



AESC Insights

Q3 2013

State of the Executive Search Industry

Executive Search Revenues Stable - Increasing Focus on Top Assignments:
Search assignment value rises against falling search volume in Q3 2013;
consultants consistently performing higher level work



AESC State of the Executive Search Industry Report Quarter 3, 2013

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 \$9.74 billion in 2012.

EXECUTIVE SEARCH REVENUES STABLE - INCREASING FOCUS ON TOP ASSIGNMENTS

*Search assignment value rises against falling search volume in Q3 2013;
consultants consistently performing higher level work.*

Third quarter 2013 data by the Association of Executive Search Consultants (AESC) shows a global increase in the value of senior executive search assignments, reflecting the second quarter trend of an industry focused on recruiting for the most senior management positions.

The average fee per executive search assignment increased quarter-on-quarter and year-on-year in the third quarter of 2013 (+4.4% and +6.4% respectively), while in contrast the number of new executive search starts declined (-6.6% quarterly and -11.2% yearly). The declining search volume is also set against a rise in year-on-year revenues of +11.7 per cent from Q3 2012 to Q3 2013, albeit a flat quarter-on-quarter revenue picture.

AESC President, Peter Felix, commented: "The third quarter results, building on the trends of the last year or more, very clearly reflect client demand that is focused on higher level, quality searches as opposed to the volume associated with more middle to senior recruiting. This trend is substantiated by recent survey work of the AESC amongst the client community which indicates that retained executive search is actively competed against in the middle to senior management levels by other recruiting methods, but is relatively free of competition where searches are at the top level, more complex, confidential, international in scope and highly sensitive to public scrutiny. Given that the world economy is slowly reawakening and the talent shortage is still severe in many markets, then we believe that this bodes well for the profession as a whole. It also reminds AESC member firms to continue to maintain the highest standards and perform exceptional work".

The third quarter AESC study also measured the number of new search mandates by region and industry, showing blanket declines in new search activity in the third quarter of 2013 for all major regions and industries surveyed. The regional outlook saw Central/South America witness the greatest drop in searches, followed by North America, EMEA, and then Asia Pacific with the least decline.

The third quarter market share outlook revealed that Financial Services and Consumer Products both held small year-on-year increases in market share. Life Sciences/Healthcare saw no change in its market position, while the Industrial and Technology sectors witnessed a minor drop – accounting for shares given over to the growth in FS and Consumer new search starts.

Third Quarter 2013 State of the Executive Search Industry Report

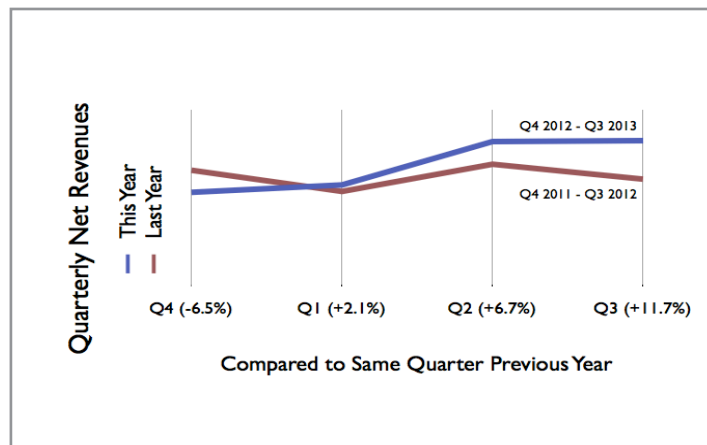
FINANCIAL TRENDS - Q3 2013

Average Net Revenues

Year-on-year trend: Q3 2012 to Q3 2013 +11.7% (pictured below)

