



KORN/FERRY INTERNATIONAL

THE MARKET

In the present Age of Information, attracting and retaining talent have emerged as key strategic priorities for organizations around the globe. The global war for talent is being driven by shrinking birth rates in North America and Western Europe, declining employee tenure across all industries, and increasing demand for knowledge workers fueled by relentless technological innovation. World-class organizations must not only identify and recruit exceptional professionals, they must also assess, develop, and retain their key employees in a fiercely competitive job market.

Against this backdrop of strong global demand, the market for executive recruitment has shown strong and steady growth in all sectors. With 2005 annual revenues of \$452 million, Korn/Ferry International (NYSE: KFY) is the world's largest executive recruitment firm, with 70 offices in 40 countries. Korn/Ferry provides executive search, outsourced recruitment, and leadership development solutions to many of the world's biggest companies, across a broad spectrum of industries.

ACHIEVEMENTS

Korn/Ferry has long been recognized as one of the world's leading recruitment firms. In 2005, the company was again named the number-one global executive search firm by Hunt-Scanlon Advisors and Kennedy Information Services, the two leading industry research analysts.

With the growth of its diversified services, Korn/Ferry has evolved its offerings and emerged as a leader in broad talent management solutions. Futurestep, which Korn/Ferry established in 1998 to provide middle management solutions, was named a Top-Ten Recruitment Process Outsourcing (RPO) provider by *HRO Today* magazine in 2005, while *Harvard Business Review* highlighted Korn/Ferry's proprietary management assessment technology in early 2006.

Because Korn/Ferry's services cut broadly across a vast spectrum of industries and geographies, the company has garnered praise as the leading recruitment firm in a wide variety of markets and sectors.

HISTORY

For more than 35 years, Korn/Ferry International has provided talent management solutions to many of the world's leading organizations, large



and small, public and private, not-for-profit, government, and academia. Since the beginning, the firm has been resolute in its focus: to identify, assess, recruit, and develop the best and most talented leaders for its clients. Korn/Ferry strives to achieve excellence by taking the time to understand each client's unique culture, attributes, and needs, and to find and develop executives who will not only fit within the organization, but have the ability to lead and transform it.

#1 Executive SEARCH FIRM

A leader in executive recruitment, Korn/Ferry has conducted over 100,000 senior-level searches for clients worldwide. Today, Korn/Ferry is the premier provider of executive human capital solutions, with services ranging from corporate governance and CEO recruitment to executive search, outsourced recruiting, and Leadership Development Solutions (LDS). LDS includes strategic management assessment, executive coaching and development, and supporting IT platforms.

Korn/Ferry consultants — based in offices across North America, Europe, Asia/Pacific,

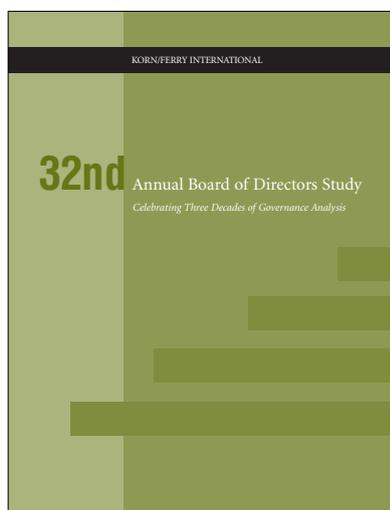
Latin America, the Middle East, and South Africa — work closely with clients and candidates to craft successful human capital strategies and solutions. The firm's seamless global network, time-proven search process, and broad industry and regional expertise provide the competitive advantage necessary to recruit and develop world-class leadership teams.

Founded by Lester Korn and Richard Ferry in 1969, Korn/Ferry International is headquartered in Los Angeles, California.

THE PRODUCT

Korn/Ferry offers clients an array of leadership and development services. Its talent management solutions encompass not only executive search, but also CEO and Board Services, Futurestep, and Leadership Development Solutions. Korn/Ferry believes that clients would prefer to work with fewer trusted partners for multiple needs; thus, its comprehensive suite of services provides a single source to attract and bring onboard new leaders, and to assist with their ongoing development.

The largest global network of specialized consultants, unique multi-product offerings, cutting-edge technology, and unparalleled levels of quality and client satisfaction enable Korn/Ferry to maximize human capital potential both for its clients and individuals.



Executive Search

Utilizing the world's largest network of executive search consultants, researchers, and support professionals, Korn/Ferry's teams are aligned by industry and functional expertise, as well as by geography. Korn/Ferry leverages this global footprint and market specialization with cutting-edge technology to seek out and deliver the best talent for its clients.

Korn/Ferry clients also benefit from the firm's proprietary matching tool, Search Assessment, which uses an online assessment methodology to match candidates against statistically validated best-in-class profiles. Search Assessment allows clients to see beyond a candidate's interviewing skills, and gain insight into how a candidate behaves and reacts to real-world situations.

