



AESC Insights

Q4 2005

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: Q4 2005 & Year End Summary

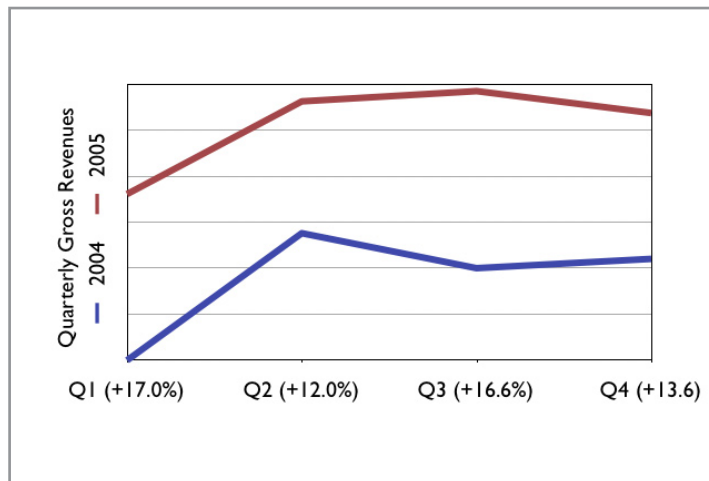
AESC Quarterly State of the Industry Statistics is a quarterly report issued by the Association of Executive Search Consultants (AESC) on statistics and trends in the global retained executive search industry. Data for this report are collected from a consistent sample of AESC member search firms that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

FINANCIAL TRENDS

Average Gross Revenues

Average gross revenues decreased slightly by 1.8% from Q3 2005 to Q4 2005. In comparison to last year, average gross revenues were 13.6% higher in Q4 2005 than Q4 2004.

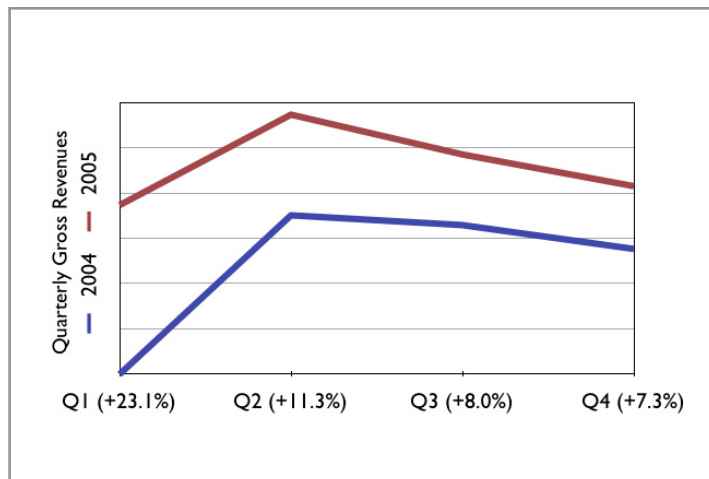
2005 Quarterly Gross Revenues As Compared to 2004



Average Revenue per Consultant

Average Revenue per Consultant decreased 3.3% from Q3 2005 to Q4 2005. Despite this decrease, average revenue per consultant for Q4 2005 was higher over last year at this same time by 7.3%.

