

The Luxembourg recruitment market experienced steady improvement throughout 2010. While few firms had approval to hire during 2009 and in the early months of 2010, we saw appetite to recruit grow during the year. Although the effects of the global financial crisis were still in evidence, we saw a cautious optimism among decision makers. By the end of 2010, a number of organisations had clear recruitment plans in place for 2011.

Recovery in the second half of 2010 was faster than initially anticipated, which resulted in some companies – particularly service providers – creating new positions. Salaries also increased, particularly at the mid to senior level, as firms sought to secure the best talent.

We expect to see further moderate growth in the Luxembourg recruitment market in 2011 and competition for the best talent to intensify. Professionals with experience in cost control and accounting, local corporate legal and tax knowledge, or commercial experience with proven relevant networks will be in highest demand.

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BANKING & FINANCIAL SERVICES, COMMERCE & INDUSTRY, HUMAN RESOURCES, LAW AND TAX

Our recruitment team in Luxembourg specialises in the recruitment of financial, tax, legal and HR professionals across various sectors, including banking (private and corporate), investment funds, insurance, private equity, trust companies, law, consulting and commerce and industry. Our knowledge of the local market allows us to work for both large national and international organisations.

Market Overview

Banking & Financial Services

Within the banking and financial services sector, we saw contrasting recruitment activity between major banks and smaller financial services firms. The consolidation among major banks, which initially began in 2008 and carried on through 2009, continued in 2010. Consequently, some banks continued to reduce staff levels while others actively searched for highly specialised professionals in order to expand their business.

In the first half of 2010 recruitment activity was mainly driven by smaller financial services firms, such as private equity, funds, holdings or services providers (e.g. trust companies) hiring senior accountants, finance managers and corporate secretaries. Recruitment within the major banks was more sporadic and focused on either replacement hiring or highly specialised professionals in newly-created roles, mainly compliance or risk managers. As the financial crisis led to new regulatory requirements, the demand for highly skilled professionals increased.

In the second half of the year we witnessed more confidence in the market and recruitment levels across different departments (fund administration, private banking front office, finance and legal support functions) increased. Core accounting specialists were highly sought-after, as were senior risk, compliance and legal specialists due to increased regulations. Financial institutions continued to be very selective

in their recruitment and sought additional qualifications - such as ACCA - on top of personality and core competencies.

Despite the after-effects of the financial crisis still being in evidence, Luxembourg continued to be a highly attractive market for firms. Many small financial services players, including private equity and real estate funds, established or grew their offices in the country, driving the availability of new positions in the market. As a result, we anticipate an increasing stabilisation and regeneration of the banking and financial services sector, with experienced specialists with 4 - 10 years' accounting, finance and/or corporate legal experience remaining in demand.

Commerce & Industry

The commerce and industry sector was strongly affected by the economic downturn, although it began to recover earlier than initially anticipated in 2010. Despite the global economic recovery, Luxembourg became less attractive to industrial companies as a country to expand into. However, some sectors - such as e-commerce - saw growth. The key e-commerce players who were present increased staff numbers across finance and operations departments and some new players entered the market or had upcoming plans to open a Luxembourg office.

Legal

Legal recruitment activity recovered during 2010 and hiring levels increased. Due to increased cash inflow from off-shore locations into Luxembourg funds, workloads for corporate and fund lawyers in law firms increased and this led to the expansion of existing teams and the establishment of new offices of international law firms. The demand for qualified corporate secretarial staff also continued. Demand for in-house legal counsels in banks and commercial companies did not grow to the same extent as within

private practice, an area we anticipate will continue to grow in 2011.

Tax

After a significant fall in 2009, the demand for corporate tax specialists at senior and manager level increased slightly in 2010. This was predominantly reflected in tax advisory and law firms. We anticipate senior tax professionals to be in greater demand in 2011.

