



AESC Insights

Q4 2006

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 2006 & Year End Summary

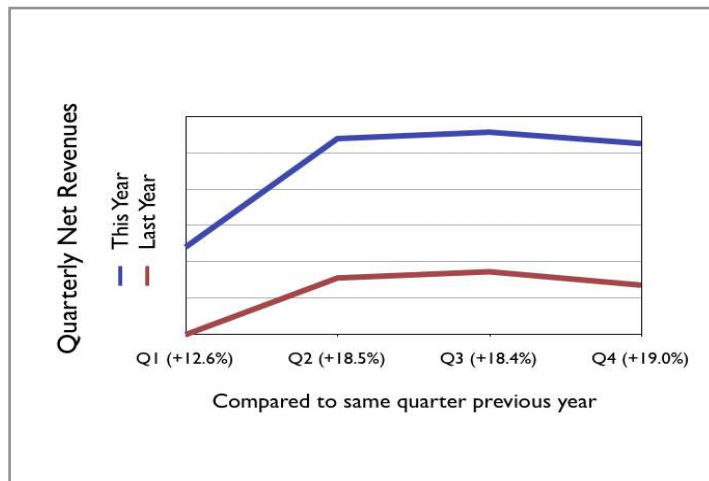
The AESC Quarterly State of the Industry Statistics is a quarterly report issued by the Association of Executive Search Consultants (AESC) on statistics and trends in the global retained executive search industry. Data for this report is collected from a consistent sample of AESC member search firms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

FINANCIAL TRENDS

Average Net Revenues

Average net revenues experienced a yearly increase of 19% from Q4 2005 to Q4 2006. The quarterly trend revealed a minor decrease in net revenues (-1.3%) from Q3 2006 to Q4 2006.

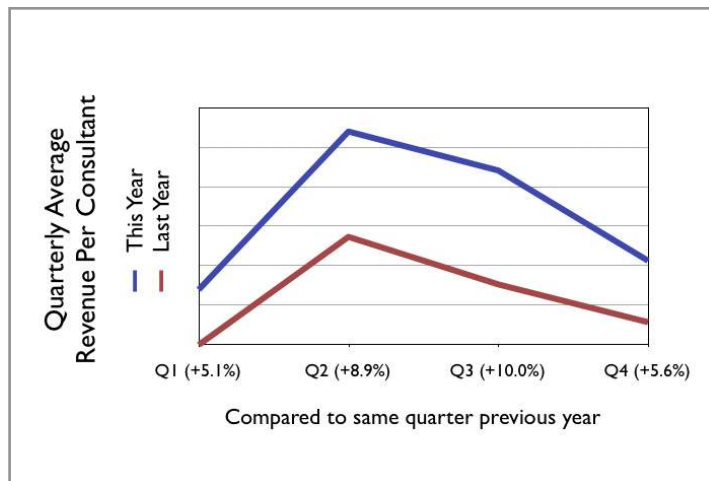
Quarterly Net Revenues,
as Compared to Previous Year



Average Revenue Per Consultant

The average revenue per consultant in Q4 2006 rose by 5.6% from the same period a year ago. The quarterly figure showed a decline of 7.2% from Q3 2006 to Q4 2006.

