



AESC Insights

Q2 2014

State of the Executive Search Industry

Executive Search Activity Continues Upward Trend:

Revenue growth continues, while the number of searches also rises for the first time in a year.

AESC State of the Executive Search Industry Quarter 2, 2014

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 and leadership consulting industry. Data for the report is collected from a consistent sample of AESC member search firms representing the activity of 1,391 executive search consultants across 46 countries worldwide. The AESC estimates that annual net revenues for the worldwide retained executive search industry totaled \$10.57 billion in 2013.

Executive Search Activity Continues Upward Trend

Revenue growth continues, while the number of searches also rises for the first time in a year

In its second quarter report on the worldwide executive search industry, data from the Association of Executive Search Consultants indicates quarter on quarter revenue growth of almost 10% and a year on year growth of 11%. The number of search assignments have also increased – by 4% both year on year and quarter on quarter – representing a reversal in the recent trend of fewer assignments albeit of greater value.

Sector trends highlighted particular growth in the number of new searches started within the Industrial sector, up 15.2% quarterly from Q1 2014 to Q2 2014 and 5.9% yearly from Q2 2013 to Q2 2014. Life Sciences/Healthcare also saw positive quarterly (5.3%) and yearly growth (1%) in new executive searches.

AESC President Peter Felix commented: “It is very encouraging to see continued improved demand for senior executives both on a regional and sector basis. This positive trend is indicative of economic recovery in the major economies of North America and Europe and the desire by Boards of Directors and top management to more actively engage in the search for the best talent to achieve growth and strategic development. We expect this positive trend to continue as the emerging markets of the world enjoy faster economic growth, and competition for the best executives gathers pace.”

The EMEA, Asia Pacific and North American regions all recorded strong annual and quarterly growth, while the Central and South American region recorded a drop in quarterly activity of 1.6%.

Second Quarter 2014 State of the Executive Search Industry Report

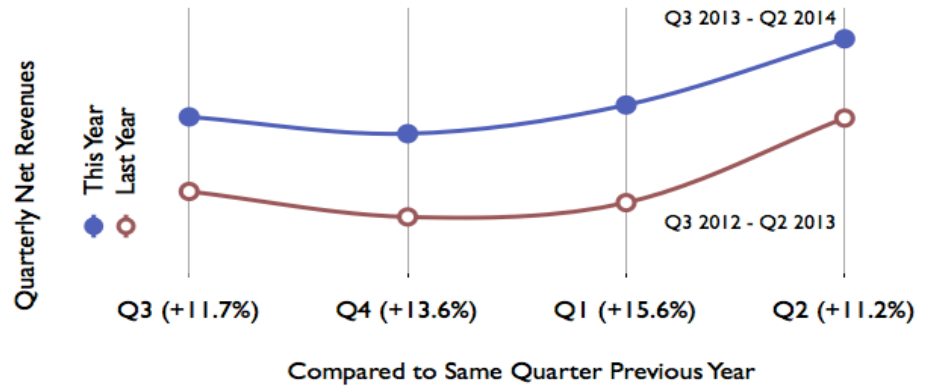
FINANCIAL TRENDS - Q2 2014

Average Net Revenues

Year-on-year trend: Q2 2013 to Q2 2014 +11.2% (pictured below)

