



AESC Insights

Q4 2009

State of the Executive Search Industry

2009 Ends on Upward Trend for Senior Executive Recruitment:
The Executive Search Industry Continues to Recover in Q4 2009 Following a Year in
Decline



Association of Executive Search Consultants

The Worldwide Association for Retained Executive Search Consulting Firms

AESC State of the Executive Search Industry Report Q4 2009 & Year-End Summary

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 industry. Data for the report is collected from a consistent sample of AESC member search firms representing the activity of over 1500 executive search consultants in 46 countries worldwide. Data does not account for annual inflation. The AESC estimates that annual net revenues for the worldwide retained executive search industry totaled \$7.43 billion in 2009.

2009 ENDS ON UPWARD TREND FOR SENIOR EXECUTIVE RECRUITMENT

The Executive Search Industry Continues to Recover in Q4 2009 Following a Year in Decline

The 2009 executive search industry summary released today by the Association of Executive Search Consultants (AESC) indicates growing activity in senior management hiring during the fourth quarter of 2009. While overall industry revenues plummeted 32.5 per cent in 2009 from their highest ever levels in 2008, the fourth quarter saw a 7.3 per cent annual increase in searches started and a significant slow down in revenue declines.

Global executive search industry revenues were estimated to reach \$7.43 bn in 2009, against \$11 bn in 2008. Despite the economic downturn significantly impacting the senior recruitment industry, annual revenue comparisons showed 2009 as the sixth best on record; highlighting the strength of a consulting profession in critical demand and with unprecedented growth from 2004 to 2008.

Peter Felix, President of the AESC, commented, "The latest figures reveal new momentum as organizations become less reluctant to invest in upgraded or replacement senior management. We are gradually seeing increased search activity in many parts of the world, albeit exercised with more caution than with pre-recession hiring, and what appears to be a sustainable upward trend of demand. Certainly the final quarter of 2009 has proved to be a launch pad for greater optimism in 2010 and we are already seeing evidence of this in the first few months of the year".

For the first time in 2009, the fourth quarter saw yearly increases in the levels of senior executive search activity in Asia/Pacific, Central/South America and Europe. North America was the only region not to experience an annual rise in search mandates but remained flat from quarter four 2008 to quarter four 2009.

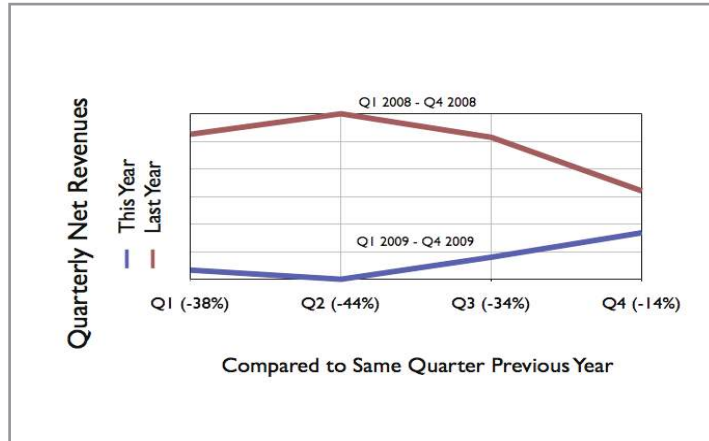
Financial services was knocked from its dominant market share position by the industrial sector back in the first quarter of 2008. Since then, the industrial sector has continued to hold the leading market share with 25 per cent of worldwide executive searches. However, the financial, consumer and technology sectors all saw the greatest annual rise in executive searches in quarter four 2009, indicating renewed activity across these industries.