Quarterly Average Revenue Per Consultant,
as Compared to Previous Year



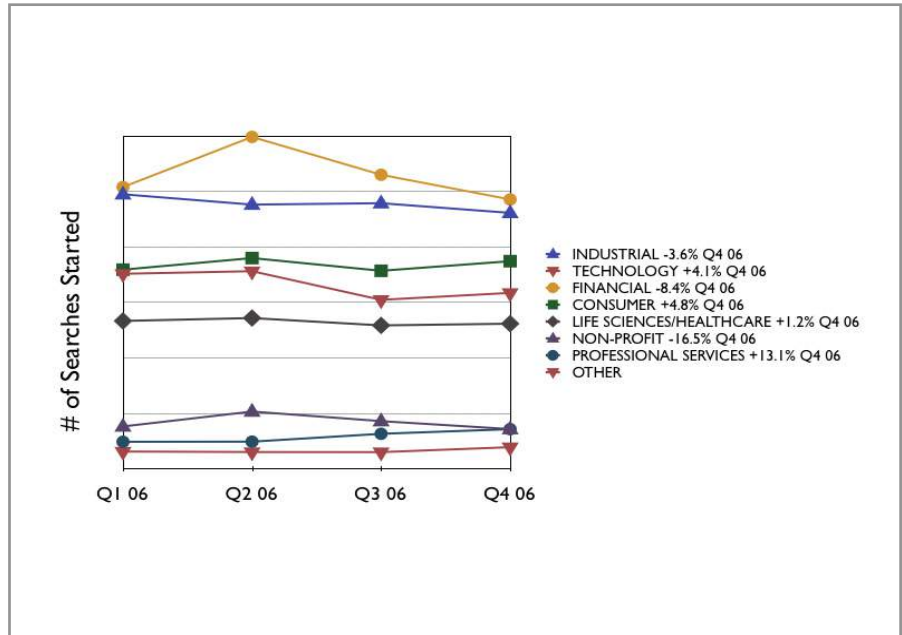
INDUSTRY TRENDS

Trend in Number of Searches Started by Industry

Searches started in Q4 2006 declined slightly (-1.2%) against the previous quarter. Professional Services experienced the greatest quarterly increase with a 13.1% rise, followed by Consumer (+4.8%), Technology (+4.1%), and Life Sciences/Healthcare (+1.2%). Industries experiencing a quarterly drop in searches were Non-Profit (-16.5%), Financial (-8.4%), and Industrial (-3.6%).

A yearly analysis revealed a rise in all industries from Q4 2005 to Q4 2006, with the exception of Technology (-5.5%). Professional Services held the largest yearly increase in searches started (+16.4%), followed by Consumer (+10.3%), Life Sciences/Healthcare (+8%), Industrial (+6.7%), Non-Profit (+6.5%), and Financial (+3.6%).

Trend in Number of Searches Started Quarterly, by Industry

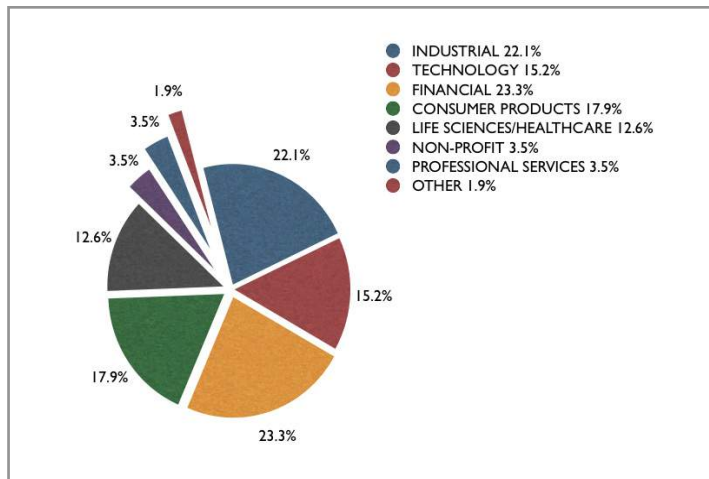


Market Breakdown by Industry

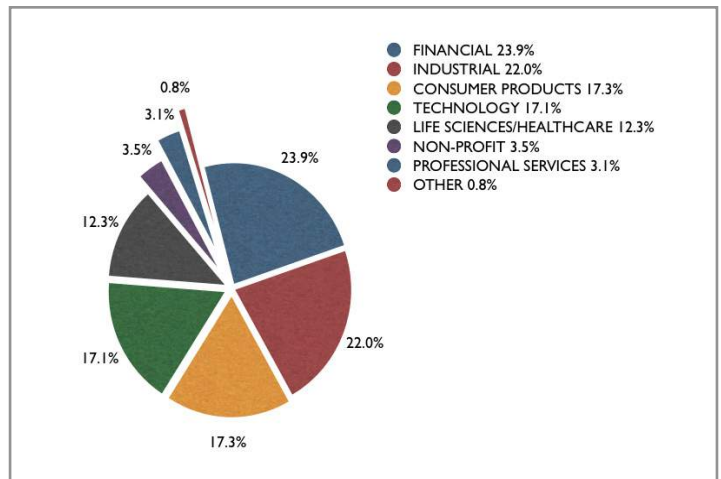
Q4 2006 saw the Financial sector capture the largest share in number of searches with 23.3% of the total market. The Industrial sector followed with the second largest share, 22.1%. Consumer Products (17.9%), Technology (15.2%), Life Sciences/Healthcare (12.6%), Non-Profit (3.5%) and Professional Services (3.5%) round out the industry breakdown.

