



AESC Insights

Q2 2009

State of the Executive Search Industry

**Green Shoots Confirmed by Increased Executive Search Activity:
Declines felt across all regions and industries in quarter one, but former industry
strengths are set to reappear**



Association of Executive Search Consultants

The Worldwide Association for Retained Executive Search Consulting Firms

AESC State of the Executive Search Industry Report Q2 2009

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 1500 executive search consultants in 46 countries worldwide. Data does not account for annual inflation. The AESC estimates that annual net revenues for the worldwide retained executive search industry totaled \$11 billion in 2008.

Summary

GREEN SHOOTS CONFIRMED BY INCREASED EXECUTIVE SEARCH ACTIVITY

Quarter Two Data Shows Job Recovery Beginning in Technology, Financial and Consumer Goods Sectors

Second quarter data revealed signs of recovery within the senior executive recruitment industry as the decline in executive search activity brought on by the recession ended with a stabilized second quarter rising one per cent over the first quarter of 2009.

Senior executive searches in the technology and financial sectors, which both saw quarterly declines in Q1 2009, rose four per cent in quarter two. Similarly, the consumer goods sector witnessed its first green shoot with a one per cent increase from first quarter levels. This sector's strength was highlighted in the AESC's Mid-year Outlook Report where consumer goods experienced the greatest improvement in demand for executive search during April and May and was among those rated highest, along with technology, in terms of current stability and predicted growth for the second half of 2009.

"Second quarter figures confirm that the first six months of this year have been a serious setback for the search industry but that we're seeing a leveling off in declines and even a slight increase in the number of searches started. This quarterly stabilization indicates that organisations are beginning to pull back from the hiring freeze that shaped the early part of this recession as senior management gear up for economic recovery," stated AESC President, Peter Felix.

The quarterly trend in retained search industry revenues showed encouraging signs with a mere four per cent quarter two drop compared to a 26 per cent decline from Q4 '08 to Q1 '09.

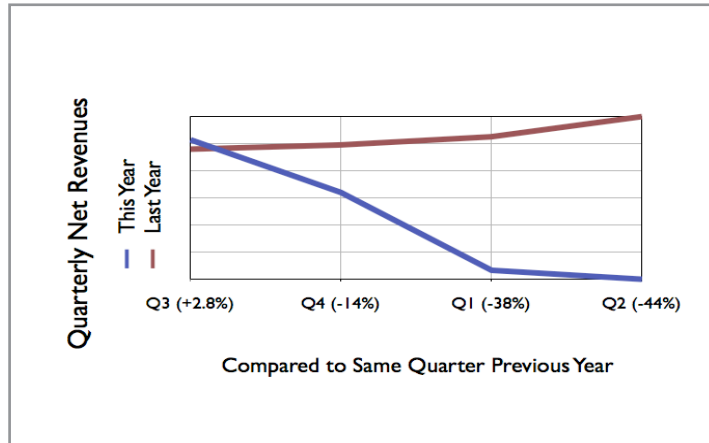
From a regional perspective, executive searches started in North America, Asia Pacific and Central/South America were on the rise in quarter two against quarter one, whilst Europe experienced a seven per cent quarterly fall. The UK however felt a five per cent increase in the hiring of senior management from Q1 '09 to Q2 '09 and witnessed only a third of the annual decline that it did last quarter.

Average Net Revenues

Annual trend: Q2 2008 to Q2 2009 -44% (pictured below)

Quarterly trend: Q1 2009 to Q2 2009 -4.2%

Quarterly Net Revenues,
as Compared to Previous Year

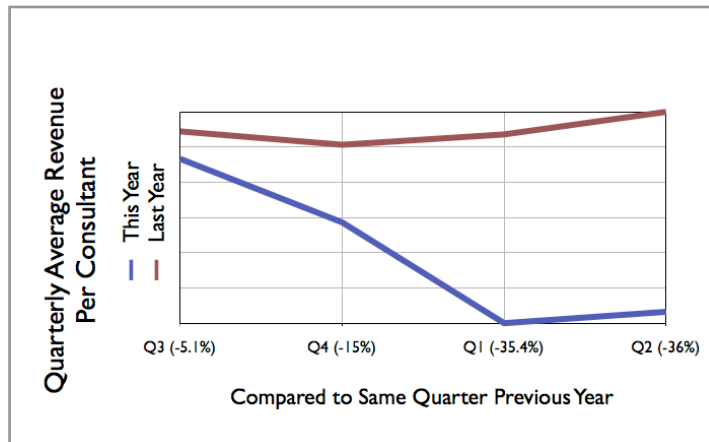


Average Revenue Per Consultant

Annual trend: Q2 2008 to Q2 2009 -36% (pictured below)