Quarter-on-quarter trend: Q1 2014 to Q2 2014 +9.1%

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

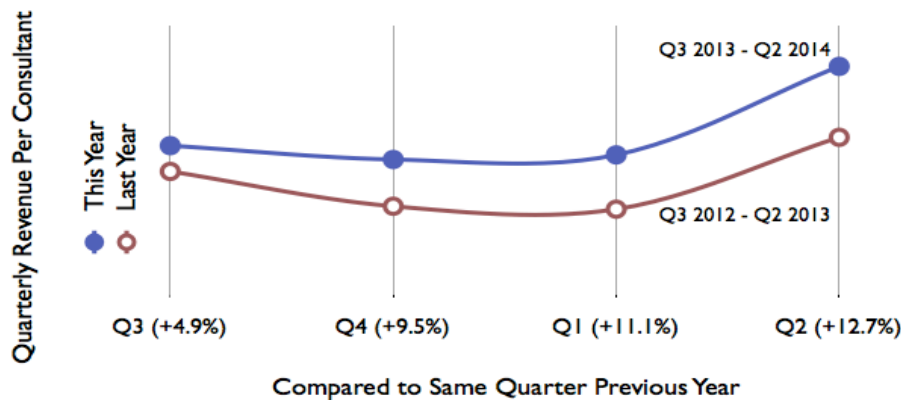


Average Revenue Per Consultant

Year-on-year trend: Q2 2013 to Q2 2014 +12.7% (pictured below)

Quarter-on-quarter trend: Q1 2014 to Q2 2014 +16.3%

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



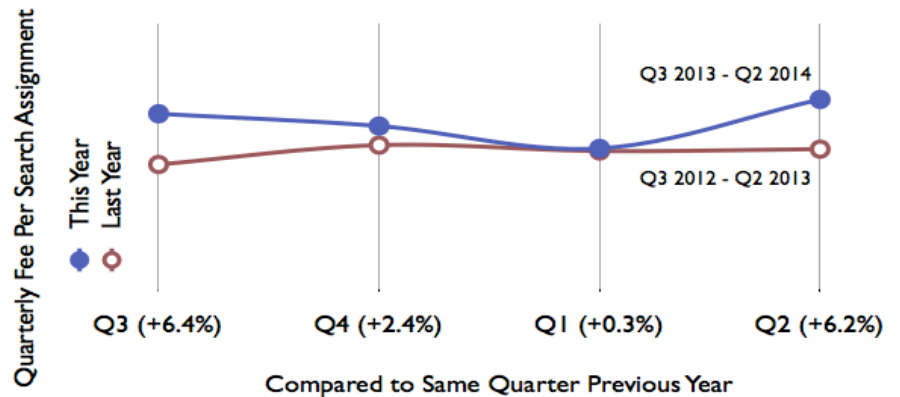
FINANCIAL TRENDS - Q2 2014 *continued...*

Average Fee Per Search Assignment

Year-on-year trend: Q2 2013 to Q2 2014 +6.2% (*pictured below*)

Quarter-on-quarter trend: Q1 2014 to Q2 2014 +6.1%

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

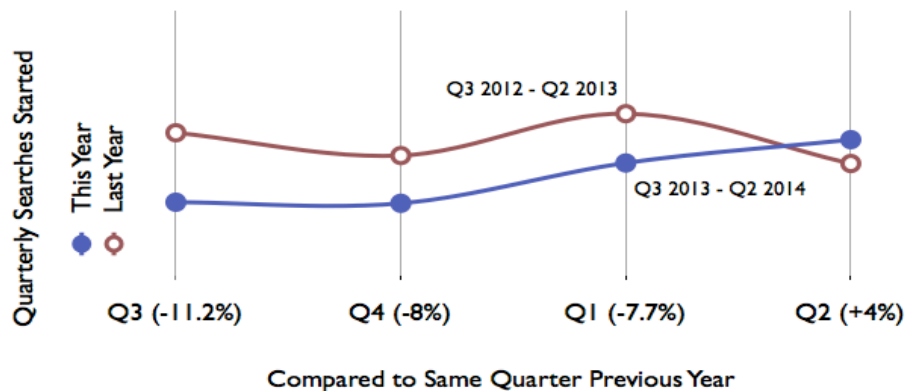


Average Number of Searches Started

Year-on-year trend: Q2 2013 to Q2 2014 +4% (*pictured below*)