2005 Quarterly Average Revenue per Consultant As Compared to 2004

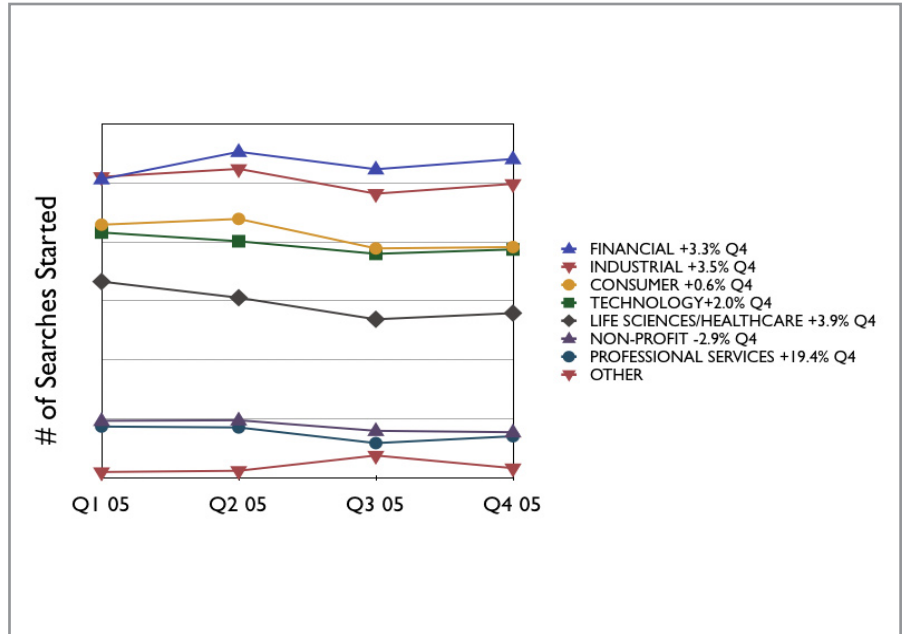


INDUSTRY TRENDS

Trend in number of searches started, by industry

Even with an overall revenue decrease from Q3 to Q4 2005, number of searches started saw a small increase of 1.7%. All reported industries realized an increase in searches started from Q3 to Q4 2005 with the exception of the Non-profit sector which saw a 2.9% decrease. The industries with the largest quarterly increase of searches started included Professional Services (+19.4%); Life Sciences & Healthcare (+3.9%); as well as the Industrial sector (+3.5%).

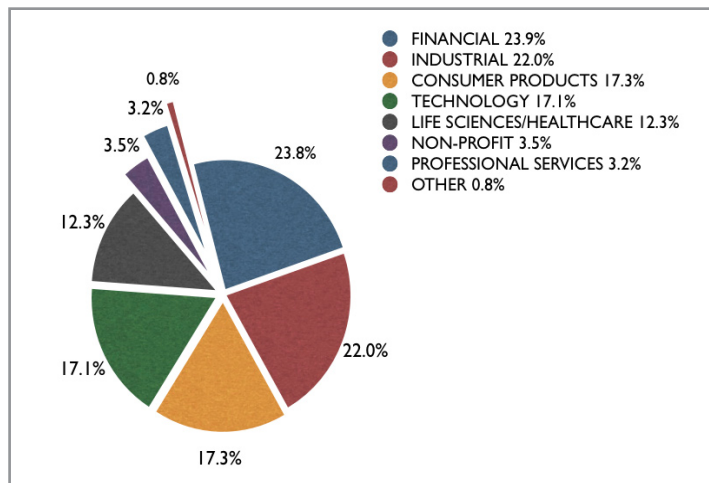
Trend in Number of Searches Started Quarterly, by Industry



Market Breakdown by Industry

Consistent with previous quarters, the Financial sector captured the largest share of number of searches started as compared to all other reported industries with 23.9%. Following with the second largest share includes the Industrial sector with 22.0%. Consumer Products (17.3%), Technology (17.1%), Life Sciences & Healthcare (12.3%), Non-Profit (3.5%); and Professional Services (3.2%) sectors round out the industry breakdown.

Searches Started in Quarter 4 2005, by Industry as Percentage of Total

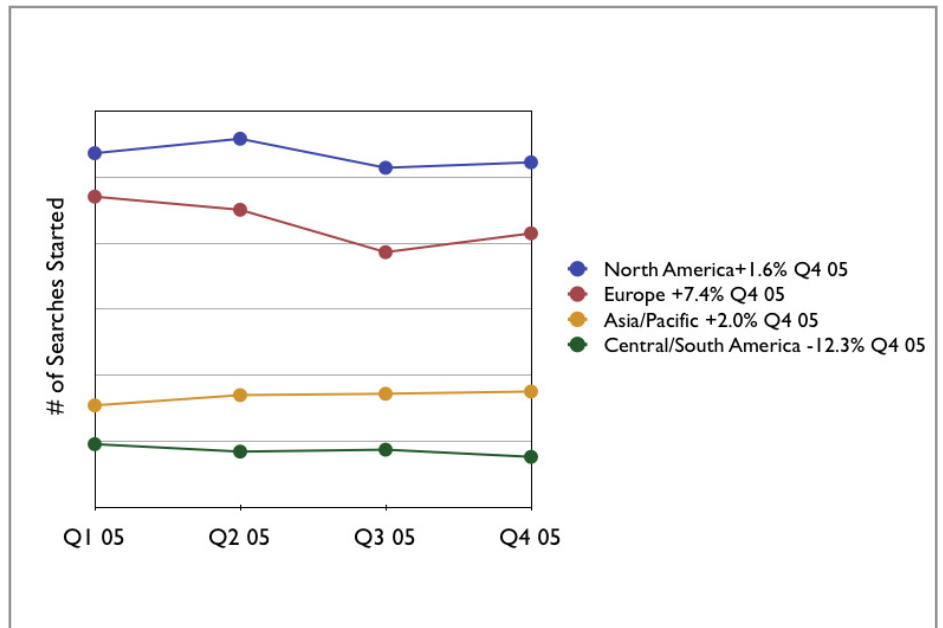


REGIONAL TRENDS: Global

Trend in Number of Searches Started, By Region

The three largest regions analyzed in this report, which include North America (+1.6%), Europe (+7.4%), and Asia-Pacific (+2.0%) all saw an increase in number of searches started from Q3 2005 to Q4 2005. Central/South America saw a 12.3% decrease in number of searches started.

