



AESC Insights

Q3 2012

State of the Executive Search Industry

Reduction in Third Quarter Executive Search Activity:

Executive searches slow down across major industries and regions in the third quarter of 2012, yet with some stability within the Technology and Life Sciences/Healthcare sectors



AESC State of the Executive Search Industry Report Q3 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 and leadership consulting 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.

Reduction in Third Quarter Executive Search Activity

Executive searches slow down across major industries and regions in the third quarter of 2012, yet with some stability within the Technology and Life Sciences/Healthcare sectors.

The senior executive search industry experienced a decrease in the number of new searches started worldwide in the third quarter of 2012. New search mandates saw a fall of -7.6% year-on-year (from Q3 2011 to Q3 2012) and -6.8% quarter-on-quarter (from Q2 2012 to Q3 2012).

Showing some stability in the third quarter were executive searches within the Technology sector, which held a year-on-year increase of +12.3% and saw the least quarter-on-quarter decline (-1.9%). Life Sciences/Healthcare also saw quarterly stability, with the number of new searches remaining steady from Q2 2012 to Q3 2012 (+0.4%), though declining -9.8% yearly. All other major industries surveyed by the AESC – Industrial, Financial and Consumer – saw a reduction in search activity on both a yearly and quarterly basis in the third quarter of 2012.

AESC President, Peter Felix, commented: “The quarterly statistics for this time of year are traditionally reflective of a slower period and this year is no exception. While the figures are disappointing they are not entirely surprising since anecdotal evidence had indicated a downturn in search business in August and September. However, the current quarter is off to a relatively good start and there is still a chance that the annual figures will be on a general level with 2011, in itself the third highest revenue level ever”.

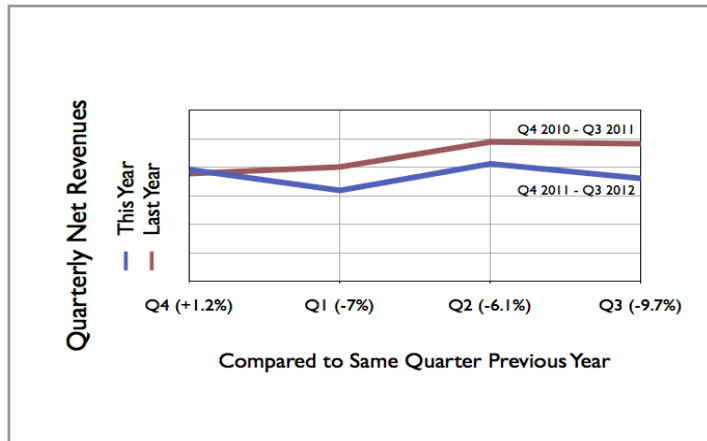
The regional picture also showed reduced executive search activity during the third quarter of 2012 as compared to the same period the previous year (Q3 2011) and the previous quarter (Q2 2012). The EMEA region saw the greatest decline in new searches started in Q3 2012, followed by Asia Pacific, North America, and then Central/South America – which was the only region to show a positive trend in new search mandates: +0.7% quarter-on-quarter.

Average Net Revenues

Year-on-year trend: Q3 2011 to Q3 2012 -9.7% (pictured below)

Quarter-on-quarter trend: Q2 2012 to Q3 2012 -4.3%

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

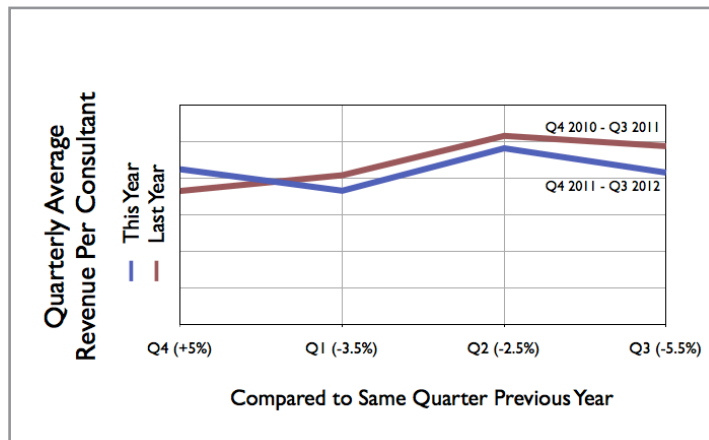


Average Revenue Per Consultant

Year-on-year trend: Q3 2011 to Q3 2012 -5.5% (pictured below)

