



AESC Insights

Q2 2006

State of the Executive Search Industry



Association of Executive Search Consultants

The Worldwide Association for Retained Executive Search Consulting Firms

AESC Quarterly State of the Industry Statistics: Q2 2006

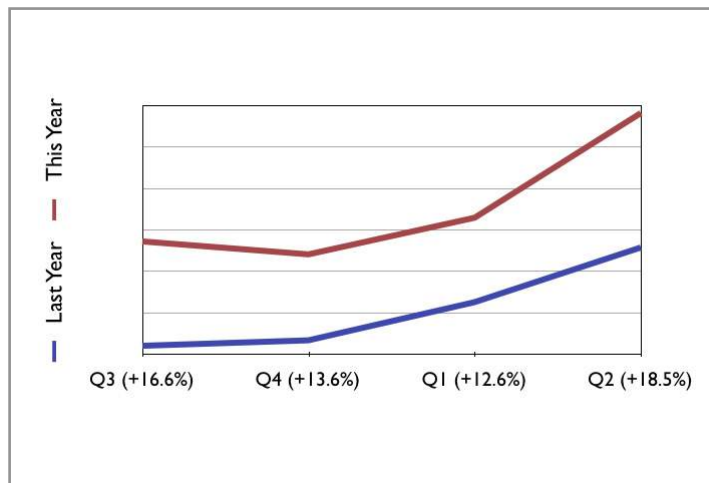
The AESC Quarterly State of the Industry Statistics is a quarterly report issued by the Association of Executive Search Consultants (AESC) on statistics and trends in the global retained executive search industry. Data for this report is collected from a consistent sample of AESC member search firms that represents the activity of over 1,200 executive search consultants in 42 countries worldwide.

FINANCIAL TRENDS

Average Net Revenues

Average net revenues increased by 13.8% from Q1 2006 to Q2 2006. In comparison to the previous year, net revenues were 18.5% higher in Q2 2006 than in Q2 2005.

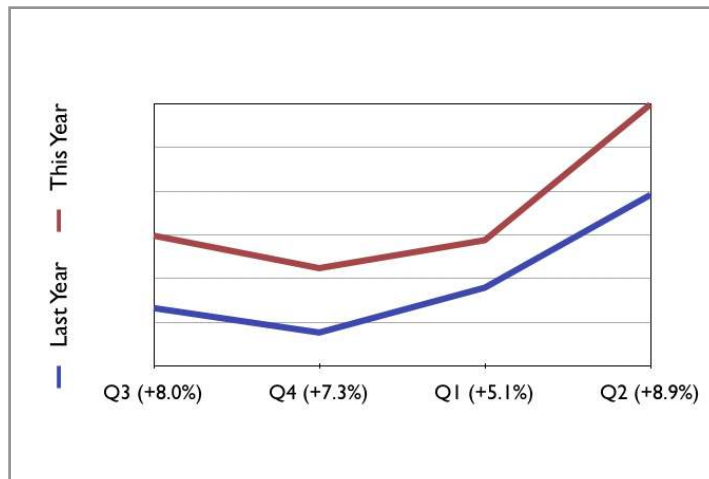
Quarterly Net Revenues, as Compared to Previous Year



Average Revenue Per Consultant

Q2 2006 witnessed an 8.9% increase from Q2 2005 in average revenue per consultant. The quarterly change from Q1 2006 to Q2 2006 revealed a 14% increase in revenue per consultant, a sharp rise from the previous quarter on quarter increase of 3%.

