For Immediate Release

The Caldwell Partners International
Issues Fiscal 2010 Third-Quarter Results

-Company continues to post improving results following strategic investment in business-

- Nine-month operating revenue increases 56% compared with year-earlier performance - 40% increase in quarterly operating revenue over second quarter

- Operating loss sharply reduced as business grows and US operations mature – loss of $49,000 in 2010 third quarter versus loss of $1.5 million in 2009 comparable period, leading to first profitable quarter in past 8 quarters

- Growth of US operations significantly enhances performance – US accounted for more than half of consolidated third quarter revenues

Toronto, Ontario– July 13, 2010 – Retained executive search firm The Caldwell Partners International Inc. (TSX: CWL) today issued its financial results for the fiscal 2010 third quarter ended May 31, 2010. 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)

	Three Months Ended May 31		Nine Months Ended May 31	
	2010	**2009**	**2010**	**2009**
Operating revenue	$ 7,938	$ 4,092	$18,025	$11,540
Expenses	7,987	5,610	19,415	14,485
Operating loss before restructuring costs	(49)	(1,518)	(1,390)	(2,945)
Restructuring costs	0	0	(1,001)	0
Investment income, net	158	(1,224)	279	(1,080)
Net earnings (loss)	$ 109	($ 2,460)	($ 2,112)	($ 3,278)
Net earnings (loss) per share	$ 0.007	($ 0.150)	($ 0.128)	($ 0.200)

“We are pleased with our third quarter performance and overall progress in delivering results as we continue to execute our growth strategy,” said John N. Wallace, Chief Executive Officer. “Our footprint is broader, our industry and functional practice coverage is deeper, and it’s wonderful to see the experience and reputation of our new US partners extend the company’s brand and reach across North America.”

The Caldwell Partners began its fiscal 2009 year with 13 partners in Canada and no operations or partners in the United States. At the end of the third quarter of fiscal 2010, the Company has 31 partners in total, 18 of whom are located in seven cities in the United States.”

“Many of our competitors reduced staff last year and are now having to re-hire as market conditions improve,” Wallace continued. “In contrast, we chose to make a strategic investment in our business – more than doubling our revenue-producing potential with a core of excellent professionals in the US. We have a solid foundation for future growth and are well-positioned to serve our clients’ growing executive recruitment needs in real time.”

“Serving as confirmation of the prudence of this strategy, our quarterly revenues from the US out-paced those of Canada in the third quarter, with more than half of our revenues being generated in the US,” he added. “We are optimistic that new business will continue to be generated at its current levels, though growth at the pace we saw in the second and third quarters will be more difficult to achieve, given that we are planning to hire new partners at a slower pace going forward.”

Financial Results

Third quarter operating revenue increased to $7.9 million, a 94% increase over the comparable period last year, and a 40% increase over 2010 second quarter revenues. US revenues represent 55% or $4.3 million of the third quarter total, increasing from $0.675 million in the comparable period of 2009 due to a significant increase in the number of US partners and their increasing individual contributions to revenue. Revenues from Canadian core search operations increased 14% in the third quarter as compared to 2009. However, declines in revenues from advertising and interim assignments tempered this improvement, with total third quarter revenues increasing 5% over the fiscal 2009 level to $3.6 million.

Nine month operating revenues increased 56% over the same period a year earlier to $18.0 million, reflecting an increase in US revenues from $0.957 million to $8.8 million. The Company commenced operations in the United States very late in the second quarter of fiscal 2009 with only five partners in two offices just beginning to generate revenue by the end of the third quarter. In the nine months of fiscal 2010 to date, with eighteen partners on board in five offices, and making increasing contributions to revenue, US operations generated 49% of consolidated operating revenues. Nine-month Canadian revenues have decreased from $10.6 million to $9.3 million, largely due to declines in advertising and interim assignment revenues. However, the shift away from these sources of revenue has improved percentage operating margins in Canada. As well, the company’s Canadian partners have been successfully focused on generating higher-value search assignments, increasing their average fee over last year by more than 15%.