Quarter-on-quarter trend: Q2 2012 to Q3 2012 -5.1%

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

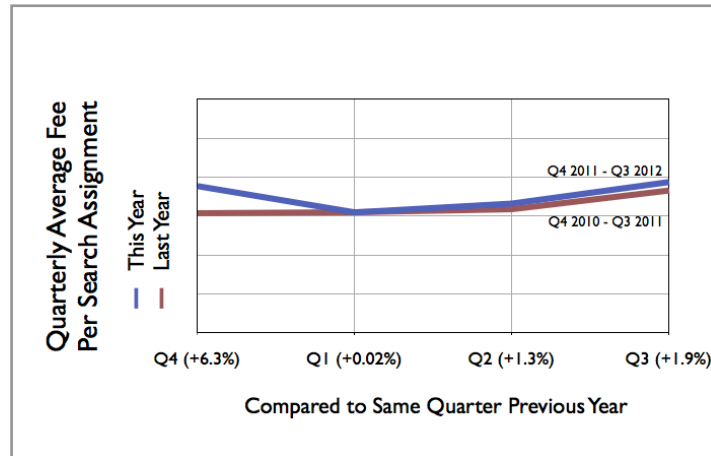


Average Fee Per Search Assignment

Year-on-year trend: Q3 2011 to Q3 2012 +1.9% (pictured below)

Quarter-on-quarter trend: Q2 2012 to Q3 2012 +4.9%

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

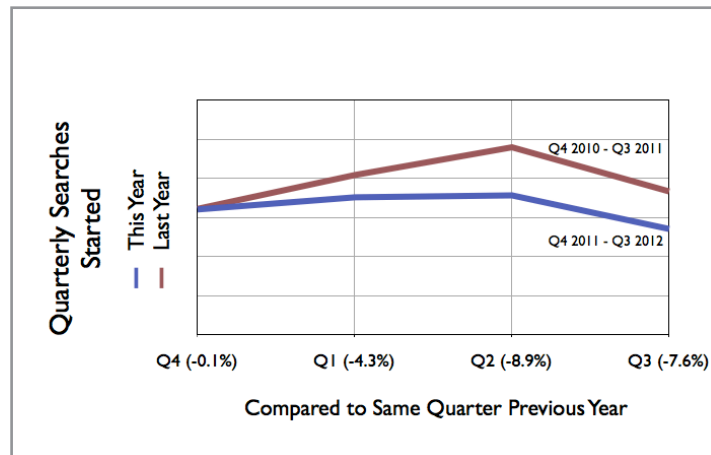


Average Number of Searches Started

Year-on-year trend: Q3 2011 to Q3 2012 -7.6% (pictured below)

