



AESC Insights

Q3 2009

State of the Executive Search Industry

Senior Executive Recruitment Begins Recovery:
Top Managers in Greater Demand as Organizations Look to the Future



Association of Executive Search Consultants

The Worldwide Association for Retained Executive Search Consulting Firms

AESC State of the Executive Search Industry Report Q3 2009

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 \$11 billion in 2008.

SENIOR EXECUTIVE RECRUITMENT BEGINS RECOVERY

Top Managers in Greater Demand as Organizations Look to the Future

Third quarter data released by the Association of Executive Search Consultants (AESC) indicates a rise in senior executive search mandates during July to September 2009 compared to the second quarter of this year. While annual trends continue to reveal far lower levels of search activity in 2009 than in 2008, the short term picture shows clear signs of recovery.

Search industry revenues rose 10.5 per cent in the three month period from July to September 2009 against the previous three months, as did the number of search assignments (+11%), and the revenue per consultant (+12%). There was a small quarterly increase (+1%) in the number of consultants employed by search firms on a global basis, suggesting an end to the downsizing witnessed since October 2008.

As anticipated, large year-on-year declines are still prevalent across all regions and sectors with revenues dropping as much as 34 per cent from quarter three 2008 to the third quarter of 2009. However, annual declines in quarter three this year are less severe than those felt in quarter two, and results show consistent improvements from July to September 2009 over quarter two data.

Quarterly sector strength saw technology with the most significant rise of 25.1 per cent from quarter two to quarter three 2009, followed by financial (+13%), and then consumer (+12%).

“These results are an encouraging confirmation that the worldwide search profession has reached a tipping point in its fortunes and that the need for executive talent is again becoming a priority for many organizations,” commented Peter Felix, President of the AESC.

On a regional basis, Asia Pacific saw the greatest strength in third quarter search activity, increasing 32 per cent over the second quarter of 2009 and dropping only 2.4 per cent annually from quarter three 2008. Europe experienced the second greatest quarterly rise in worldwide executive search activity (+11%), followed by Central/South America (+6%), and lastly North America (+2.4%).

Felix continued, “There is clear evidence of the startling energy being created by the emerging economies as the world extracts itself from recession. There is still a long way to go before the search industry reaches its all time revenue highs of 2008, but there are now strong indications that we are on the road to recovery.”

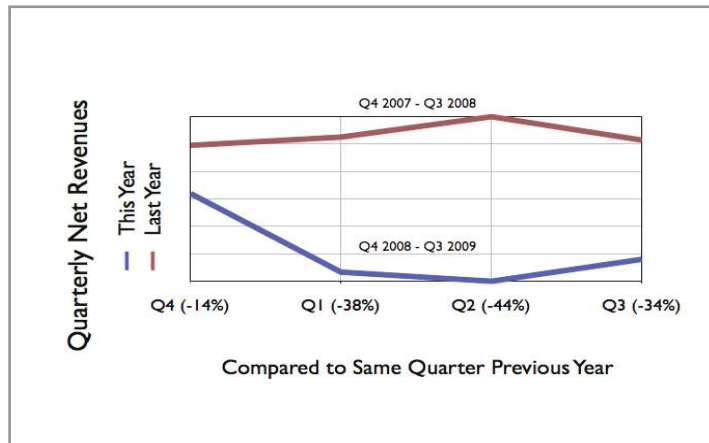
FINANCIAL TRENDS - Q3 2009

Average Net Revenues

Annual trend: Q3 2008 to Q3 2009 -34% (pictured below)

Quarterly trend: Q2 2009 to Q3 2009 +10.5%

Quarterly Net Revenues,
as Compared to Previous Year

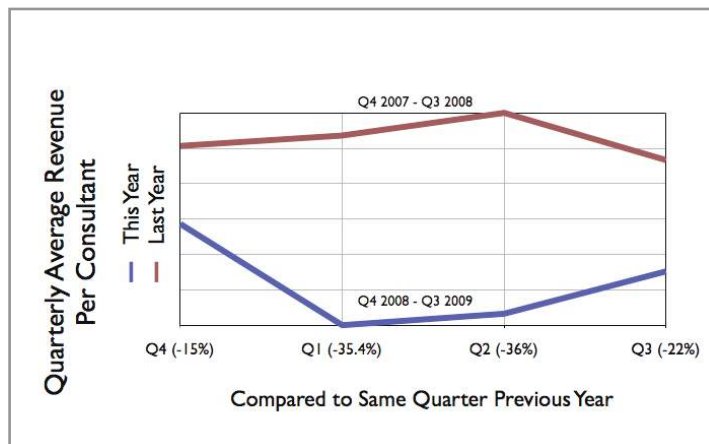


Average Revenue Per Consultant

Annual trend: Q3 2008 to Q3 2009 -22% (pictured below)

