

Market Update

Winter 2009

IT Recruitment and Retention Report Update

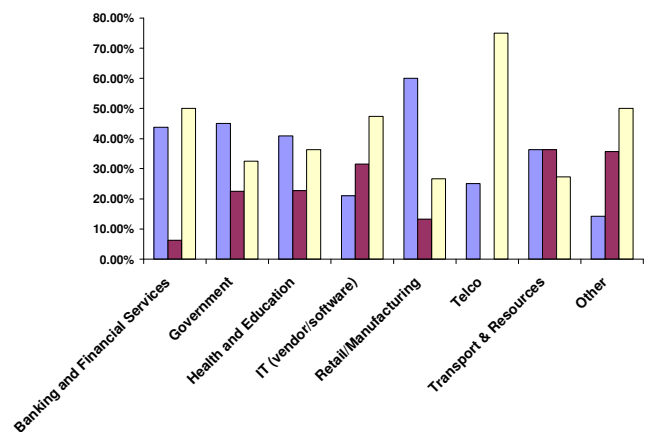
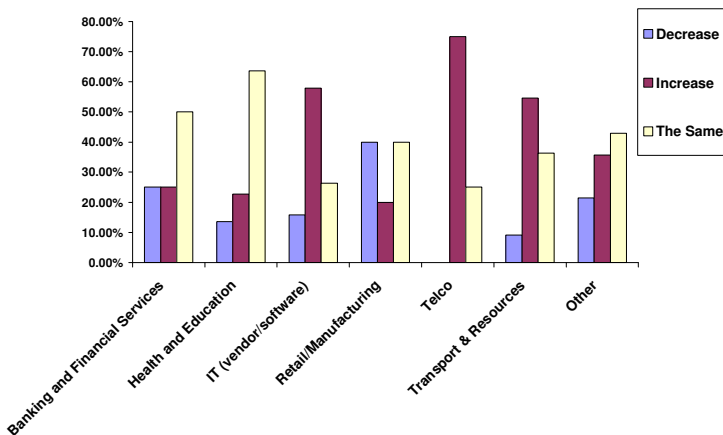
In June 2009 we surveyed clients who had provided information for our annual Recruitment and Retention Report in December 2008.

Taking the data from over 150 respondents together with other operational data from recruitment activity over the last 6 months, the following conclusions can be drawn.

1. More Certainty in the Market

Business conditions are stabilising compared to 6 months ago. In each sector, except Retail/Manufacturing, there are more respondents expecting sales to grow rather than decline over the next 12 months.

IT budgets are still under pressure, however 23% of respondents are increasing their budgets. IT vendors show the strongest results and Banking and Financial Services the weakest.

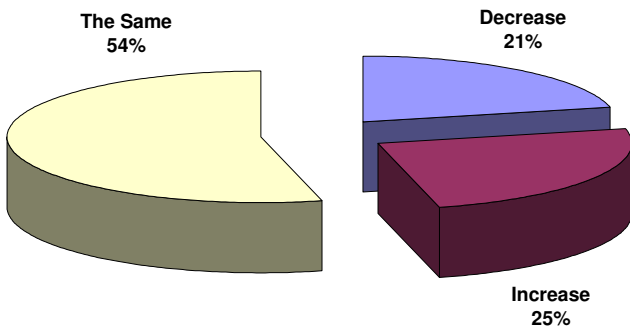


2. More Hiring Activity expected over the next 6 months

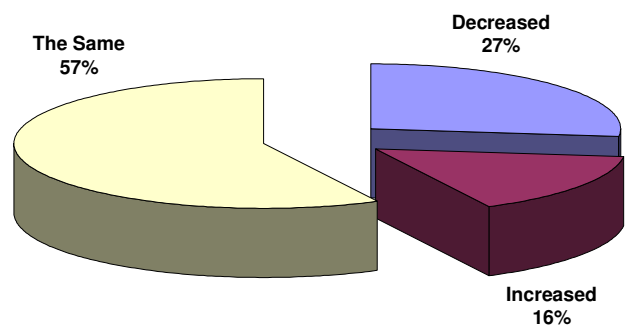
In terms of hiring demand, the market has bottomed. Only 21% of respondents expect to decrease IT staff numbers in the next 12 months. The same number as 6 months ago. 25% expect to increase IT staff numbers.