Quarter-on-quarter trend: Q2 2012 to Q3 2012 -6.8%

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



INDUSTRY TRENDS - Q3 2012

Average Number of Searches Started by Industry

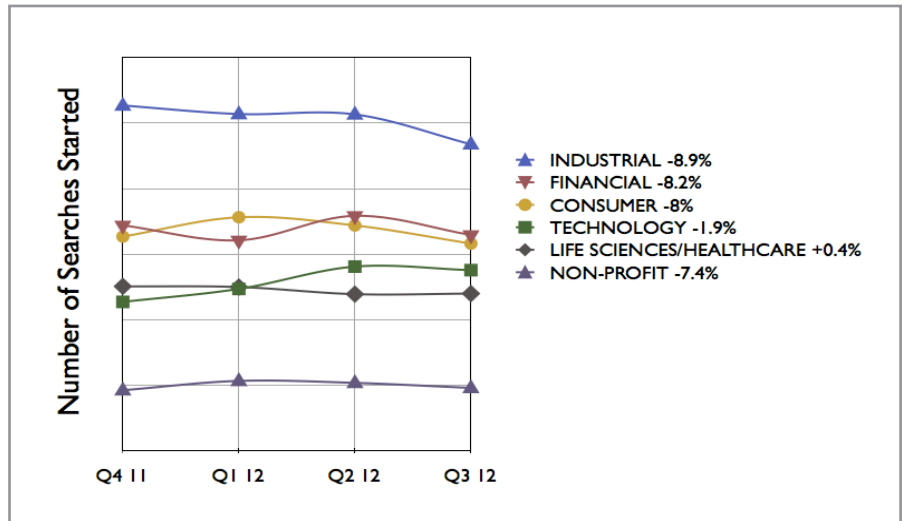
Year-on-year trend: Q3 2011 to Q3 2012

- Increasing: Technology +12.3% (Non-Profit +21.1% ~ from a smaller survey sample)
- Decreasing: Consumer -12.4%, Life Sciences/Healthcare -9.8%, Industrial -9.3%, Financial -8.1%

Quarter-on-quarter trend: Q2 2012 to Q3 2012 (pictured below)

- Increasing: Life Sciences/Healthcare +0.4%
- Decreasing: Industrial -8.9%, Financial -8.2%, Consumer -8%, Technology -1.9% (Non-Profit -7.4% ~ from a smaller survey sample)

Trend in Average Number of Searches Started Quarterly, by Industry

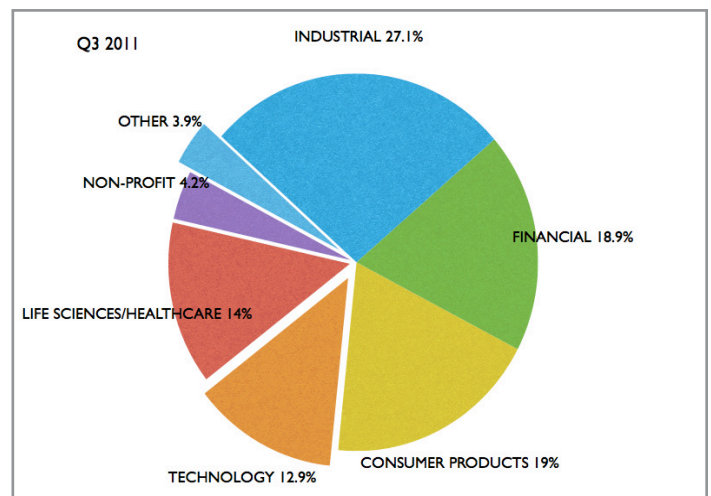
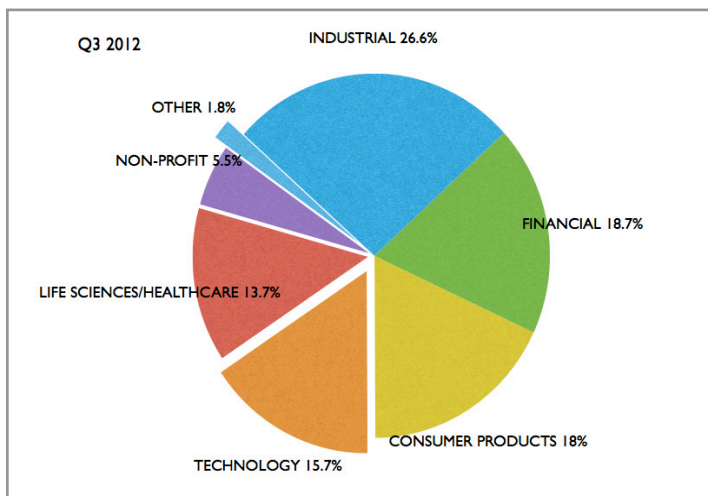


Market Breakdown by Industry

Year-on-year trend: Q3 2011 to Q3 2012 (pictured below)

- Increasing: Technology +2.8%, Non-Profit +1.3%
- Decreasing: Consumer Products -1%, Industrial -0.5%, Life Sciences/Healthcare -0.3%, Financial -0.2%

