



**FOR IMMEDIATE RELEASE**

**The Caldwell Partners International  
Issues Fiscal 2016 First Quarter Financial Results**

- **Year-over-year first quarter revenue increase of 12.7%.**
- **First quarter operating loss of \$148,000.**
- **Board declares sixteenth consecutive quarterly dividend of 2.0 cents.**

**Toronto, Ontario– January 7, 2016** – Retained executive search firm The Caldwell Partners International Inc. (TSX: CWL) today issued its financial results for the fiscal 2016 first quarter ended November 30, 2015. 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)**

	<b>Three Months Ended November 30,</b>	
	<b>2015</b>	<b>2014</b>
Professional fees	\$13,945	\$12,436
License fee revenue	\$65	0
Operating revenue	\$14,010	\$12,436
Expenses	\$14,158	\$12,129
Operating profit (loss)	(\$148)	\$307
Investment income	\$1	\$13
Earnings before tax	(\$147)	\$320
Net earnings after tax	(\$165)	\$277
Net earnings per share	(\$0.008)	\$0.013

“Despite absolute revenue growth, we are disappointed in our first quarter results. Our revenue was flat on a constant currency basis and this, coupled with higher direct costs from our investment in Europe, led to an operating loss on the quarter,” said John Wallace, chief executive officer.

“However, we are seeing a stronger start early in this quarter, relative to last year. Our new partners have now fully transitioned to our platform and are seeing traction in the marketplace.”

Wallace continued: “We continue to spend a great deal of time and focus assimilating our new geographic teams, to the long-term benefit of both our clients and our shareholders. We feel very positive about the steps we’ve made and about the expanded reach and capability we are now delivering.”

After careful review and consideration, the Board of Directors today also declared the payment of a quarterly dividend of 2.0 cents per Common Share payable on March 14, 2016 to shareholders of record on January 19, 2016.

### **Financial Overview (all numbers expressed in \$000s, except per share amounts)**

- Operating revenue:
  - Professional fees for the first quarter of 2016 increased 12.1% (down 0.3% excluding a 12.4% variance from exchange rate fluctuations) over the comparable period last year to \$13,945 (2015: \$12,436).
  - First quarter professional fees in the US were up 22.5% (3.6% excluding an 18.9% favourable variance from exchange rate fluctuations) to \$9,973 (2015: \$8,145) driven by an increase in the Average Number of Partners and higher Average Fees from favourable exchange rates partially offset by lower search volumes during the current year.
  - First quarter professional fees in Canada were down 20.8% to \$3,369 (2015: \$4,256) due to lower search volumes more than offsetting higher Average Fees per Assignment.
  - First quarter Europe professional fees were \$602 versus \$36 last year. The Europe operation was acquired and initiated business on October 1, 2014, and as a result, last year’s figure includes only two months of operations in which we had one partner compared to the current period which covered a full three month quarter and had three partners for its entirety.
  - License fees from our licensees in Latin America and New Zealand for the use of the Caldwell Partners brand and intellectual property for the fiscal 2016 first quarter were \$65 (2015: nil). As the licensing agreements were signed in the fourth quarter of fiscal 2015 and first quarter of fiscal 2016, there was no corresponding license fee revenue in the first quarter of last year.
  
- Operating profit (loss):
  - For the first quarter of 2016, higher revenue (\$1,574) offset by higher cost of sales (\$1,696) and expenses (\$332) led to a decrease in operating profit of \$454 over the comparable period in the prior year and a reported operating loss of \$148. Included in this loss was an investment of \$325 in the new European operations--reflecting the transition of two newly hired partners at the end of fiscal 2015 and a full quarter (versus two months a year ago) of operations in the London office.

- Cost of sales were up 18.5% over last year (4.7% excluding increases related to foreign exchange fluctuations). As a percentage of professional fees, first quarter cost of sales was 77.6%, up 3.8% from 73.8% in the same period last year. The increase as a percentage of professional fees was attributable to higher partner compensation expense which arose from a proportional shift of more revenue from partners in higher compensation tiers combined with fixed draw amounts for some partners that exceeded commission earnings in the period (1.4%), higher search delivery personnel costs resulting from a higher average headcount hired to support added partners (2.0%) and higher costs of search delivery materials (0.4%). See the company’s Management Discussion and Analysis for a further discussion of cost of sales.
  - Expenses were up 11.2% (2.4% excluding foreign exchange fluctuations). The 2.4% constant currency increase of \$70 represented higher occupancy costs from the addition of our London location from the acquisition of Hawksmoor part way through the first quarter of last fiscal year and higher lease costs in certain US relocations (\$109) and higher share based compensation expense on the increase in share price during the current quarter (\$72), offset by lower management operating performance bonus accruals (\$173) and general increases across other categories (\$62).
  - On a segment basis, \$388 of profit was from Canada (\$164, excluding \$224 in intercompany license fee revenue), the US experienced a \$211 operating loss (operating profit of \$13 excluding the impact of the intercompany license fees), and Europe’s operating loss was \$325 from the operational investment discussed above.
- Net profit:
    - First quarter net loss was \$165 (\$0.008 per share), as compared to \$277 of net earnings (\$0.013 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](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



Premier providers of executive search

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.