Quarterly trend: Q1 2009 to Q2 2009 +3.3%

Quarterly Average Revenue Per Consultant,
as Compared to Previous Year

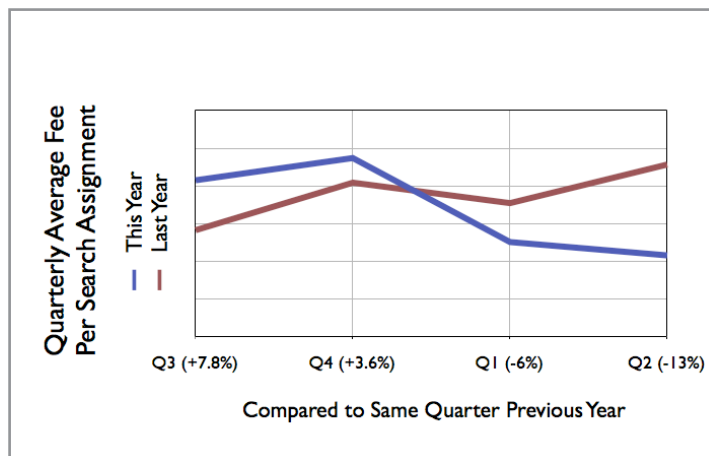


Average Fee Per Search Assignment

Annual trend: Q2 2008 to Q2 2009 -13% (pictured below)

Quarterly trend: Q1 2009 to Q2 2009 -2%

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

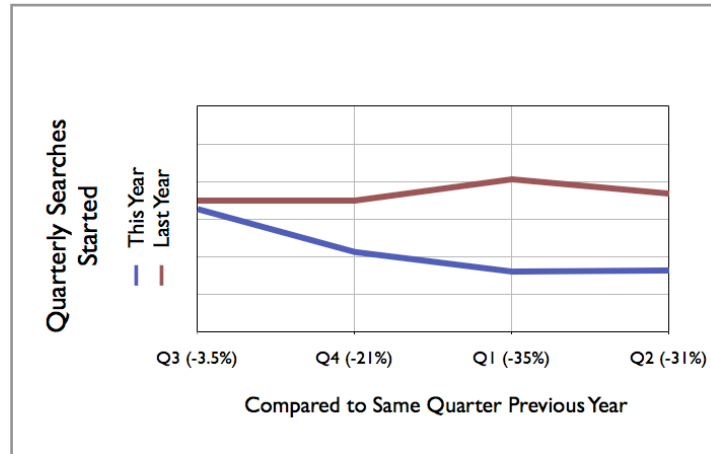


Trend in Number of Searches Started

Annual trend: Q2 2008 to Q2 2009 -31% (pictured below)

Quarterly trend: Q1 2009 to Q2 2009 +1%

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



Trend in Number of Searches Started by Industry

Annual trends: Q2 2008 to Q2 2009

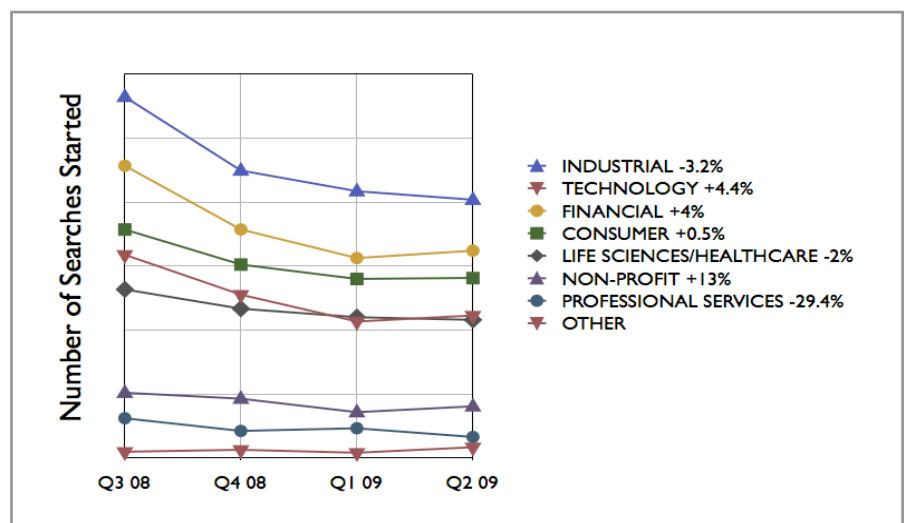
All industries experienced a yearly fall in the number of searches started:

- Financial -35%, Technology -35%, Industrial -33%, Consumer -30%, Life Sciences/Healthcare -11%.
- Professional Services -55%, Non-Profit -25% - but from a smaller survey sample.

Quarterly trends: Q1 2009 to Q2 2009 (pictured below)

- Increase in number of searches: Technology +4.4%, Financial +4%, Consumer +0.5%, Non-Profit +13% (from a smaller survey sample).
- Decrease in number of searches: Industrial -3.2%, Life Sciences/Healthcare -2%, Professional Services -29.4% (from a smaller survey sample).

Trend in Number of Searches Started Quarterly, by Industry

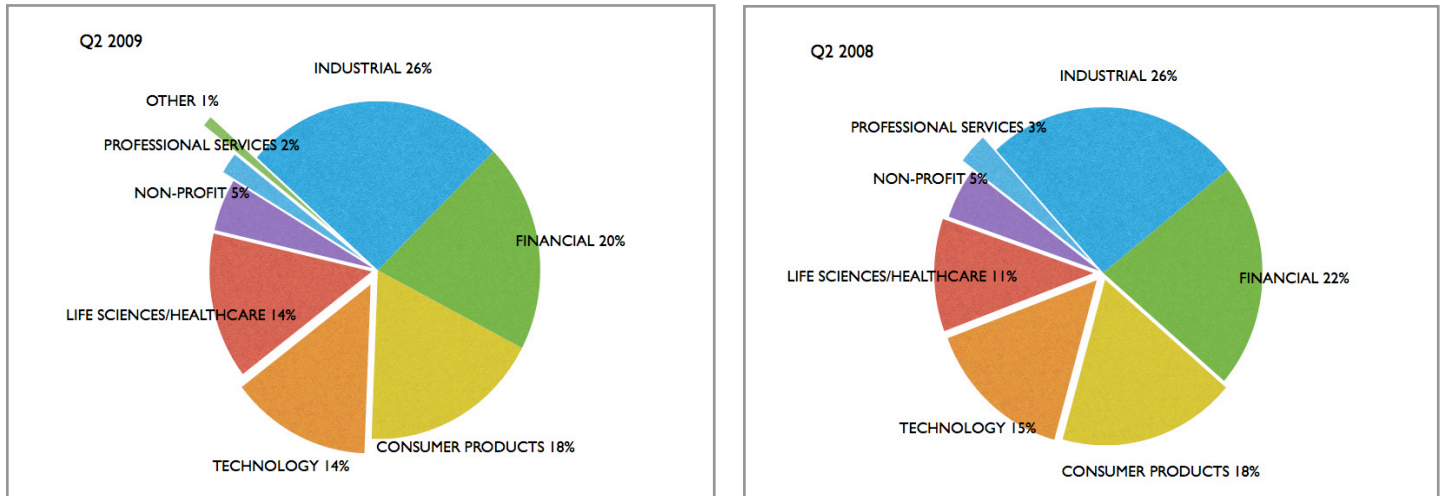


Market Breakdown by Industry

Annual trends: Q2 2008 to Q2 2009 (pictured below)

- Increase in market share: Life Sciences/Healthcare +3%, Other +1%.
- Decrease in market share: Financial -2%, Technology -1%, Professional Services -1%.
- No change in market share: Industrial, Consumer Products, Non-Profit.