Searches Started Quarterly by Industry, as Percentage of Total

Quarter 4 2006



Quarter 4 2005

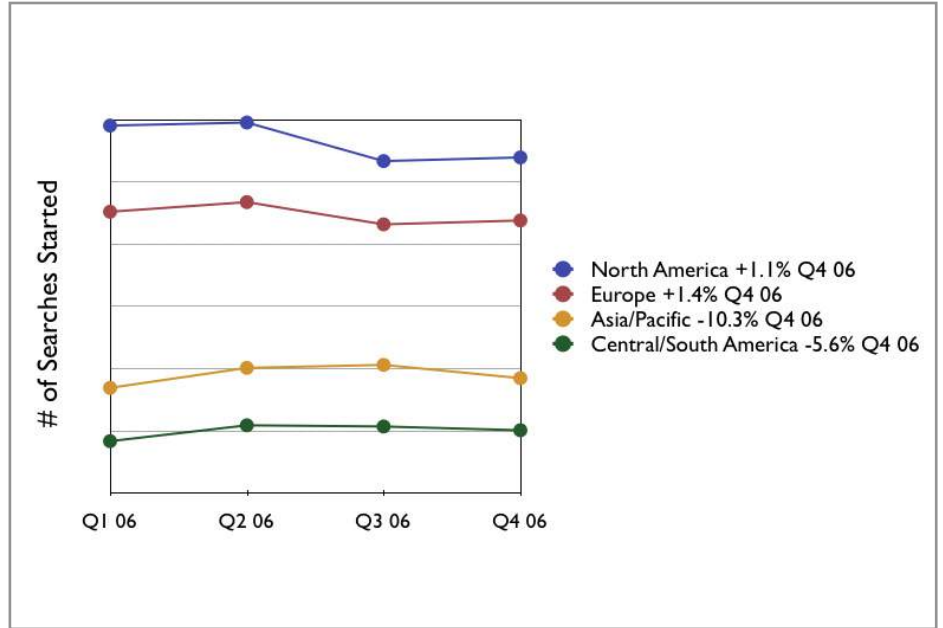


REGIONAL TRENDS: Global

Trend in Number of Searches Started by Region

North America experienced a minor quarterly increase (+1.1%) in the number of searches started. Similarly, Europe witnessed a 1.4% quarterly rise in searches. Asia-Pacific declined (-10.3%), as did Central/South America (-5.6%) from Q3 2006 to Q4 2006.

Trend in Number of Searches Started Quarterly, by Region



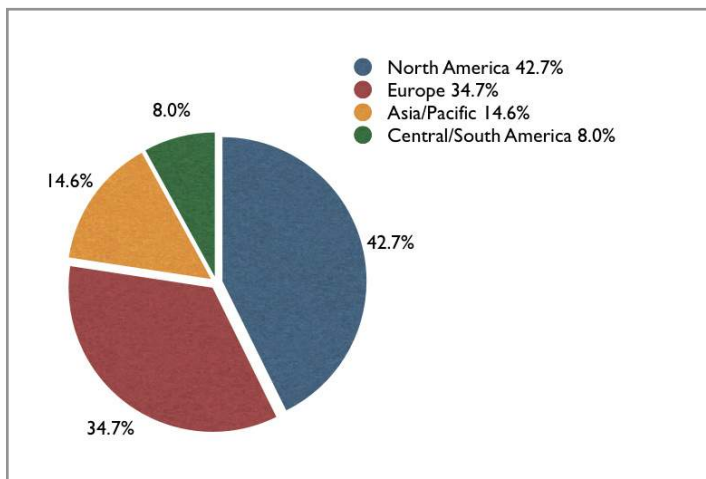
Market Share by Region

North America accounted for 42.7% of the global retained executive search market in Q4 2006. European searches totaled 34.7%, Asia/Pacific 14.6% and Central/South America 8%. There was no significant quarterly change in market share by region.