For further information, please contact:

#### **Investors & Analysts:**

Chris Beck, CPA, Chief Financial Officer  
The Caldwell Partners International  
[cbeck@caldwellpartners.com](mailto:cbeck@caldwellpartners.com)  
+1.617.934.1843

#### **Media:**

Caroline Lomot, Director of Marketing  
The Caldwell Partners International  
[clomot@caldwellpartners.com](mailto:clomot@caldwellpartners.com)  
+1.516.830.3535




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**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>2015</i>	<i>2015</i>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	7,306	9,956
Marketable securities	7,790	7,765
Accounts receivable	7,156	8,329
Prepaid expenses and other current assets	2,158	1,948
	24,410	27,998
Non-current assets		
Restricted cash	500	498
Advances	1,292	1,022
Property and equipment	1,985	1,818
Intangible assets	354	375
Goodwill	3,207	3,220
Deferred income taxes	2,921	2,900
<b>Total assets</b>	<b>34,669</b>	<b>37,831</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	2,274	1,736
Compensation payable	16,076	16,614
Accrued share purchase	-	1,604
Dividends payable	403	425
Income taxes payable	161	321
Contingent consideration	536	271
Deferred revenue	634	945
	20,084	21,916
Non-current liabilities		
Compensation payable	526	1,064
Contingent consideration	-	262
	20,610	23,242
Equity attributable to owners of the Company		
Share capital	7,295	7,295
Contributed surplus	15,025	15,025
Accumulated other comprehensive income	2,150	2,112
Deficit	(10,411)	(9,843)
<b>Total equity</b>	<b>14,059</b>	<b>14,589</b>
<b>Total liabilities and equity</b>	<b>34,669</b>	<b>37,831</b>

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

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	<i>Three months ended</i>	
	<i>November 30</i>	
	<i>2015</i>	<i>2014</i>
Revenues		
Professional fees	13,945	12,436
License fees	65	-
	<hr/> 14,010	<hr/> 12,436
Cost of sales	10,868	9,172
Gross profit	<hr/> 3,142	<hr/> 3,264
Expenses		
General and administrative	3,036	2,674
Sales and marketing	260	273
Foreign exchange (gain) loss	(6)	10
	<hr/> 3,290	<hr/> 2,957
Operating (loss) profit	<hr/> (148)	<hr/> 307
Investment income	1	13
(Loss) earnings before income taxes	<hr/> (147)	<hr/> 320
Income tax expense	18	43
Net (loss) earnings for the period attributable to owners of the Company	<hr/> (165)	<hr/> 277
(Loss) earnings per share		
Basic and diluted	(0.008)	0.013

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

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	<i>Three months ended</i>	
	<i>November 30</i>	
	<i>2015</i>	<i>2014</i>
Net (loss) earnings for the period	(165)	277
Other comprehensive income:		
Items that may be reclassified subsequently to net earnings		
Unrealized gain (loss) on marketable securities	24	(17)
Cumulative translation adjustment	14	253
Comprehensive (loss) earnings for the period attributable to owners of the Company	<hr/> (127)	<hr/> 513

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# THE CALDWELL PARTNERS INTERNATIONAL INC.

## CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(unaudited - in \$000s Canadian)

	Deficit	Capital Stock	Contributed Surplus	Cumulative Translation Adjustment	Cumulative Other Comprehensive Income (Loss) Unrealized Gains (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 three month period ended November 30, 2014	277	-	-	-	-	277
Dividend payments declared	(425)	-	-	-	-	(425)
Common share issuance	-	379	-	-	-	379
Change in unrealized loss on marketable securities available for sale	-	-	-	-	(17)	(17)
Change in cumulative translation adjustment	-	-	-	253	-	253
<b>Balance - November 30, 2014</b>	<b>(10,266)</b>	<b>7,710</b>	<b>16,254</b>	<b>252</b>	<b>895</b>	<b>14,845</b>
<b>Balance - September 1, 2015</b>	<b>(9,843)</b>	<b>7,295</b>	<b>15,025</b>	<b>1,271</b>	<b>841</b>	<b>14,589</b>
Net earnings for the three month period ended November 30, 2015	(165)	-	-	-	-	(165)
Dividend payments declared	(403)	-	-	-	-	(403)
Change in unrealized loss on marketable securities available for sale	-	-	-	-	24	24
Change in cumulative translation adjustment	-	-	-	14	-	14
<b>Balance - November 30, 2015</b>	<b>(10,411)</b>	<b>7,295</b>	<b>15,025</b>	<b>1,285</b>	<b>865</b>	<b>14,059</b>

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

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	<i>Three months ended</i>	
	<i>November 30</i>	
	<i>2015</i>	<i>2014</i>
Cash flow (used in) provided by		
Operating activities		
Net (loss) earnings for the period	(165)	277
Adjustments for:		
Depreciation	139	93
Amortization	23	20
Amortization of advances	160	115
Change in fair value of contingent consideration	3	-
Unrealized foreign exchange on subsidiary loans	(8)	14
Decrease in non-current compensation payable	(537)	(80)
Changes in items of working capital		
Decrease in accounts receivable	1,205	1,480
Decrease in prepaid expenses and other assets	33	60
Increase (decrease) in accounts payable	286	(22)
Decrease in compensation payable	(842)	(1,014)
Decrease in income taxes payable	(161)	(1,833)
Payment of compensation payable	(449)	-
Decrease in deferred revenue	(313)	(1,282)
Net cash used in operating activities	(626)	(2,172)
Investing activities		
Acquisition of business, net of cash acquired	-	(419)
Increase in advances	-	(290)
Increase in restricted cash	(1)	(1)
Additions to property and equipment	(58)	(58)
Net cash provided by (used in) investing activities	(59)	(768)
Financing activities		
Share purchase and cancellation	(1,604)	-
Dividend payments	(425)	(368)
Net cash used in financing activities	(2,029)	(368)
Effect of exchange rate changes on cash and cash equivalents	64	277
Net decrease in cash and cash equivalents	(2,650)	(3,031)
Cash and cash equivalents, beginning of period	9,956	12,743
Cash and cash equivalents, end of period	7,306	9,712