Average Net Revenues

Annual trend: Q4 2008 to Q4 2009 -14% (pictured below)

Quarterly trend: Q3 2009 to Q4 2009 +10.5%

Quarterly Net Revenues,
as Compared to Previous Year

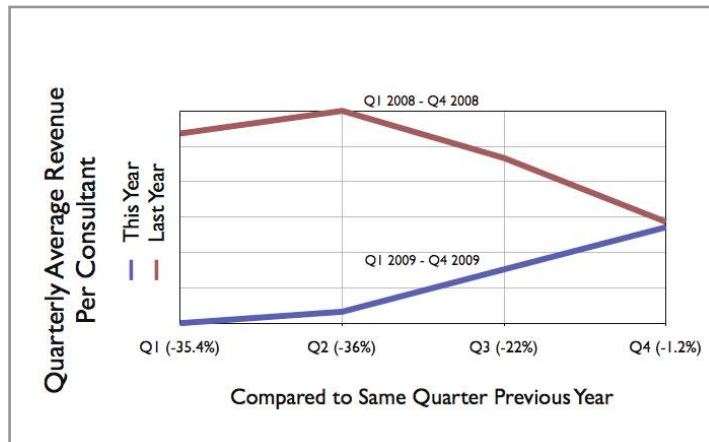


Average Revenue Per Consultant

Annual trend: Q4 2008 to Q4 2009 -1.2% (pictured below)

Quarterly trend: Q3 2009 to Q4 2009 +11%

Quarterly Average Revenue Per Consultant,
as Compared to Previous Year

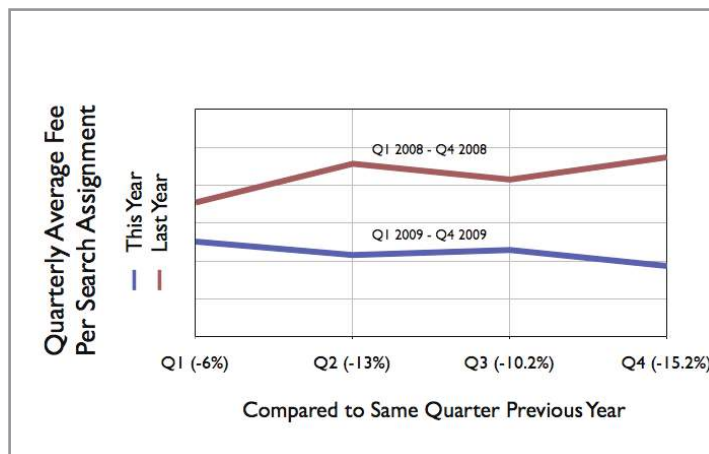


Average Fee Per Search Assignment

Annual trend: Q4 2008 to Q4 2009 -15.2% (pictured below)

Quarterly trend: Q3 2009 to Q4 2009 -3%

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

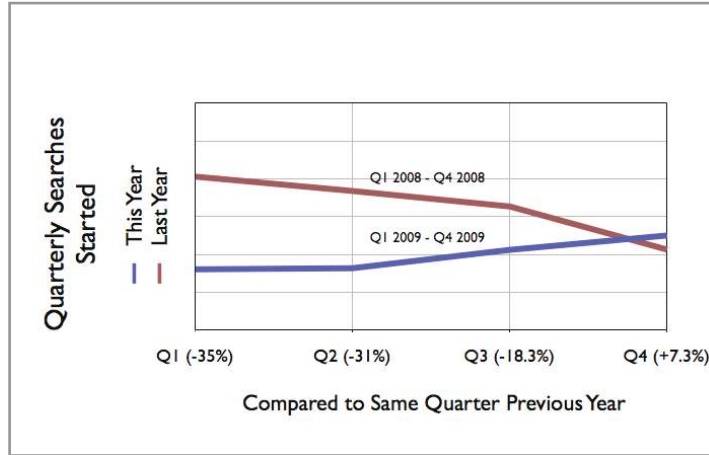


Trend in Number of Searches Started

Annual trend: Q4 2008 to Q4 2009 +7.3% (pictured below)

Quarterly trend: Q3 2009 to Q4 2009 +7.4%

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



Trend in Number of Searches Started by Industry

Annual trends: Q4 2008 to Q4 2009

Industries with a yearly rise in the number of searches started in quarter four 2009 were:

- Financial +17.2%, Consumer +15%, Technology +13.2% Professional Services +5% (from a smaller survey sample), Life Sciences/Healthcare +2%

Industries with an annual decline in Q4 2009 were:

- Industrial -2.2%, Non-Profit -13.1% (from a smaller survey sample)