Both the Canadian and U.S. operations began to report increasing business activity in the 2010 second quarter as the North American economies continued their recoveries, with this growth continuing into the third quarter. Through the first nine months of 2010, the revenue potential of search assignments booked in Canada was more than 20% higher than in the 2009 period. Together with business won in the United States, the value of search assignments booked in the first three quarters of 2010 was more than double that of the first nine months of 2009. Average fees in the United States are higher as the result of the differences in the markets and relatively higher American compensation levels.

Direct costs associated with the generation of operating revenue increased 75% in the 2010 third quarter to $6.3 million from $3.6 million in the 2009 period; for the first nine months of the year, they were up 43% to $14.3 million in 2010 from $9.9 million in the 2009 period. These increases reflect the growth in revenue and the addition of new partners and offices in the United States, consistent with The Caldwell Partners' strategic growth plan. In the first nine months of the year, direct costs of revenue in Canada declined 20%, which was significantly more than the 12% decline in operating revenue. This decline was more than offset by the amount of direct costs generated in the United States, which had only $1.1 million of expenses in the 2009 period, but substantially more in the first nine months of 2010. In the 2009 third quarter, the company had just recruited its first seven partners in the United States. At the end of the 2010 third quarter, there were eighteen partners, bringing the total number of partners in North America to 31 and giving the company a presence in ten major cities across the continent.

With the substantial growth in operating revenue, gross operating profit before general and administrative expenses for the 2010 third quarter rose to $1.6 million (21% margin), compared with $0.492 million (12% margin) in the prior-year period. For the first three quarters of 2010, the gross operating profit amounted to $3.7 million, up 137% from $1.6 million in the 2009 nine-month period, and the average gross margin improved to 21% from 14 % in the 2009 period.

General and administrative expenses decreased 16% in the 2010 third quarter to $1.7 million from $2.0 million in the 2009 period, mainly as the result of reductions in other Canadian compensation costs, particularly that of the former executive chairman, whose settlement costs have now been included in restructuring charges. Nine-month 2010 general and administrative expenses amounted to $5.1 million, up 13% from a year earlier when they were $4.5 million. General and administrative expenses in Canada declined in the first nine months of the year by about 19% mainly due to rental savings, lower depreciation expense, reduced consulting costs and, in the third quarter, executive compensation costs. More than offsetting these declines however, were increases in US general and administrative expenses as the company continued its investment in operations there.

Thanks to the growth in revenue and positive trend in improving contributions from the company's new partners, The Caldwell Partners recorded a much reduced operating loss in the 2010 third quarter of $0.049 million as compared to $1.5 million a year ago. For the first nine months of 2010, the operating loss was $1.4 million, compared with an operating loss of $2.9 million in the comparable period of 2009.

Operating revenue, gross operating profit/loss and operating income/loss are non-GAAP (generally accepted accounting principles) measures. The company believes, however, 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.

In the 2010 second quarter, The Caldwell Partners recorded a restructuring charge of approximately $1.0 million related to the retirement of the company's founder C. Douglas Caldwell as executive chairman and director of the company, and the related agreement to accelerate the planned conversion of the company's non-voting Class B shares to voting Class A shares. This conversion was approved by the company's shareholders on April 21, 2010 and by the Toronto Stock Exchange on May 10, 2010. Based on the settlement of Mr. Caldwell's rights under his employment contract with the Company, he received a payment of $686,055. Mr. Caldwell received a further $150,000 for reimbursement of legal and other costs. The Company has recorded additional legal and associated costs of $165,000.

For the third quarter of 2010, the company recorded investment income of $0.158 million, compared with a significant loss of $1.2 million in the 2009 quarter when, after dramatic declines in the stock market, the company realized losses on its professionally managed equity funds. For the three-quarters of 2010, investment income was $0.279 million, as compared to a loss of $1.1 million a year earlier. As at May 31, 2010, the market value of investments was $0.169 million above book value. This unrealized gain has been reflected in both other comprehensive income and in the stated value of the investment portfolio.

