

AESC Insights

Q4 2004

State of the Executive Search Industry



Association of Executive Search Consultants

The Worldwide Association for Retained Executive Search Consulting Firms

AESC State of the Industry Statistics

Fourth Quarter, 2004 Report & Year-End 2004 Summary

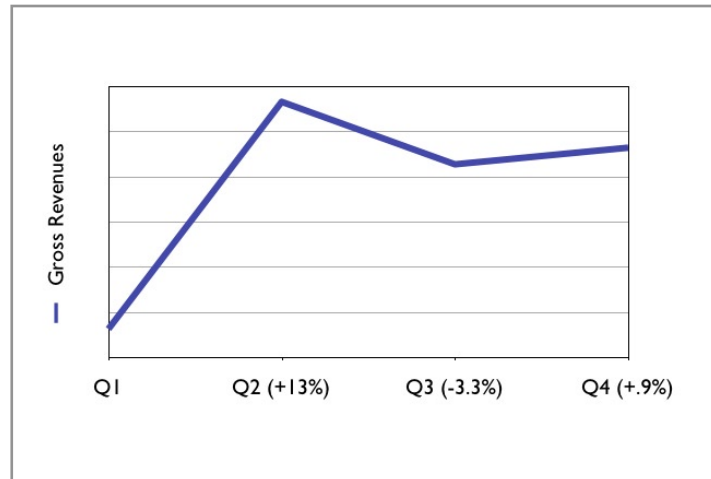
AESC Quarterly State of the Industry Statistics is a quarterly report issued by the Association of Executive Search Consultants (AESC) on statistics and trends in the global retained executive search industry. Data for this report is collected from a consistent sample of AESC member search firms which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

Part One: Q4 2004 Financial Trends

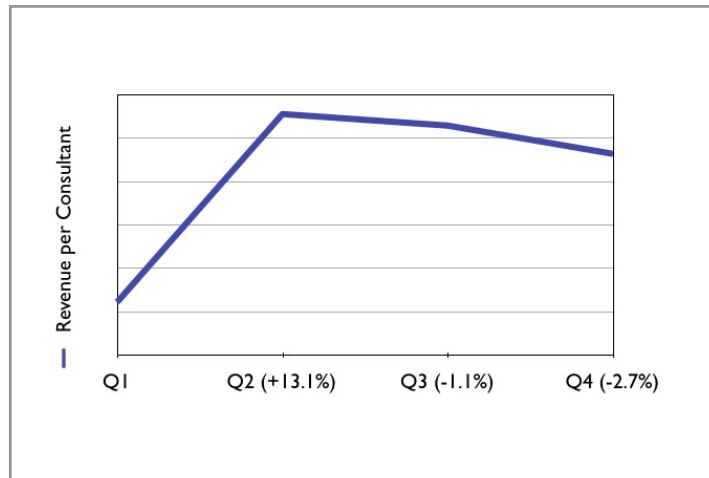
Average Gross Revenues were up 0.90% from Quarter 3 to Quarter 4, 2004.

Average Revenue per Consultant shows a decrease of 2.7% in the 4th quarter 2004. This is in keeping with the industry's typical slowdown in the final months of the year. As can be noted in Part 4 "2004 year end summary" the average Revenue per Consultant for 2004 was strong, representing a 26% increase over 2003.