Searches Started Quarterly by Industry, as Percentage of Total



Average Number of Searches Started by Region

Year-on-year trend: Q3 2011 to Q3 2012

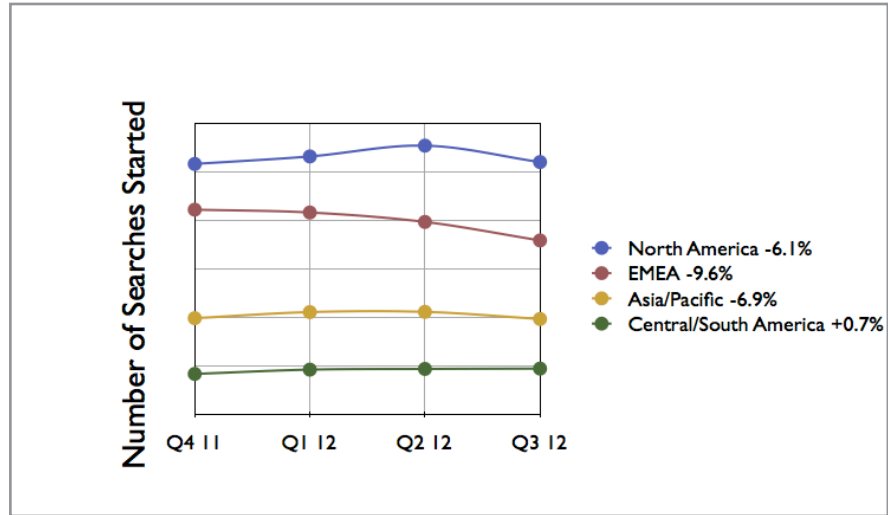
- Decreasing: EMEA -12.2%, Asia/Pacific -9.6%, North America -4.3%, Central/South America -2.3%

Quarter-on-quarter trend: Q2 2012 to Q3 2012 (pictured below)

- Increasing: Central/South America +0.7%
- Decreasing: EMEA -9.6%, Asia/Pacific -6.9%, North America -6.1%

* Note of amendment from Q2 2012 report: Asia Pacific Q1 2012 > Q2 2012 quarterly change was +0.2% (not -11.6% as published in the Q2 report).

Trend in Average Number of Searches Started Quarterly, by Region

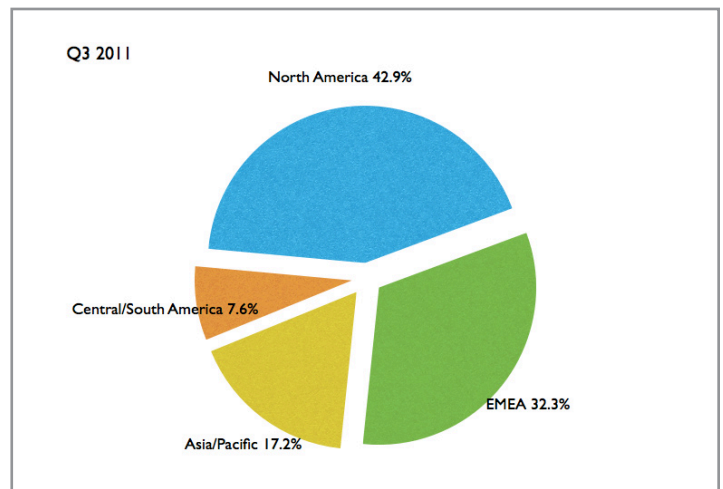
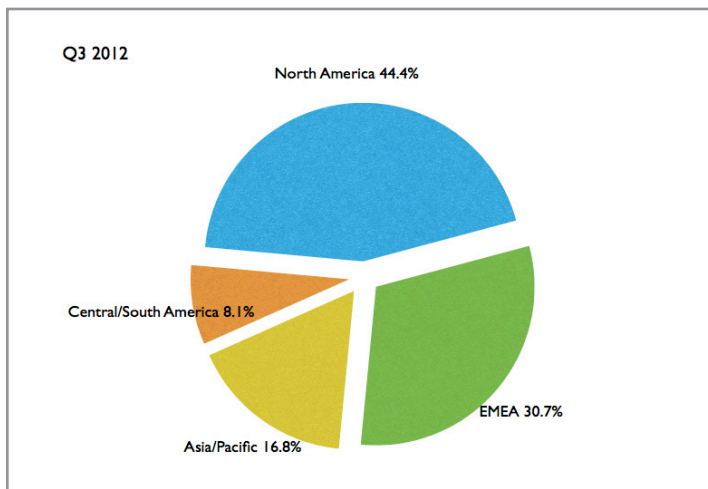