Quarter-on-quarter trend: Q1 2014 to Q2 2014 +4%

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



INDUSTRY TRENDS - Q2 2014

Average Number of Searches Started by Industry

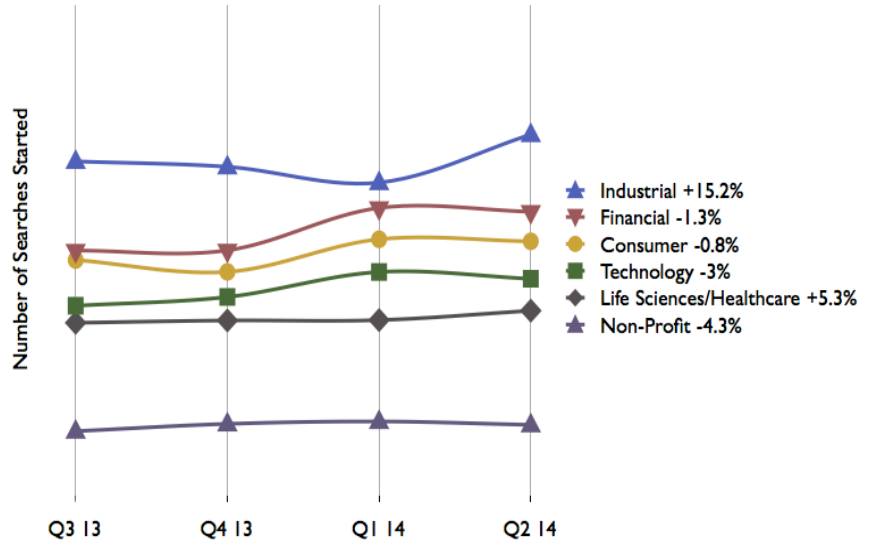
Year-on-year trend: Q2 2013 to Q2 2014

- Increasing: Industrial +5.9%, Technology +3.7%, Consumer +2.6%, Financial +2.3%, Life Sciences/Healthcare +1%
Non-Profit +20.2% ~ from a smaller survey sample

Quarter-on-quarter trend: Q1 2014 to Q2 2014 (pictured below)

- Increasing: Industrial +15.2%, Life Sciences/Healthcare +5.3%
- Decreasing: Technology -3%, Financial -1.3%, Consumer -0.8%, Non-Profit -4.3% ~ from a smaller survey sample

Trend in Average Number of Searches Started Quarterly, by Industry

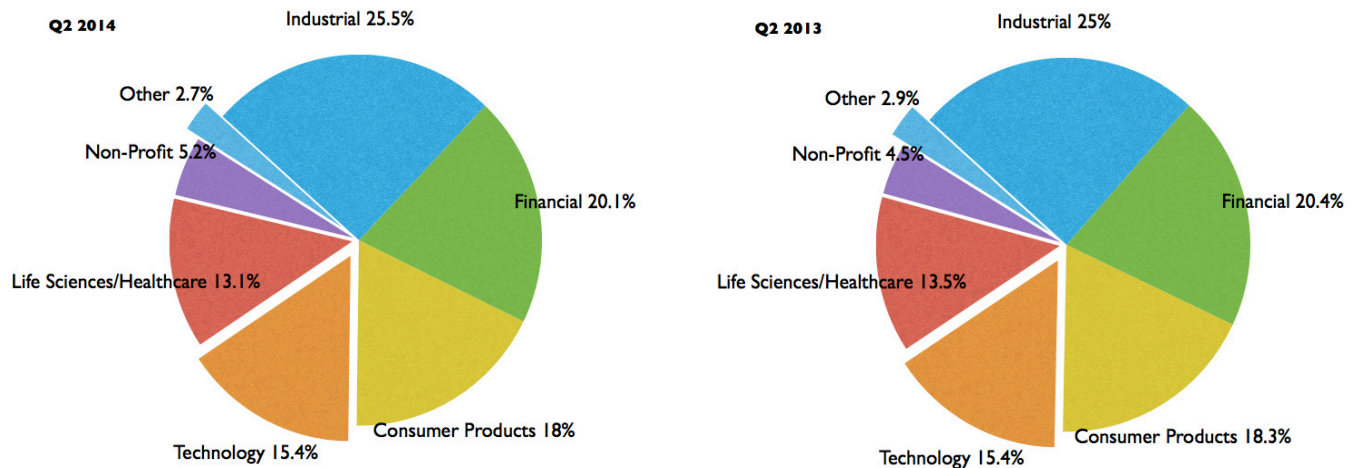


Market Breakdown by Industry

Year-on-year trend: Q2 2013 to Q2 2014 (pictured below)