2004 Quarterly Gross Revenues



2004 Quarterly Average Revenue per Consultant

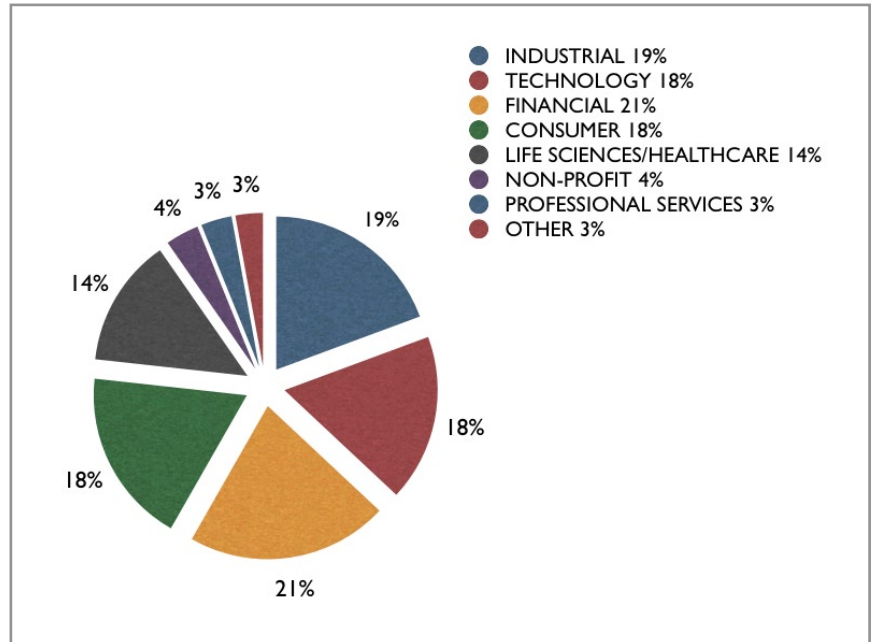


Part Two: Q4 2004 Industry Trends

Market Breakdown by Industry

The largest number of searches (21%) in Q4 were conducted in the Financial Services Industry, with the Industrial Sector following at 19% of all searches, and the Consumer Products and Technology Industries each representing 18% of all global executive search activity.

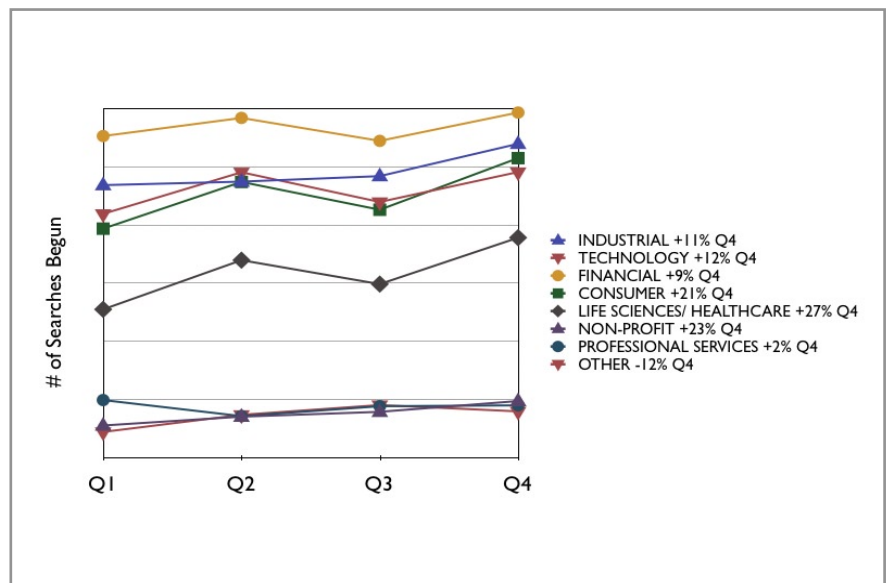
Searches Begun in Quarter 4 2004, by Industry as Percentage of Total



Trend in Number of Searches Begun, by Industry

All industries with the exception of those falling under the category “other” saw an increase in search activity in Q4 versus Q3. Life Sciences/Healthcare represented the biggest spike, with 27% more searches performed in Q4 than Q3. The Non-Profit and Consumer Products industries also showed more than 20% increase in search activity in Q4 - +23% and +21% respectively.