The net earnings before and after tax for the 2010 third quarter amounted to $0.109 million ($0.007 per share), compared with a net loss before tax of $2.7 million in the 2009 period. Income tax recoveries of $0.282 million were recognized in the third quarter of 2009 yielding a net after tax loss of $2.5 million ($0.150 per share). For the first nine months of 2010, the before- and after-tax loss amounted to $2.1 million ($0.128 per share), compared with a before-tax loss in the nine months of 2009 of $4.0 million and after-tax loss of $3.3 million ($0.200 per share), after recognizing income tax recoveries of $0.747 million. Income tax recoveries recorded in the 2009 quarter and year-to-date results were reversed in the fourth quarter of 2009 as management considered it prudent to adopt a conservative approach to recognition of tax loss recoveries.

As the result of the company's operating loss, restructuring costs, and use of cash to invest in the growth of its business, the Caldwell Partners had $6.7 million of marketable securities plus cash and cash equivalents at the end of the 2010 third quarter, down from $10.0 million at the end of fiscal 2009. The company expects to continue using its financial strength to carry out its strategic growth plan through the growth and strengthening of its operations across the United States and Canada. Management believes that the company has sufficient liquidity and cash resources to fund both its ongoing operations and its strategic growth initiatives.

About The Caldwell Partners

The Caldwell Partners International is one of North America's premier providers of executive search and has been for 40 years. As one of the region'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 in Vancouver, San Francisco, Los Angeles, Dallas, Calgary, Chicago, Atlanta, Toronto, Stamford, New York City, and a strategic presence 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 BALANCE SHEET
(unaudited)

	As at May 31 2010	*As at August 31 2009*
Assets		
Current Assets		
Cash and short-term deposits	$2,693,336	$4,718,014
Marketable securities	4,008,329	$5,325,160
Accounts receivable	5,141,742	3,097,334
Income taxes receivable	0	320,578
Prepaid expenses and other assets	1,648,242	1,020,029
	13,491,649	14,481,115
Loans receivable, long-term	637,892	418,937
Property and equipment	1,696,268	1,721,900
Intangible assets	975,847	1,181,392
Goodwill	419,654	415,896
	$17,221,310	$18,219,240
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	$4,820,950	$3,938,743
Deferred revenue	716,874	326,209
Current portion of incentive accrual	530,250	530,250
Income taxes payable	332	0
	6,068,406	4,795,202
Long-term incentive accrual	1,528,457	1,721,256
Shareholders' equity		
Capital stock	16,064,078	16,064,078
Contributed surplus	4,139,649	4,098,998
Deficit	(10,747,881)	(8,635,678)
Accumulated other comprehensive income	168,601	175,384
	9,624,447	11,702,782
	$17,221,310	$18,219,240

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENT OF EARNINGS (LOSS)

(unaudited)

	Three months ended May 31		*Nine months ended May 31*	
	2010	*2009*	*2010*	*2009*
Operating revenue	$7,937,889	$4,091,551	$18,024,803	$11,539,547
Direct cost of revenue	6,290,878	3,599,412	14,298,833	9,968,413
Gross operating profit	1,647,011	492,139	3,725,970	1,571,134
Expenses				
Other employee compensation, general and administration	1,522,570	1,675,839	4,609,498	4,030,395
Depreciation	86,737	84,814	238,418	217,799
Amortization of intangibles	37,173	19,445	207,115	56,538
Foreign exchange loss	49,308	230,182	61,351	211,560
	1,695,788	2,010,280	5,116,382	4,516,292
(Loss) earnings before the following	(48,777)	(1,518,101)	(1,390,412)	(2,945,118)
Restructuring costs	0	0	(1,001,055)	0
Investment income, net	158,079	(1,223,930)	279,264	(1,079,968)
Net earnings (loss) before tax	109,302	(2,742,031)	(2,112,203)	(4,025,086)
Provision for (recovery of)	0	(282,298)	0	(747,260)
Net earnings (loss) for the period	$109,302	($2,459,733)	($2,112,203)	($3,277,826)
Earnings (loss) per share	$0.007	($0.150)	($0.128)	($0.200)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(unaudited)

	Three months ended May 31		*Nine months ended May 31*	
	2010	*2009*	*2010*	*2009*
Net earnings (loss) for the period	$109,302	($2,459,733)	($2,112,203)	($3,277,826)
Other comprehensive income:				
Unrealized (loss) gain on marketable securities	(127,847)	1,220,478	133,259	1,220,477
Reclassification of (gains) losses included in the consolidate statement of earnings (loss)	(120,684)	1,259,917	(140,042)	(2,465,372)
	(248,531)	2,480,395	(6,783)	(1,244,895)
Comprehensive loss	($139,229)	$20,662	($2,118,986)	($4,522,721)

