



**AESC Insights**

**Q3 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: Q3 2006

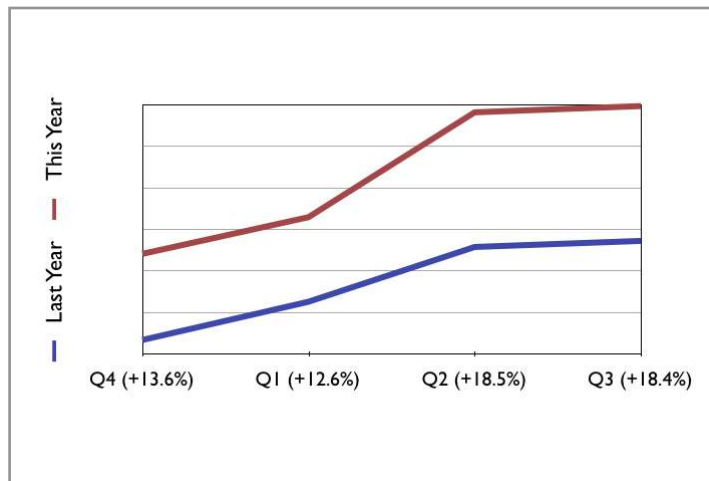
The AESC Quarterly State of the Industry Statistics is a quarterly report issued by the Association of Executive Search Consultants (AESC) on statistics and trends in the global retained executive search industry. Data for this report is collected from a consistent sample of AESC member search firms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

### FINANCIAL TRENDS

#### Average Net Revenues

There was a minor quarterly increase of 0.7% in average net revenues from Q2 2006 to Q3 2006. However, in comparison to the previous year, net revenues were 18.4% higher in Q3 2006 than in Q3 2005.

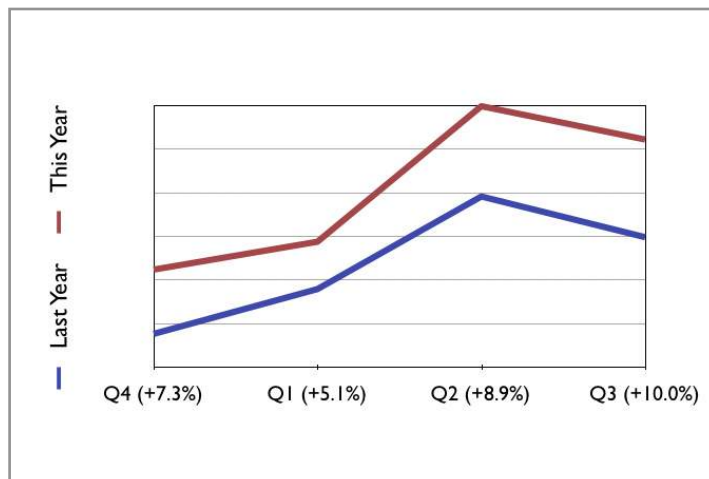
Quarterly Net Revenues, as Compared to Previous Year



#### Average Revenue Per Consultant

Q3 2006 witnessed a 10% yearly increase in average revenue per consultant in contrast to Q3 2005. The quarterly change from Q2 2006 to Q3 2006 revealed a 3% decrease.

