



## The Caldwell Partners International Issues Fiscal 2013 First Quarter Financial Results

- Quarterly revenue up 2% over comparable period last year
- Board declares 1.5 cent quarterly dividend

**Toronto, Ontario- January 11, 2013** – Retained executive search firm The Caldwell Partners International Inc. (TSX: CWL) today issued its financial results for the fiscal 2013 first quarter ended November 30, 2012. 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)

	<b>Three Months Ended November 30</b>	
	<b>2012</b>	<b>2011</b>
Operating revenue	7,417	\$7,270
Expenses	7,469	7,671
Operating loss	(52)	(401)
Investment income	2	2
Net loss before tax	(50)	(399)
Net loss after tax	(56)	(444)
Net loss per share	(0.003)	(0.026)

“In a challenging business climate, we are gratified to have increased revenues by 2% year over year,” said John N. Wallace, chief executive officer. “Given the on-going economic uncertainty - particularly in the United States - clients continue to be cautious relative to human capital investments.”

Wallace continued: “We remain confident regarding the long-term prospects for executive search in North America. To that end, we are focused on improving our overall market presence and competitiveness, and will continue to invest in the growth of our firm. We will make targeted, strategic additions to our partner team to add to the depth and breadth of our sector and functional experience.”

The Board of Directors today also declared the payment of a quarterly dividend of 1.5 cents per Common Share payable on March 15, 2013 to shareholders of record on January 22, 2013.

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

- Operating revenue:
  - Fiscal 2013 first quarter operating revenue increased by 2% over the comparable period last year to 7,417.
  - US revenues represent 60% or \$4,467 of the first quarter total, decreasing 13% from \$5,126 in the comparable period of 2012.
  - Revenues from Canadian operations increased 38% to \$2,950 in the current period from \$2,144 in the comparable period of 2012.
  - Although up slightly over the comparable period last year, 2013 first quarter revenues declined 16% or \$1,439 sequentially over 2012 fourth quarter revenues. Historically, first quarter revenues are soft particularly in comparison to third and fourth quarter levels.
- Operating loss:
  - Higher first quarter revenues and improved direct operating margins as compared to the comparable period of fiscal 2012, resulted in a reduced operating loss of \$52 (2012: loss of \$401) for the quarter.
- Net loss:
  - The first quarter net loss after tax was \$56 in fiscal 2013 as compared to a loss of \$444 in the comparable period a year earlier.

Over the past three years, The Caldwell Partners has transformed from a respected, strictly Canadian brand to a firm with a strong North American presence. At the end of the first quarter of fiscal 2013, the firm now has 23 of its total 34 partners located in six American offices, and has established strategic alliances with executive search firms based in London and Hong Kong.

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 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, Atlanta, Toronto, Stamford, New York City, and a strategic presence in London and Hong Kong, the firm takes pride in delivering an unmatched level of service and expertise to its clients.

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 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 INTERIM STATEMENTS OF LOSS

(unaudited - in \$Canadian)

	Three months ended November 30	
	2012	2011
Revenues	7,417,211	7,269,878
Cost of sales	5,620,120	5,912,299
Gross profit	1,797,091	1,357,579
Expenses		
General and administrative	1,709,714	1,667,798
Sales and marketing	126,957	135,424
Other gains and losses (net)	12,859	(44,838)
	1,849,530	1,758,384
Operating loss	(52,439)	(400,805)
Investment income	2,523	2,268
Loss before income taxes	(49,916)	(398,537)
Income tax	6,105	45,784
Net loss for the period attributable to owners of the Company	(56,021)	(444,321)
Loss per share:		
Basic and diluted	(0.003)	(0.026)

## CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS

(unaudited - in \$Canadian)

	Three months ended November 30	
	2012	2011
Net loss for the period	(56,021)	(444,321)
Other comprehensive income:		
Unrealized gain (loss) on marketable securities	97,529	(63,234)
Cumulative translation adjustment	20,437	135,650
Comprehensive loss for the period attributable to owners of the Company	61,945	(371,905)

# THE CALDWELL PARTNERS INTERNATIONAL INC.

## CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(unaudited - in \$Canadian)

	<i>As at</i>	
	<i>November 30</i>	<i>August 31</i>
	<i>2012</i>	<i>2012</i>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	5,456,089	6,494,246
Marketable securities	3,400,573	3,303,044
Accounts receivable	5,764,955	6,122,577
Income taxes receivable	48,563	49,501
Prepaid expenses and other current assets	771,144	775,572
	<u>15,441,324</u>	<u>16,744,940</u>
Non-current assets		
Restricted cash	253,567	252,966
Advances	40,123	92,023
Property and equipment	1,445,729	1,504,015
Intangible assets	474,971	488,647
Goodwill	981,260	973,458
Deferred income taxes	73,889	73,302
	<u>18,710,863</u>	<u>20,129,351</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	1,790,993	2,338,238
Compensation payable	5,568,701	6,343,417
Dividends payable	255,983	254,782
	<u>7,615,677</u>	<u>8,936,437</u>
Non-current liabilities		
Long-term incentive accrual	229,173	186,267
	<u>7,844,850</u>	<u>9,122,704</u>
Equity attributable to owners of the Company		
Share capital	4,080,020	4,016,020
Contributed surplus	16,235,252	16,245,848
Accumulated other comprehensive income	240,258	122,292
Deficit	(9,689,517)	(9,377,513)
	<u>10,866,013</u>	<u>11,006,647</u>
<b>Total equity</b>	<u>10,866,013</u>	<u>11,006,647</u>
<b>Total liabilities and equity</b>	<u>18,710,863</u>	<u>20,129,351</u>

