



AESC Insights

Q1 2011

State of the Executive Search Industry

Steady Start for Senior Executive Recruiting:

First Quarter Report Shows Increased Senior Executive Hiring Activity in Europe



AESC State of the Executive Search Industry Q1 2011

The AESC State of the Executive Search Industry Report is quarterly research carried out by the Association of Executive Search Consultants (AESC) since 2004 on trends in the global retained executive search industry. Data for the report is collected from a consistent sample of AESC member search firms representing the activity of over 1300 executive search consultants in 46 countries worldwide. The AESC estimates that annual net revenues for the worldwide retained executive search industry totaled \$9.55 billion in 2010.

STEADY START FOR SENIOR EXECUTIVE RECRUITING

First Quarter Report Shows Increased Senior Executive Hiring Activity in Europe

Following a 29 per cent come back for senior executive recruiting in 2010 against the lows of 2009, the Association of Executive Search Consultants' (AESC) first quarter 2011 report on the retained executive search industry showed signs of steady growth and reason for confidence in the year ahead. Despite a slow start, first quarter data revealed a 7 per cent rise in the number of new executive searches started worldwide from the fourth quarter of 2010.

Peter Felix, President of the AESC, commented: "Our first quarter industry statistics demonstrate that demand for executive talent is being sustained at the recovery levels of 2010 and that a solid foundation is being created for further growth in 2011, in spite of the sporadic economic and political instability of the past few months."

Senior executive hiring within the Consumer Goods and Technology industries saw the greatest quarter-on-quarter strength, with the Life Sciences/Healthcare and Industrial sectors following closely behind. Executive search activity in the Financial Services sector fell against its quarterly and yearly levels in Q1 2011, but having witnessed positive year-on-year growth since the fourth quarter of 2009.

The regional picture highlighted increased executive search activity in Europe, particularly in Germany (+34%), the UK (+14%), and France (+9%) - rising from Q4 2010 to Q1 2011 - and also increasing year-on-year. North America continued its already steady return from the low point of 2009, following a predicted pattern of early recessionary recovery ahead of Europe.

Felix continued: "Of particular note are the increases now being experienced in the major countries of Europe such as Germany, the UK and France and in global industries such as Manufacturing, Consumer Goods, Health Care and Technology. On the softer side has been demand from the Financial Services sector which has held up its hand for a period of digestion after the glut of 2010. All in all the search industry's fortunes are positive and are linked to the universal feeling of optimism and renewed growth which is being experienced in major parts of the world."

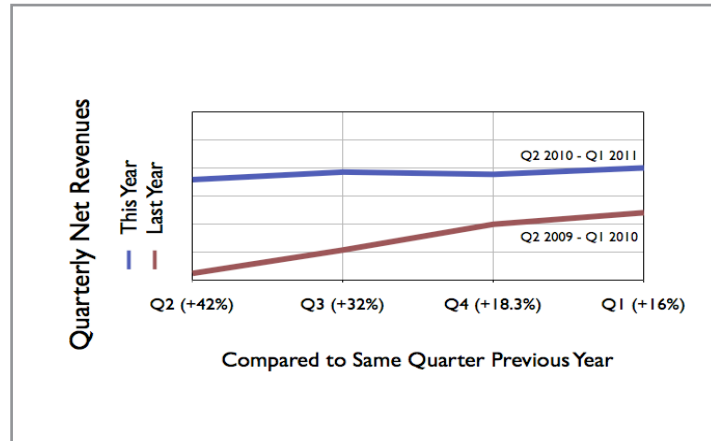
The Asia Pacific region showed little quarterly change in senior executive hiring in Q1 2011, but held a 6 per cent year-on-year increase in new searches started from Q1 2010 to Q1 2011. Central/South America witnessed a 13 per cent quarterly decline in the number of new searches started in the first quarter of 2011 against Q4 2010, but saw no change in year-on-year search activity.