Market Share by Region

Year-on-year trend: Q3 2011 to Q3 2012 (pictured below)

- Increasing: North America +1.5%, Central/South America +0.5%
- Decreasing: EMEA -1.6%, Asia/Pacific -0.4%

Searches Started Quarterly by Region, as Percentage of Total

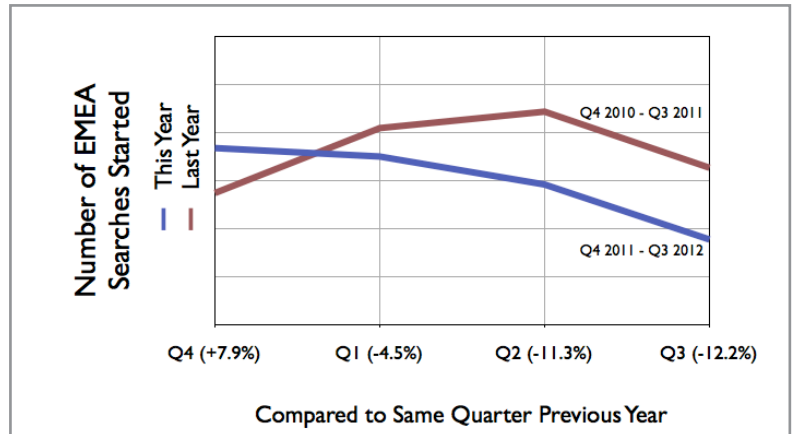


Average Number of Searches Started in EMEA

Year-on-year trend: Q3 2011 to Q3 2012 -12.2% (pictured below)

Quarter-on-quarter trend: Q2 2012 to Q3 2012 -9.6%

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

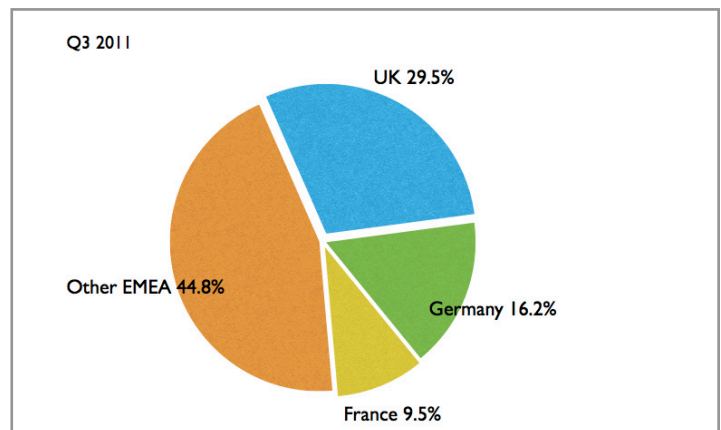
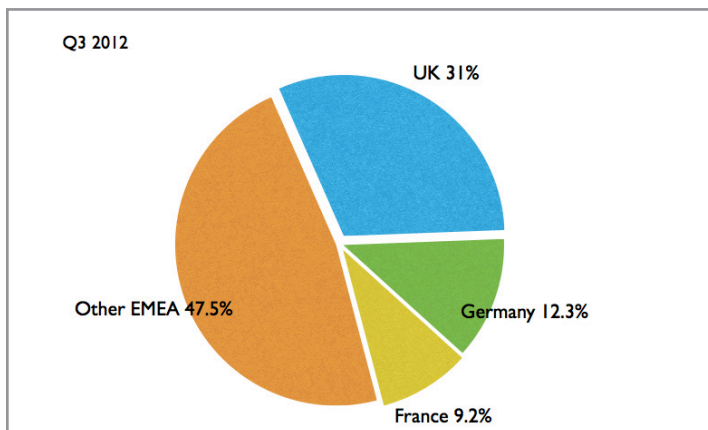


Market Share by EMEA Sub-Regions *

Year-on-year trend: Q3 2011 to Q3 2012 (pictured below)

- Increasing: Other EMEA +2.7%, UK +1.5%
- Decreasing: Germany -3.9%, France -0.3%

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.