Trend in Number of Searches Begun, Quarter 1 through Quarter 4 2004, by Industry

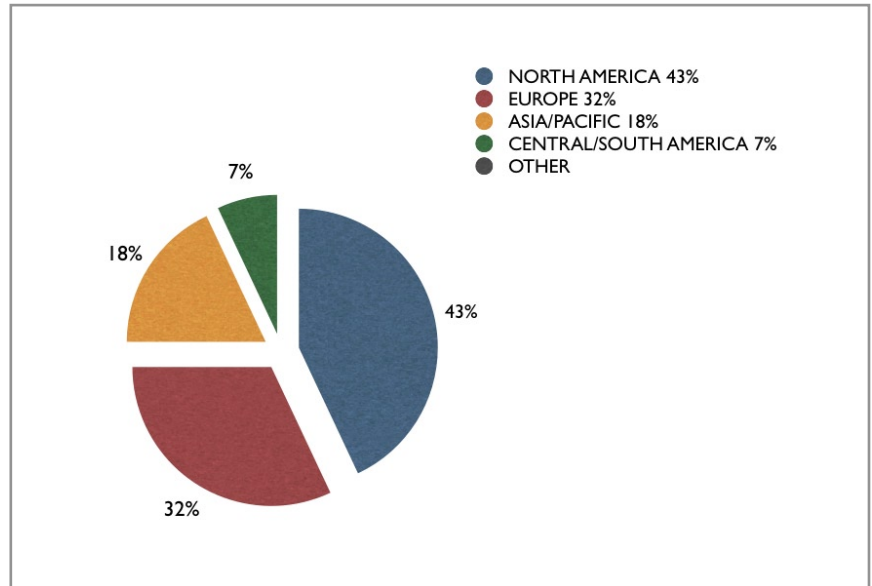


Part 3: Q4 2004 Regional Trends

Market Share by Region

The largest number of searches in Q4 2004 was performed in North America, representing 43% of the global executive search market. (North America represented 41% of the market in Q3). European searches accounted for 32% of the global market in Q4 (36% in Q3). 18% of searches begun in this period were in Asia/Pacific, and 7% in South America.

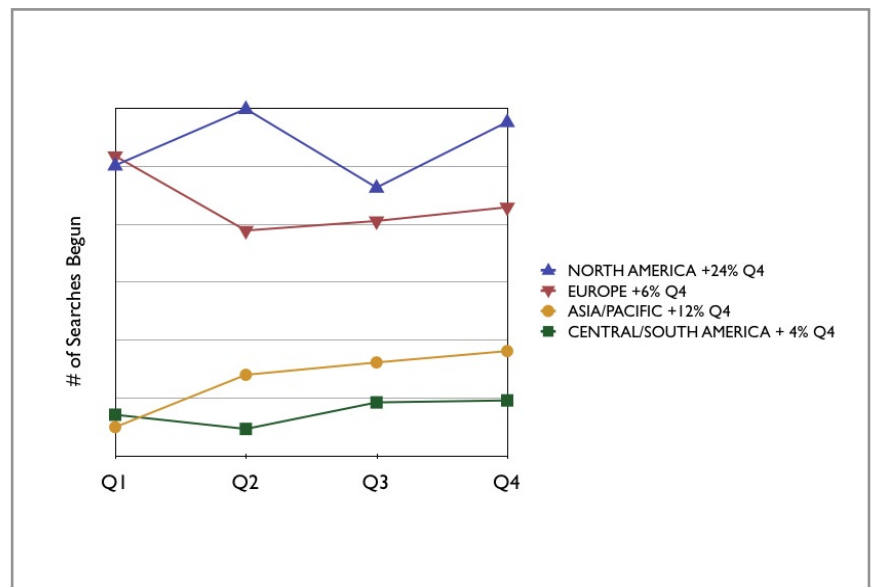
Searches Begun in Quarter 4 2004, by Region as Percentage of Total



Trend in Number of Searches Begun, by Region

The number of searches begun in Q4 2004 was higher across the globe as compared to Q3. North America showed the largest increase in activity, with 24% more searches performed in Q4. Asia/Pacific saw a 12% increase. Searches in Central America were up 4% as compared to Q3.