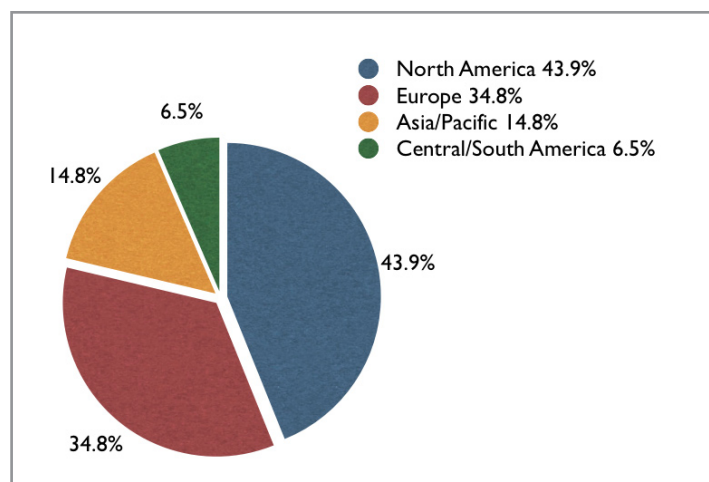
Trend in Number of Searches Started Quarterly, by Region



Market Share by Region

In Q4 2005, North America represented 43.9% of the global retained executive search market. European searches made up 34.8% of the total. Asia/Pacific accounted for 14.8% of searches, and Central/South America, 6.5%.

Searches Started in Q4 2005, by Region as Percentage of Total

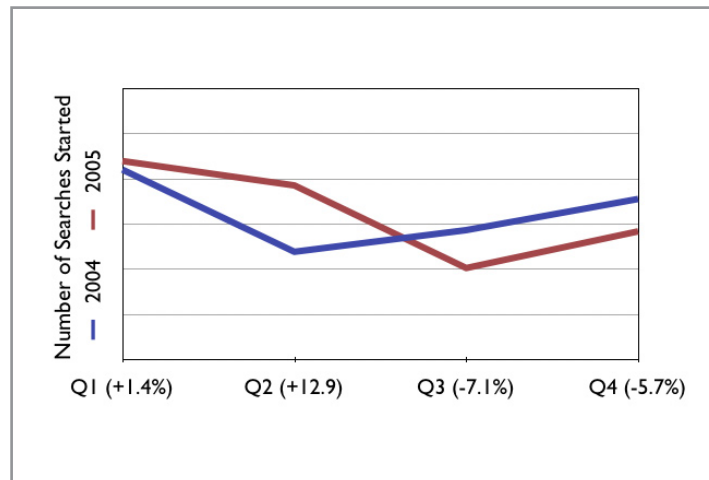


REGIONAL TRENDS: Europe

Trend in Number of Searches Started in Europe

Number of searches started in Europe has rebounded – ending a brief two-quarter slide – increasing by 7.4% from Q3 to Q4 2005. In comparison to Q4 of last year, number of searches started in Europe is still down by 5.7%.

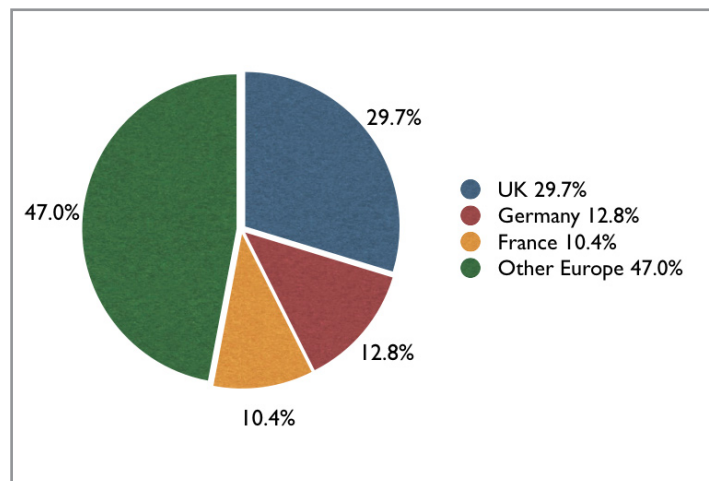
2005 Quarterly Trend in Number of Searches Started in Europe As Compared to 2004



Market Share by European Sub-Region

Regional breakdown of number of searches started in Europe is changing – larger markets appear to be losing share to developing markets in Europe. UK searches decreased its share of the European market with 29.7% (36.0% in Q3) and search activity in France also decreased its share to 10.4% (11.7% in Q3). German searches have held steady, capturing 12.8% of the European market.