Searches Started Quarterly by Industry, as Percentage of Total



REGIONAL TRENDS GLOBAL - Q2 2009

Trend in Number of Searches Started by Region

Annual trends: Q2 2008 to Q2 2009

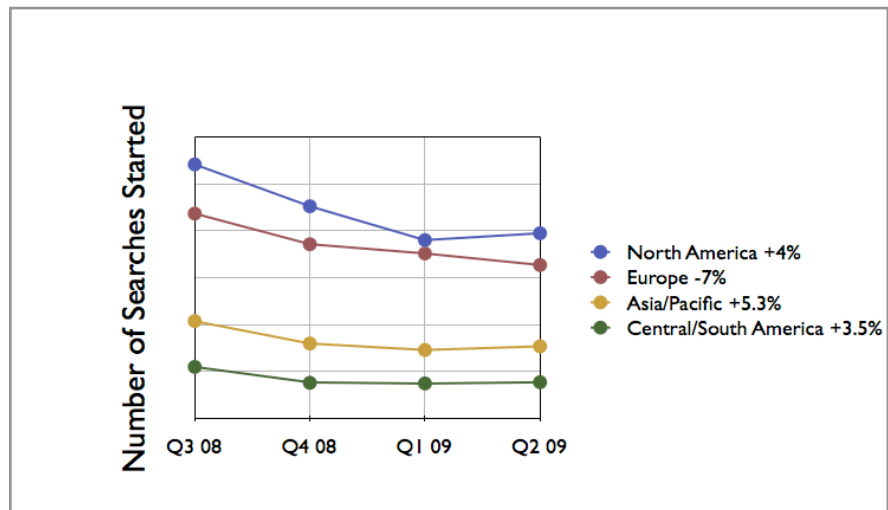
All regions experienced a yearly fall in the number of searches started:

- Central/South America -34%, Asia/Pacific -32.5%, Europe -32.4%, North America - 28.5%.

Quarterly trends: Q1 2009 to Q2 2009 (pictured below)

- Increase in number of searches: Asia/Pacific +5.3%, North America +4%, Central/South America +3.5%.
- Decrease in number of searches: Europe -7%.

Trend in Number of Searches Started Quarterly, by Region

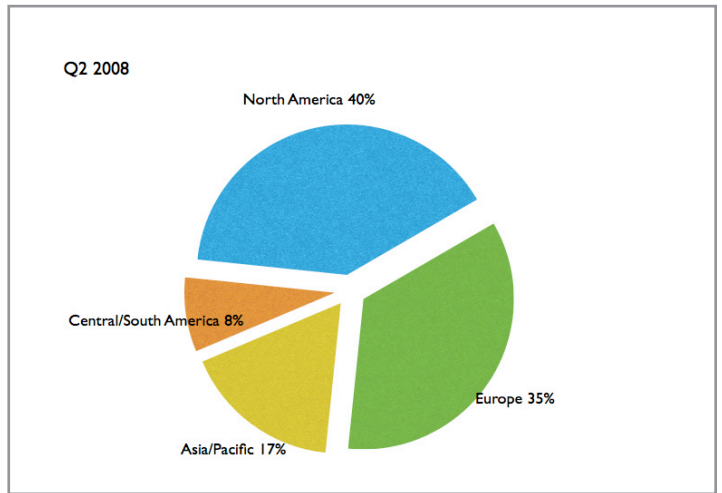
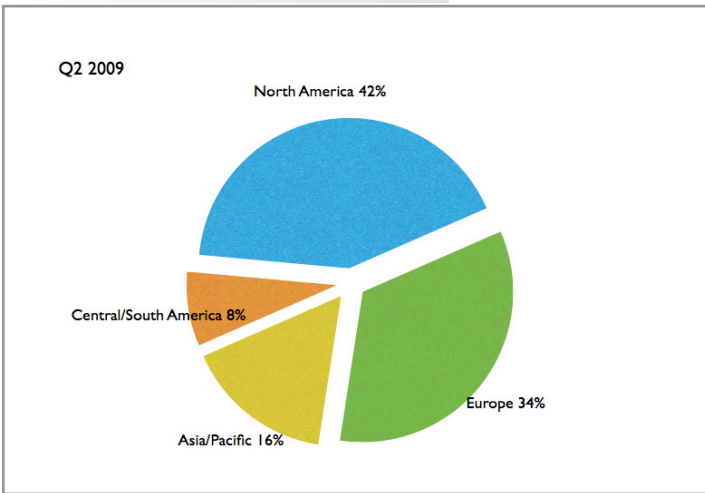


Market Share by Region

Annual trends: Q2 2008 to Q2 2009 (pictured below)

- Increase in market share: North America +2%.
- Decrease in market share: Europe -1%, Asia/Pacific -1%.
- No change in market share: Central/South America.