Average Net Revenues

Year-on-year trend: Q1 2010 to Q1 2011 +16% (pictured below)

Quarter-on-quarter trend: Q4 2010 to Q1 2011 +2%

Trend in Quarterly Average Net Revenues, as Compared to Previous Year

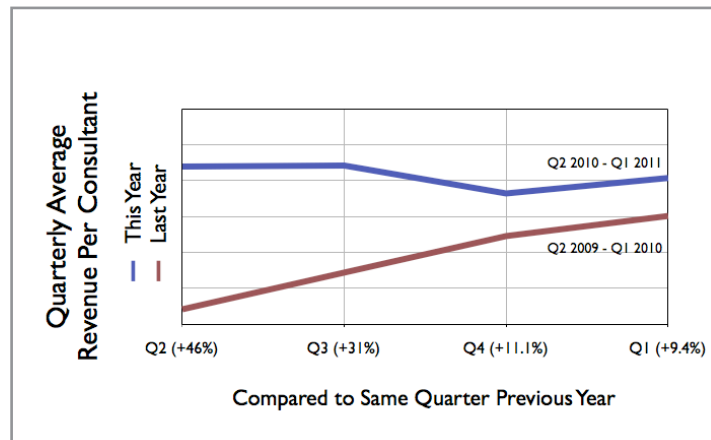


Average Revenue Per Consultant

Year-on-year trend: Q1 2010 to Q1 2011 +9.4% (pictured below)

Quarter-on-quarter trend: Q4 2010 to Q1 2011 +4%

Trend in Quarterly Average Revenue Per Consultant, as Compared to Previous Year

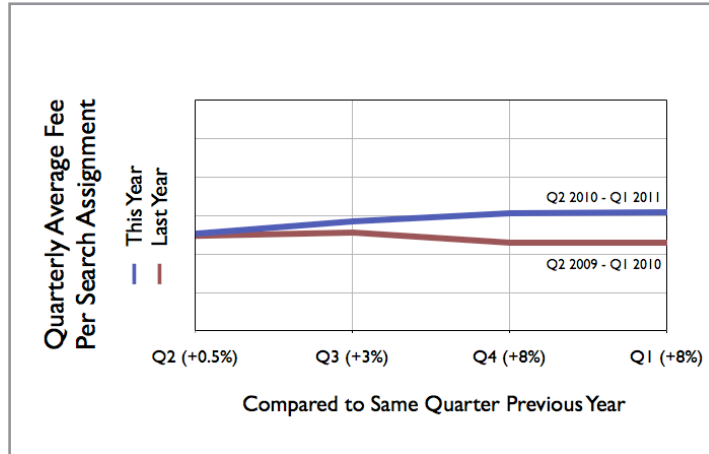


Average Fee Per Search Assignment

Year-on-year trend: Q1 2010 to Q1 2011 +8% (pictured below)

Quarter-on-quarter trend: Q4 2010 to Q1 2011 +0.2%

Trend in Quarterly Average Fee Per Search Assignment, as Compared to Previous Year

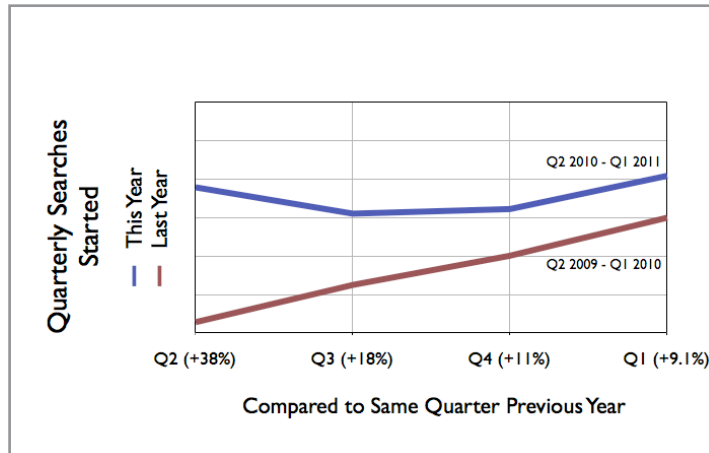


Average Number of Searches Started

Year-on-year trend: Q1 2010 to Q1 2011 +9.1% (pictured below)

Quarter-on-quarter trend: Q4 2010 to Q1 2011 +7.1%

Trend in Quarterly Average Number of Searches Started, as Compared to Previous Year