Outlook for 2011

We expect to see further recovery of the financial services recruitment market in 2011. Hiring among larger institutions will be moderate and targeted to attracting selected specialists with skills in fund administration/accounting, legal or sales/business development. We expect new positions to be predominantly created by smaller entities and start-ups, such as private equity firms, holding companies, real estate investment funds, trusts or other domiciliation service providers.

Salaries did not rise in Luxembourg until the second half of the year in 2010 in line with increased demand for accounting professionals. In banking and financial services salary increases will most likely be between 5-15%, predominantly for positions in finance, accounting, risk management, M&A, business development, fund reporting and controlling and legal. In commerce and industry, salaries will remain stable or increase moderately for positions with a focus on financial analysis, financial reporting and accounting. Law and tax advisory firms in particular will increase salaries in 2011 after moderate or no increases in 2010 for lower seniority levels (up to six years' experience). We also foresee a moderate increase in salaries among financial services institutions as there will be a need for specialists with in-demand skill sets such as comprehensive accounting qualifications (ACCA) and certified and experienced legal and tax expertise.

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| ROLE | PERMANENT SALARY PER ANNUM € | | | | | |
|---|------------------------------|-----------|-----------------|------------|--------------|-------------|
| | 3 - 5 YRS' EXP | | 5 - 10 YRS' EXP | | 10+ YRS' EXP | |
| | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 |
| Banking & Financial Services | | | | | | |
| Chief Financial Officer | | | | | €120k+ | €125k+ |
| Chief Risk Officer | | | | | €120k+ | €125k+ |
| Head of Fixed Income | | | | | €110k+ | €115k+ |
| Head of Data Protection | | | | | €100k+ | €105k+ |
| Head of Treasury | | | €80 - 110k | €90 - 115k | €90 - 140k | €100 - 150k |
| Head of Fund Administration | | | | | €110k+ | €110k+ |
| Compliance Manager/Director | | | €85 - 110k | €85 - 110k | €105k+ | €105k+ |
| Finance Manager/Director | | | €75 - 100k | €75 - 105k | €95k+ | €100k+ |
| Accounting Manager/Director | | | €65 - 95k | €75 - 100k | €85 - 120k | €85 - 125k |
| Fund Manager | €55 - 65k | €55 - 70k | €65 - 115k | €65 - 115k | €100k+ | €100k+ |
| Equities Manager | €50 - 65k | €55 - 70k | €60 - 80k | €65 - 85k | €75 - 140k | €80 - 140k |
| Estate Planner | €50 - 60k | €50 - 65k | €55 - 85k | €60 - 90k | €80 - 120k | €90 - 150k |
| Risk Manager | €55 - 70k | €60 - 75k | €65 - 95k | €70 - 100k | €90 - 130k | €90 - 130k |
| M&A Manager | | | €70 - 100k | €80 - 115k | €80 - 130k | €85 - 135k |
| Project Manager | €45 - 60k | €50 - 65k | €60 - 80k | €60 - 85k | €75 - 110k | €80 - 120k |
| Relationship Manager | | | €70 - 95k | €70 - 100k | €80 - 130k | €85 - 140k |
| Business Development Manager | | | €80 - 100k | €85 - 110k | €95 - 160k | €100 - 170k |
| Private Banker | €55 - 70k | €60 - 75k | €70 - 100k | €70 - 105k | €90 - 120k | €90 - 125k |
| Corporate Banker | €50 - 65k | €55 - 70k | €65 - 85k | €70 - 90k | €80k+ | €80k+ |
| Fund Performance Analyst | €40 - 60k | €40 - 65k | €50 - 85k | €55 - 85k | €75 - 110k | €80 - 115k |
| Credit Analyst | €45 - 65k | €45 - 65k | €65 - 85k | €65 - 90k | €75 - 105k | €80 - 110k |
| Internal Audit | €50 - 65k | €50 - 70k | €65 - 90k | €65 - 90k | €90 - 120k | €90 - 120k |
| Fund Reporting | €45 - 60k | €45 - 65k | €55 - 85k | €60 - 90k | €80 - 120k | €85 - 120k |
| Fund Controller | €40 - 65k | €40 - 75k | €60 - 85k | €65 - 90k | €75 - 110k | €80 - 115k |
| Private Equity | €40 - 60k | €40 - 60k | €50 - 90k | €60 - 90k | €80 - 120k | €80 - 120k |
| Funds Lawyer | €60 - 75k | €60 - 80k | €70 - 90k | €70 - 95k | €90 - 110k | €90 - 120k |
| Legal | €60 - 80k | €60 - 80k | €70 - 95k | €75 - 100k | €85 - 120k | €90 - 125k |
| Company Secretary | €50 - 65k | €50 - 70k | €65 - 80k | €65 - 85k | €70 - 95k | €70 - 100k |
| Marketing | €35 - 60k | €35 - 60k | €60 - 90k | €60 - 90k | €80 - 130k | €80 - 130k |
| Client Service | €35 - 55k | €40 - 60k | €55 - 75k | €60 - 80k | €65 - 100k | €70 - 110k |
| Actuary | €50 - 70k | €50 - 75k | €65 - 90k | €70 - 95k | €80k+ | €90k+ |

