



AESC Insights

Q2 2012

State of the Executive Search Industry

Global Executive Search Begins to See Improvement:
Latest AESC figures show an end to the decline of the past three quarters



AESC State of the Executive Search Industry Report Q2 2012

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 1,430 executive search consultants in 46 countries worldwide. The AESC estimates that annual net revenues for the worldwide retained executive search industry totaled \$10.41 billion in 2011.

Global Executive Search Begins to See Improvement

Latest AESC figures show an end to the decline of the past three quarters

Second quarter industry trend statistics revealed that while executive search experienced a year-on-year fall in revenues of -6.1 percent from Q2 2011 to Q2 2012, the quarter-on-quarter data highlighted an upward trend (+8.6%) for the first time since June last year. Given that the second quarter of 2011 represented the highest revenue point for the search industry since 2008, in itself the all-time high for search revenues, then the yearly revenue decline from June 2011 is small by comparison.

AESC President, Peter Felix, commented: "Although at first sight a year-on-year decline in revenues is negative nevertheless the fact that quarter-on-quarter revenues have begun to rise again, even though modestly, is encouraging for the industry as a whole given the enormous uncertainty which continues to exist in the world economy".

Despite the rise in quarterly revenues, the number of new searches started in the second quarter of this year remained flat from the first quarter of 2012 – indicating a higher level of assignment value being handled by executive search firms.

The report also highlighted a redistribution of revenues by industry and by region, with technology gaining market share and a rise in search activity quarter-on-quarter and year-on-year. Financial services also showed a quarterly rise in search activity (+11.6%), but declined from 12 months ago (-19.3%). Other industries surveyed experienced quarterly and yearly falls in search activity: industrial, consumer, and life sciences/healthcare.

North America continued to pull ahead with a quarterly increase in market share and in overall search activity (+4.2%), while EMEA still showed signs of recession. Asia Pacific experienced a slow down in search activity with quarterly (-11.6%) and yearly (-23.5%) declines. Central/South America rose slightly on the quarter (+1.6%) but declined on the year (-15.5%).

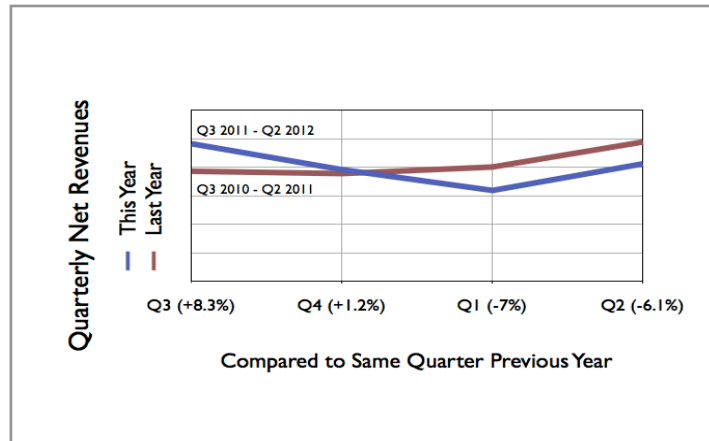
Felix added: "The main stories behind our second quarter statistics are the resurgence of the American economy, the slow-down in the emerging markets, and the re-emergence of the technology and financial services sectors as engines of growth. We are encouraged by the fact that demand for senior executive talent still remains strong despite the unprecedented turbulence and swings in confidence in many countries".

Average Net Revenues

Year-on-year trend: Q2 2011 to Q2 2012 -6.1% (pictured below)

Quarter-on-quarter trend: Q1 2012 to Q2 2012 +8.6%

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

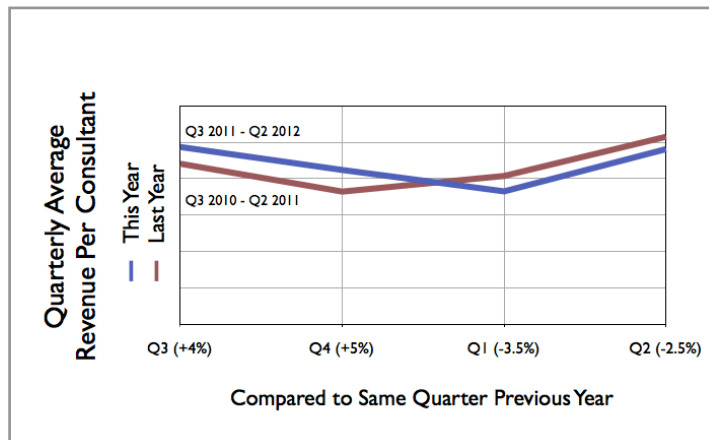


Average Revenue Per Consultant

Year-on-year trend: Q2 2011 to Q2 2012 -2.5% (pictured below)