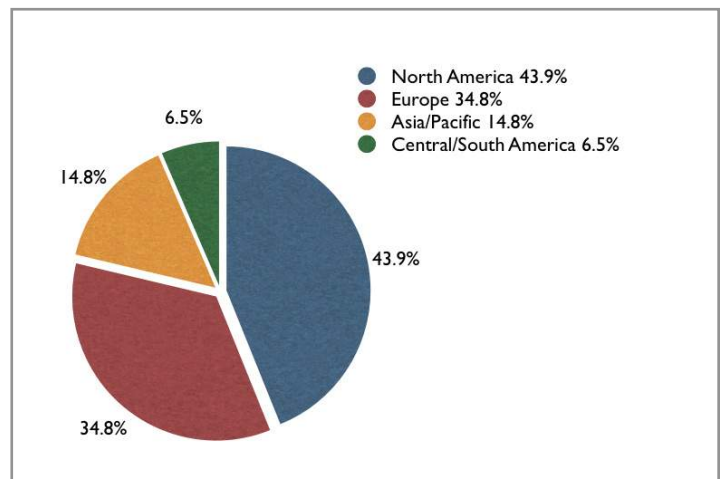
When comparing the yearly change all regions remained consistent in market share from Q4 2005 to Q4 2006. North America and Central/South America experienced small annual increases, 1.2% and 1.5% respectively - while Europe and Asia/Pacific showed minor decreases of less than 1% each.

Searches Started Quarterly by Region, as Percentage of Total

Quarter 4 2006



Quarter 4 2005

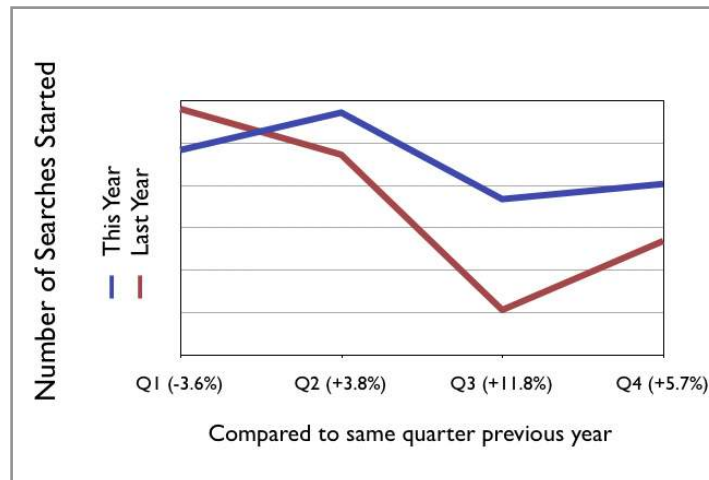


REGIONAL TRENDS: Europe

Trend in Number of Searches Started in Europe

A year-on-year comparison revealed a 5.7% increase in the number of European searches started from Q4 2005 to Q4 2006. The quarterly change from Q3 to Q4 2006 also highlights an increase (+1.4%).

