

ANNUAL REPORT FOR 2011

BRAITHWAITE STEINER PRETTY - FEB 2012



BSP Braithwaite
Steiner
Pretty
Global Executive Search



The BSP 2011 Annual Report

For most technology vendors, the Asia Pacific region started 2011 with full and predictable sales pipelines. But as the year unfolded, a new set of market conditions faced regional leaders. Global economic conditions deteriorated and there was a need for greater scrutiny of the regional outlook.

By Q4 2011, most regional leaders were struggling to keep a fix on the outlook, yet the strong results continued. Half way through Q1 of 2012, our clients all seem to face a new norm. It has become far harder to accurately predict close dates.

However, if hiring trends are an early predictor of confidence, then 2012 looks to be one of strong growth for our technology vendor clients.

Even though some larger clients have built an in-house executive search function, BSP is finding a continued increase in demand. The key factor driving our growth is a chronic shortage of executive talent in the region and the fact that the very best people expect and warrant a high touch.

Market segments where we have seen a great deal of activity include Services, Cloud, Security, Digital Media and Virtualisation.

BSP revenues grew by 15% in 2011. We continue to see a strong pipeline of new business and conservatively predict growth of 17% in 2012. Much of this growth will come from our new offices.

2011 was a landmark year for BSP as we expanded our footprint into China and India, completing our full regional coverage goals. BSP has been active in these countries for many years, but establishing a local presence with a Country Managing Director and a dedicated local research team was the logical and necessary next step in our evolution.



Over the course of 2011, both the India and China offices won and completed more than 20 key leadership searches for global technology vendors. The demand for executive talent in India and China is such that both offices exceeded expectations during their first year of operation and are expected to continue their growth.

The economic media interest in Asia as the hottest region for growth has attracted a great deal of attention from the clients of our partner firms in the US and Europe. We have seen a significant growth in business referred to us with an insatiable interest in China and India.

Interestingly, our European and US partners also had record revenues in 2011. They are saying that the technology sector is behaving differently to other sectors of the economy. They start 2012 with a very positive outlook.

Over the last year, BSP has conducted searches in India, Malaysia, Thailand, Singapore, China, Hong Kong, South Korea, Japan, Australia and New Zealand. We conducted searches for 62 customers in 2011.

The Australian business has continued to grow and we have just moved to substantially larger offices in Sydney, our headquarters.

During the first half of the year we invested \$240,000 in new technology and migrated to a leading edge integrated search system that has materially improved research efficiencies and enhanced mobility for the consulting team.

Security, availability, collaboration and integration with other Access Search Partners systems were also key elements of this project.



Key Metrics

Although this report has been developed for our Technology Vendor clients, BSP has a strong “Higher Education, Arts and Public Sector Practice” in Australia.

Revenue split between the practices:

Practice	2010	2011	2012
Technology	57%	62%	66%
Higher Education, Arts & Public Sector	43%	38%	34%

Revenue growth is coming from the IT sector and our expanding footprint:

Practice	2010	2011	2012
Technology	14%	25%	24%
Higher Education, Arts & Public Sector	23%	1%	5%
Combined	17%	15%	17%

Revenue splits within the Technology Practice in 2011 were:

Australia	31%
China	11%
India	7%
Japan	12%
Singapore	39%

Singapore represents the largest portion of revenue because we continue to execute many regional leadership searches which may or may not be based in Singapore, but the hiring client is often based there.

Japan has been a strong performer since 2007, but since the Tsunami and Fukushima nuclear disaster in March 2011, Japan has slowed for us.



Structure

BSP Group is a debt free, privately owned, Australian registered entity with three equal shareholders, Mark Braithwaite, Julie Steiner and Mark Pretty.

Subsidiary companies are:

- BSP Singapore is a wholly owned subsidiary.
- BSP Japan is a wholly owned subsidiary.
- BSP China is a wholly owned subsidiary
- BSP India is a wholly owned subsidiary
- BSP Korea is a joint venture with Benchmark Partners.

Outlook for 2012

The outlook for the technology sector in Asia Pacific is strong and therefore we expect to continue our growth unabated by the economic conditions in Europe.

Our Higher Education, Arts and Public Sector Practice, has been operating at capacity for the last 3 years. We see modest revenue growth, but as the dominant player in this mature sector, this will be a great result.

Overall headcount is forecast to increase by 10%, while top line group revenue is forecast to grow by 17%.

A note of thanks

Thanks to all our customers and friends for your support over the last year and we hope to continue to work with you into the future. Without you, this journey could not have happened.



Values and vision

Since founding BSP in 1997, we have consistently worked with the same vision and that is to be known as the best Executive Search firm in the region in terms of value and quality. As a private company, we have the luxury of setting goals that are aligned to the customer.

The vision of being known as the best search firm in the eyes of our customers is still at the core of our business. This vision drives a different kind of behaviour to a business measured purely on financial metrics. Our belief is that if all of our actions are motivated by customer satisfaction, we will grow by demand and the financial success of BSP will endure.

Companies engage search firms to solve a business problem. They want to know that the search firm understands their business need; the whole market will be searched; the best possible candidates will be brought to the table; their company has been well represented and their judgement is augmented when selecting the final candidate. They also want transparency, speed and realistic fees. BSP has had another good year because we have matched our offering to the market need.

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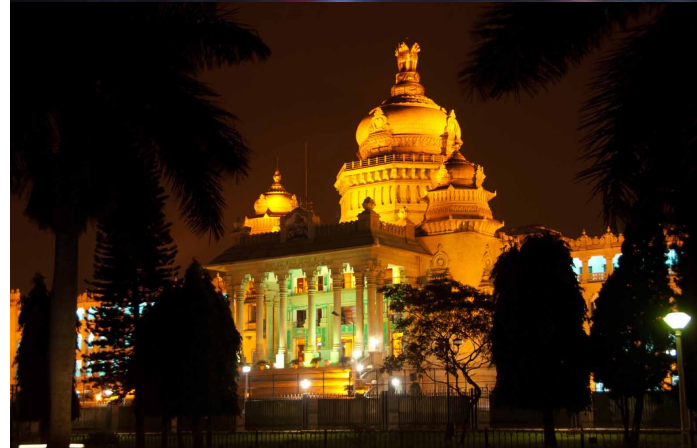
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BSP is the Asia Pacific member of Access Search Partners. ASP is the leading global technology search partnership, with over 100 full time team members, more than 10 years track record in each geography and more than 3000 successfully completed searches.

ASP has offices in the US and Europe, giving BSP unparalleled access to exceptional candidates worldwide.

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