Quarterly trends: Q3 2009 to Q4 2009 (pictured below)

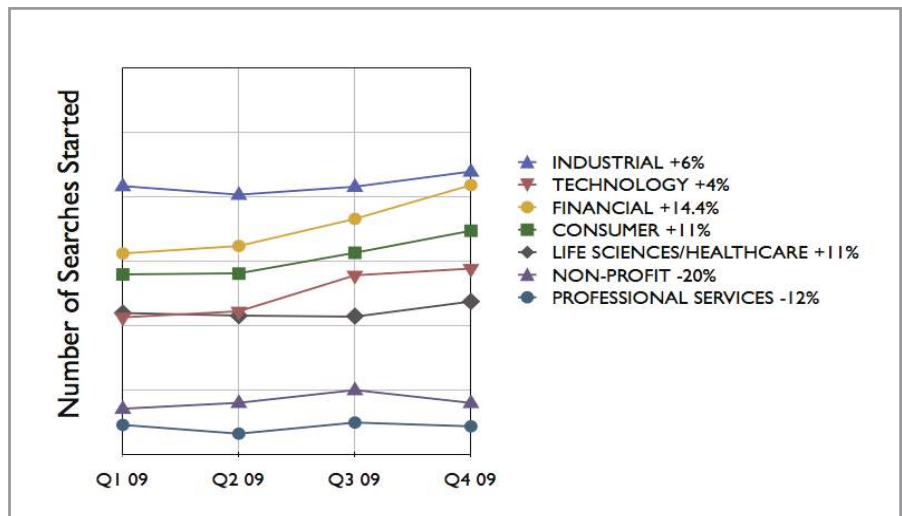
Industries with a quarterly rise in the number of searches started in quarter four 2009 were:

- Financial +14.4%, Consumer +11%, Life Sciences/Healthcare +11%, Industrial +6%, Technology +4%

Industries to decrease quarterly were:

- Non-Profit -20%, Professional Services -12% (both from a smaller survey sample)

Trend in Number of Searches Started Quarterly, by Industry

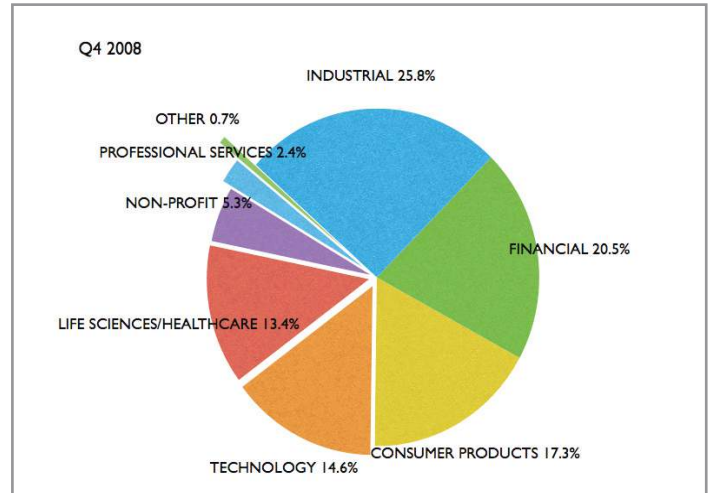
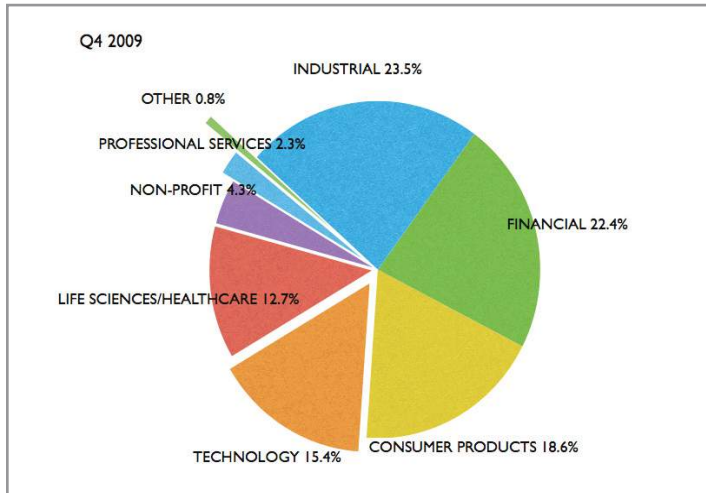


