



FOR IMMEDIATE RELEASE

**The Caldwell Partners International
Issues Fiscal 2014 Third Quarter Financial Results**

- Year-over-year third quarter revenue increased 34% to \$12,359,000.
- Third quarter operating profit of \$633,000.
- Board declares 10th consecutive quarterly dividend – 1.75 cents per share.

Toronto, Ontario– July 10, 2014 – Retained executive search firm The Caldwell Partners International Inc. (TSX: CWL) today issued its financial results for the fiscal 2014 third quarter ended May 31, 2014. 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 May 31		Nine Months Ended May 31	
	2014	2013	2014	2013
Revenue	\$12,359	\$9,223	\$31,855	\$23,465
Expenses	\$11,726	9,590	\$30,765	24,543
Operating profit/(loss)	\$633	(367)	\$1,091	(1,078)
Investment income	6	2	11	11
Net profit/(loss) before tax	\$639	(365)	\$1,102	(1,067)
Net profit/(loss) after tax	\$639	(\$366)	\$1,075	(\$1,075)
Net profit/(loss) per share				
Basic	\$0.030	(\$ 0.021)	\$0.057	(\$0.063)
Diluted	\$0.030	(\$0.021)	\$0.056	(\$0.063)

“Our team has delivered solid revenue and profitability results this quarter,” said John N. Wallace, chief executive officer. “We have continued to see gains in important metrics such as average fee and searches per partner, and our revenue levels on a per partner basis are at a new high, all of which is a testament to the commitment and ongoing engagement of our partner and support teams.”

Wallace continued: "With our partners operating at historically high productivity levels, continued growth in the business will come from significant investments in high quality partners and support teams in the areas and geographies that are important to our clients. Our growth strategy has always been fuelled by our determination to continually improve our service to our clients and to create sustainable value for our shareholders."

The Board of Directors today also declared the payment of a quarterly dividend of 1.75 cents per Common Share payable September 12, 2014 to shareholders of record on July 21, 2014.

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

- Operating revenue:
 - Fiscal 2014 third quarter operating revenue increased by 34% over the comparable period last year to \$12,359 (2013: \$9,223).
 - US revenues increased 48% (35% excluding a 13% favourable variance from exchange rate fluctuations) to \$9,078 driven primarily by increased search volumes and average fees, offset by fewer average partners during the current year.
 - Canadian revenues increased 10% to \$3,281 on higher average fees, and to a lesser extent higher search volumes with a consistent number of partners.
 - Year to date revenue increased 36% over the comparable prior year period to \$31,855 (2013: \$23,465).

- Operating profit:
 - For the third quarter, higher year-over-year revenues (\$3,136) partially offset by the related higher cost of sales (\$2,086) and expenses (\$50) resulted in the net increase of \$1,000 to operating profit of \$633 in the third quarter of fiscal 2014, up from an operating loss of \$367 in the third quarter of fiscal 2013 (which included a severance expense accrual of \$446).
 - Year to date, higher year-over-year revenues (\$8,390) partially offset by the related higher cost of sales (\$5,485) and expenses (\$737) resulted in the net increase of \$2,169 to operating profit of \$1,091 in the first three quarters of fiscal 2014, up from an operating loss of \$1,078 in the first three quarters of fiscal 2013.

- Net profit:
 - The third quarter net earnings were \$639 (\$0.032 per share) in fiscal 2014, as compared to a net loss of \$366 (\$0.021 per share) in the comparable period a year earlier.

- Year to date net earnings were \$1,075 (\$0.057 per share) in fiscal 2014, as compared to a net loss of \$1,075 (\$0.063 per share) in the comparable period a year earlier.

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

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, Philadelphia, 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 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 FINANCIAL POSITION

(unaudited - in \$Canadian)

	<i>As at May 31 2014</i>	<i>As at August 31 2013</i>
Assets		
Current assets		
Cash and cash-equivalents	7,121,134	7,612,957
Marketable securities	7,775,572	3,576,811
Accounts receivable	8,572,071	7,088,555
Prepaid expenses and other assets	1,346,498	1,060,998
	<hr/> 24,815,275	<hr/> 19,339,321
Non-current assets		
Restricted cash	256,650	255,012
Advances	214,655	292,035
Property and equipment	1,552,995	1,360,646
Intangible assets	404,029	447,434
Goodwill	1,073,204	1,039,922
	<hr/> 28,316,808	<hr/> 22,734,370
Liabilities		
Current liabilities		
Accounts payable	1,319,013	1,345,146
Compensation payable	10,899,315	9,156,182
Dividends payable	367,513	255,983
Taxes payable	46,895	13,741
Deferred revenue	1,551,341	1,357,718
	<hr/> 14,184,077	<hr/> 12,128,770
Non-current liabilities		
Non-current severance accrual	-	148,750
Share-based compensation accrual	310,413	231,231
	<hr/> 14,494,490	<hr/> 12,508,751
Equity attributable to owners of the Company		
Share capital	7,330,563	4,080,020
Contributed surplus	16,252,220	16,247,987
Accumulated other comprehensive income	881,794	580,959
Deficit	(10,642,259)	(10,683,347)
	<hr/> 13,822,318	<hr/> 10,225,619
Total equity	<hr/> 13,822,318	<hr/> 10,225,619
Total liabilities and equity	<hr/> 28,316,808	<hr/> 22,734,370

The accompanying notes are an integral part of these consolidated interim financial statements.