Quarterly Average Revenue Per Consultant, as Compared to Previous Year

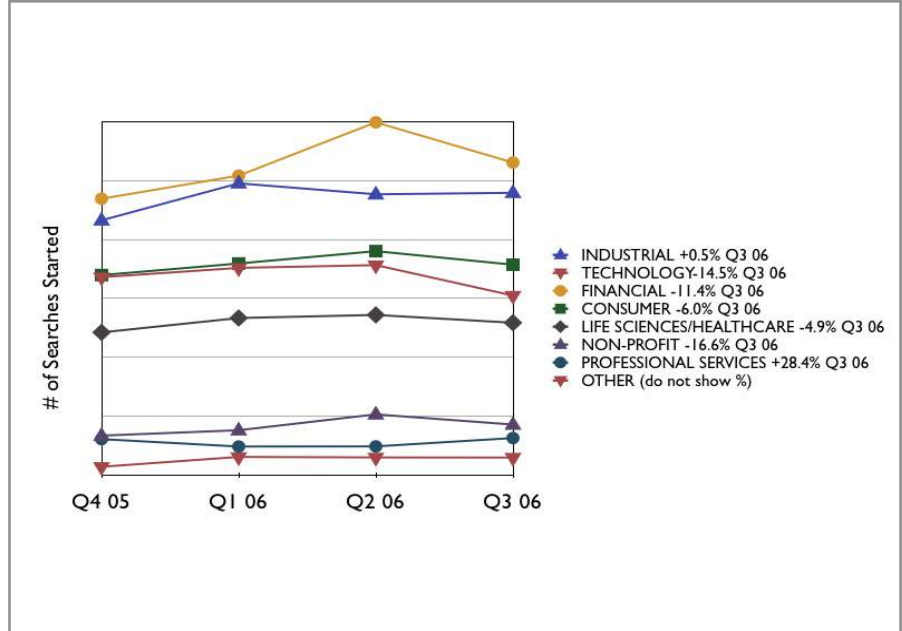


# INDUSTRY TRENDS

## Trend in Number of Searches Started by Industry

The number of searches started in Q3 2006 fell by 7% from the previous quarter. All reported industries experienced a quarterly decrease with the exception of the Industrial sector (+0.5%) and Professional Services, which revealed a quarterly increase of 28.4%; a sharp rise in comparison to the previous quarterly increase of only 0.4%. The industries with the largest quarterly decrease in searches during Q3 2006 were Technology (-14.5%), Financial (-11.4%) and Non-Profit (-16.6%). This contrasts with the previous Q2 2006 results when the Financial and Non-Profit sectors experienced the greatest quarterly increase. The Consumer sector was down by 6% and Life Sciences/Healthcare dropped by 4.9%. A yearly look reveals that Technology is down by 7.5% in comparison to Q3 2005, Financial Services increased by 16.8%, as did Life Sciences/Healthcare (+10.8%) and Non-Profit (+23.8%).

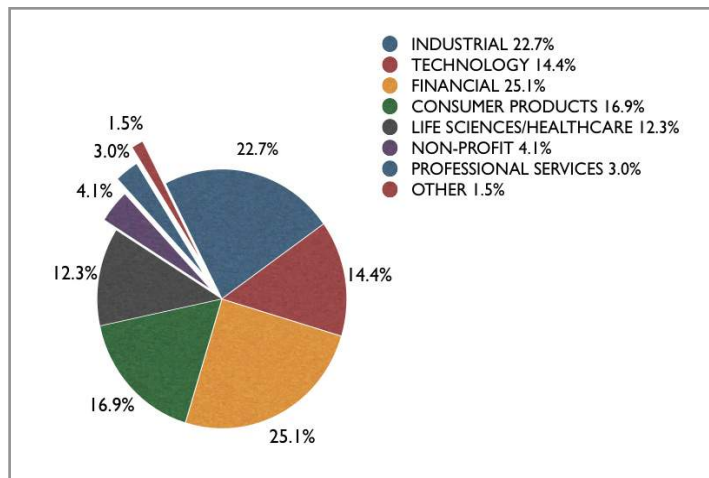
Trend in Number of Searches Started Quarterly, by Industry



## Market Breakdown by Industry

Consistent with previous quarters, the Financial sector captured the largest share of number of searches with 25.1% of the total market, as compared to all other reported industries. The Industrial sector followed with the second largest share, 22.7%. Consumer Products (16.9%), Technology (14.4%), Life Sciences/Healthcare (12.3%), Non-Profit (4.1%) and Professional Services (3%) round out the industry breakdown.