# THE CALDWELL PARTNERS INTERNATIONAL INC.

## CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(unaudited - in \$Canadian)

	Deficit	Capital Stock	Contributed Surplus	Accumulated Translation Adjustment	Other Comprehensive Income (Loss) Unrealized Gains (Losses) on Marketable Securities	Total Shareholders' Equity
<b>Balance - September 1, 2011</b>	<b>(9,848,957)</b>	<b>16,064,078</b>	<b>4,179,399</b>	<b>(315,525)</b>	<b>230,598</b>	<b>10,309,593</b>
Net loss for the three month period ended November 30, 2011	(444,321)	-	-	-	-	(444,321)
Share based compensation expense	-	-	1,394	-	-	1,394
Change in unrealized gains and losses on marketable securities available for sale	-	-	-	-	(63,234)	(63,234)
Change in cumulative translation adjustment	-	-	-	135,650	-	135,650
<b>Balance - November 30, 2011</b>	<b>(10,293,278)</b>	<b>16,064,078</b>	<b>4,180,793</b>	<b>(179,875)</b>	<b>167,364</b>	<b>9,939,082</b>
Net earnings for the period of December 1, 2011 to August 31, 2012	1,425,329	-	-	-	-	1,425,329
Dividend payments declared	(509,564)	-	-	-	-	(509,564)
Share based compensation expense	-	-	16,997	-	-	16,997
Reduction of stated capital	-	(12,048,058)	12,048,058	-	-	0
Change in unrealized gains and losses on marketable securities available for sale	-	-	-	-	239,451	239,451
Change in cumulative translation adjustment	-	-	-	(104,648)	-	(104,648)
<b>Balance - September 1, 2012</b>	<b>(9,377,513)</b>	<b>4,016,020</b>	<b>16,245,848</b>	<b>(284,523)</b>	<b>406,815</b>	<b>11,006,647</b>
Net loss for the three month period ended November 30, 2012	(56,021)	-	-	-	-	(56,021)
Dividend payments declared	(255,983)	-	-	-	-	(255,983)
Employee stock option plan share issue	-	64,000	(14,776)	-	-	49,224
Share based compensation expense	-	-	4,180	-	-	4,180
Change in unrealized gains and losses on marketable securities available for sale	-	-	-	-	97,529	97,529
Change in cumulative translation adjustment	-	-	-	20,437	-	20,437
<b>Balance - November 30, 2012</b>	<b>(9,689,517)</b>	<b>4,080,020</b>	<b>16,235,252</b>	<b>(264,086)</b>	<b>504,344</b>	<b>10,866,013</b>

# THE CALDWELL PARTNERS INTERNATIONAL INC.

## CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW

(unaudited - in \$Canadian)

	Three months ended	
	November 30	
	2012	2011
Cash flow provided by (used in)		
Operating activities		
Net loss for the period	(56,021)	(444,321)
Adjustments for:		
Depreciation	91,327	97,385
Amortization of intangibles	17,486	30,687
Stock compensation expense	8,604	1,394
Unrealized foreign exchange on subsidiary loans	(14,928)	(104,839)
Non-cash incentive compensation	42,906	21,396
Increase in restricted cash	(601)	-
Changes in items of working capital		
Decrease in accounts receivable	375,569	1,157,193
Decrease (increase) in income taxes receivable	750	(1,250)
Decrease in prepaid expenses and other assets	7,097	186,512
(Decrease) increase in accounts payable	(555,827)	780,697
Decrease in compensation payable	(802,086)	(1,471,001)
Net cash (used in) generated from operating activities	(885,724)	253,853
Investing activities		
Decrease (increase) in advances	53,912	(1,450)
Additions to property and equipment	(28,926)	(77,631)
Net cash generated from (used in) investing activities	24,986	(79,081)
Financing activities		
Dividend payments	(254,782)	-
Share issuance from employee stock option plan	44,800	-
Net cash used in financing activities	(209,982)	-
Effect of exchange rate changes on cash and cash equivalents	32,563	187,841
Net (decrease) increase in cash and cash equivalents	(1,038,157)	362,613
Cash and cash equivalents, beginning of period	6,494,246	6,944,084
Cash and cash equivalents, end of period	5,456,089	7,306,697