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## Economic Outlook, Salary, and Employee Turnover

### April 2012

Better policies in Europe and increased activity in the US economy have reduced the threat of a sharp global slowdown which was identified in the previous quarter. Downside risks remain, however, and a mild contraction is still expected across the Euro area during 2012.

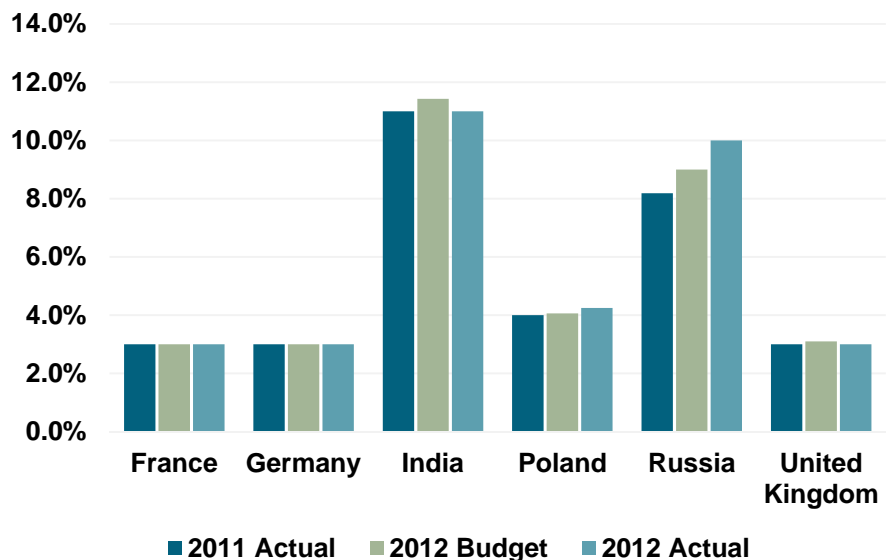
Advanced economies as a group are expected to grow at just 1.4% during 2012, with the problems in Europe weighing down on this figure.

Recent figures from the European Commission indicate that unemployment across the Euro area was at its highest for 15 years in February at 10.8%. This represents an increase of 0.8% year-on-year.

The weakening of foreign demand will have an impact on emerging markets in 2012 with growth expected to slow to 5.75% from 6.25% in 2011.

Against this backdrop, we present a snapshot of our Q1 2012 trends data.

### Median Diluted Base Salary Increases



Still buoyed by high year-on-year growth in the tech sector, emerging markets continue to show the large salary increases that we have seen for some time. Many companies are implementing, or considering, bi-annual salary increases in the high inflation markets.

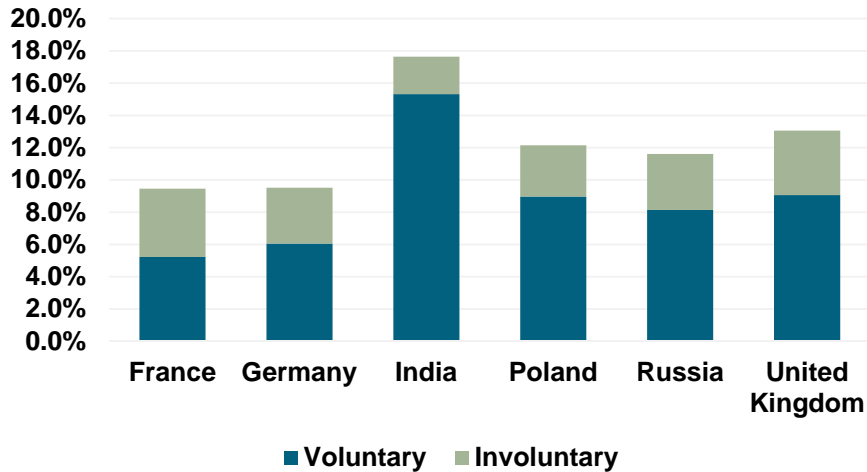
The advanced economies remain subdued with minimal salary increases forecast for the coming year.

On the following page, employee turnover figures help to give us an indication of market confidence.

**Key Participants**

- Accenture
- Adobe Systems
- AMD
- Agilent
- Alcatel-Lucent
- Altera
- Amazon.com
- Analog Devices
- Apple
- Applied Materials
- ARM
- CA
- Cadence Design Sys
- Cisco Systems
- CSR
- Dell
- Dassault Systemes
- eBay
- EMC
- Ericsson
- Facebook
- Fairchild Semi
- Flextronics
- Freescale Semi
- Hewlett-Packard
- Hitachi
- IBM
- Intel
- Infinion Technologies
- Invensys
- Juniper Networks
- KLA-Tencor
- Lam Research
- Lenovo
- Logitech
- LSI
- McAfee
- Melexis
- Mentor Graphics
- Microsoft
- Motorola Mobility
- National Semi
- NetApp
- Nokia
- Nortel
- NVIDIA
- NXP
- Oracle
- QUALCOMM
- Research in Motion
- Sandisk
- SAP
- Schneider Electric
- Seagate Technology
- Siemens
- Spirent Communications
- Sprint Nextel
- STMicroelectronics
- Sunpower
- Symantec
- Synopsys
- Texas Instruments
- Thomson Reuters
- VMware
- Wipro
- Xilinx
- Yahoo!

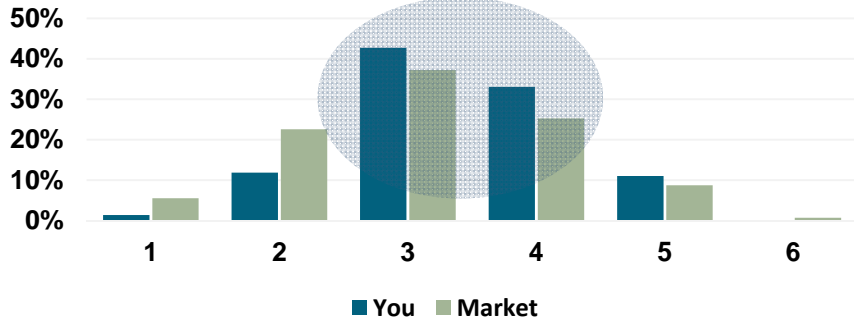
**Q1 2012 Median Overall Staff Turnover**



**Radford Analytical Tools**

Using analytical tools, our participants are able to perform benchmarking and other analyses such as global levelling and long-term incentive reviews against a custom peer group.

**Professional - Levelling**



The global levelling analysis example above\* indicates that this company has a large proportion of their staff at Radford levels 3 and 4 compared to their peer group.

Level	Company Count	Market Count	Average Company Total Direct Comp.	Market Total Direct Comp. 50th	You vs. Market
1	5	795	40,863	35,530	115%
2	43	3,250	46,749	40,248	116%
3	155	5,355	60,062	50,331	119%
4	120	3,634	73,850	66,076	112%
5	40	1,255	95,120	85,278	112%
6	-	99		132,135	0%

Radford's You vs. Market (YvM) analysis above\* demonstrates that this organization is paying ahead of the market as well as 'over-levelling,' identifying potential cost savings.

Source: Radford Trends Report – Technology Edition – Q1 2012  
\* Indicative data