27% of respondents have experienced a reduction in contractor rates. Of these 50% report a reduction of more than 7%. There are likely to be further small overall reductions (less than 5%) over the next 6 months.

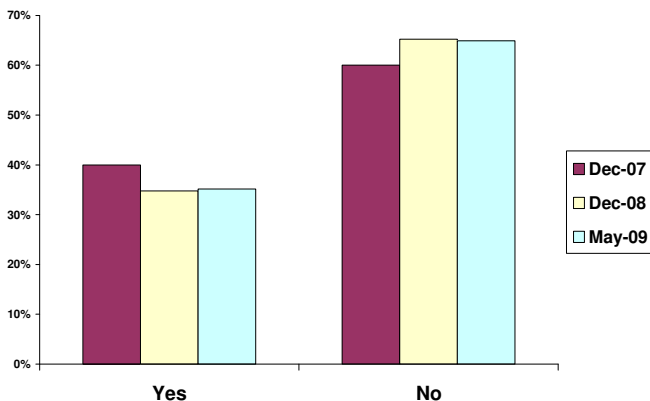
Over the next 12 months, how do you expect your total IT staff numbers to change?



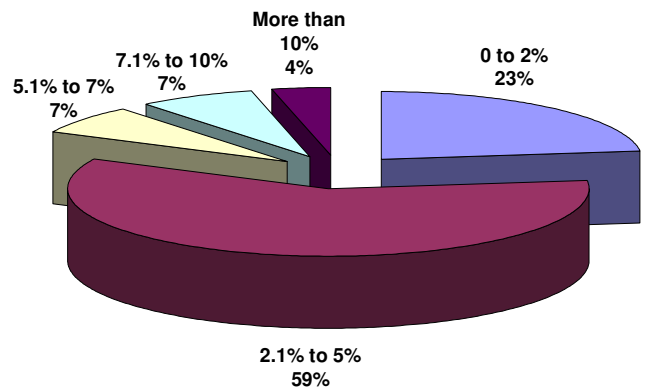
Compared to 12 months ago, how have the rates that you pay for IT contractor staff changed?



Do you expect to increase the number of your permanent IT staff over the next 12 months?



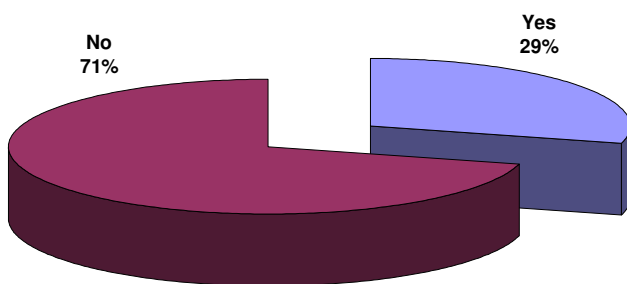
If Increased, by what percentage?



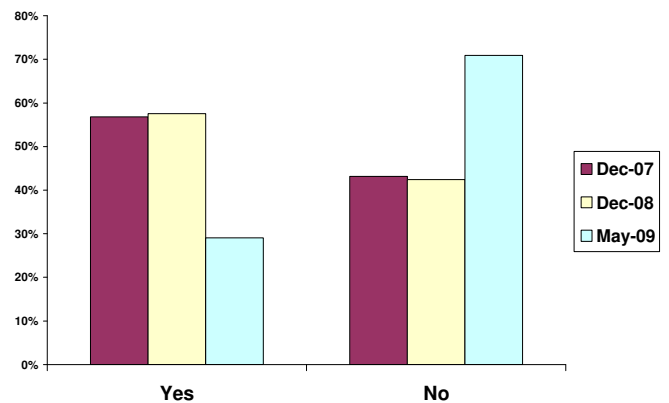
3. No Pressure on salaries for IT staff

Salaries have stabilised and the balance of power lies with the employer with only 29% reporting to have paid more than they initially wanted or expected to. This compares to 58% six months ago.

When recruiting IT staff in the last year, have you had to pay more than you initially wanted or expected to, in order to attract the right candidate?