Quarterly trend: Q2 2009 to Q3 2009 +12%

Quarterly Average Revenue Per Consultant,
as Compared to Previous Year

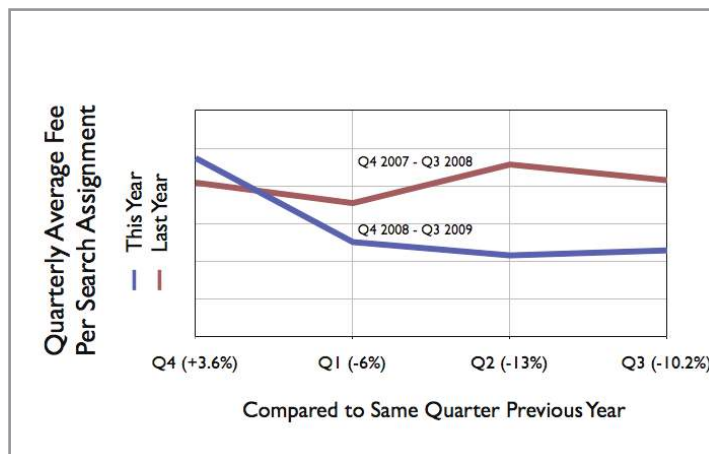


Average Fee Per Search Assignment

Annual trend: Q3 2008 to Q3 2009 -10.2% (pictured below)

Quarterly trend: Q2 2009 to Q3 2009 +1%

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

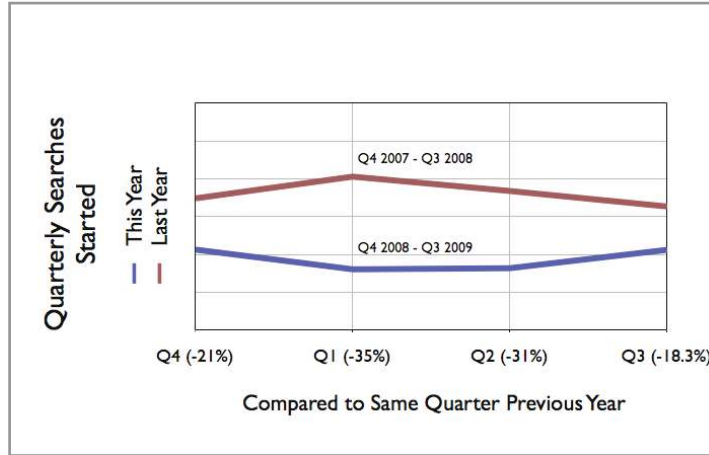


Trend in Number of Searches Started

Annual trend: Q3 2008 to Q3 2009 -18.3% (pictured below)

Quarterly trend: Q2 2009 to Q3 2009 +11%

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



Trend in Number of Searches Started by Industry

Annual trends: Q3 2008 to Q3 2009

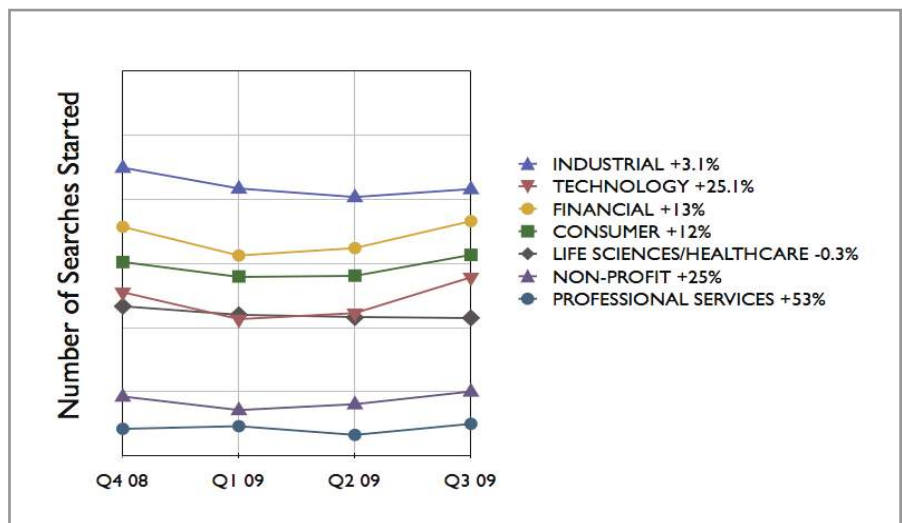
All industries experienced a yearly fall in the number of searches started in quarter three:

- Financial -20%, Technology -12.3%, Industrial -26.3%, Consumer -12.2%, Life Sciences/Healthcare -18.3%.
- Also decreasing, but from a smaller survey sample: Professional Services -19.3%, Non-Profit -1.4%.

Quarterly trends: Q2 2009 to Q3 2009 (pictured below)

- Increase in number of searches: Technology +25.1%, Financial +13%, Consumer +12%, Industrial +3.1%.
- Also increasing, but from a smaller survey sample: Professional Services +53%, Non-Profit +25%.
- Decrease in number of searches: Life Sciences/Healthcare -0.3%.

Trend in Number of Searches Started Quarterly, by Industry

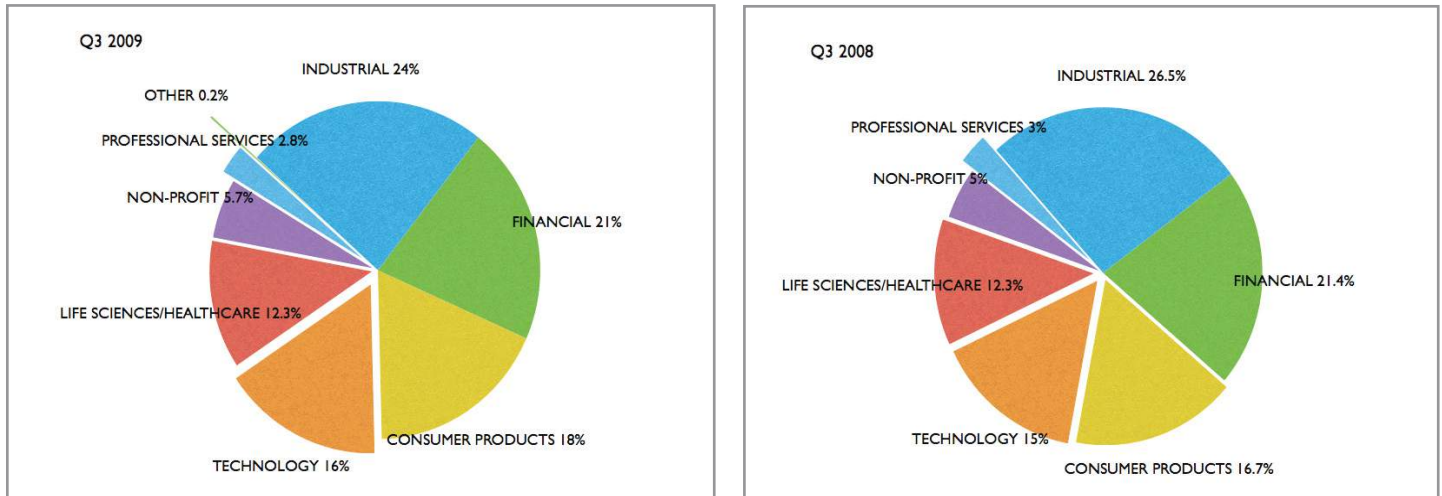


Market Breakdown by Industry

Annual trends: Q3 2008 to Q3 2009 (pictured below)

- Increase in market share: Consumer Products +1.3%, Technology +1%, Non-Profit +0.7%.
- Decrease in market share: Industrial -2.5%, Financial -0.4%, Professional Services -0.2%.
- No change in market share: Life Sciences/Healthcare.