Average Number of Searches Started by Industry

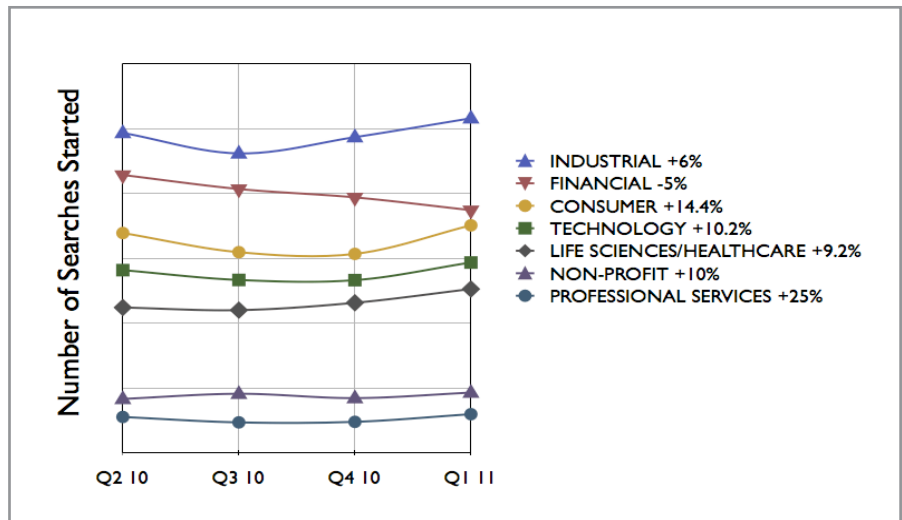
Year-on-year trend: Q1 2010 to Q1 2011

- Increasing: Industrial +17%, Consumer +14%, Technology +14%, Life Sciences/Healthcare +3% (Professional Services +16%, Non-Profit +3.2% ~ from a smaller survey sample)
- Decreasing: Financial -2.5%

Quarter-on-quarter trend: Q4 2010 to Q1 2011 (pictured below)

- Increasing: Consumer +14.4%, Technology +10.2%, Life Sciences/Healthcare +9.2%, Industrial +6% (Professional Services +25%, Non-Profit +10% ~ from a smaller survey sample)
- Decreasing: Financial -5%

Trend in Average Number of Searches Started Quarterly, by Industry

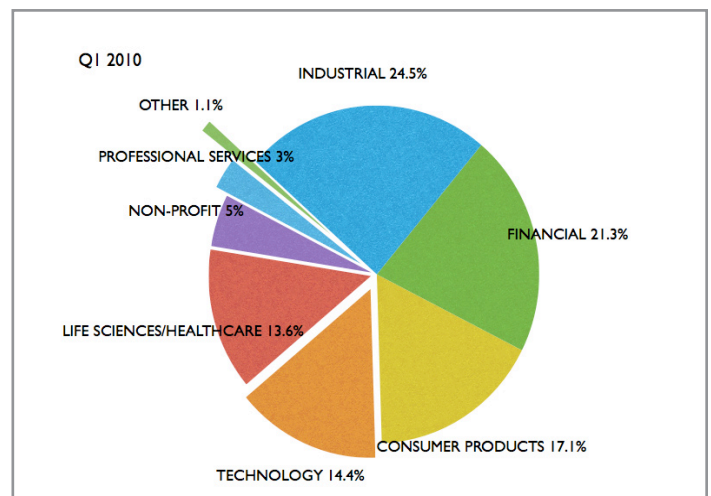
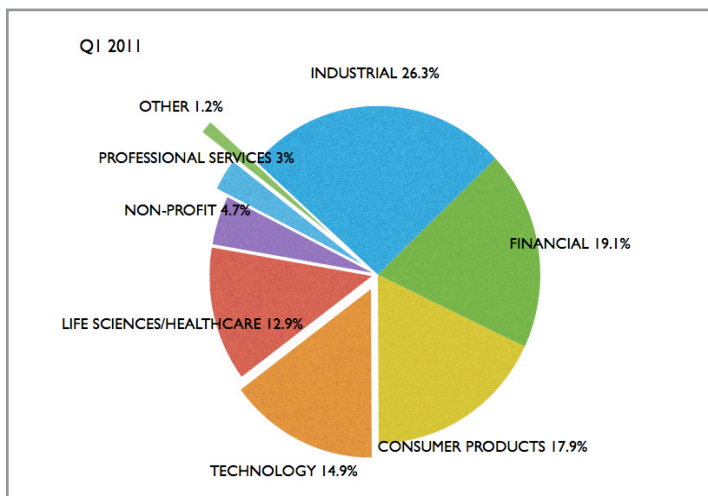