Quarter-on-quarter trend: Q2 2013 to Q3 2013 +0.2%

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

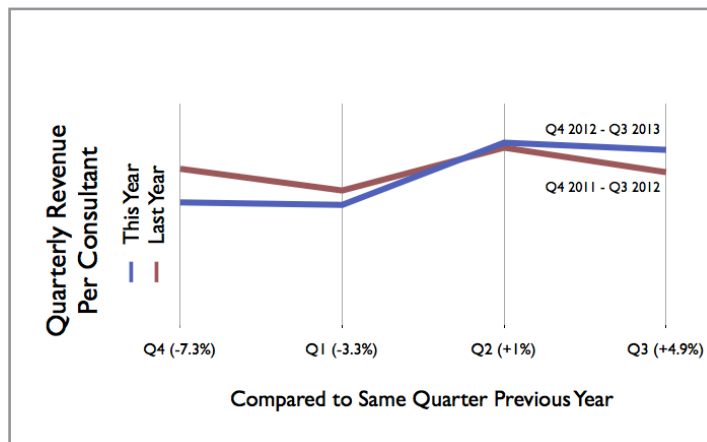


Average Revenue Per Consultant

Year-on-year trend: Q3 2012 to Q3 2013 +4.9% (pictured below)

Quarter-on-quarter trend: Q2 2013 to Q3 2013 -1.5%

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



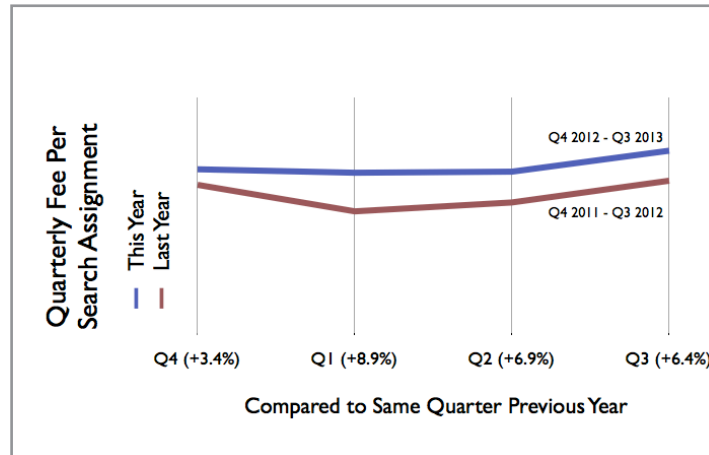
FINANCIAL TRENDS - Q3 2013 *continued...*

Average Fee Per Search Assignment

Year-on-year trend: Q3 2012 to Q3 2013 +6.4% (*pictured below*)

Quarter-on-quarter trend: Q2 2013 to Q3 2013 +4.4%

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

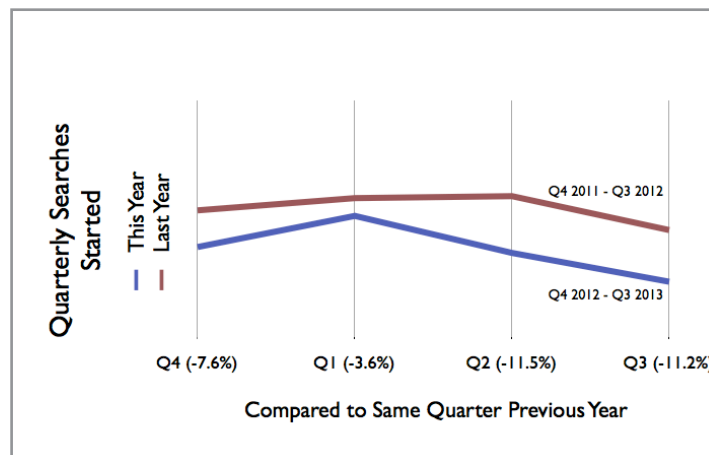


Average Number of Searches Started

Year-on-year trend: Q3 2012 to Q3 2013 -11.2% (*pictured below*)