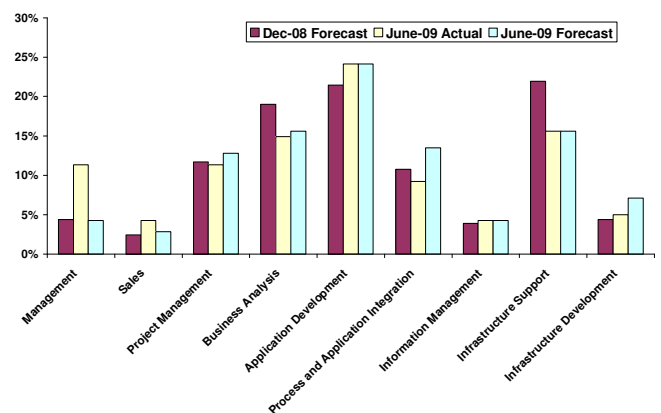
When recruiting IT staff in the last year, have you had to pay more than you initially wanted or expected to, in order to attract the right candidate? (Comparison 07/08/09)



4. Demand for staff will slowly begin to increase compared to the last 6 months

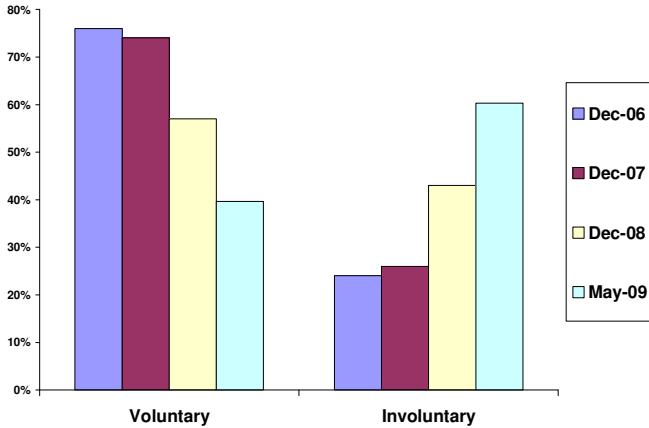
Demand for specific types of IT staff closely matches that experienced 6 months ago and respondents have forecasted similar levels of demand in the next year. As confidence continues to return, demand is likely to increase beyond respondents' current expectations.

Which IT roles are most difficult to recruit? Comparison of Dec 2008 forecast against June 2009 actual and June 2009 forecast.



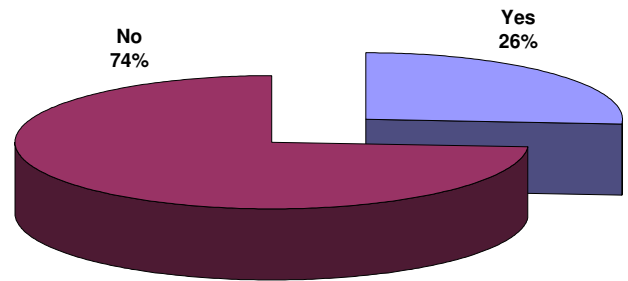
5. Staff turnover rates have fallen, and redundancies / termination levels have stabilised

The proportion of voluntary staff turnover has fallen from 57% to 40% in the last 6 months.

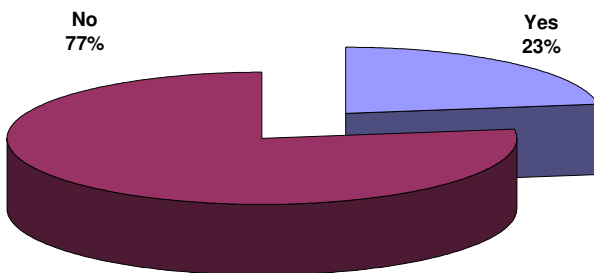


26% reported making redundancies compared to 22% 6 months ago. However only 23% expect to make redundancies in the next 12 months.

Have you made any IT staff redundant during the last 12 months?



Do you expect you will make any staff redundant during the next 12 months?



6. Summary

Thank you to all those organisations who contributed information to the report.

The findings of this half yearly survey show that many IT professionals have remained optimistic through the change in the employment market over the last 6 months, and that the market is now stabilising .

I look forward to Clicks continuing its relationship with you over the year. Please feel free to contact me at any time if you want an update, or if you need our support with your recruitment activity.

Best wishes

Managing Director, Clicks