Searches Started in Quarter 3 2006 by Industry, as Percentage of Total

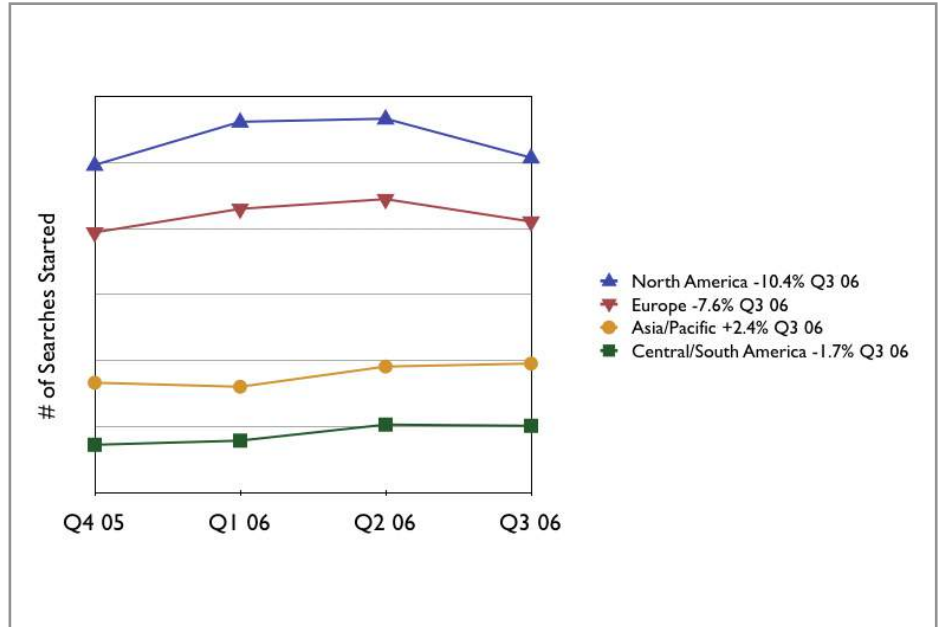


## REGIONAL TRENDS: Global

### Trend in Number of Searches Started by Region

North America experienced a quarterly decrease of 10.4% in the number of searches started. Similarly, Europe witnessed a 7.6% drop in searches. Asia-Pacific revealed a small increase of 2.4%, in comparison to a previous quarterly increase of 18.9%. The number of searches started in Central/South America fell by 1.7% from Q2 2006 to Q3 2006.

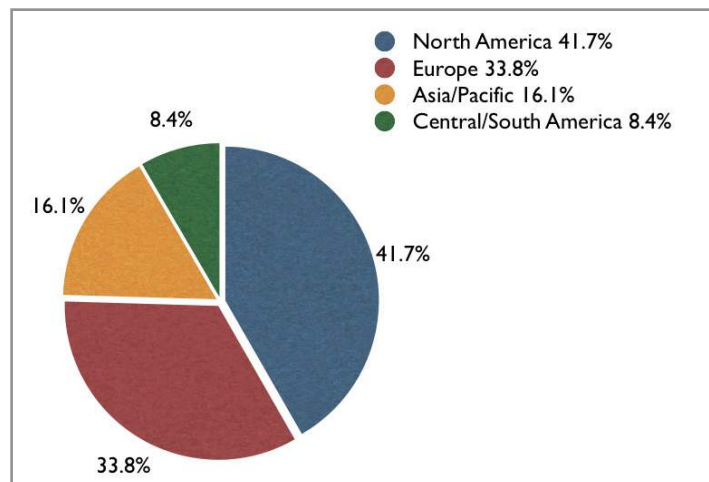
Trend in Number of Searches Started Quarterly, by Region



### Market Share by Region

North America accounted for 41.7% of the global retained executive search market in Q3 2006. European searches totaled 33.8%, Asia/Pacific 16.1% and Central/South America 8.4%. Overall, there is no significant quarterly change in the Q3 2006 market shares. When comparing the yearly change from Q3 2005 to Q3 2006, North America experienced a slight yearly decrease in Q3 2006 (-2.6%). Europe's market share remained the same year-on-year. Whereby Asia/Pacific and Central/South America both show a small increase in market share (+1.2% and +0.8% respectively).

Searches Started in Quarter 3 2006, by Region as Percentage of Total

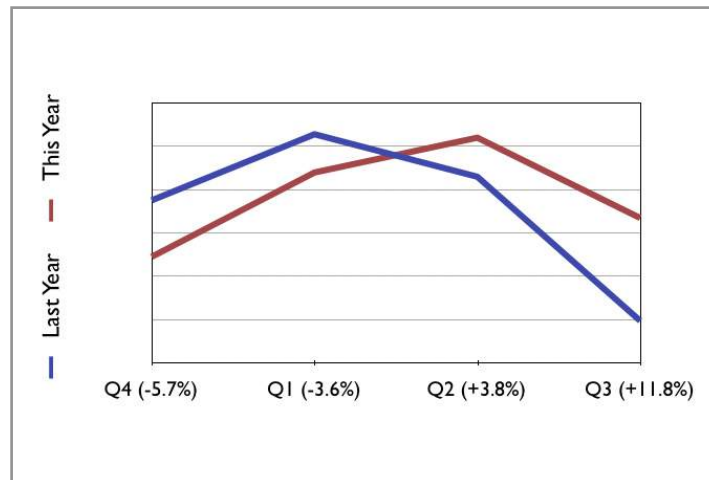


## REGIONAL TRENDS: Europe

### Trend in Number of Searches Started in Europe

The number of searches started in Europe decreased by 7.6% from Q2 2006 to Q3 2006. However, a year on year comparison revealed an increase of 11.8% in European searches.

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



### Market Share by European Sub-Region

UK searches accounted for 35.7% of the total European market share in Q3 2006 and displayed no yearly change from Q3 2005, when the UK market stood at 36%. Germany captured 11.1% of the European market in Q3 2006 and revealed a minor yearly decrease of 1.8% from Q3 2005. France, with a 10% European market share this quarter, also experienced a small yearly decrease from its Q3 2005 share of 11.7%.

Searches Started in Quarter 3 2006 by European Sub-Region, as Percentage of Total Europe