Quarter-on-quarter trend: Q1 2012 to Q2 2012 +9.8%

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

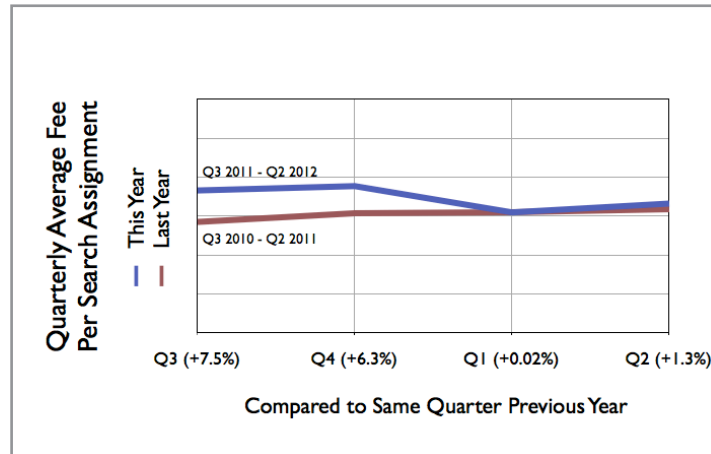


Average Fee Per Search Assignment

Year-on-year trend: Q2 2011 to Q2 2012 +1.3% (pictured below)

Quarter-on-quarter trend: Q1 2012 to Q2 2012 +2%

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

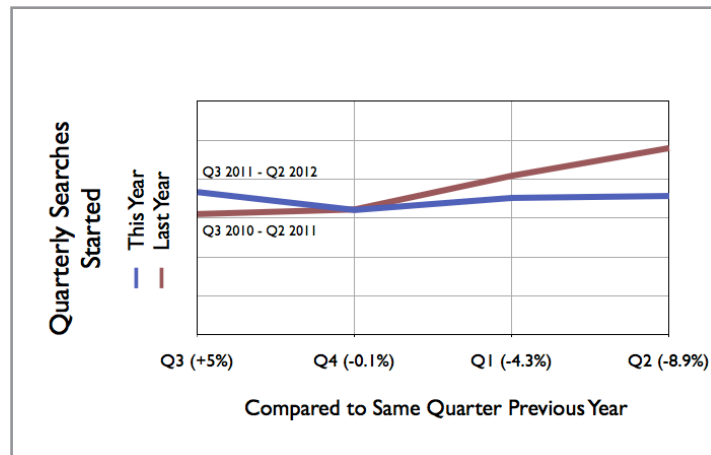


Average Number of Searches Started

Year-on-year trend: Q2 2011 to Q2 2012 -8.9% (pictured below)

