



**FOR IMMEDIATE RELEASE**

**The Caldwell Partners International Issues Fiscal 2016  
Fourth Quarter and Full Year Financial Results**

- Company posts annual operating revenue of \$58.7 million, up 8% over prior year.
- Fourth quarter operating revenue up 2% over prior year to \$15.8 million.
- Operating Profit of \$37 for the quarter and \$1,278 for the year includes cost alignment charges totalling \$1,009 in the fourth quarter.
- Board declares 2.0 cent quarterly dividend.

**Toronto, Ontario– November 10, 2016** – Retained executive search firm The Caldwell Partners International Inc. (TSX: CWL) today issued its financial results for the fiscal 2016 fourth quarter and year ended August 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 August 31		Year Ended August 31	
	2016	2015	2016	2015
Professional fees	\$15,712	\$15,365	\$57,618	\$54,488
Investment income	-	-	\$877	-
License fee revenue	\$64	\$39	\$253	\$39
Operating revenue	\$15,776	\$15,404	\$58,748	\$54,527
Cost of sales	\$11,447	\$11,433	\$44,604	\$40,257
Expenses <sup>1</sup>	\$4,291	\$3,518	\$12,866	\$12,095
Operating profit	\$37	\$454	\$1,278	\$2,176
Investment income from marketable securities	-	\$5	\$404	\$63
Earnings before tax	\$37	\$459	\$1,682	\$2,239
Net earnings after tax <sup>2</sup>	\$ (57)	\$650	\$881	\$1,976
Net earnings per share	\$ (0.003)	\$0.031	\$0.044	\$0.093

1. During the fourth quarter and full year of 2016, the Company recorded charges totalling \$1,009 with \$759 related to the sublease and relocation of our New York office premises and \$250 of separation costs associated with aligning our support staff structure to current-state business needs.

2. *During the fourth quarter and full year of 2015, the Company was able to utilize prior unrecognized net operating losses of the Canadian parent to help reduce taxable income in Canada. Accordingly, the Company recognized a net tax benefit in 2015 of \$191 for the quarter and expense of \$263 for the year.*

“A strong performance by our team over the last two quarters allowed us to deliver profitable full year results,” said John Wallace, chief executive officer. “We are pleased with the manner in which we weathered several challenges this fiscal year, including investments in our UK operation and a 25% decline in year-over-year professional fees in Canada due to weakness in the Canadian financial services and oil and gas industries. The staffing alignment, real estate relocation and cost reduction initiatives we implemented, coupled with revenue strengthening seen in Q4, have us well-positioned for a strong 2017.”

Wallace continued: “We remain committed to being an annuity-based firm. Subsequent to the cost alignment initiatives that we took in the later part of Fiscal 2016, we are confident that in normal markets we will deliver an operating profit that will allow us to reward our shareholders through a sustainable dividend, to continue to organically grow the company’s revenues, and to maintain a cash position that will underpin the firm.”

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 November 21, 2016 and to be paid on December 16, 2016.

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

- Operating revenue:
  - Professional fees for the fourth quarter of 2016 increased 2.3% (1.8% excluding a 0.5% favourable variance from exchange rate fluctuations) over the comparable period last year to \$15,712 (2015: \$15,365).
  - Professional fees for the year increased 5.7% (a decline of 0.8% excluding a 6.5% favourable variance from exchange rate fluctuations) over the comparable period last year to \$57,618 (2015: \$54,488).
  - Professional fees in the US for the quarter were up 11.8% (10.5% excluding a 1.3% favourable variance from exchange rate fluctuations) to \$12,063 (2015: \$10,794) driven by growth in the Average Fee per Assignment and the Number of Assignments per Partner with the Average Number of Partners remaining constant.
  - Fourth quarter professional fees in Canada continued to be pressured by economic conditions in Western Canada as well as the Financial Services sector across Canada and were down 24.3% to \$3,139 (2015: \$4,145). The impact of a higher Average Number of Partners was more than offset by a lower Number of Assignments per Partner and a lower Average Fee per Assignment.
  - Fourth quarter Europe professional fees were up 19.5% to \$509 (2015: \$426) last year.