Quarterly Average Revenue Per Consultant, as Compared to Previous Year

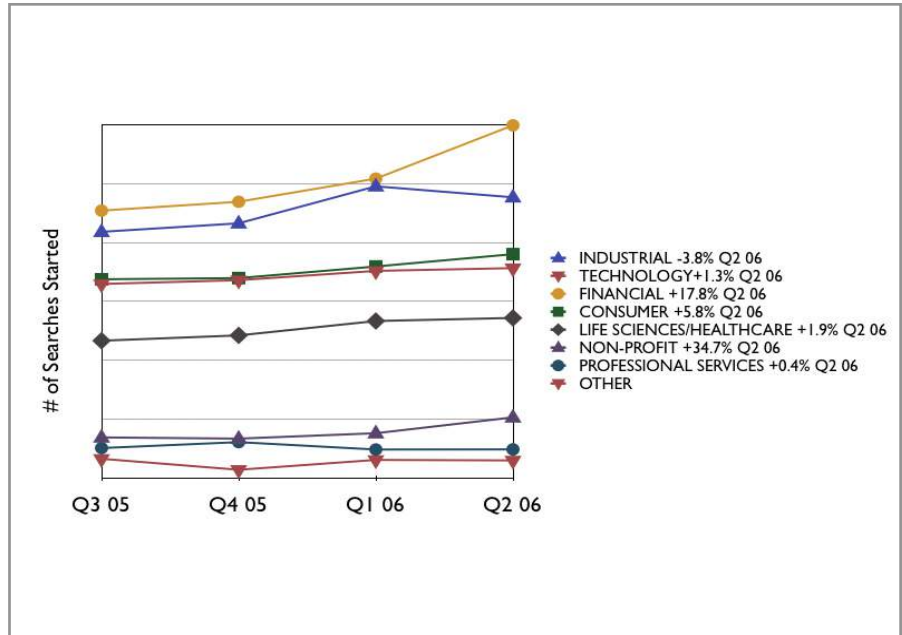


INDUSTRY TRENDS

Trend in Number of Searches Started by Industry

The number of searches started in Q2 2006 rose by 6% from the previous quarter. All reported industries experienced a quarterly increase with the exception of the Industrial sector, which revealed a 3.8% decrease (in contrast to the previous quarter where the Industrial sector accounted for the largest increase). The industries with the largest quarterly increase of searches in Q2 2006 were Non-Profit (+34.7%) and Financial (+17.8%); both figures more than double the previous quarterly increase for these sectors.

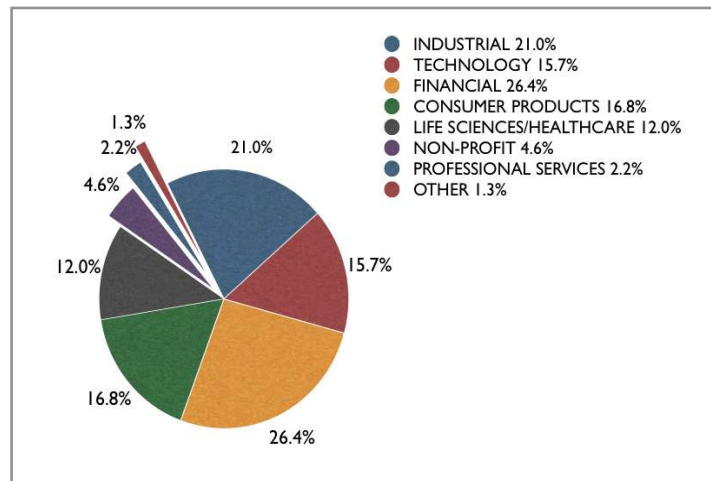
Trend in Number of Searches Started Quarterly, by Industry



Market Breakdown by Industry

Consistent with previous quarters, the Financial sector captured the largest share of number of searches started with 26.4% of the market, as compared to all other reported industries. The Industrial sector followed with the second largest share, 21%. Consumer Products (16.8%), Technology (15.7%), Life Sciences and Healthcare (12%), Non-Profit (4.6%), and the Professional Services (2.2%) sectors round out the industry breakdown.