Market Breakdown by Industry

Year-on-year trend: Q1 2010 to Q1 2011 (pictured below)

- Increasing: Industrial +1.8%, Consumer Products +0.8%, Technology +0.5%
- Decreasing: Financial -2.2%, Life Sciences/Healthcare -0.7%, Non-Profit -0.3%
- No change: Professional Services

Searches Started Quarterly by Industry, as Percentage of Total



Average Number of Searches Started by Region

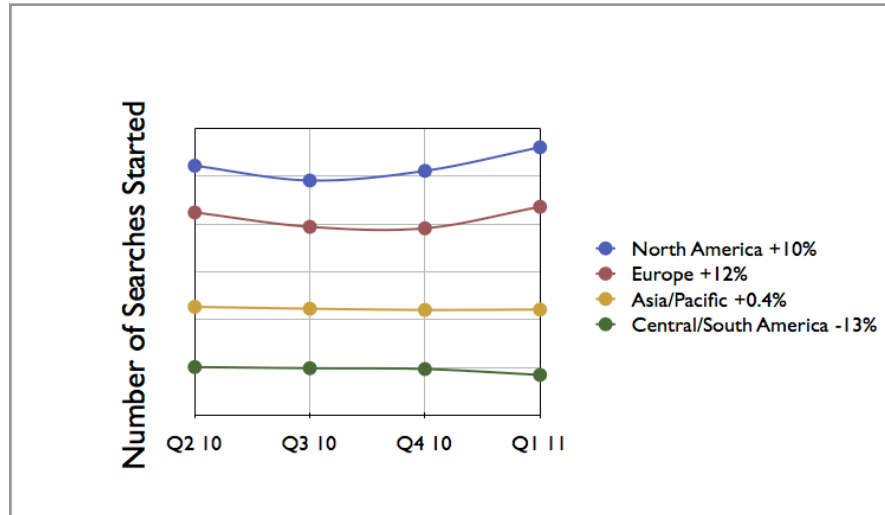
Year-on-year trend: Q1 2010 to Q1 2011

- Increasing: North America +18.3%, Asia/Pacific +6%, Europe +2.1%, Central/South America +0.4%

Quarter-on-quarter trend: Q4 2010 to Q1 2011 (pictured below)

- Increasing: Europe +12%, North America +10%, Asia/Pacific +0.4%
- Decreasing: Central/South America -13%

Trend in Average Number of Searches Started Quarterly, by Region

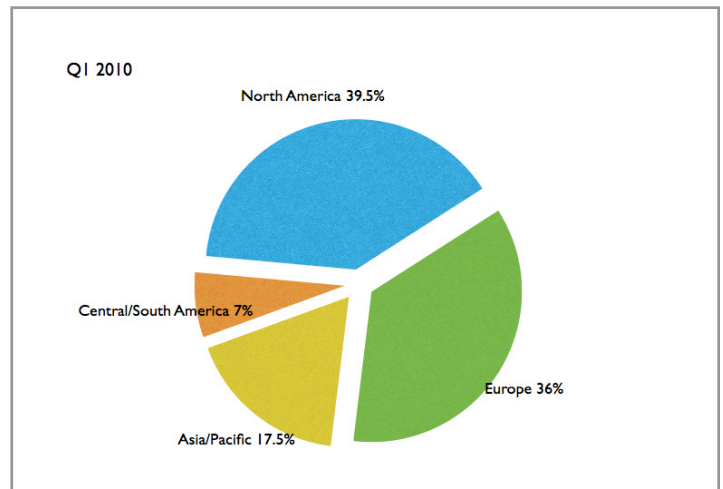
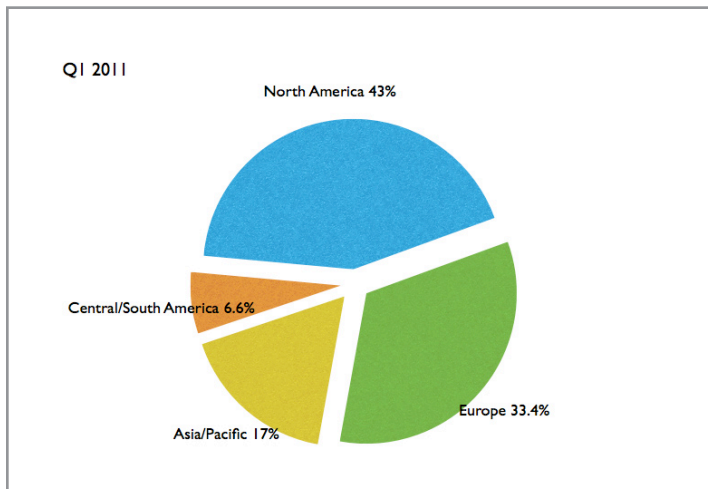