Trend in Number of Searches Begun, Quarter 1 through Quarter 4 2004, by Region

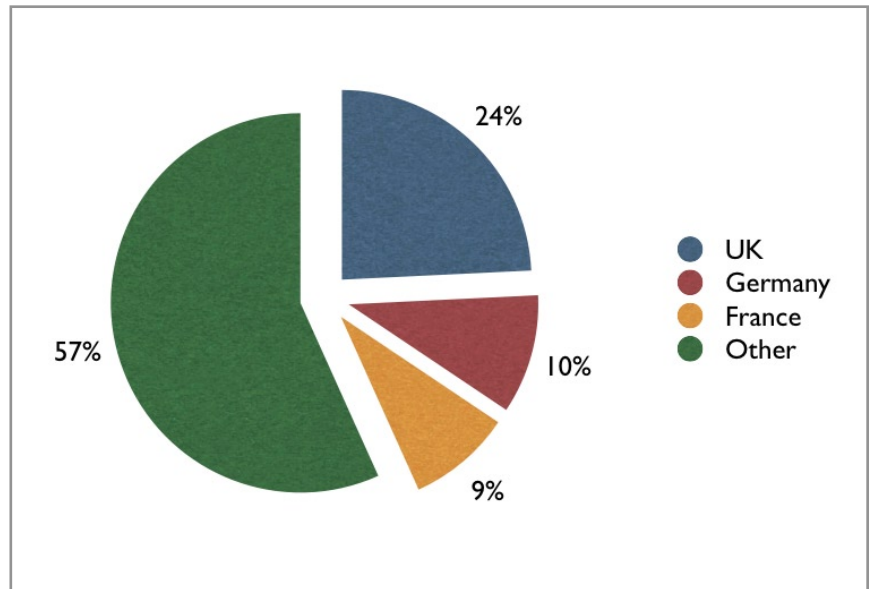


European Regional Markets

Market Share by European Sub-Region

The UK represented just under 1/4(24%) of search activity in Europe Q4 2004, down from 30% of the activity in Q3. 10% of Europe's Q4 activity occurred in Germany (19% in Q3). France represented 9% of the European market in Q4 (8% Q3).

Searches Begun in Quarter 4 2004, by European Sub-Region as Percentage of Total Europe

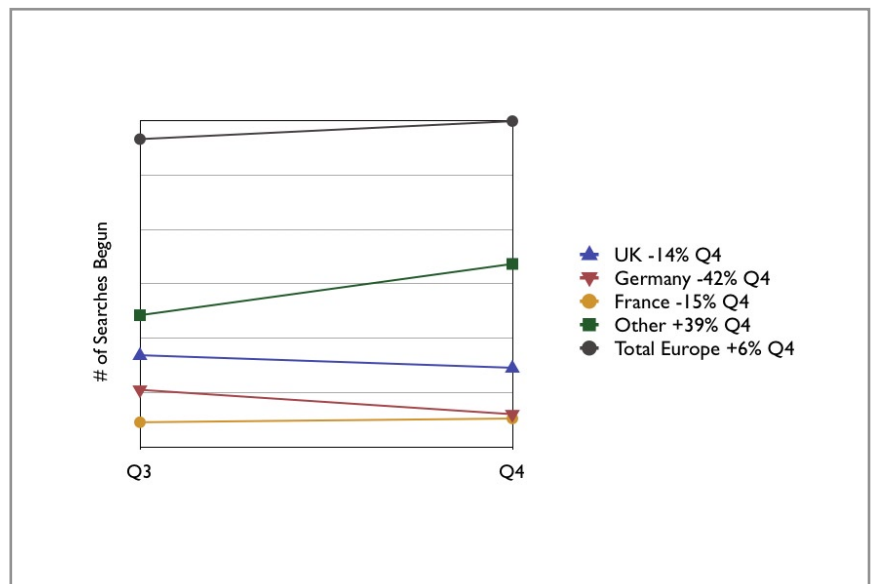


European Regional Markets

Trend in Number of Searches Begun, by European Sub-Region

Q4 saw fewer searches begun than Q3 in each of the major European markets. The most dramatic downshift was in Germany, where 42% fewer searches were begun in Q4 as compared to Q3. France and the UK saw decreases of 15% and 14% respectively. Search Activity in the rest of Europe however, increased, resulting in a net growth of 6% in the number of searches begun in Europe as a whole.