Searches Started in Quarter 2 2006 by Industry, as Percentage of Total

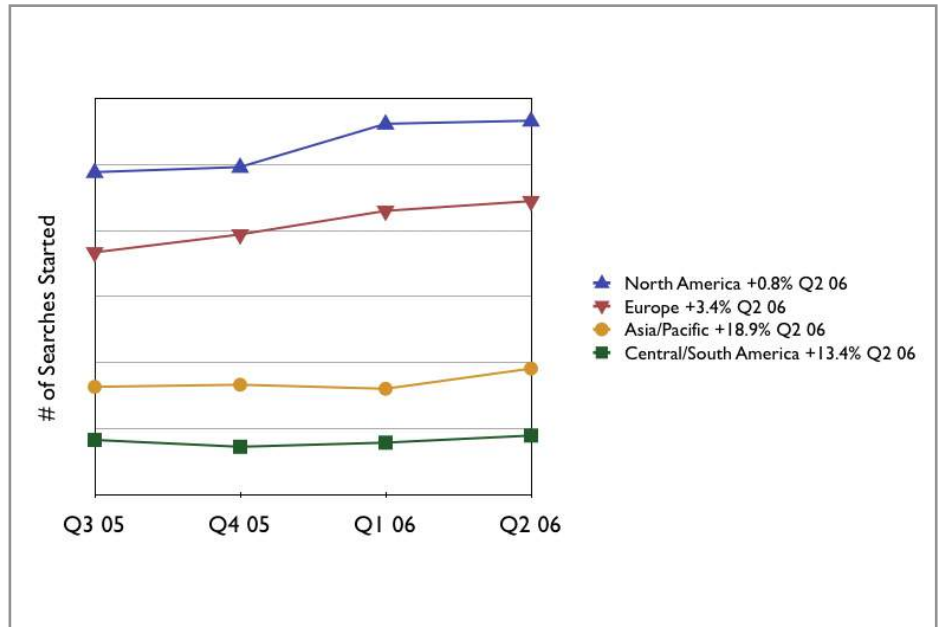


REGIONAL TRENDS: Global

Trend in Number of Searches Started by Region

North America saw a minor quarterly increase (+0.8%) in the number of searches started in contrast to the previous quarter on quarter increase of 13.1%. Europe experienced an increase of 3.4% in searches started. Asia-Pacific revealed a significant increase of 18.9%, in comparison to a previous quarterly drop (-3.7%). Central/South America witnessed a 13.4% increase in searches started in Q2 2006.

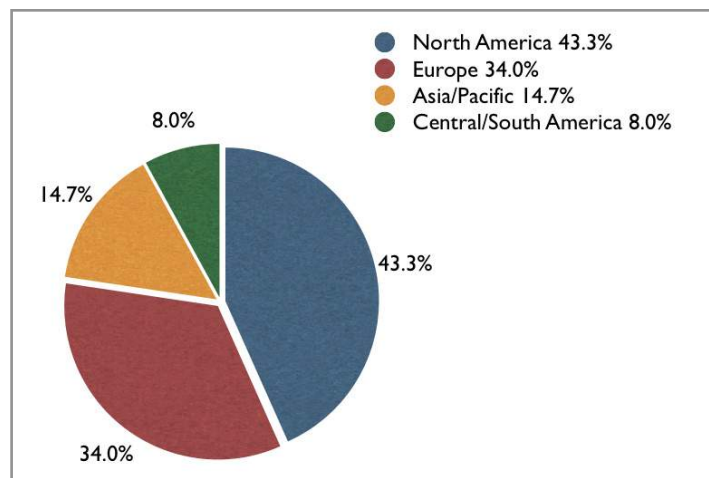
Trend in Number of Searches Started Quarterly, by Region



Market Share by Region

North America accounted for 43.3% of the global retained executive search market in Q2 2006. European searches made up 34%, Asia/Pacific 14.7% and Central/South America 8%. These regional market shares have not changed significantly in contrast to the previous quarter. When comparing the yearly change from Q2 2005 to Q2 2006, North America and Europe reveal a slight increase in market share, whereby Asia/Pacific and Central/South America show a minor decrease.

Searches Started in Quarter 2 2006, by Region as Percentage of Total

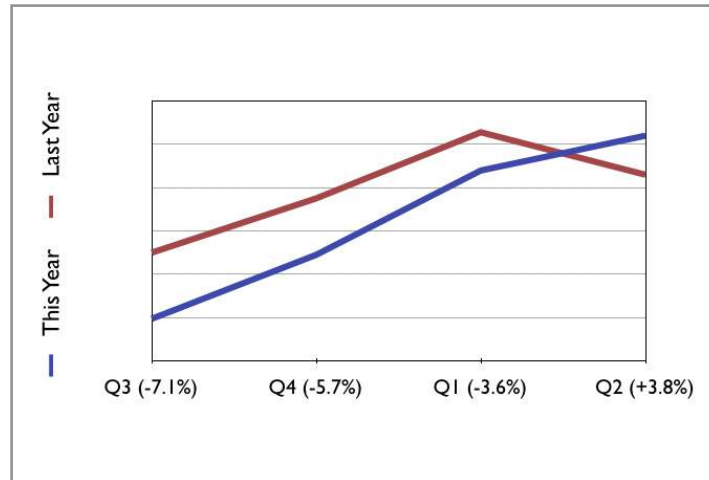


REGIONAL TRENDS: Europe

Trend in Number of Searches Started in Europe

The number of searches started in Europe increased by 3.4% from Q1 2006 to Q2 2006. A year on year comparison also revealed an increase (+3.8%) in European searches, in opposition to a Q1 2006 year on year decrease (-3.6%).

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



Market Share by European Sub-Region

UK searches accounted for 29.9% of the total European market, a 5.4% quarterly decrease and a shift from the previous Q4 2005 to Q1 2006 increase of 20%. The number of searches started in Germany also decreased (-1.7%) from the previous quarter, capturing 13.8% of the total market. Similarly, France saw a drop (-3.9%) in searches from Q1 2006 to Q2 2006 following a previous quarter on quarter rise of 7%. France accounted for 9.5% of the European market share in Q2 2006.

Searches Started in Quarter 2 2006 by European Sub-Region, as Percentage of Total Europe