Quarter-on-quarter trend: Q1 2012 to Q2 2012 +0.4%

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



INDUSTRY TRENDS - Q2 2012

Average Number of Searches Started by Industry

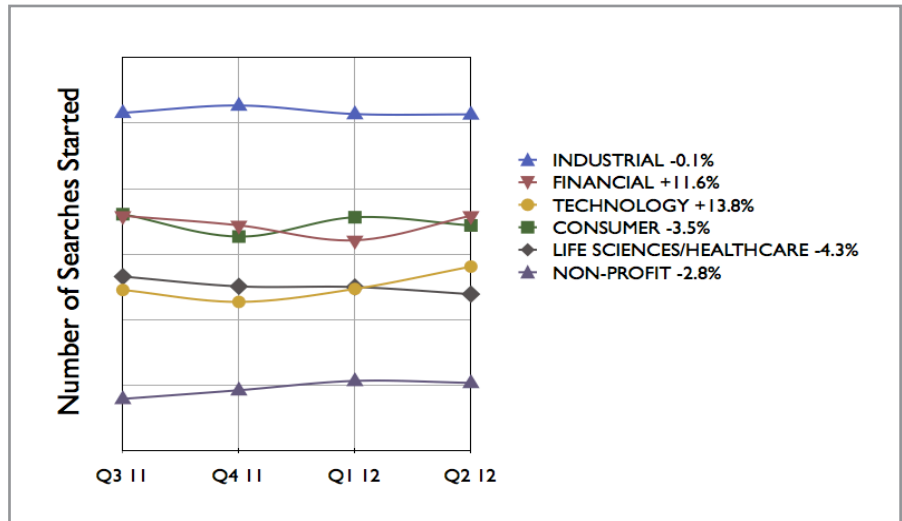
Year-on-year trend: Q2 2011 to Q2 2012

- Increasing: Technology +2.6% (Non-Profit +16.9% ~ from a smaller survey sample)
- Decreasing: Financial -19.3%, Consumer -8.6%, Life Sciences/Healthcare -7.6%, Industrial -6.3%

Quarter-on-quarter trend: Q1 2012 to Q2 2012 (pictured below)

- Increasing: Technology +13.8%, Financial +11.6%
- Decreasing: Life Sciences/Healthcare -4.3%, Consumer -3.5%, Industrial -0.1% (Non-Profit -2.8% ~ from a smaller survey sample)

Trend in Average Number of Searches Started Quarterly, by Industry

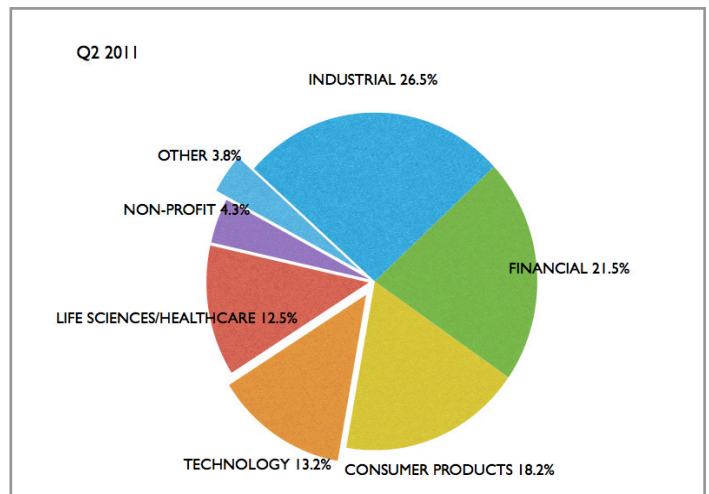
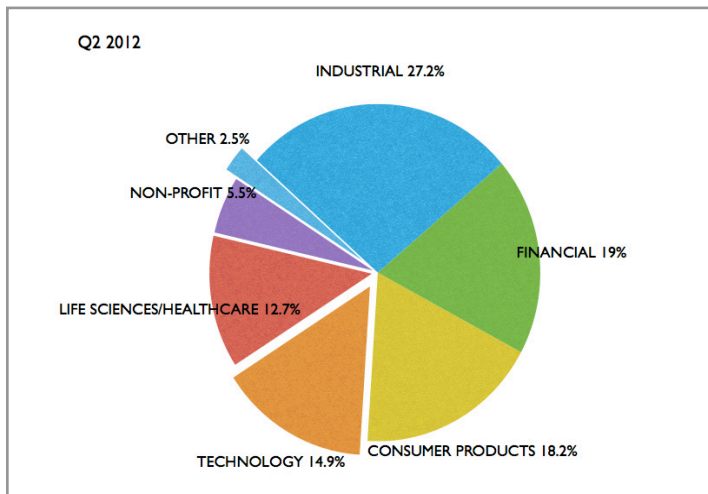


Market Breakdown by Industry

Year-on-year trend: Q2 2011 to Q2 2012 (pictured below)

- Increasing: Technology +1.7%, Non-Profit +1.2% Industrial +0.7%, Life Sciences/Healthcare +0.2%
- No change: Consumer Products
- Decreasing: Financial -2.5%