Market Breakdown by Industry

Annual trends: Q4 2008 to Q4 2009 (pictured below)

- Increase in market share: Financial +1.9%, Consumer Products +1.3%, Technology +0.8%
- Decrease in market share: Industrial -2.3%, Non-Profit -1%, Life Sciences/Healthcare -0.7%, Prof. Services -0.1%

Searches Started Quarterly by Industry, as Percentage of Total



REGIONAL TRENDS GLOBAL - Q4 2009

Trend in Number of Searches Started by Region

Annual trends: Q4 2008 to Q4 2009

Most regions experienced a yearly increase in searches started in Q4 09, except North America which fell slightly:

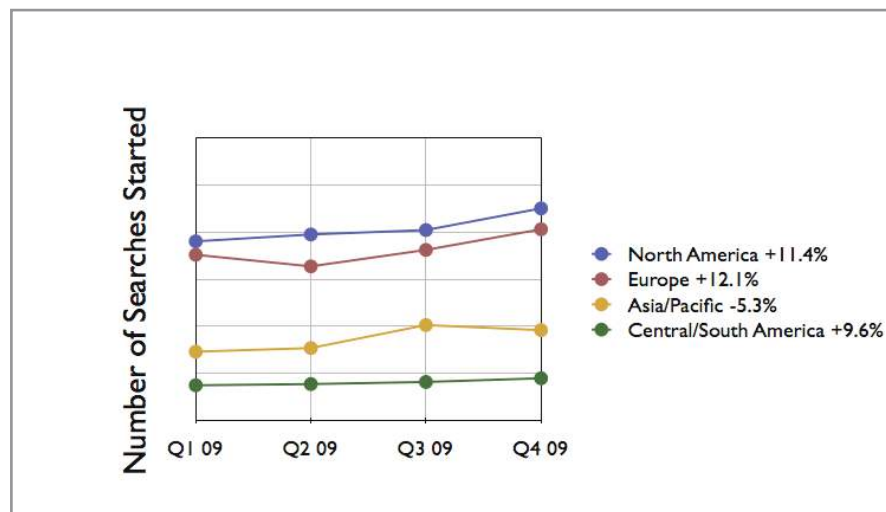
- Asia/Pacific +20%, Central/South America +18%, Europe +9.3%, North America -0.5%

Quarterly trends: Q3 2009 to Q4 2009 (pictured below)

All regions except Asia/Pacific experienced a quarterly increase in the number of searches started in quarter four 2009:

- Europe +12.1%, North America +11.4%, Central/South America +9.6%, Asia/Pacific -5.3%

Trend in Number of Searches Started Quarterly, by Region

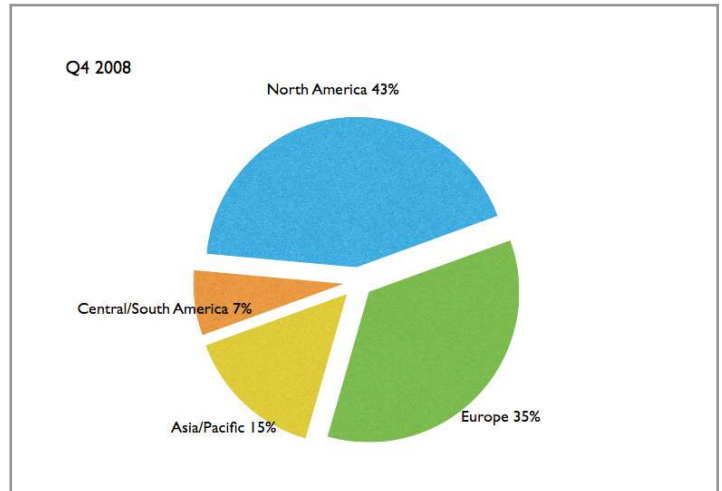
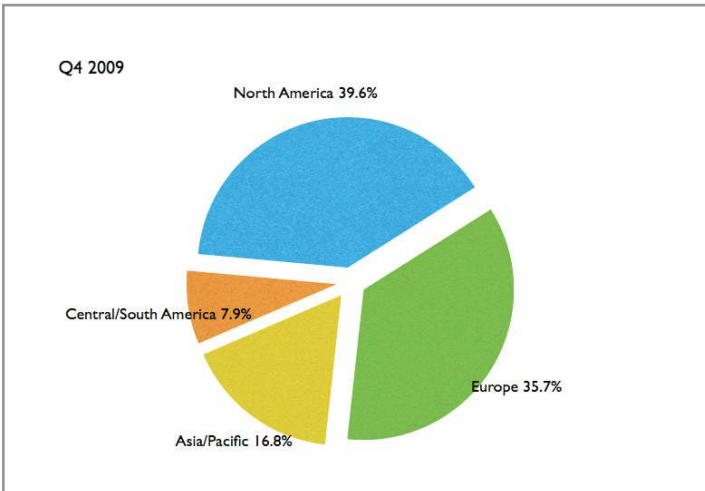