- For the year, US professional fees increased 16.2% (6.8% excluding a 9.4% favourable variance from exchange rate fluctuations) to \$43,170 (2015: \$37,136) on an increase in the Average Fee per Assignment and Average Number of Partners.
  - Full year professional fees for Canada were down 25.1% to \$12,260 (2015: \$16,377), with a lower Number of Assignments per Partner and a lower Average Fee per Assignment being only slightly offset by a higher Average Number of Partners.
  - Full year professional fees in Europe were \$2,188 versus \$975 last year.
  - License fees from our affiliations in Latin America and New Zealand for the use of the Caldwell Partners brand and intellectual property were \$64 (2015: \$39) for the fourth quarter and \$253 (2015: \$39) for the full year.
- Operating profit:
    - For the 2016 fourth quarter, higher revenue (\$372) was more than offset by the higher cost of sales (\$14) and higher expenses (\$774) driven by the net of cost-alignment charges, reduction in bonuses and the other fluctuations, resulting in a decrease in operating profit of \$416 over the comparable period in the prior year to \$37 (2015: \$453). On a segment basis, the fourth quarter operating profit of \$37 came from the US experiencing a \$55 operating loss (\$243 income excluding the impact of intercompany license fees) and inclusive of the \$759 New York office sublease and relocation charge, Canada producing \$360 of profit (\$62, excluding intercompany license fee revenue) and Europe having an operating loss of \$268 driven by investment expansion and the related costs.
    - For the 2016 full year, higher revenue (\$4,221) less related increased cost of sales (\$4,347) and expenses (\$772) from the cost-alignment, reduced management bonuses and other variances resulted in a decrease in operating profit of \$898 to \$1,278 (2015: \$2,176). On a segment basis, for the full year operating profit of \$1,278 came from operating profit in the US of \$1,380 (\$2,370 net of intercompany license fees) and inclusive of the \$759 New York office sublease charge, and operating profit in Canada of \$1,122 (\$133 net of intercompany license fee revenue) being offset by an operating loss of \$1,224 from Europe from investment expansion and the related costs.
  - Net earnings after tax:
    - The fourth quarter net loss was (\$57) (loss of \$0.003 per share) in 2016, as compared to \$650 of net earnings (\$0.031 per share) in the comparable period a year earlier.
    - The full year net earnings after tax were \$881 (\$0.044 per share) in 2016, versus \$1,976 (\$0.093 per share) in 2015.

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](http://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](http://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](http://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 STATEMENTS OF FINANCIAL POSITION

(in \$000s Canadian)

	<i>As at</i> <i>August 31</i> <i>2016</i>	<i>As at</i> <i>August 31</i> <i>2015</i>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	8,422	9,956
Marketable securities	5,056	7,765
Accounts receivable	10,031	8,329
Prepaid expenses and other assets	2,416	1,948
	<u>25,925</u>	<u>27,998</u>
Non-current assets		
Restricted cash	187	498
Marketable securities	573	-
Advances	502	1,022
Property and equipment	1,838	1,818
Intangible assets	279	375
Goodwill	2,920	3,220
Deferred income taxes	2,475	2,900
	<u>34,699</u>	<u>37,831</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	2,384	1,736
Compensation payable	16,125	16,614
Accrued share purchase	-	1,604
Dividends payable	403	425
Income taxes payable	513	321
Contingent consideration	289	271
Deferred revenue	1,187	945
	<u>20,901</u>	<u>21,916</u>
Non-current liabilities		
Compensation payable	687	1,064
Provisions	184	-
Contingent consideration	-	262
	<u>21,772</u>	<u>23,242</u>
Equity attributable to owners of the Company		
Share capital	7,295	7,295
Contributed surplus	15,025	15,025
Accumulated other comprehensive income	1,179	2,112
Deficit	(10,572)	(9,843)
<b>Total equity</b>	<u>12,927</u>	<u>14,589</u>
<b>Total liabilities and equity</b>	<u>34,699</u>	<u>37,831</u>

# THE CALDWELL PARTNERS INTERNATIONAL INC.

## CONSOLIDATED STATEMENTS OF EARNINGS

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

	Twelve months ended August 31	
	2016	2015
Revenues		
Professional fees	57,618	54,488
Investment income	877	-
License fees	253	39
	58,748	54,527
Cost of sales	44,604	40,257
Gross profit	14,144	14,270
Expenses		
General and administrative	11,682	11,158
Sales and marketing	1,144	943
Foreign exchange loss (gain)	40	(6)
	12,866	12,095
Operating profit	1,278	2,176
Investment income	404	63
Earnings before income tax	1,682	2,239
Income tax	801	263
Net earnings for the year attributable to owners of the Company	881	1,976
Earnings per share		
Basic	\$0.044	\$0.093
Diluted	\$0.043	\$0.092