Trend in Number of Searches Begun, Quarter 3 through Quarter 4 2004, by European Sub-Region

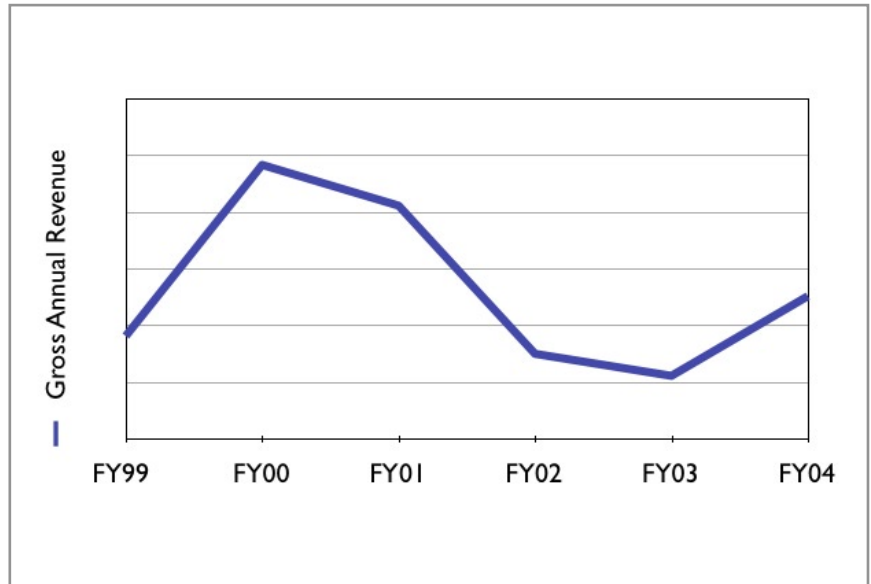


Part Four: 2004 Year-End Summary

2004 Summary: Trend in Average Gross Revenue

Gross revenues for 2004 are up 19.73% from year-end revenues in 2003. This represents the first positive growth in the industry since 2000. For the industry to rebound to 2000's record earnings, revenues would have to rise another 27% in 2005.

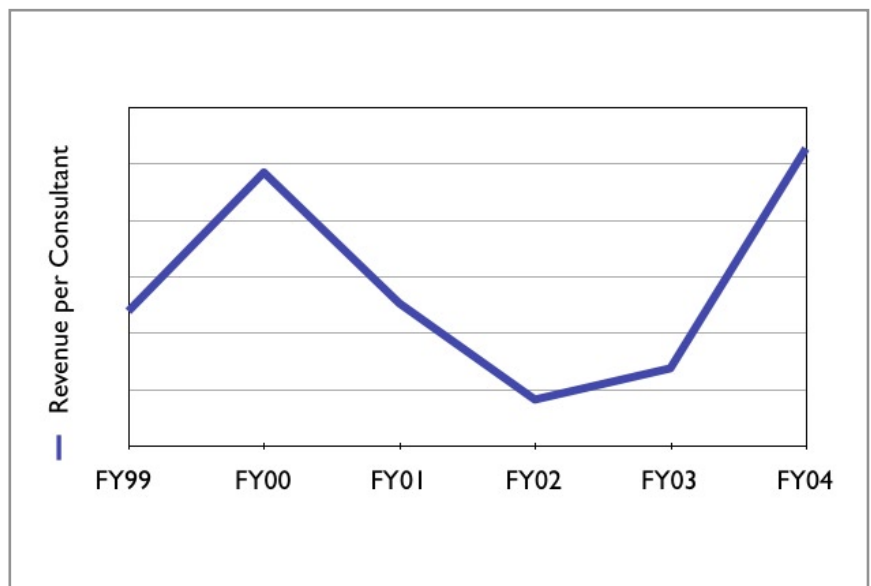
*Gross Annual Revenues for Fiscal Years
1999 through 2004*



2004 Summary: Trend in Average Revenue per Consultant

Average revenue per consultant for 2004 is 26.17% higher than for 2003. Revenue per consultant is the highest it has been in 5 years, 2.31% higher than in 2000.