Searches Started Quarterly by Industry, as Percentage of Total



Average Number of Searches Started by Region

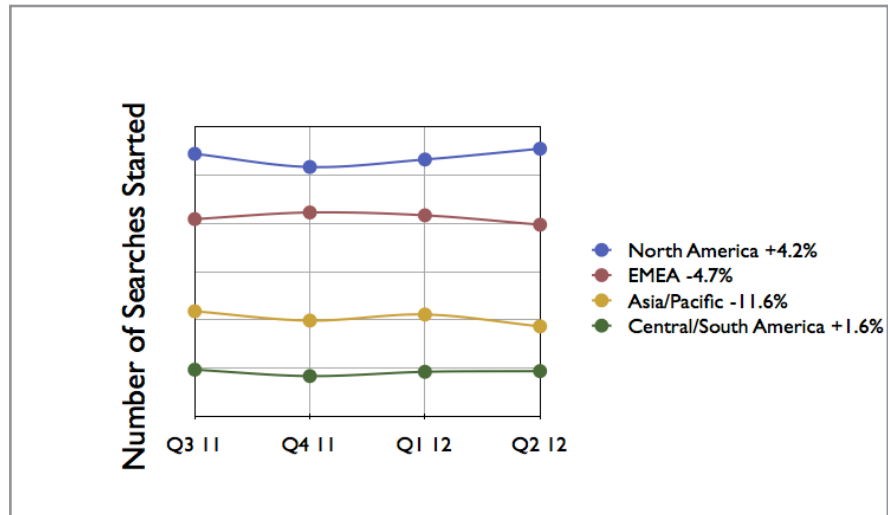
Year-on-year trend: Q2 2011 to Q2 2012

- Decreasing: Asia/Pacific -23.5%, Central/South America -15.5%, EMEA -11.3%, North America -3%

Quarter-on-quarter trend: Q1 2012 to Q2 2012 (pictured below)

- Increasing: North America +4.2%, Central/South America +1.6%
- Decreasing: Asia/Pacific -11.6%, EMEA -4.7%

Trend in Average Number of Searches Started Quarterly, by Region

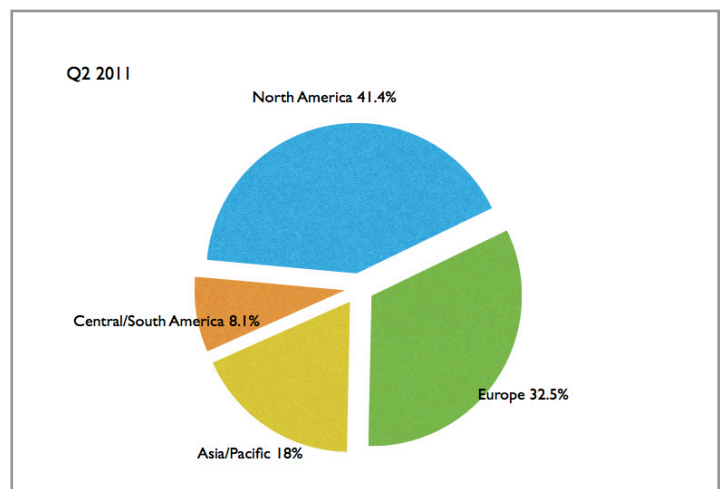
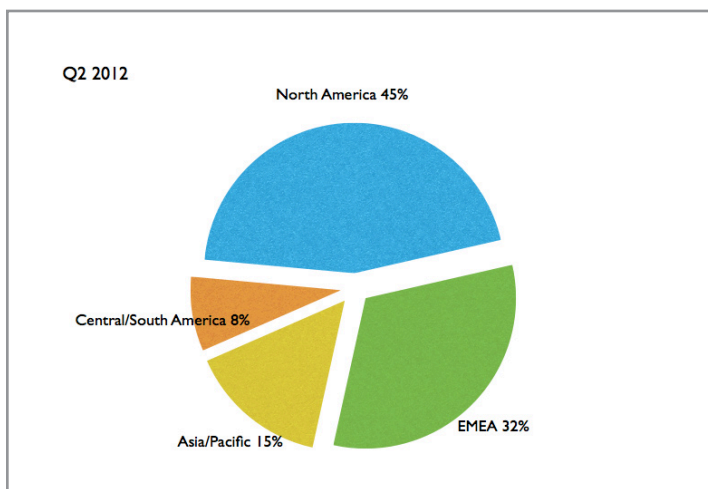


Market Share by Region

Year-on-year trend: Q2 2011 to Q2 2012 (pictured below)

- Increasing: North America +3.6%
- Decreasing: Asia/Pacific -3%, EMEA -0.5%, Central/South America -0.1%