Searches Started Quarterly by Region, as Percentage of Total



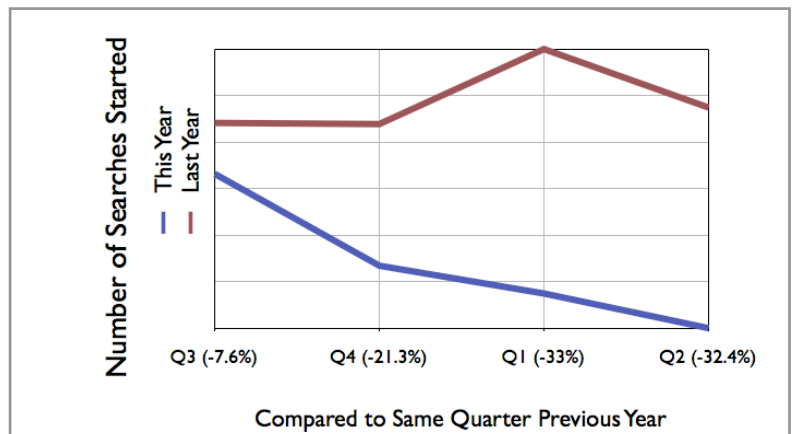
REGIONAL TRENDS EUROPE - Q2 2009

Trend in Number of Searches Started in Europe

Annual trend: Q2 2008 to Q2 2009 -32.4% (pictured below)

Quarterly trend: Q1 2009 to Q2 2009 -7%

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

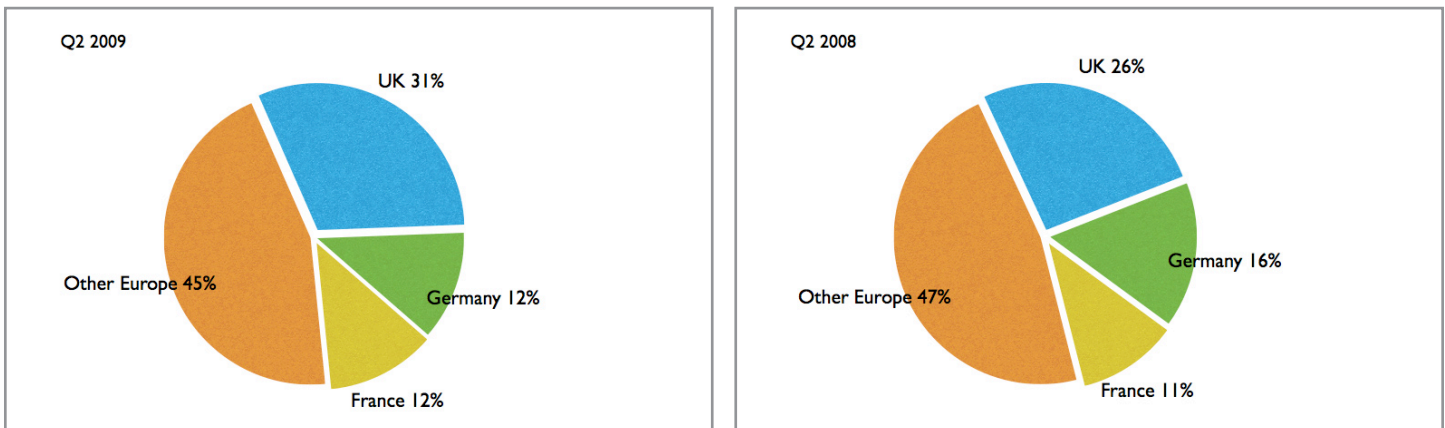


Market Share by European Sub-Region *

Annual trends: Q2 2008 to Q2 2009 (pictured below)

- Increase in market share: UK +5%, France +1%.
- Decrease in market share: Germany -4%, Other Europe -2%.

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.

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 <http://corporateconnect.aesc.org>, a service for the HR community offering industry information and tools to assist with senior executive recruiting, including access to the AESC membership directory.



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