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

(in \$000s Canadian)

	Twelve months ended August 31	
	2016	2015
Net earnings for the year	881	1,976
Other comprehensive income:		
Items that may be reclassified subsequently to net earnings		
Realization of gains on marketable securities included in net income	(403)	-
Unrealized loss on marketable securities	(100)	(72)
Cumulative translation adjustment	(430)	1,273
Comprehensive (loss) earnings for the year attributable to owners of the Company	(52)	3,177

# THE CALDWELL PARTNERS INTERNATIONAL INC.

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in \$000s Canadian)

	Deficit	Capital Stock	Contributed Surplus	Cumulative Translation Adjustment	Accumulated Other Comprehensive Income Unrealized Gain/(Loss) on Marketable Securities	Total Equity	
<b>Balance - September 1, 2014</b>	<b>(10,118)</b>	<b>7,331</b>	<b>16,254</b>		<b>(1)</b>	<b>912</b>	<b>14,378</b>
Net earnings for the year	1,976	-	-	-	-	-	1,976
Dividend payments declared	(1,701)	-	-	-	-	-	(1,701)
Common share issuance	-	379	-	-	-	-	379
Repurchase and cancellation of common shares	-	(415)	(1,229)	-	-	-	(1,644)
Change in unrealized loss on marketable securities	-	-	-	-	(72)	(72)	(72)
Change in cumulative translation adjustment	-	-	-	1,273	-	-	1,273
<b>Balance - August 31, 2015</b>	<b>(9,843)</b>	<b>7,295</b>	<b>15,025</b>	<b>1,272</b>	<b>840</b>	<b>14,589</b>	
Net earnings for the year	881	-	-	-	-	-	881
Dividend payments declared	(1,610)	-	-	-	-	-	(1,610)
Realization of gains on marketable securities included in net income	-	-	-	-	(403)	(403)	(403)
Change in unrealized gain on marketable securities available for sale	-	-	-	-	(100)	(100)	(100)
Change in cumulative translation adjustment	-	-	-	(430)	-	-	(430)
<b>Balance - August 31, 2016</b>	<b>(10,572)</b>	<b>7,295</b>	<b>15,025</b>	<b>842</b>	<b>337</b>	<b>12,927</b>	

# THE CALDWELL PARTNERS INTERNATIONAL INC.

## CONSOLIDATED STATEMENTS OF CASH FLOW

(in \$000s Canadian)

	Twelve months ended	
	August 31	
	2016	2015
Cash flow provided by (used in)		
Operating activities		
Net earnings for the year	881	1,976
Adjustments for:		
Depreciation	539	434
Amortization	94	86
Realized gain on marketable securities	(403)	-
Change in fair value of contingent consideration	10	21
Unrealized foreign exchange on subsidiary loans	28	(41)
Non-cash professional fees received as equity	(1,121)	-
Increase in deferred taxes	403	76
(Decrease) increase in long term incentive accrual	(377)	511
Loss on disposal of property and equipment	77	5
(Increase) decrease in accounts receivable	(1,916)	1,019
Increase in prepaid expenses and other assets	(473)	(336)
Increase in accounts payable	401	58
Decrease in compensation payable	(95)	(227)
Increase (decrease) in income taxes payable	193	(1,498)
(Decrease) increase in dividends payable	-	58
Increase in provisions	184	-
Payment of cash-settled share-based compensation	(449)	(598)
Payment of contingent consideration	(254)	-
Increase (decrease) in deferred revenue	245	(1,187)
Net cash (used in) provided by operating activities	(2,033)	357
Investing activities		
Proceeds from sale of marketable securities	3,171	-
Acquisition of business, net of cash acquired	-	(1,018)
Increase in marketable securities	-	(27)
Decrease (increase) in advances	400	(679)
Decrease (increase) in restricted cash	313	(3)
Additions to property and equipment	(414)	(474)
Net cash provided by (used in) investing activities	3,470	(2,201)
Financing activities		
Repurchase and cancellation of common shares	(1,604)	-
Dividend payments	(1,633)	(1,701)
Net cash used in financing activities	(3,237)	(1,701)
Effect of exchange rate changes on cash and cash equivalents	266	758
Net decrease in cash and cash equivalents	(1,534)	(2,787)
Cash and cash equivalents, beginning of year	9,956	12,743
Cash and cash equivalents, end of year	8,422	9,956