Market Share by Region

Year-on-year trend: Q1 2010 to Q1 2011 (pictured below)

- Increasing: North America +3.5%
- Decreasing: Europe -2.6%, Asia/Pacific -0.5%, Central/South America -0.4%

Searches Started Quarterly by Region, as Percentage of Total

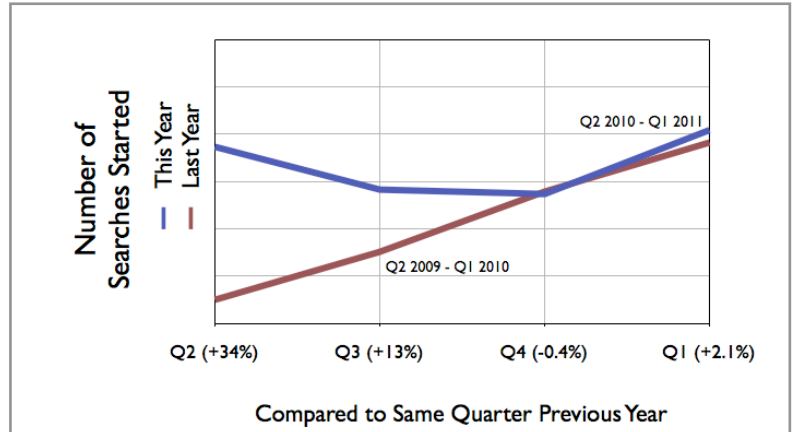


Average Number of Searches Started in Europe

Year-on-year trend: Q1 2010 to Q1 2011 +2.1% (pictured below)

Quarter-on-quarter trend: Q4 2010 to Q1 2011 +12%

Trend in Quarterly Average Number of Searches Started in Europe, as Compared to Previous Year

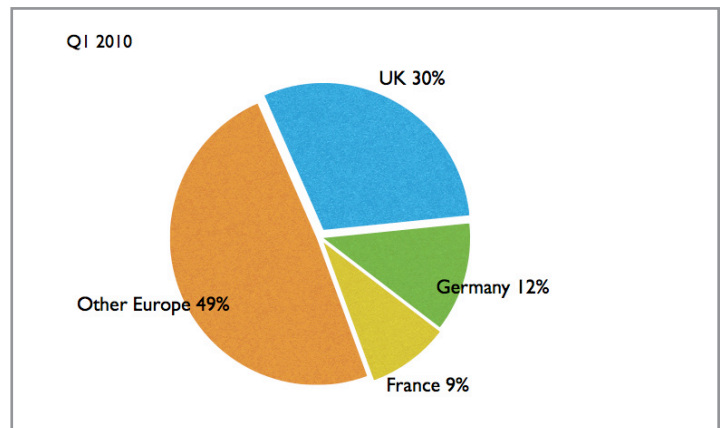
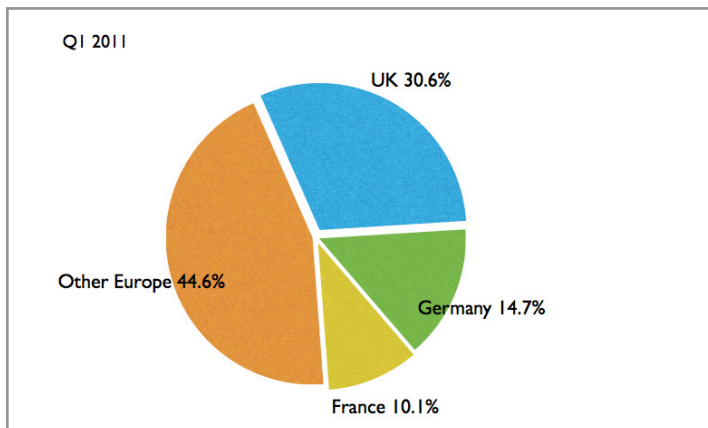