Quarter-on-quarter trend: Q2 2013 to Q3 2013 -6.6%

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



Average Number of Searches Started by Industry

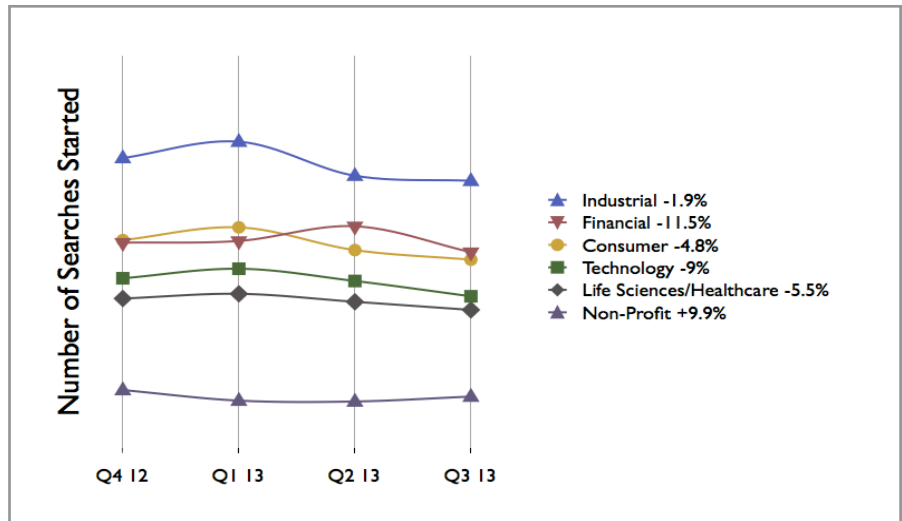
Year-on-year trend: Q3 2012 to Q3 2013

- Decreasing: Industrial -12.4%, Financial -8.5%, Consumer -8.3%, Technology -14.9%, Life Sciences/Healthcare -10.9%
Non-Profit -14.3% ~ from a smaller survey sample

Quarter-on-quarter trend: Q2 2013 to Q3 2013 (pictured below)

- Decreasing: Industrial -1.9%, Financial -11.5%, Consumer -4.8%, Technology -9%, Life Sciences/Healthcare -5.5%
- Increasing: Non-Profit +9.9% ~ from a smaller survey sample

Trend in Average Number of Searches Started Quarterly, by Industry

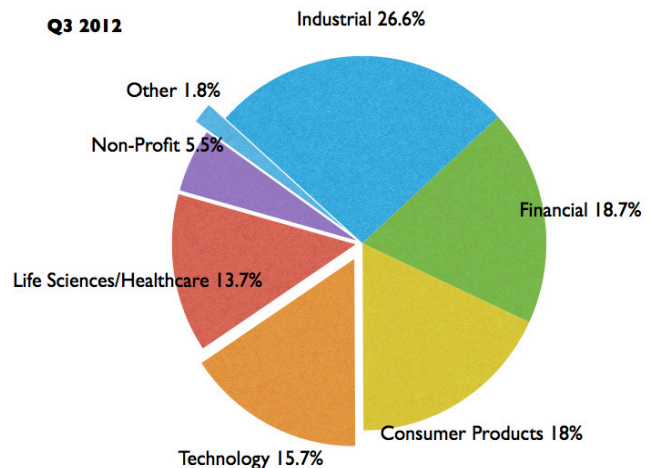
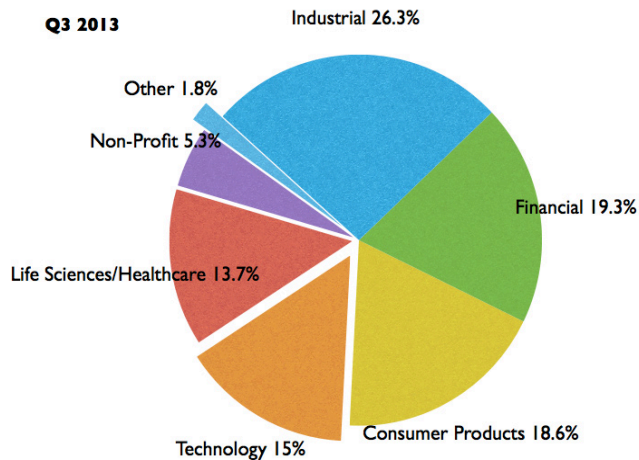