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF EARNINGS (LOSS)

(unaudited - in \$Canadian)

	Three months ended		Nine months ended	
	May 31		May 31	
	2014	2013	2014	2013
Revenues	12,358,955	9,222,623	31,855,289	23,464,881
Cost of sales	9,269,216	7,182,745	23,882,823	18,397,834
Gross profit	3,089,739	2,039,878	7,972,466	5,067,047
Expenses				
General and administrative	2,243,929	2,202,651	6,390,132	5,657,442
Sales & marketing	180,208	217,994	563,222	496,850
Foreign exchange loss (gain)	32,493	(13,902)	(71,490)	(9,097)
	2,456,630	2,406,743	6,881,864	6,145,195
Operating profit (loss)	633,109	(366,865)	1,090,602	(1,078,148)
Investment income	5,897	1,816	11,216	11,046
Earnings (loss) before income tax	639,006	(365,049)	1,101,818	(1,067,102)
Income tax	284	1,024	26,967	7,643
Net earnings (loss) for the period attributable to owners of the Company	638,722	(366,073)	1,074,851	(1,074,745)
Earnings (loss) per share				
Basic	\$0.030	(\$0.021)	\$0.057	(\$0.063)
Diluted	\$0.030	(\$0.021)	\$0.056	(\$0.063)

CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE EARNINGS (LOSS)

(unaudited - in \$Canadian)

	Three months ended		Nine months ended	
	May 31		May 31	
	2014	2013	2014	2013
Net earnings (loss) for the period	638,722	(366,073)	1,074,851	(1,074,745)
Other comprehensive income:				
Items that may be reclassified subsequently to net income (loss)				
Unrealized gain on marketable securities	51,372	73,345	197,801	282,484
Cumulative translation adjustment	(78,571)	19,386	103,034	138,579
Comprehensive earnings (loss) for the period attributable to owners of the Company	611,523	(273,342)	1,375,686	(653,682)

The accompanying notes are an integral part of these consolidated interim financial statements.

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(unaudited - in \$Canadian)

	Deficit	Capital Stock	Contributed Surplus	Accumulated Other Comprehensive Income (Loss) Cumulative Translation Adjustment	Unrealized Gains on Marketable Securities	Total Equity
Balance - September 1, 2012	(9,377,513)	4,016,020	16,245,848	(284,523)	406,815	11,006,647
Net loss for the nine month period ended May 31, 2013	(1,074,745)	-	-	-	-	(1,074,745)
Dividend payments declared	(767,948)	-	-	-	-	(767,948)
Employee stock option plan share issue	-	64,000	(14,776)	-	-	49,224
Share-based payment expense	-	-	12,284	-	-	12,284
Change in unrealized gains on marketable securities available for sale	-	-	-	-	282,484	282,484
Change in cumulative translation adjustment	-	-	-	138,579	-	138,579
Balance - May 31, 2013	(11,220,206)	4,080,020	16,243,356	(145,944)	689,299	9,646,525
Balance - September 1, 2013	(10,683,347)	4,080,020	16,247,987	(99,623)	680,582	10,225,619
Net earnings for the nine month period ended May 31, 2014	1,074,851	-	-	-	-	1,074,851
Dividend payments declared	(1,033,763)	-	-	-	-	(1,033,763)
Share-based payment expense	-	-	4,233	-	-	4,233
Common share issuance	-	3,250,543	-	-	-	3,250,543
Change in unrealized gain on marketable securities available for sale	-	-	-	-	197,801	197,801
Change in cumulative translation adjustment	-	-	-	103,034	-	103,034
Balance - May 31, 2014	(10,642,259)	7,330,563	16,252,220	3,411	878,383	13,822,318

The accompanying notes are an integral part of these consolidated interim financial statements.

THE CALDWELL PARTNERS INTERNATIONAL INC.**CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW***(unaudited - in \$Canadian)*

	<i>Nine months ended</i>	
	<i>May 31</i>	
	<i>2014</i>	<i>2013</i>
Cash flow provided by (used in)		
Operating activities		
Net earnings (loss) for the period	1,074,851	(1,074,745)
Adjustments for:		
Depreciation	254,008	293,815
Amortization	57,146	53,192
Stock-option expense	4,233	16,708
Unrealized foreign exchange on subsidiary loans	(59,254)	(133,541)
Decrease in non-current severance accrual	(148,750)	201,250
Decrease in share-based compensation accrual	79,182	5,176
Disposal of property and equipment	14,444	-
Net changes in working capital		
(Increase) decrease in accounts receivable	(1,439,459)	299,541
Decrease in income taxes receivable	-	2,251
Decrease (increase) in prepaid expenses and other assets	(273,218)	(380,644)
Decrease in accounts payable	(42,539)	(1,242,341)
Decrease in taxes payable	33,257	-
Increase (decrease) in compensation payable	1,937,878	735,283
Payment of share-based compensation	(330,313)	-
Increase in deferred revenue	183,422	-
Net cash generated by (used in) operating activities	1,344,889	(1,224,055)
Investment activities		
Increase in marketable securities	(4,000,960)	-
Decrease (increase) in advances	86,464	(186,238)
Increase in restricted cash	(1,638)	(1,117)
Additions to property and equipment	(445,268)	(182,966)
Net cash generated by (used in) investing activities	(4,361,402)	(370,321)
Financing activities		
Dividend payments	(922,232)	(766,747)
Common share issuance	3,250,543	44,800
Net cash generated by (used in) investing activities	2,328,311	(721,947)
Effect of exchange rate changes on cash and cash equivalents	196,379	131,570
Net increase (decrease) in cash and cash equivalents	(491,823)	(2,184,753)
Cash and cash equivalents, beginning of period	7,612,957	6,494,246
Cash and cash equivalents, end of period	7,121,134	4,309,493

The accompanying notes are an integral part of these consolidated interim financial statements.