Market Share by Region

Annual trends: Q4 2008 to Q4 2009 (pictured below)

- Increase in market share: Asia/Pacific +1.8%, Central/South America +0.9%, Europe +0.7%
- Decrease in market share: North America -3.4%

Searches Started Quarterly by Region, as Percentage of Total



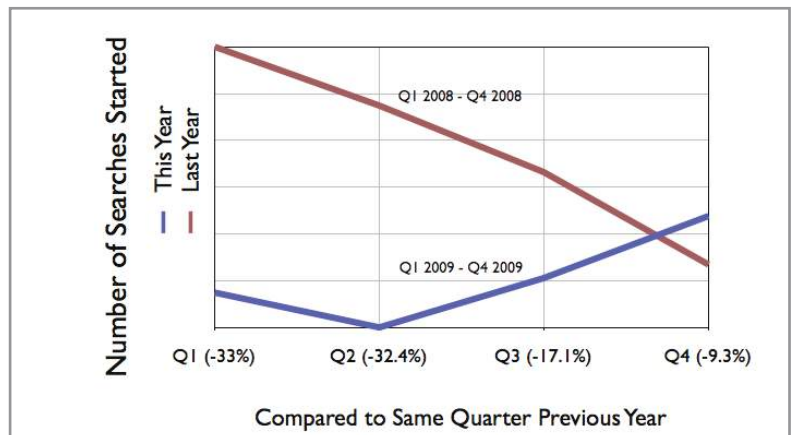
REGIONAL TRENDS EUROPE - Q4 2009

Trend in Number of Searches Started in Europe

Annual trend: Q4 2008 to Q4 2009 -9.3% (pictured below)

Quarterly trend: Q3 2009 to Q4 2009 +12.1%

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

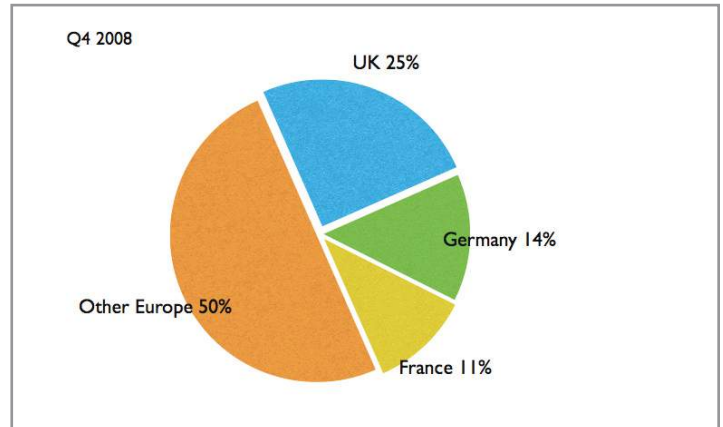
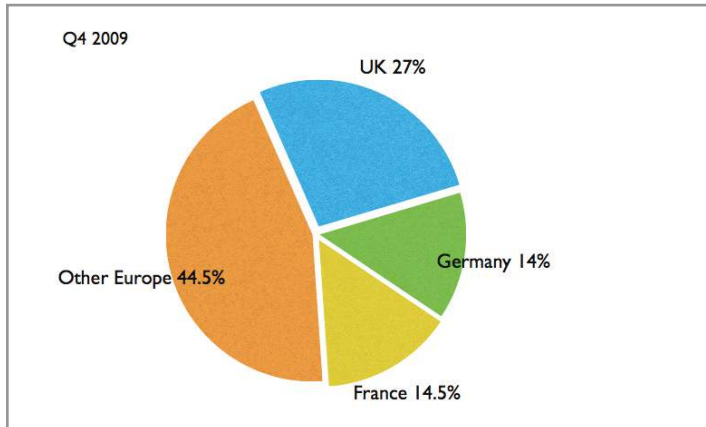