Market Breakdown by Industry

Year-on-year trend: Q3 2012 to Q3 2013 (pictured below)

- Increasing: Financial +0.6%, Consumer Products +0.6%, Life Sciences/Healthcare - no change
- Decreasing: Industrial -0.3%, Technology -0.7%, Non-Profit -0.2%

Searches Started Quarterly by Industry, as Percentage of Total



Average Number of Searches Started by Region

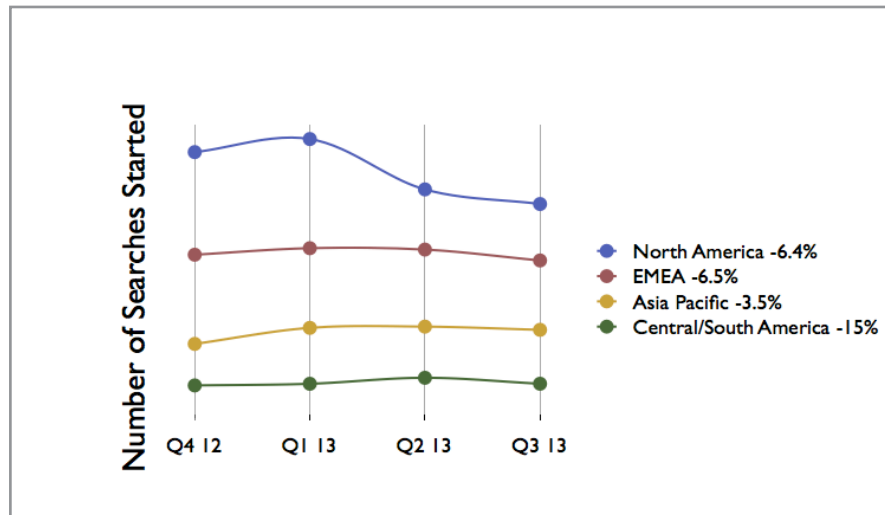
Year-on-year trend: Q3 2012 to Q3 2013

- Decreasing: North America -13.3%, EMEA -7.5%, Asia Pacific -5.9%, Central/South America -24.6%

Quarter-on-quarter trend: Q2 2013 to Q3 2013 (pictured below)

- Decreasing: North America -6.4%, EMEA -6.5%, Asia Pacific -3.5%, Central/South America -15%

Trend in Average Number of Searches Started Quarterly, by Region

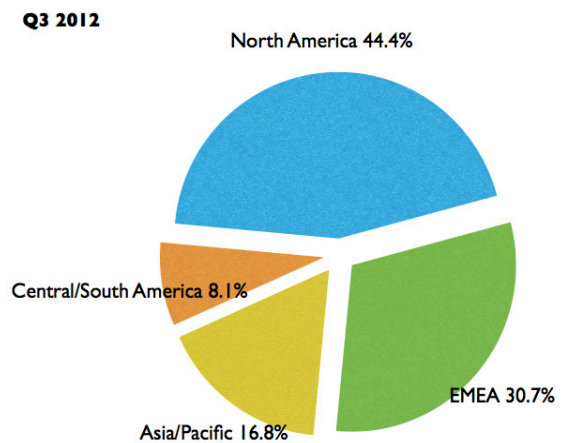
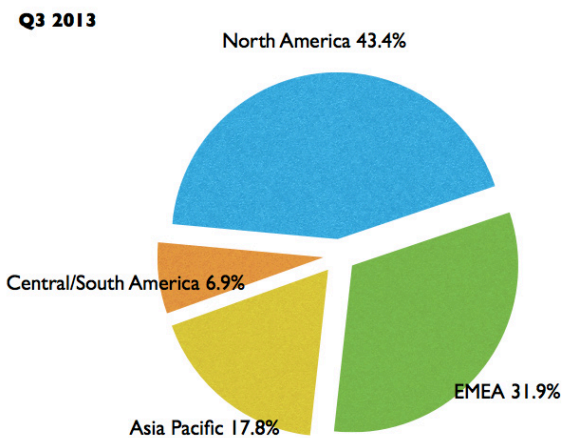


