



FOR IMMEDIATE RELEASE

**The Caldwell Partners International
Issues Fiscal 2017 First Quarter Financial Results**

- **First quarter revenue of \$13,704,000.**
- **Operating profit of \$1,099,000.**
- **Board declares twentieth consecutive quarterly dividend of 2.0 cents.**

Toronto, Ontario– January 11, 2017 – Retained executive search firm The Caldwell Partners International Inc. (TSX: CWL) today issued its financial results for the fiscal 2017 first quarter ended November 30, 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 November 30	
	2016	2015
Professional fees	13,629	13,945
License fees	75	65
Revenues	13,704	14,010
Cost of sales	10,221	10,868
Expenses	2,384	3,290
Operating profit	1,099	(148)
Investment income from marketable securities	-	1
Earnings before tax	1,099	(147)
Net earnings after tax	762	(165)
Net earnings per share	\$0.038	(\$0.008)

“The Caldwell Partners team delivered a strong performance in the first quarter,” said John Wallace, chief executive officer. “The cost alignment initiatives that we undertook last year are having their positive intended effect, as evidenced by the marked increase in operating profit this quarter. We remain committed to being an annuity-based firm that, in normal markets, 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. We look forward to continued profitability as the year unfolds."

Wallace continued: "Moving forward, we are focussing on recruitment in the coming year, as we look to grow the firm by adding breadth and depth to further strengthen our team in certain industries and geographies, further enhancing our capabilities to serve our clients on a global basis."

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 January 20, 2017 and to be paid on March 15, 2017.

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

- Operating revenue:
 - Professional fees for the first quarter of 2017 decreased 2.3% (a decline of 1.7% excluding a 0.6% variance from exchange rate fluctuations) over the comparable period last year to \$13,629 (2016: \$13,945).
 - First quarter professional fees in the US were down 4.2% (down 4.5% excluding a 0.3% variance from exchange rate fluctuations) to \$9,557 (2016: \$9,973). Increases in the Number of Assignments per Partner and the Average Number of Partners were more than offset by a lower Average Fee per Assignment.
 - First quarter professional fees in Canada were up 6.5% to \$3,589 (2016: \$3,370). A higher Average Number of Partners and higher Number of Assignments per Partner were partially offset by a lower Average Fee per Assignment.
 - First quarter professional fees in Europe were down 19.8% (down 1.9% excluding a 17.9% unfavourable variance from exchange rate fluctuations) to \$483 (2016: \$602). A higher Average Fee per Assignment was more than offset by a lower Average Number of Partners and a lower Number of Assignments per Partner.
 - License fees from our licensees in Latin America and New Zealand for the use of the Caldwell Partners brand and intellectual property for the 2016 first quarter were \$75 (2016: \$65).

- Operating profit:
 - For the first quarter of 2017, lower revenue (\$306) was more than offset by lower cost of sales and expenses. The lower cost of sales was due primarily to lower fixed partner compensation from lower staffing in Europe and changes made to variable incentive compensation rates in compensation plans fiscal 2017 (\$647). The lower expenses were predominantly from a reduction in share price-based compensation accruals and lack of holding our global partner conference during the first quarter of fiscal 2017 which had been in the first quarter of fiscal 2016 (\$906). These variances resulted in an increase in operating profit of \$1,247 to \$1,099 (2016: loss of \$148) over the comparable period in the prior year. On a segment basis, \$510 of

profit was from the US (\$727 net of intercompany license fees), \$655 of profit was from Canada (\$439 net of intercompany license fee revenue) and Europe's operating loss was \$66. The increase in absolute operating profit of \$1,247 was the result of increased performance in all segments, with the US up by \$938, the UK \$259 and Canada \$50.

- We will be holding our global partner conference during the second quarter, which will cause additional expenses during that specific period (\$339 when held during the first quarter of fiscal 2016).
- Net earnings after tax:
 - First quarter net income was \$762 (\$0.038 per share), as compared to a loss of \$165 (\$0.008 per share) in the comparable period a year earlier.

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

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 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; volatility of the market price and volume of common shares; and legal matters. 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). 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.

For further information, please contact:

Investors & Analysts:

Chris Beck, CPA, Chief Financial Officer
The Caldwell Partners International
cbeck@calldwellpartners.com
+1.617.934.1843

Media:

Caroline Lomot, Director of Marketing
The Caldwell Partners International
clomot@calldwellpartners.com
+1.516.830.3535

THE CALDWELL PARTNERS INTERNATIONAL INC.**CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION***(unaudited - in \$000s Canadian)*

	<i>As at</i>	
	<i>November 30</i>	<i>August 31</i>
	<i>2016</i>	<i>2016</i>
Assets		
Current assets		
Cash and cash equivalents	10,044	8,422
Marketable securities	4,962	5,056
Accounts receivable	8,240	10,031
Prepaid expenses and other current assets	1,806	2,416
	<hr/>	<hr/>
	25,052	25,925
Non-current assets		
Restricted cash	191	187
Marketable securities	293	573
Advances	280	502
Property and equipment	1,905	1,838
Intangible assets	261	279
Goodwill	2,905	2,920
Deferred income taxes	2,529	2,475
	<hr/>	<hr/>
Total assets	33,416	34,699
	<hr/>	<hr/>
Liabilities		
Current liabilities		
Accounts payable	2,065	2,384
Compensation payable	15,578	16,125
Dividends payable	403	403
Income taxes payable	440	513
Contingent consideration	-	289
Deferred revenue	917	1,187
	<hr/>	<hr/>
	19,403	20,901
Non-current liabilities		
Compensation payable	428	687
Provisions	176	184
	<hr/>	<hr/>
	20,007	21,772
Equity attributable to owners of the Company		
Share capital	7,295	7,295
Contributed surplus	15,025	15,025
Accumulated other comprehensive income	1,302	1,179
Deficit	(10,213)	(10,572)
	<hr/>	<hr/>
Total equity	13,409	12,927
Total liabilities and equity	<hr/>	<hr/>
	33,416	34,699