Market Share by European Sub-Region *

Year-on-year trend: Q1 2010 to Q1 2011 (pictured below)

- Increasing: Germany +2.7%, France +1.1%, UK +0.6%
- Decreasing: Other Europe -4.4%

Searches Started Quarterly by European Sub-Region, as Percentage of Total Europe



* Data for this question represents 750 executive search consultants in 46 countries, whereas data for all other questions represents 1500 consultants in 46 countries.

Average Number of Searches Started by European Sub-Region *

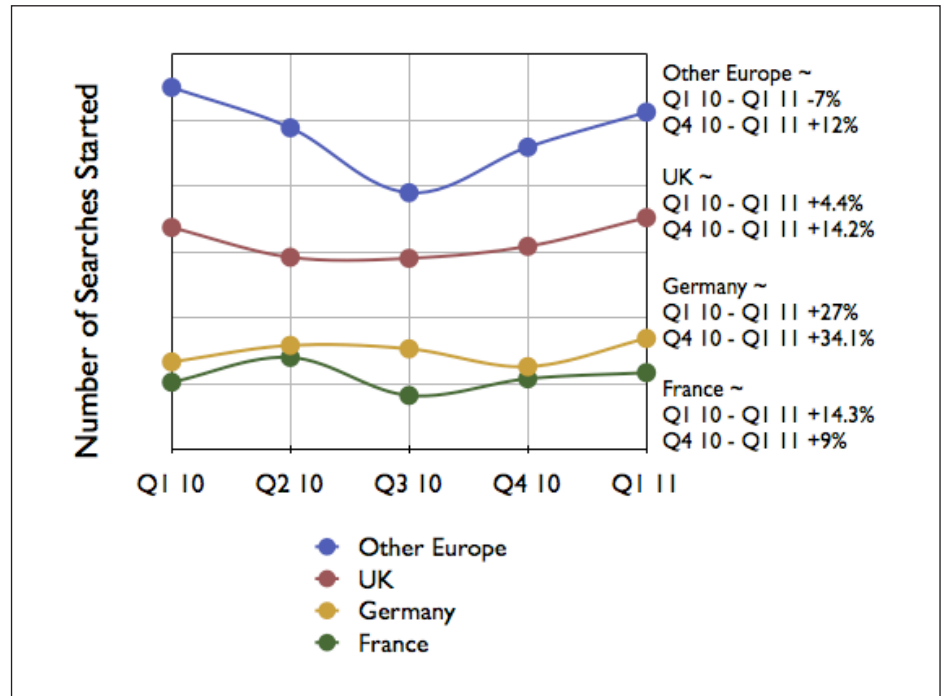
Year-on-year trend: Q1 2010 to Q1 2011 (pictured below)

- Increasing: Germany +27%, France +14.3%, UK +4.4%
- Decreasing: Other Europe -7%

Quarter-on-quarter trend: Q4 2010 to Q1 2011 (pictured below)

- Increasing: Germany +34.1%, UK +14.2%, Other Europe +12%, France +9%

Trend in Average Number of Searches Started Quarterly, by European Sub-Region



* Data for this question represents 750 executive search consultants in 46 countries, whereas data for all other questions represents 1500 consultants in 46 countries.

About The Association of Executive Search Consultants

The Association of Executive Search Consultants (AESC) is the worldwide professional association for the retained executive search industry. The AESC promotes the highest professional standards in retained executive search consulting, broadens public understanding of the executive search process, and serves as an advocate for the interests of its member firms. For more information, or to download the AESC Code of Ethics and Professional Practice Guidelines, please visit www.aesc.org.

The AESC offers www.bluesteps.com, a career management service for senior executives, and www.executivesearchconnect.com, a service for the HR community offering industry information and tools to assist with senior executive recruiting, including access to the AESC's International Executive Search Directory.