Market Share by European Sub-Region *

Annual trends: Q4 2008 to Q4 2009 (pictured below)

- Increase in market share: France +3.5%, UK +2%
- Decrease or no change in market share: Other Europe -5.5%, Germany - no change

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



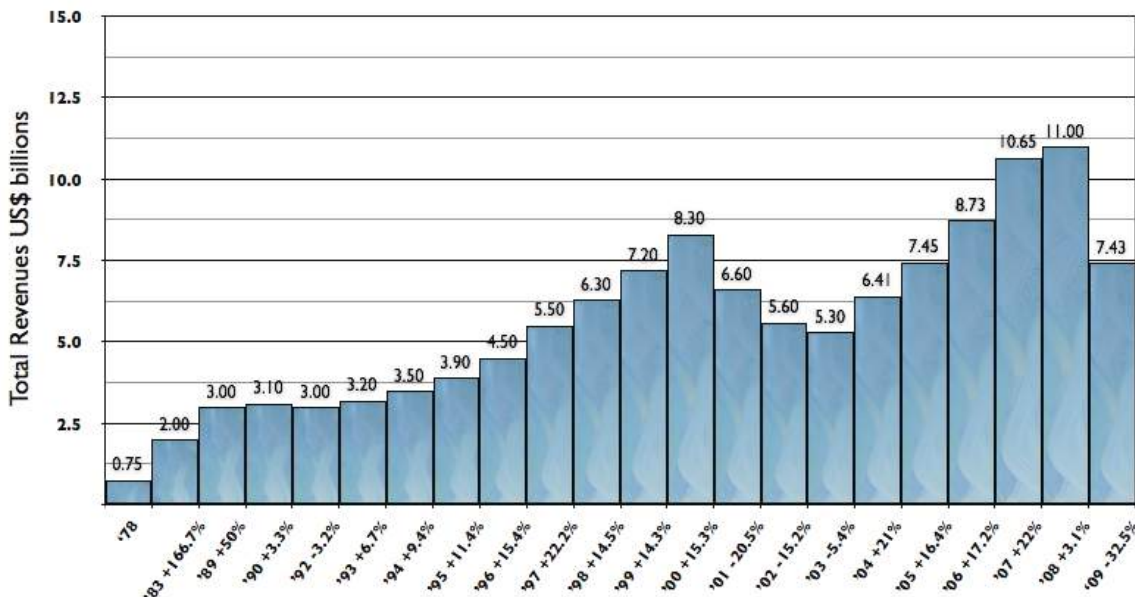
* Data for this question represents 750 executive search consultants in 46 countries, whereas data for all other questions represents 1500 consultants in 46 countries.

2009 YEAR-END SUMMARY

Trend in Average Net Revenues: 1978 - 2009

Global retained executive search industry revenues fell 32.5% in 2009 from 2008 year-end figures, giving the industry an estimated \$7.43 bn worth in 2009. (Data does not account for annual inflation.)