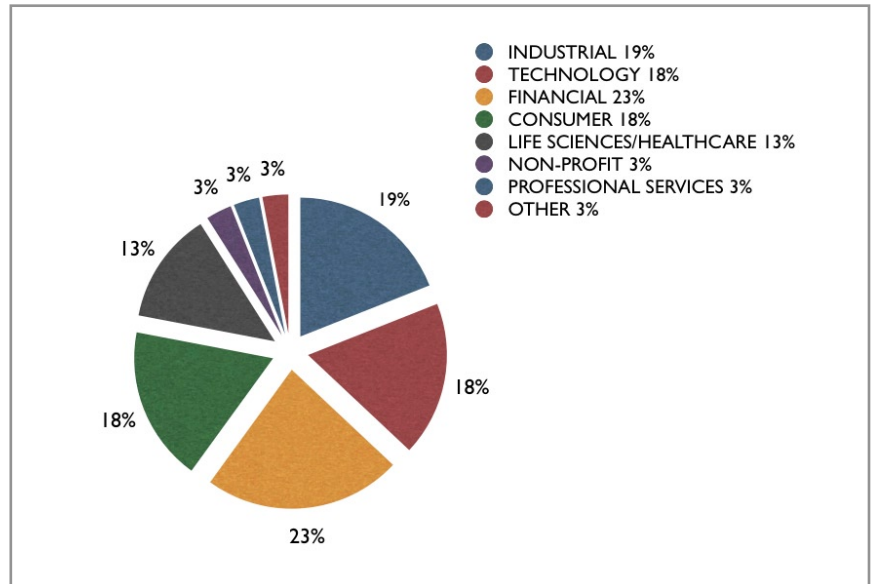
*Average Revenue per Consultant for Fiscal
Years 1999 through 2004*



2004 Summary: Market Breakdown by Industry

Executive search activity was highest in the financial industry in 2004 (23% of searches), followed by the industrial sector (19% of searches), and the technology and consumer industries (18% of searches each).

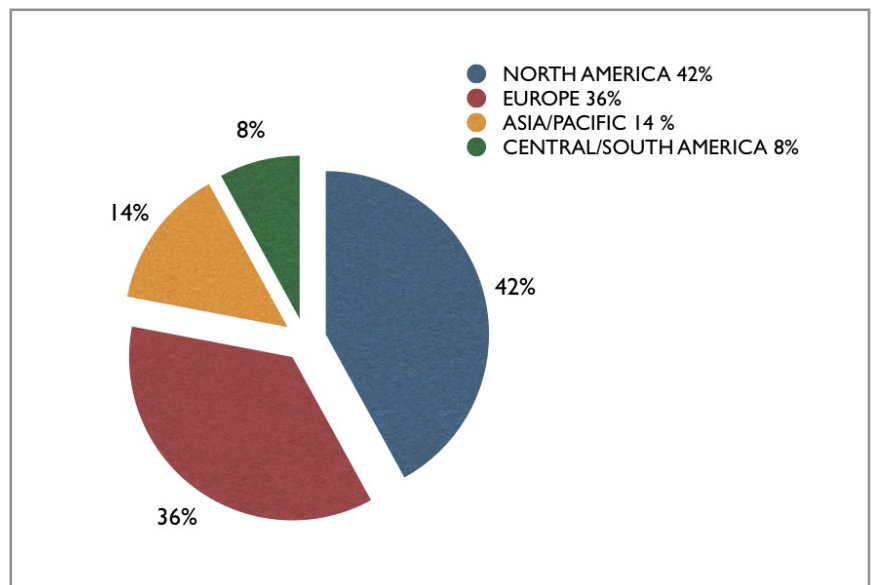
Searches Begun in 2004, by Industry as Percentage of Total



2004 Summary: Market Breakdown by Region

North America represented 42% of the retained executive search market in 2004. European searches accounted for just over a third of search activity. Asia/Pacific and Central/South America represented 14% and 8% of the market, respectively.

Searches Begun in 2004 by Region as Percentage of Total



2004 Summary: European Regional Breakdown

In 2004 the three top European markets for executive search combined represented just under half of the European market, with 27% of European searches taking place in the UK, 10% in Germany, and 8% in France.

Searches begun in 2004 by European Region as percentage of European Total