Searches Started Quarterly by Industry, as Percentage of Total



REGIONAL TRENDS GLOBAL - Q3 2009

Trend in Number of Searches Started by Region

Annual trends: Q3 2008 to Q3 2009

All regions experienced a yearly fall in the number of searches started in quarter three:

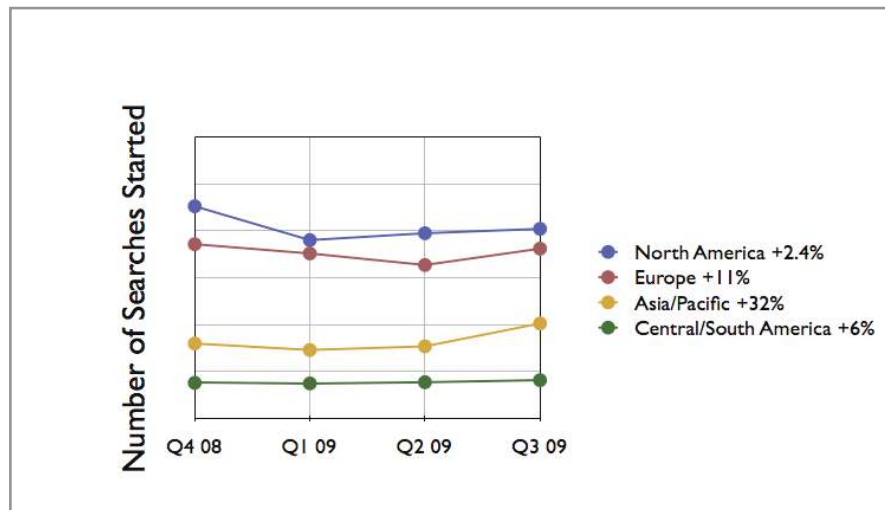
- Central/South America -26%, North America -25.4%, Europe -17.1%, Asia/Pacific -2.4%.

Quarterly trends: Q2 2009 to Q3 2009 (pictured below)

All regions experienced a quarterly increase in the number of searches started in quarter three:

- Asia/Pacific +32%, Europe +11%, Central/South America +6%, North America +2.4%.

Trend in Number of Searches Started Quarterly, by Region

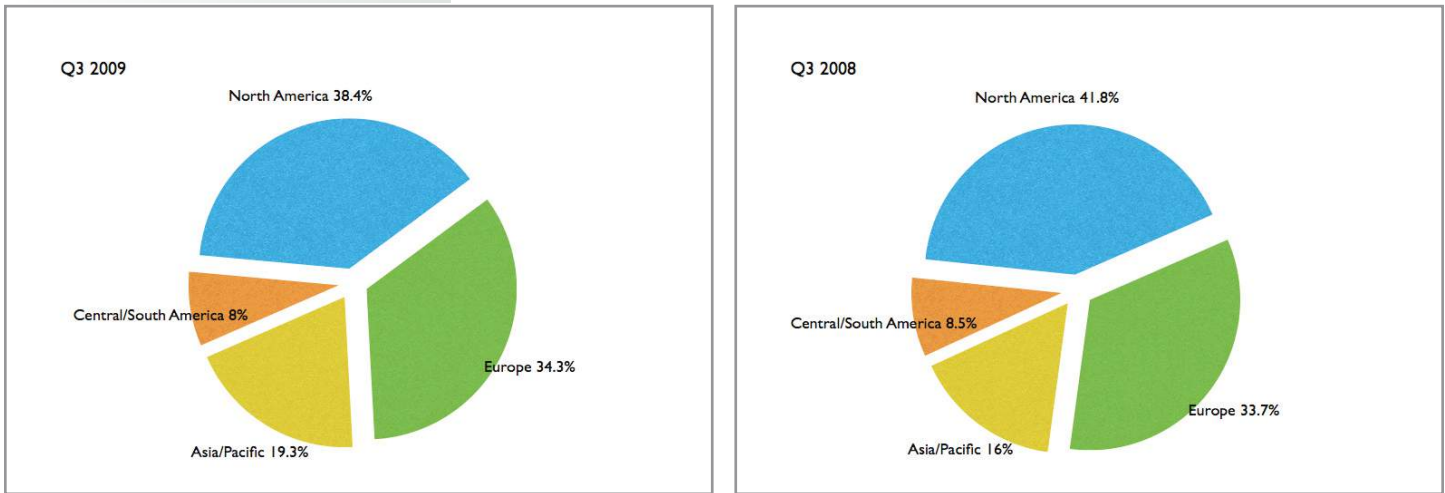


Market Share by Region

Annual trends: Q3 2008 to Q3 2009 (pictured below)

- Increase in market share: Asia/Pacific +3.3%, Europe +0.6%.
- Decrease in market share: North America -3.4%, Central/South America -0.5%.