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

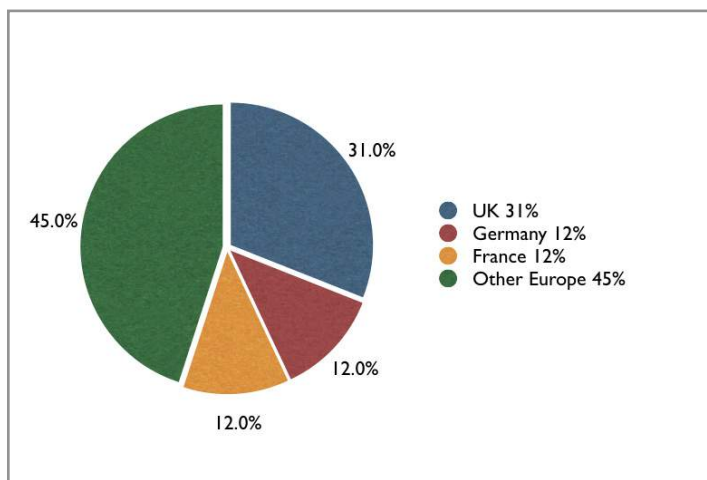


Market Share by European Sub-Region

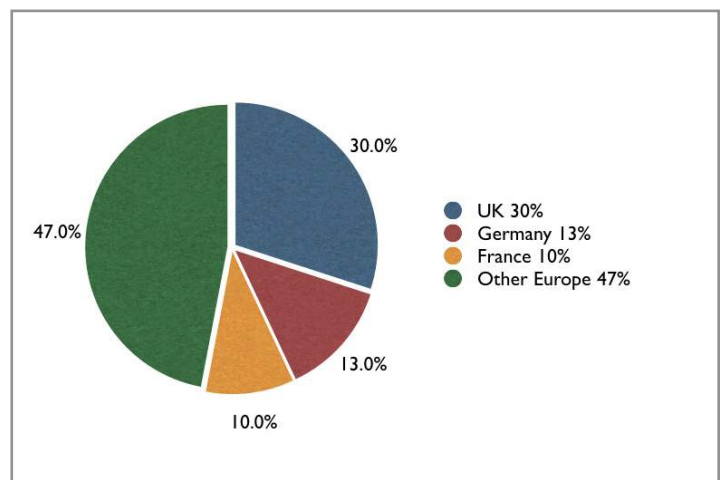
UK searches accounted for 31% of the total European market share in Q4 2006, with Germany and France holding 12% each, and other European countries 45%. A yearly comparison (Q4 2005 – Q4 2006) reveals minor changes in market share; UK +1.3%, Germany -0.9%, France +1.6%, other Europe -2.0%.

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

Quarter 4 2006



Quarter 4 2005

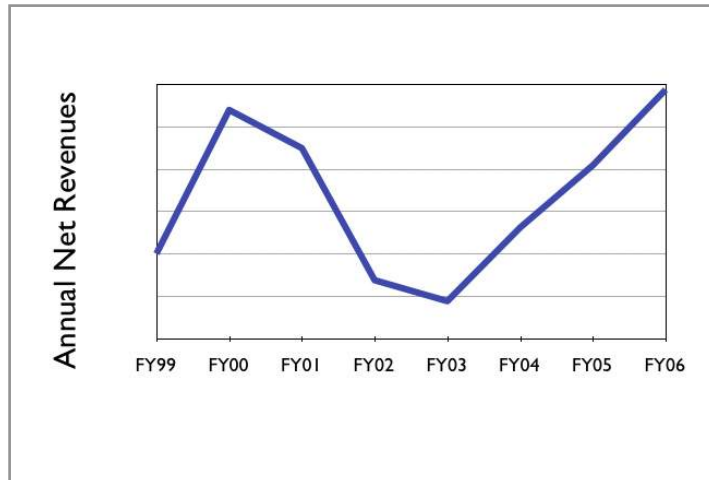


2006 YEAR-END SUMMARY

2006 Summary: Trend in Average Net Revenues

2006 net revenues rose 17.2% from year end revenues in 2005, representing the third consecutive year of positive industry growth surpassing record levels of 2000.

