,754	(365,827)
	1,566,449	1,313,922	1,587,327	1,866,836
Investment Activities				
Proceeds on sale of marketable securities	3,745,325	5,551,687	6,359,962	9,050,327
Additions to marketable securities	(4,101,030)	(4,246,825)	(10,447,480)	(5,740,878)
Additions to property and equipment	(54,713)	(168,137)	(301,743)	(266,906)
	(410,418)	1,136,725	(4,389,261)	3,042,543
Financing Activities				
Dividends on Class A and B shares	(340,895)	(341,903)	(1,364,217)	(1,364,310)
Refundable taxes	-	(31,000)	-	(31,000)
	(340,895)	(372,903)	(1,364,217)	(1,395,310)
Net increase (decrease) in cash during the period	815,136	2,077,744	(4,166,151)	3,514,069
Cash and cash equivalents, beginning of period	5,024,156	7,927,699	10,005,443	6,491,374
Cash and cash equivalents, end of period	\$5,839,292	\$10,005,443	\$5,839,292	\$10,005,443

	Three months ended August 31		Twelve months ended August 31	
	2007	2006	2007	2006
Balance, beginning of period	\$21,818,379	\$22,642,552	\$22,506,535	\$22,727,076
Net earnings for the period	355,394	236,886	690,561	1,174,769
Refundable taxes	-	(31,000)	-	(31,000)
Dividends on Class A and Class B shares	(340,895)	(341,903)	(1,364,217)	(1,364,310)
Balance, end of period	\$21,832,879	\$22,506,535	\$21,832,879	\$22,506,535

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