- Increasing: Non-Profit +0.7%, Industrial +0.5%
- No change: Technology
- Decreasing: Life Sciences/Healthcare -0.4%, Financial -0.3%, Consumer Products -0.3%

Searches Started Quarterly by Industry, as Percentage of Total



Average Number of Searches Started by Region

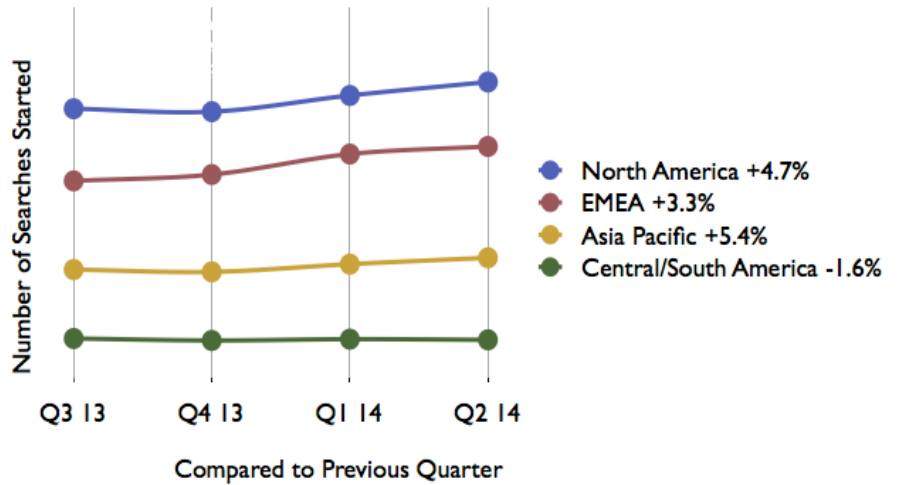
Year-on-year trend: Q2 2013 to Q2 2014

- Increasing: EMEA +9.5%, Asia Pacific +6.6%, North America +2.8%
- Decreasing: Central/South America -17.6%

Quarter-on-quarter trend: Q1 2014 to Q2 2014 (pictured below)

- Increasing: Asia Pacific +5.4%, North America +4.7%, EMEA +3.3%
- Decreasing: Central/South America -1.6%

Trend in Average Number of Searches Started Quarterly, by Region

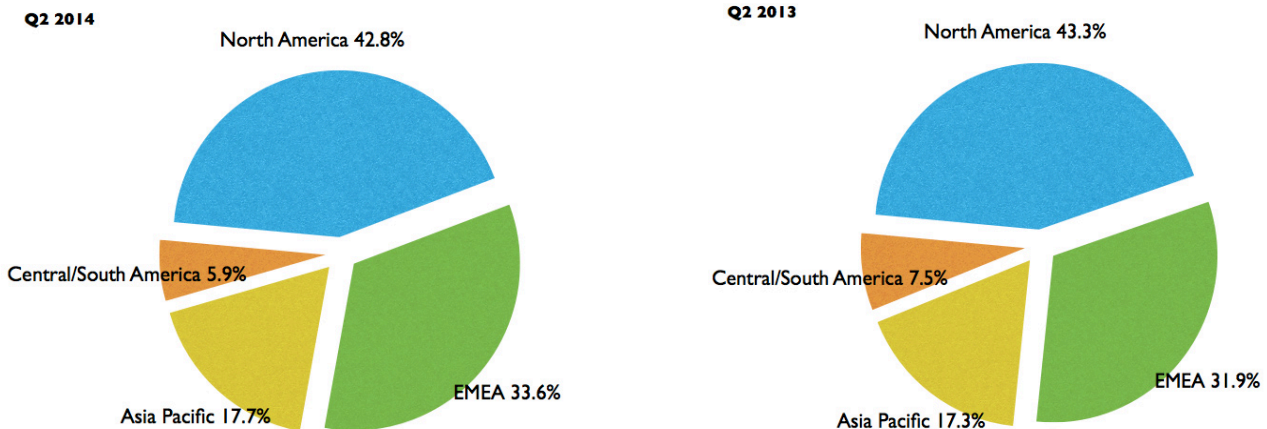


Market Share by Region

Year-on-year trend: Q2 2013 to Q2 2014 (pictured below)