Estimated Worldwide Retained Executive Search Industry Revenues 1978 - 2009

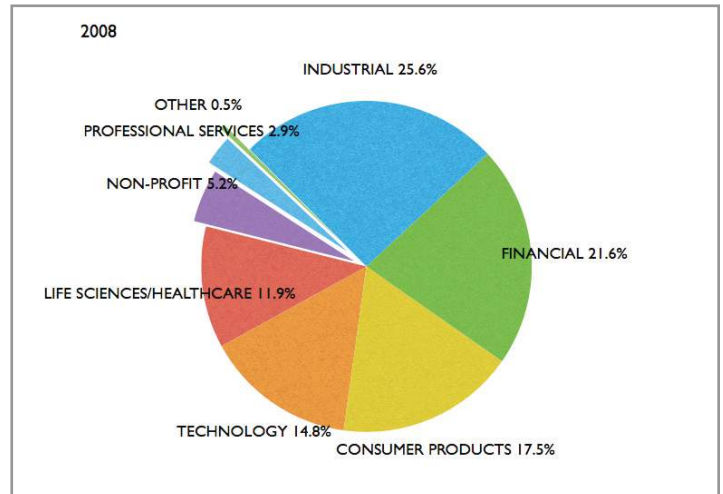
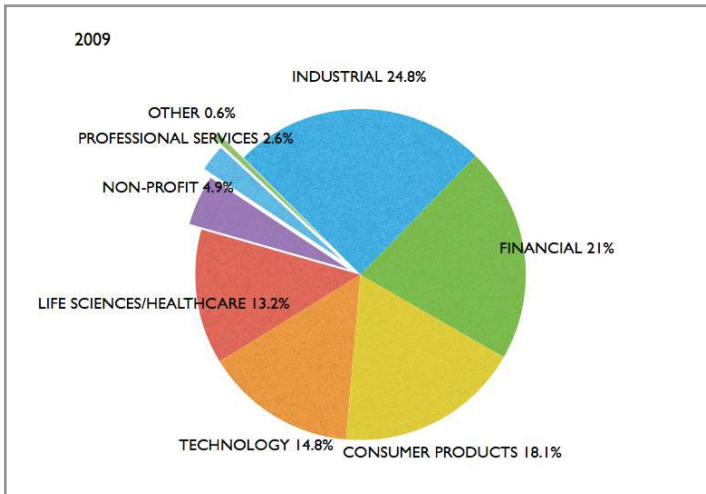


2009 Summary: Market Breakdown by Industry

Annual trends: 2008 to 2009 (pictured below)

- Increase in market share: Life Sciences/Healthcare +1.3%, Consumer Products +0.6%
- Decrease or no change in market share: Industrial -0.8%, Financial -0.6%, Non-Profit -0.3%, Professional Services -0.3%, Technology - no change

Searches Started Annually by Industry, as Percentage of Total

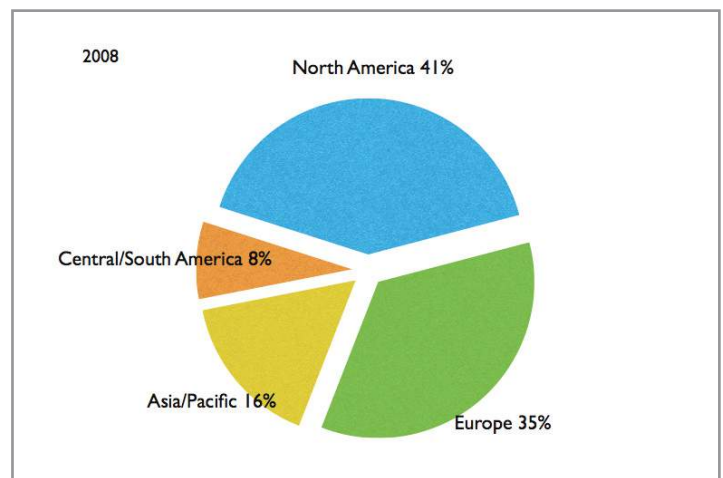
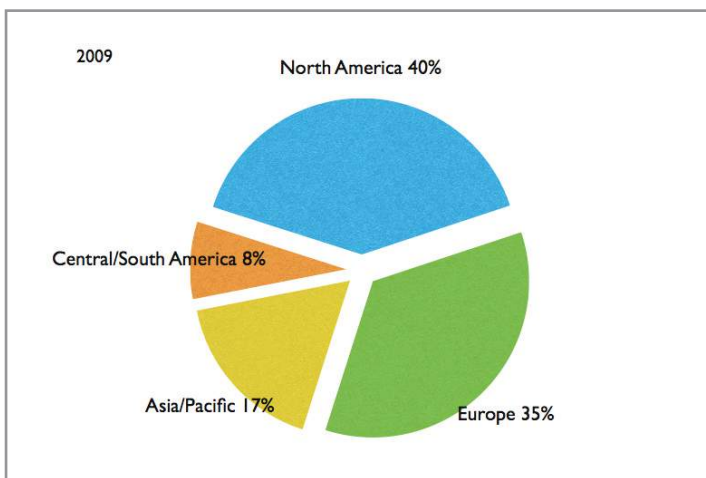