THE CALDWELL PARTNERS INTERNATIONAL INC.**CONSOLIDATED INTERIM STATEMENTS OF EARNINGS (LOSS)***(unaudited - in \$000s Canadian, except per share amounts)*

	<i>Three months ended</i>	
	<i>November 30</i>	
	<i>2016</i>	<i>2015</i>
Revenues		
Professional fees	13,629	13,945
License fees	75	65
	<hr/>	<hr/>
	13,704	14,010
Cost of sales	10,221	10,868
Gross profit	<hr/>	<hr/>
	3,483	3,142
Expenses		
General and administrative	2,256	3,036
Sales and marketing	177	260
Foreign exchange gain	(49)	(6)
	<hr/>	<hr/>
	2,384	3,290
Operating profit (loss)	<hr/>	<hr/>
	1,099	(148)
Investment income	-	1
Earnings (loss) before income taxes	<hr/>	<hr/>
	1,099	(147)
Income tax expense	<hr/>	<hr/>
	337	18
Net (loss) earnings for the period attributable to owners of the Company	<hr/>	<hr/>
	762	(165)
Earnings (loss) per share		
Basic and diluted	0.038	(0.008)

**CONSOLIDATED INTERIM STATEMENTS OF
COMPREHENSIVE EARNINGS (LOSS)***(unaudited - in \$000s Canadian)*

	<i>Three months ended</i>	
	<i>November 30</i>	
	<i>2016</i>	<i>2015</i>
Net earnings (loss) for the period	762	(165)
Other comprehensive income:		
Items that may be reclassified subsequently to net earnings		
Unrealized gain on marketable securities	38	24
Cumulative translation adjustment	85	14
Comprehensive earnings (loss) for the period attributable to owners of the Company	<hr/>	<hr/>
	885	(127)

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(unaudited - in \$000s Canadian)

	Deficit	Capital Stock	Contributed Surplus	Cumulative Translation Adjustment	Other Comprehensive Income Unrealized Gains on Marketable Securities	Total Equity
Balance - September 1, 2015	(9,843)	7,295	15,025	1,272	841	14,590
Net loss for the three month period ended November 30, 2015	(165)	-	-	-	-	(165)
Dividend payments declared	(403)	-	-	-	-	(403)
Change in unrealized gain on marketable securities available for sale	-	-	-	-	24	24
Change in cumulative translation adjustment	-	-	-	14	-	14
Balance - November 30, 2015	(10,411)	7,295	15,025	1,286	865	14,060
Balance - September 1, 2016	(10,572)	7,295	15,025	841	338	12,927
Net earnings for the three month period ended November 30, 2016	762	-	-	-	-	762
Dividend payments declared	(403)	-	-	-	-	(403)
Change in unrealized gain on marketable securities available for sale	-	-	-	-	38	38
Change in cumulative translation adjustment	-	-	-	85	-	85
Balance - November 30, 2016	(10,213)	7,295	15,025	926	376	13,409

THE CALDWELL PARTNERS INTERNATIONAL INC.

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW

(unaudited - in \$000s Canadian)

	Three months ended	
	November 30	
	2016	2015
Cash flow provided by (used in)		
Operating activities		
Net earnings (loss) for the period	762	(165)
Adjustments for:		
Depreciation	127	139
Amortization	23	23
Amortization of advances	183	160
Change in fair value of contingent consideration	(116)	3
Unrealized foreign exchange on subsidiary loans	(56)	(8)
Decrease in long-term incentive accrual	(259)	(537)
Decrease in accounts receivable	1,932	1,205
Decrease in marketable securities	432	-
Decrease in prepaid expenses and other assets	329	33
(Decrease) increase in accounts payable	(349)	286
Decrease in compensation payable	(771)	(842)
Decrease in income taxes payable	(86)	(161)
Payment of cash-settled share-based compensation	-	(449)
Payment of contingent consideration	(181)	-
Decrease in deferred revenue	(279)	(313)
Net cash provided by (used in) operating activities	1,691	(626)
Investing activities		
Decrease in advances	350	-
Increase in restricted cash	-	(1)
Additions to property and equipment	(167)	(58)
Net cash provided by investing activities	183	(59)
Financing activities		
Share purchase and cancellation	-	(1,604)
Dividend payments	(403)	(425)
Net cash used in financing activities	(403)	(2,029)
Effect of exchange rate changes on cash and cash equivalents	151	64
Net increase (decrease) in cash and cash equivalents	1,622	(2,650)
Cash and cash equivalents, beginning of period	8,422	9,956
Cash and cash equivalents, end of period	10,044	7,306