Futurestep

Korn/Ferry's outsourced recruiting subsidiary, Futurestep, is transforming the way clients address their middle-tier professional recruitment needs. Futurestep's customized Recruitment Process Outsourcing (RPO) solutions are unique and answer clients' volume recruitment needs with process-driven, cost-effective solutions that are both scalable and measurable.

Futurestep is considered a global pioneer in the burgeoning RPO sector — one of the fastest-growing segments of the talent management solutions industry. On a worldwide level, Futurestep currently offers a multi-tiered portfolio of customized solutions, including RPO, Project Recruitment, Interim Solutions, and Mid-Level Talent Recruitment.



Leadership Development Solutions

Korn/Ferry believes that maximizing leadership talent is a dynamic process that must be aligned with strategic and competitive requirements and which must contemplate both external and internal perspectives. To help today's leading organizations, Korn/Ferry offers the following solutions:

- Strategic Management Assessment: assessment of the skills, behaviors, values, and emotional competencies of individual managers and management teams
- Executive Development and Coaching: the development of future leaders through individual and team-based executive coaching
- Talent Management Platform: a Web-based system, Executive Center, that allows clients to integrate aspects of talent management, including appraisals, succession planning, employee background and preference data, developmental opportunities, and compensation management

Integrated Services

For its global clients, Korn/Ferry presents a state-of-the-art approach that anticipates the evolving talent management needs of businesses around the world. The company's Integrated

THE EMPLOYMENT CONTINUUM



Services program is a strategic account management solution for major international clients. Providing seamless access to Executive Search and other Korn/Ferry products, Integrated Services is an efficient, unified talent management solution for multinational organizations. Clients benefit from a dedicated team of local relationship managers, services tailored to clients' specific hiring and assessment objectives, and customized reporting and metrics.

RECENT DEVELOPMENTS

In 2005, Korn/Ferry led the recruitment industry by recording year-over-year revenue growth of 38 percent, while its net income increased sevenfold. Revenue for Futurestep increased 57 percent over the prior year, a reflection of the tremendous marketplace demand for Recruitment Process Outsourcing solutions.

In 2005 Korn/Ferry introduced its Search Assessment tool, which — in addition to the features described earlier — also helps to measure cultural fit and organizational compatibility.

In February 2006, Korn/Ferry's proprietary and unparalleled Assessment technology was extensively featured in the *Harvard Business Review*. The article, "The Seasoned Executive's Decision-Making Style," offered an in-depth account of Korn/Ferry's assessment model and research into the drivers of successful executive behavior. Among various findings, the article demonstrated that senior managers assess and act on problems differently from more junior managers.

PROMOTION

A core staff of marketing professionals holds worldwide responsibility for the Korn/Ferry brand image and overall marketing effort. The department oversees advertising, public relations, marketing, investor relations, branding and positioning, event planning, media relations, and internal communications around the globe.

Korn/Ferry prides itself on building a base of thought leadership to assist companies around the world in tackling their human capital challenges. The firm's partners regularly produce white papers, articles, and publications on emerging topics across industries and geographies around the world.

Korn/Ferry's annual Global Board of Directors Study provides analysis on the composition and changes among the boards of the world's biggest companies. It is regarded as an industry benchmark and is now in its 32nd year of publication.

Senior leadership and consultants from Korn/Ferry frequently speak at leading trade and industry forums, and often serve as resources for media outlets globally, including CNN, the *Financial Times*, the *Economist*, and the *Wall Street Journal*.

Korn/Ferry has been internally recognized as the premier search firm around the world, providing a full suite of solutions for HR managers and executives alike.

BRAND VALUES

Continually striving to exceed client and candidate expectations, Korn/Ferry's consultants are committed to providing the highest level of service in the talent management solutions industry, delivering unparalleled reach, expertise, and results in the recruitment and development of world-class leadership teams.

Harvard Business Review

www.hbr.org

New research shows that senior managers analyze and act on problems far differently than their more junior colleagues do. Those whose thinking does not evolve may not advance.

The Seasoned Executive's Decision-Making Style

by Kenneth R. Brousseau, Michael J. Driver, Gary Hourihan, and Rikard Larsson

The Korn/Ferry Difference itemizes the following values integral to the brand promise. These are:

- Integrity and respect
- Teamwork and collaboration
- Personal accountability
- Open and honest communication

THINGS YOU DIDN'T KNOW ABOUT KORN/FERRY

- The firm undertook 8,062 searches in fiscal 2005.
- Almost 4.5 million candidates populate the Korn/Ferry database.
- Korn/Ferry's consultants average 17 years of experience. One hundred percent of them are college graduates, 65 percent have master's degrees, and 75 percent have experience in the industry where they are providing talent management solutions.