

Second Quarter & Letter to Shareholders

April 14, 2008

Dear Fellow Shareholders:

Our second-quarter 2008 operating revenue declined 9.2 percent to \$3,493,290 compared with \$3,846,124 in the period a year ago. The decline reflects a comparatively strong quarter in the 2007 period. While down from the 2007 quarter, the 2008 second-quarter operating revenue was 16.6 percent higher than the level in the 2006 period. All references in this report to quarters or years are for the fiscal periods unless otherwise noted and all currency amounts are in Canadian dollars.

	Three Months Ended February 29, 2008	Three Months Ended February 28, 2007	Six Months Ended February 29, 2008	Six Months Ended February 28, 2007
Operating revenue	\$3,493,290	\$3,846,124	\$8,045,973	\$6,955,305
Expenses	4,150,885	3,557,449	8,522,568	6,903,073
Operating (loss) income	(657,595)	288,675	(476,595)	52,232
Investment income	624,144	160,065	688,530	292,869
Net earnings	\$ 211,912	\$ 321,134	\$ 372,335	\$ 273,879
Earnings per share	1.2¢	1.9¢	2.2¢	1.6¢

Expenses before amortization in the 2008 second quarter increased to \$4,059,645, up 16.6 percent from \$3,481,304 in the 2007 second quarter. A number of factors accounted for the increase, notably a more than doubling of legal fees to \$370,000 from \$166,000 a year earlier, mainly related to the company's litigation expenses. We believe that the company's insurer will cover the majority of the litigation costs, but we have not reflected this in the financial statements pending receipt of the funds. Other factors contributing to the increase in expenses in the 2008 quarter include higher variable and fixed compensation expenses mainly as the result of increased Interim Executive program revenues and partner compensation.

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 \$624,144 in the 2008 second quarter, compared with \$160,065 a year earlier. However, as reflected in the Consolidated Statements of Comprehensive Income, the company incurred an unrealized after-tax loss on its marketable securities of \$889,387 during the second quarter of 2008, bringing the six-month unrealized after tax loss to \$1,137,838. These unrealized losses have been reflected in the balance sheet value of marketable securities as at February 29, 2008.

First-Half Results

For the first half of 2008, reflecting a very strong first-quarter performance, operating revenue rose 15.7 percent to \$8,045,973 compared with \$6,955,305 in the 2007 period. Expenses before amortization, rose 23.6 percent to \$8,341,703 from \$6,748,605 in the 2007 first half. The increase was due to the same factors that affected the second quarter of 2008. Legal fees for the first half of 2008 were \$460,000, compared with \$235,601 a year earlier, largely related to the company's litigation expenses. Also contributing to the higher direct costs in the 2008 six-month period were a 25 percent increase in direct search costs, related to the gain in operating revenue and the factors cited as affecting the 2008 second quarter.

Board Declares Quarterly Dividend of 2 Cents

The company's Board of Directors declared a cash dividend for the 2008 second quarter of 2¢ per Class A non-voting and Class B voting share payable on May 15, 2008 to shareholders of record on May 5, 2008. For the past four quarters, the company declared total dividends of 8¢ per share.

Normal Course Issuer Bid

On November 14, 2007, The Caldwell Partners announced that the Toronto Stock Exchange had accepted the company's application for a normal course issuer bid for the repurchase of up to 658,439

Class A Non-voting Shares, representing approximately five percent of the 13,168,783 Class A shares outstanding as at October 31, 2007. In the 2008 second quarter, the company repurchased and cancelled 60,700 Class A shares, for a total of 68,700 purchased and cancelled since the commencement of the program.

Outlook

Our bookings in March were strong, but we naturally are concerned about how the recession in the United States may impact our client organizations and their recruitment requirements. We will continue to invest in building our organization for longer-term growth and creation of value for our shareholders. Consistent with this, we were very pleased to announce at the end of the second quarter the addition of John Wallace as President and Chief Operating Officer.

Sincerely,



C. Douglas Caldwell
 Founder and Chief Executive Officer

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED BALANCE SHEET

(unaudited)

	<i>As at</i> <i>February 29</i> <i>2008</i>	<i>As at</i> <i>February 28</i> <i>2007</i>	<i>As at</i> <i>August 31</i> <i>2007</i>
Assets			
Cash and short-term deposits	\$7,131,338	\$5,023,062	\$5,839,292
Accounts receivable	3,150,922	3,188,158	3,886,522
Income taxes receivable	1,076,284	664,615	679,337
Prepaid expenses	202,604	208,602	169,545
	<u>11,561,148</u>	<u>9,084,437</u>	<u>10,574,696</u>
Marketable securities	11,539,489	13,599,842	13,734,660
Loans receivable, net	391,990	660,219	355,966
Property and equipment	2,079,222	2,300,466	2,190,973
Future income taxes	199,808	21,027	24,041
	<u>\$25,771,657</u>	<u>\$25,665,991</u>	<u>\$26,880,336</u>
Liabilities			
Accounts payable and accrued liabilities	\$2,700,433	\$1,911,852	\$2,961,487
Deferred revenue	439,098	268,827	397,854
	<u>3,139,531</u>	<u>2,180,679</u>	<u>3,359,341</u>
Long-term liabilities	1,652,264	1,072,021	1,337,148
Future income taxes	351,416	314,968	350,968
Shareholders' equity			
Capital stock	20,497,167	20,595,327	20,595,326
Contributed surplus	204,803	204,803	204,803
Retained earnings	722,451	1,298,193	1,032,750
	<u>21,424,421</u>	<u>22,098,323</u>	<u>21,832,879</u>
Accumulated other comprehensive income	(795,975)	0	0
	<u>\$25,771,657</u>	<u>\$25,665,991</u>	<u>\$26,880,336</u>