Searches Started Quarterly by Region, as Percentage of Total



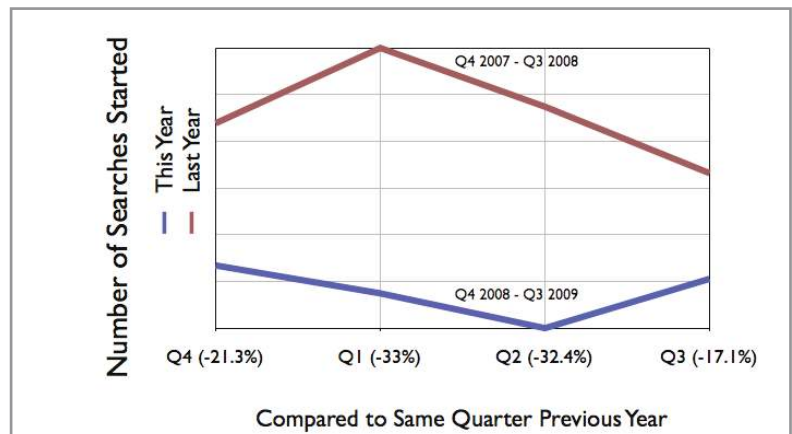
REGIONAL TRENDS EUROPE - Q3 2009

Trend in Number of Searches Started in Europe

Annual trend: Q3 2008 to Q3 2009 -17.1% (pictured below)

Quarterly trend: Q2 2009 to Q3 2009 +11%

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

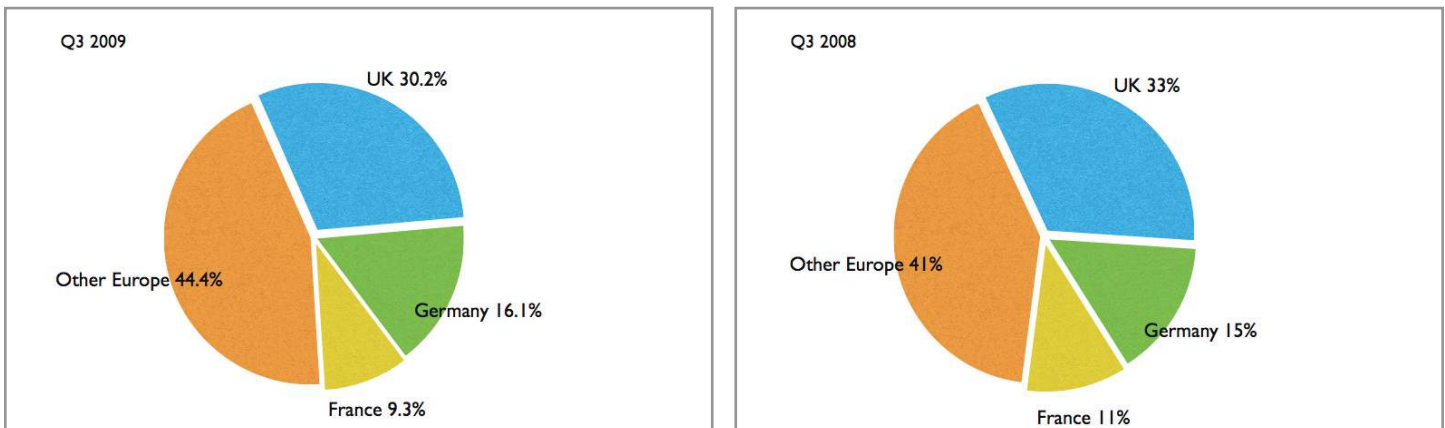


Market Share by European Sub-Region *

Annual trends: Q3 2008 to Q3 2009 (pictured below)

- Increase in market share: Other Europe +3.4%, Germany +1.1%.
- Decrease in market share: UK -2.8%, France -1.7%.

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.

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 <http://corporateconnect.aesc.org>, 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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