Searches Started Quarterly by Region, as Percentage of Total

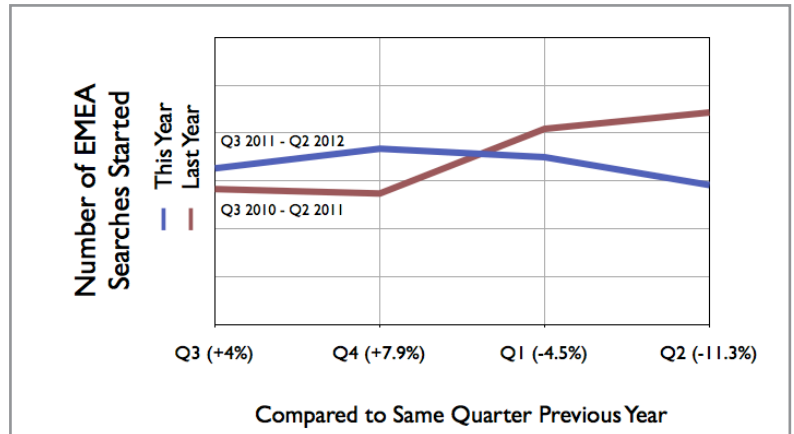


Average Number of Searches Started in EMEA

Year-on-year trend: Q2 2011 to Q2 2012 -11.3% (pictured below)

Quarter-on-quarter trend: Q1 2012 to Q2 2012 -4.7%

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

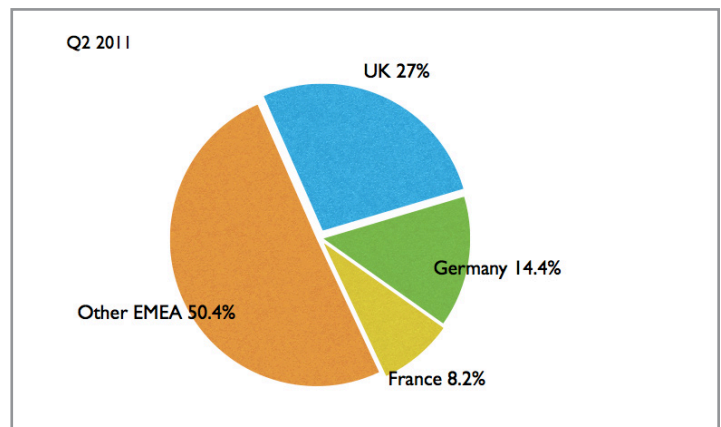
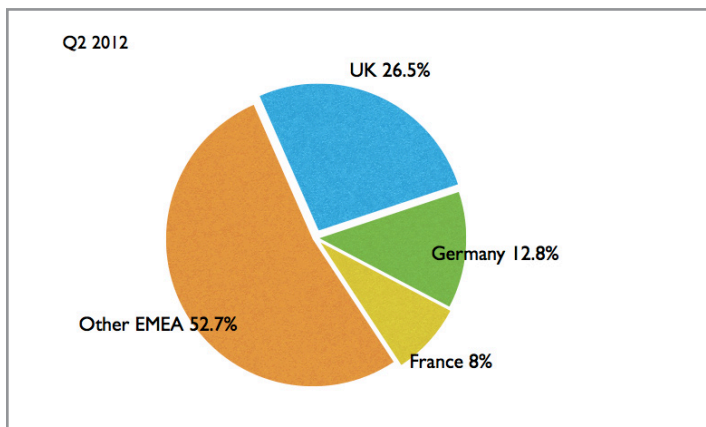


Market Share by EMEA Sub-Regions *

Year-on-year trend: Q2 2011 to Q2 2012 (pictured below)

- Increasing: Other EMEA +2.3%
- Decreasing: Germany -1.6%, UK -0.5%, France -0.2%

Searches Started Quarterly by EMEA Sub-Regions, as Percentage of Total EMEA



* Data for this question represents 715 executive search consultants in 46 countries, whereas data for all other questions represents 1,430 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 and leadership consulting industry. The AESC promotes the highest professional standards in retained executive search and leadership consulting through its industry recognized Code of Ethics and Professional Practice Guidelines. The AESC also serves to broaden public understanding of the retained executive search and leadership consulting process and acts 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 also offers www.bluesteps.com, a career management service for senior executives, and www.executivesearchconnect.com, a free 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.