2009 Summary: Market Breakdown by Region

Annual trends: 2008 to 2009 (pictured below)

- Increase in market share: Asia/Pacific +1%
- Decrease or no change in market share: North America -1%, Europe and Central/South America - no change

Searches Started Annually by Region, as Percentage of Total

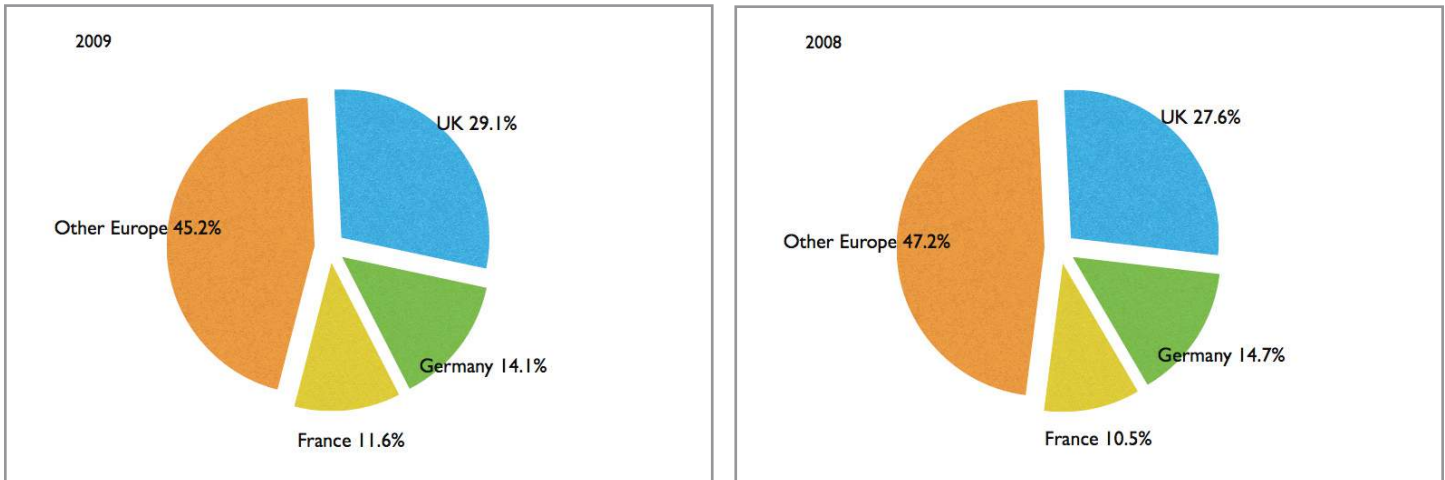


2009 Summary: European Regional Breakdown *

Annual trends: 2008 to 2009 (pictured below)

- Increase in market share: UK +1.5%, France +1.1%
- Decrease in market share: Other Europe -2%, Germany -0.6%

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



* Data for this question represents 750 executive search consultants in 46 countries, whereas data for all other questions represents 1500 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 industry. The AESC promotes the highest professional standards in retained executive search consulting, broadens public understanding of the executive search process, and serves 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 offers www.bluesteps.com, a career management service for senior executives, and www.executivesearchconnect.com, a service for the HR community offering industry information and tools to assist with senior executive recruiting, including access to the AESC membership directory.



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