- Increasing: EMEA +1.7%, Asia Pacific +0.4%
- Decreasing: Central/South America -1.6%, North America -0.5%

Searches Started Quarterly by Region, as Percentage of Total



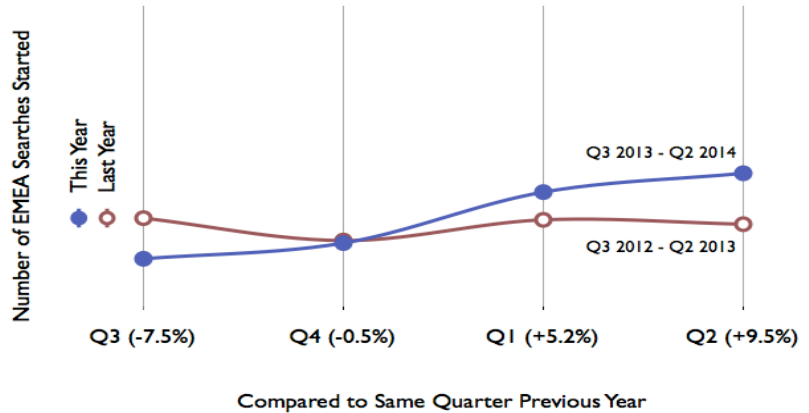
REGIONAL TRENDS EMEA - Q2 2014

Average Number of Searches Started in EMEA

Year-on-year trend: Q2 2013 to Q2 2014 +9.5% (pictured below)

Quarter-on-quarter trend: Q1 2014 to Q2 2014 +3.3%

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

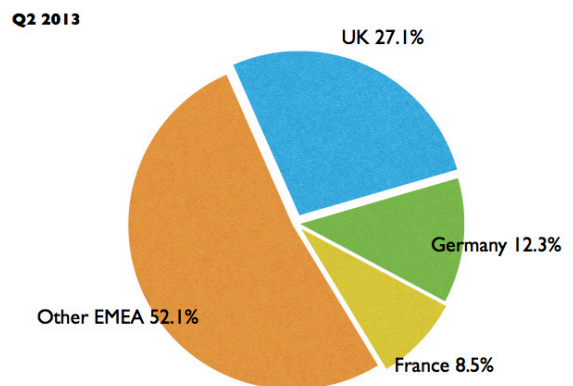
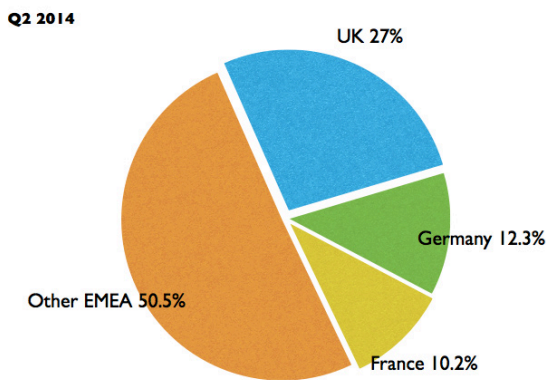


Market Share by EMEA Sub-Regions *

Year-on-year trend: Q2 2013 to Q2 2014 (pictured below)

- Increasing: France +1.7%
- No change: Germany
- Decreasing: Other EMEA -1.6%, UK -0.1%

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



* Data for this question represents 648 executive search consultants across 46 countries (data for other questions represents 1,391 consultants across 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.