Annual Net Revenues for Fiscal Year
1999 through 2006

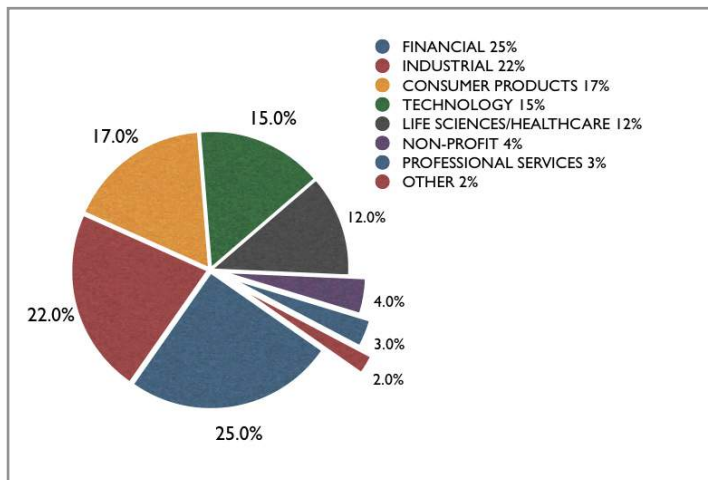


2006 Summary: Market Breakdown by Industry

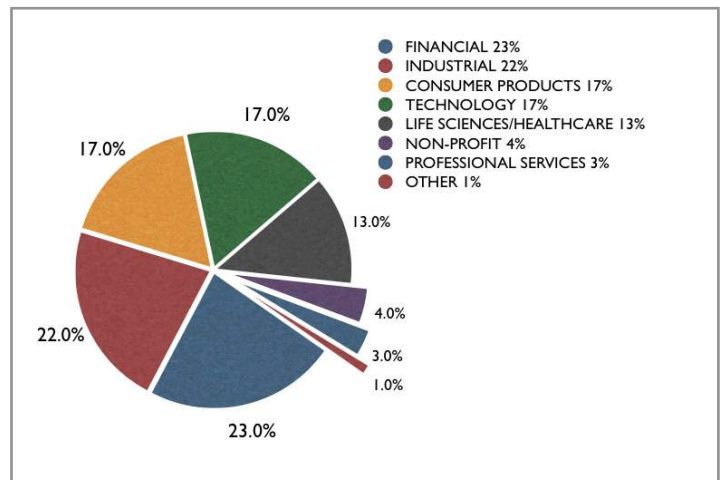
Reflecting 2005 trends, in 2006 executive search activity was highest in the Financial industry with 25% of searches, followed by the Industrial sector (22%), Consumer Products (17%), Technology (15%), Life Sciences/Healthcare (12%), Non-Profit (4%), and Professional Services (3%).

Searches Started Annually by Industry as
Percentage of Total

2006



2005

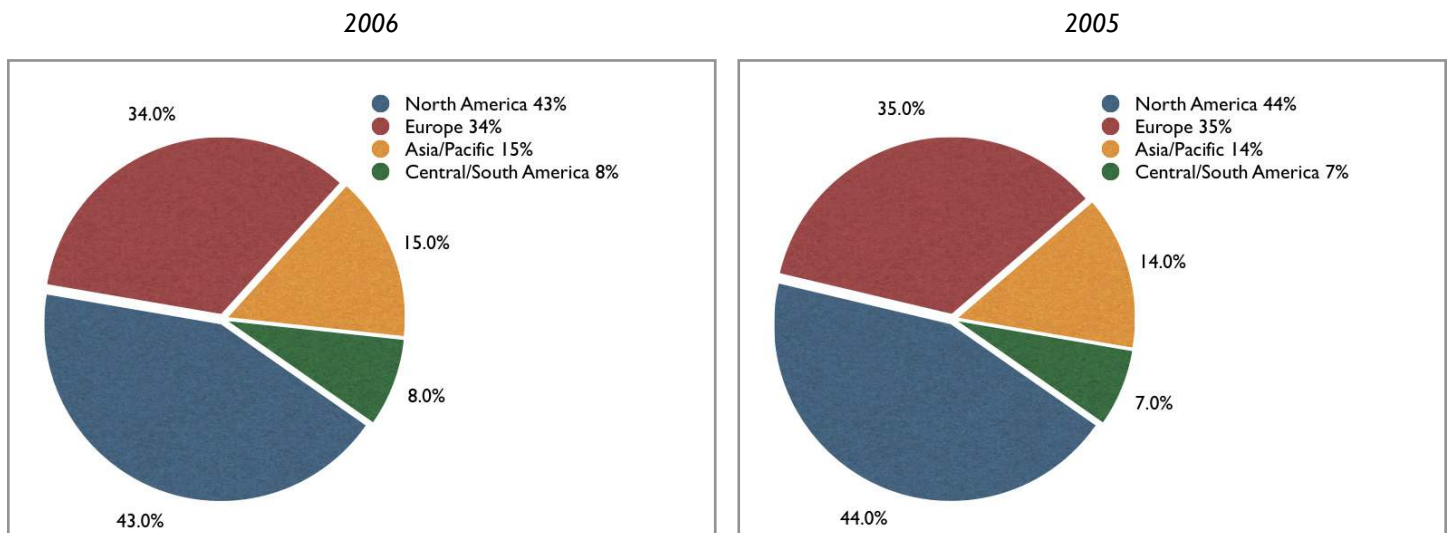


2006 YEAR-END SUMMARY

2006 Summary: Market Breakdown by Region

North America represented 43% of the retained executive search market in 2006, with Europe shortly behind, accounting for 34% of search activity – both regions witnessed a minor decrease from 2005 year end figures (-0.6% and -1.3% respectively). Conversely, Asia/Pacific's market share grew from 2005 to represent 15% of the total market in 2006. Similarly, Central/South America's share increased to 8% by the end of 2006.

Searches Started Annually by Region as Percentage of Total



2006 Summary: European Regional Breakdown

Increasing somewhat from 2005, in 2006 the top three European markets for executive search combined represented over half of the total European market (58%): UK 33%, Germany 14%, and France 11%.

Searches Started Annually by European Sub-Region as Percentage of Total Europe