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND ACCUMULATED OTHER COMPREHENSIVE INCOME

(unaudited)

	Deficit	Capital Stock			Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
		Common Shares	Class A Non-Voting Shares	Class B Voting Shares			
Balance - August 31, 2008	**($1,066,075)**	**$0**	**$19,582,200**	**$20,950**	**$488,693**	**($561,295)**	**$18,464,473**
Net loss for the year ended August 31, 2009	(7,569,603)	0	0	0	0	0	(7,569,603)
Repurchase and cancellation of Class A Non-voting Shares	0	0	(12,811)	0	5,416	0	(7,395)
Stock compensation	0	0	0	0	78,628	0	78,628
Reduction of stated capital	0	0	(3,522,490)	(3,771)	3,526,261	0	0
Change in unrealized gains and losses on marketable securities available for sale	0	0	0	0	0	736,679	736,679
Balance - August 31, 2009	**($8,635,678)**	**$0**	**$16,046,899**	**$17,179**	**$4,098,998**	**$175,384**	**$11,702,782**
Net loss for the period ended May 31, 2010	(2,112,203)	0	0	0	0	0	(2,112,203)
Conversion of Class B to Class A shares, and reclassification to Common shares		16,064,078	(16,046,899)	(17,179)			0
Stock compensation	0	0	0	0	40,651	0	40,651
Change in unrealized gains and losses on marketable securities available for sale	0	0	0	0	0	(6,783)	(6,783)
Balance - May 31, 2010	**($10,747,881)**	**$16,064,078**	**$0**	**$0**	**$4,139,649**	**$168,601**	**$9,624,447**

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

(unaudited)

	Three months ended May 31		*Nine months ended May 31*	
	2010	*2009*	*2010*	*2009*
Operating Activities				
Net earnings (loss) for the period	$109,302	($2,459,733)	($2,112,203)	($3,277,826)
Items not affecting cash				
Depreciation	86,737	104,259	238,418	274,337
Amortization of intangibles	37,173	0	207,115	0
(Gain) loss on sale of marketable securities	(133,739)	1,220,477	(198,567)	1,220,477
Stock compensation expense	15,940	20,511	40,651	58,116
Non-cash incentive compensation	47,724	125,277	(192,799)	(3,288)
	163,137	(989,209)	(2,017,385)	(1,728,184)
Net changes in working capital balances related to operations				
(Increase) decrease in accounts receivable	(1,701,218)	163,506	(2,044,408)	775,594
Decrease (increase) in income taxes receivable	433,182	208,145	320,910	(107,442)
(Increase) decrease in prepaid expenses, other assets and loans receivable	(389,442)	(614,160)	(847,168)	(865,877)
Increase (decrease) in accounts payable and accrued liabilities	680,798	825,230	882,207	(1,583,463)
Increase (decrease) in deferred revenue	303,962	79,254	390,665	12,892
	(509,581)	(327,234)	(3,315,179)	(3,496,480)
Investment Activities				
Proceeds on sale of marketable securities	460,079	(2,791,079)	1,508,615	(2,791,079)
Purchase of marketable securities	0	2,791,079	0	2,791,079
Additions to property and equipment	(90,788)	(205,941)	(217,401)	(400,297)
Disposals of property and equipment	0	0	4,615	0
Acquisition of business costs	0	0	(3,758)	0
Acquisition of intangible assets	(663)	0	(1,570)	0
	368,628	(205,941)	1,290,501	(400,297)
Financing Activities				
Cancellation of Class Shares	0	0	0	(7,437)
	0	0	0	(7,437)
Net decrease in cash and cash equivalents during the period	(140,953)	(533,175)	(2,024,678)	(3,904,214)
Cash and cash equivalents, beginning of period	2,834,289	4,636,924	4,718,014	8,007,963
Cash and cash equivalents, end of period	$2,693,336	$4,103,749	$2,693,336	$4,103,749