Market Share by Region

Year-on-year trend: Q3 2012 to Q3 2013 (pictured below)

- Increasing: EMEA +1.2%, Asia Pacific +1%
- Decreasing: North America -1%, Central/South America -1.2%

Searches Started Quarterly by Region, as Percentage of Total

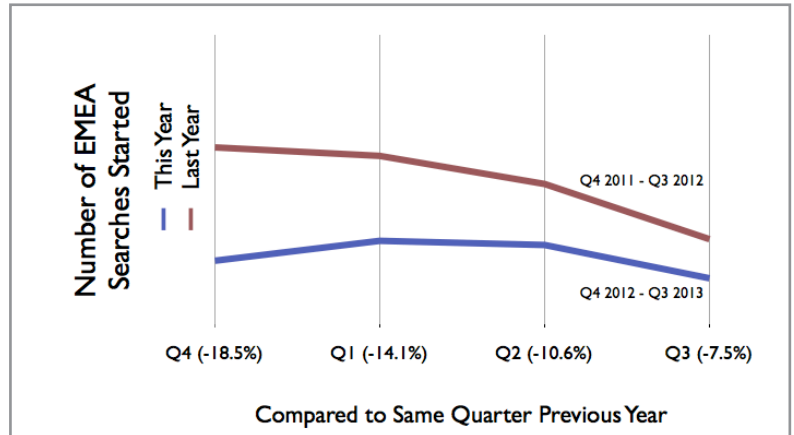


Average Number of Searches Started in EMEA

Year-on-year trend: Q3 2012 to Q3 2013 -7.5% (pictured below)

Quarter-on-quarter trend: Q2 2013 to Q3 2013 -6.5%

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



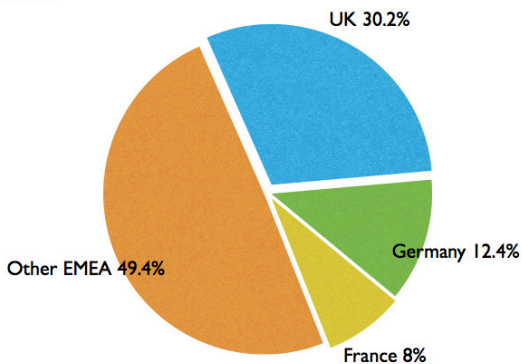
Market Share by EMEA Sub-Regions *

Year-on-year trend: Q3 2012 to Q3 2013 (pictured below)

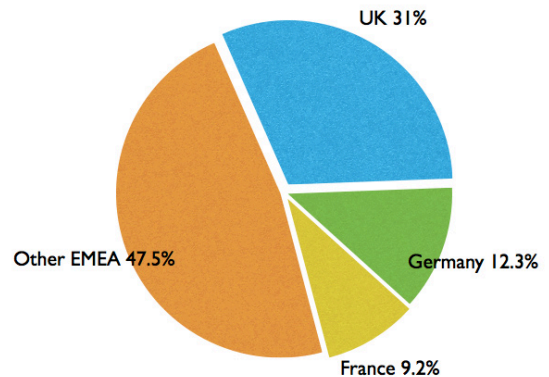
- Increasing: Germany +0.1%, Other EMEA +1.9%
- Decreasing: UK -0.8%, France -1.2%

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

Q3 2013



Q3 2012



* 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.