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENT OF EARNINGS

(unaudited)

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>February 29 2008</i>	<i>February 28 2007</i>	<i>February 29 2008</i>	<i>February 28 2007</i>
Operating revenue	\$3,493,290	\$3,846,124	\$8,045,973	\$6,955,305
Expenses				
Employee compensation, general and administration	\$4,059,645	3,481,304	8,341,703	6,748,605
Amortization	91,240	76,145	180,865	154,468
	4,150,885	3,557,449	8,522,568	6,903,073
(Loss) income before the following	(657,595)	288,675	(476,595)	52,232
Investment income	624,144	160,065	688,530	292,869
Net (loss) income before tax	(33,451)	448,740	211,935	345,101
(Recovery of) provision for income taxes	(245,363)	127,606	(160,400)	71,222
Net (loss) earnings for the period	\$211,912	\$321,134	\$372,335	\$273,879
Earnings per share	\$0.012	\$0.019	\$0.022	\$0.016

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(unaudited)

	<i>Three months ended</i>	<i>Six months ended</i>
	<i>February 29 2008</i>	<i>February 29 2008</i>
Net loss for the period	\$211,912	\$372,335
Other comprehensive income:		
Unrealized loss on marketable securities (net of tax)	(889,387)	(1,137,839)
Comprehensive income (loss)	(\$677,475)	(\$765,504)

**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND
ACCUMULATED OTHER COMPREHENSIVE INCOME**

(unaudited)

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>February 29 2008</i>	<i>February 28 2007</i>	<i>February 29 2008</i>	<i>February 28 2007</i>
Shareholders' equity - beginning of period	\$21,639,430	\$22,118,265	\$21,832,879	\$22,506,535
Net earnings for the period	211,912	321,134	372,335	273,879
Cancellation of Class A shares	(85,802)	0	(98,493)	0
Dividends on Class A and Class B shares	(341,119)	(341,076)	(682,300)	(682,091)
Shareholders' equity - end of period	\$21,424,421	\$22,098,323	\$21,424,421	\$22,098,323
Accumulated other comprehensive income - beginning of period	\$93,412	\$0	\$0	\$0
Adoption of new handbook standard (net of tax)	0	0	341,863	0
Unrealized loss on marketable securities (net of tax)	(889,387)	0	(1,137,838)	0
Accumulated other comprehensive income - end of period	(\$795,975)	\$0	(\$795,975)	\$0

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

(unaudited)

	Three months ended		Six months ended	
	February 29 2008	February 28 2007	February 29 2008	February 28 2007
Operating Activities				
Net earnings for the period	\$211,912	\$321,134	\$372,335	\$273,879
Items not affecting cash				
Amortization	91,240	76,145	180,865	154,468
Loss (gain) on sale of investments	67,330	(12,500)	136,275	(2,200)
Other realized gains on investments	(567,976)	0	(567,976)	0
Non-cash incentive compensation	182,551	3,014	315,116	3,014
	(14,943)	387,793	436,615	429,161
Net decrease (increase) in working capital balances related to operations	142,844	(178,884)	49,760	(481,791)
	127,901	208,909	486,375	(52,630)
Investment Activities				
Proceeds on sale of marketable securities	414,480	2,068,150	1,655,578	2,318,150
Additions to marketable securities	0	(2,906,350)	0	(6,346,450)
Additions to property and equipment	(20,979)	(114,543)	(69,114)	(219,360)
	393,501	(952,743)	1,586,464	(4,247,660)
Financing Activities				
Dividends on Class A and Class B Shares	(341,119)	(341,076)	(682,300)	(682,091)
Cancellation of Class A Shares	(85,802)	0	(98,493)	0
	(426,921)	(341,076)	(780,793)	(682,091)
Net increase (decrease) in cash and cash equivalents during the period	94,481	(1,084,910)	1,292,046	(4,982,381)
Cash and cash equivalents, beginning of period	7,036,857	6,107,972	5,839,392	10,005,443
Cash and cash equivalents, end of period	\$7,131,338	\$5,023,062	\$7,131,338	\$5,023,062