Searches Started in Quarter 4 2005, by European Sub-Region as Percentage of Total Europe

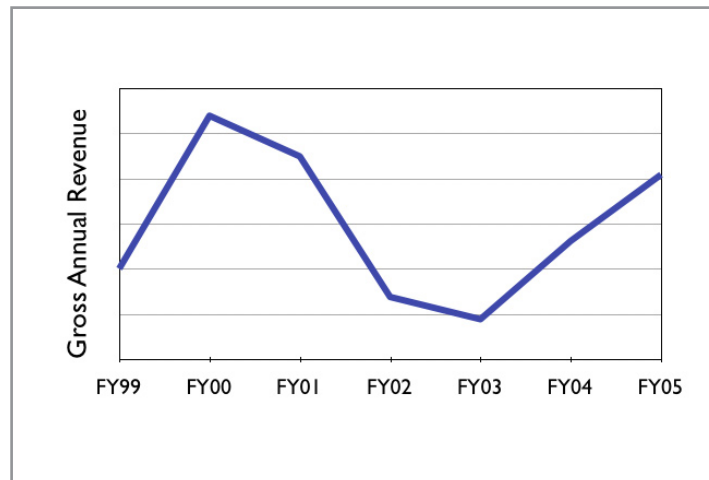


2005 YEAR-END SUMMARY

2005 Summary: Trend in Average Gross Revenue

Gross revenues for 2005 are up 16.5% from year-end revenues in 2004. This represents a second consecutive year of positive growth in the industry – inching closer towards record earnings felt in 2000.

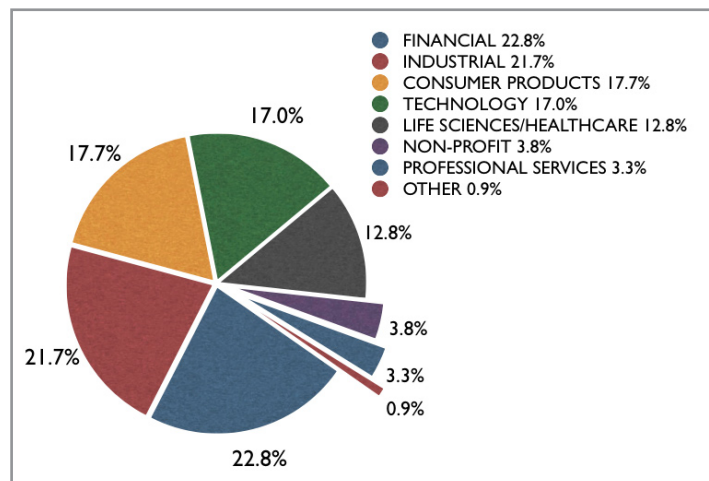
Gross Annual Revenues for Fiscal Year
1999 through 2005



2005 Summary: Market Breakdown by Industry

Executive search activity was highest in the Financial industry in 2005 (22.8% of searches), followed by the Industrial sector (21.7% of searches), Consumer Products (17.7% of searches) and the Technology sector (17.0% of searches).

Searches Started in 2005, by Industry as
Percentage of Total

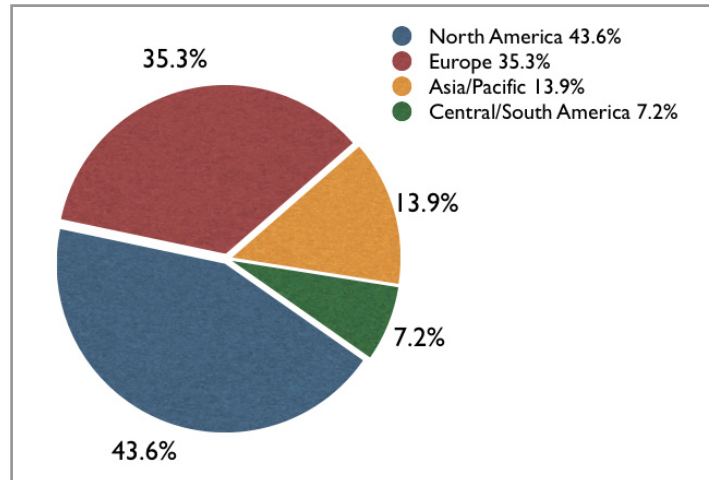


2005 YEAR-END SUMMARY

2005 Summary: Market Breakdown by Region

North America represented 43.6% of the retained executive search market in 2005. European searches accounted for 35.3% of search activity. Asia/Pacific and Central/South America represented 13.9% and 7.2% of the market, respectively.

Searches Started in 2005, by Region as Percentage of Total



2005 Summary: European Regional Breakdown

In 2005, the top three European markets for executive search combined represented more than half of the European market (54.6%) – with 31.2% of European searches taking place in the UK, 11.6% in Germany, and 11.8% in France.

Searches Started in 2005, by European Sub-Region as Percentage of Total Europe