NB: Figures are basic salaries exclusive of benefits/bonuses unless otherwise specified.

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| ROLE | PERMANENT SALARY PER ANNUM € | | | | | |
|--|------------------------------|------------------|-----------------|-------------------|--------------|--------------------|
| | 3 - 5 YRS' EXP | | 5 - 10 YRS' EXP | | 10+ YRS' EXP | |
| | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 |
| Commerce & Industry | | | | | | |
| Chief Financial Officer | | | €85 - 115k | €85 - 120k | €115k+ | €120k+ |
| Tax Manager/Director | | | €85 - 120k | €85 - 125k | €110 - 150k | €115 - 155k |
| Compliance Manager/Director | | | €75 - 95k | €75 - 100k | €90 - 130k | €90 - 130k |
| Internal Audit | €50 - 70k | €50 - 70k | €70 - 85k | €70 - 90k | €80 - 110k | €85 - 115k |
| Financial Controller | €45 - 70k | €50 - 75k | €65 - 100k | €65 - 100k | €90 - 125k | €95 - 130k |
| Financial Analyst | €40 - 65k | €45 - 70k | €65 - 85k | €70 - 90k | €80 - 105k | €85 - 110k |
| Accounting | €45 - 70k | €45 - 75k | €60 - 85k | €65 - 90k | €75 - 110k | €75 - 115k |
| Financial Reporting | €45 - 55k | €45 - 60k | €55 - 85k | €60 - 90k | €70 - 120k | €75 - 125k |
| Credit Collection | €35 - 45k | €40 - 50k | €40 - 75k | €45 - 75k | €70 - 95k | €70 - 100k |
| Call Centre Manager | €35 - 55k | | €50 - 70k | | €65 - 85k | |
| Accounting, Finance & Legal - Trust Companies | | | | | | |
| Partner | | | | | €115k+ | €125k+ |
| Tax Advisor | €60 - 80k | €60 - 80k | €70 - 95k | €75 - 110k | €85 - 115k | €90 - 125k |
| Legal Advisor | €60 - 80k | €60 - 80k | €70 - 95k | €75 - 105k | €85 - 115k | €90 - 125k |
| Consolidation | €50 - 65k | €50 - 70k | €65 - 85k | €65 - 90k | €70 - 95k | €75 - 105k |
| Financial Accountant | €50 - 65k | €50 - 70k | €65 - 80k | €65 - 90k | €75 - 105k | €80 - 110k |
| Corporate Secretary | €50 - 65k | €55 - 65k | €60 - 75k | €60 - 80k | €70 - 95k | €75 - 95k |
| Human Resources | | | | | | |
| HR Director | | | | | €80k+ | €85k+ |
| HR Manager | €40 - 50k | €40 - 55k | €50 - 65k | €50 - 70k | €65 - 120k | €70 - 120k |
| Recruitment Manager | €40 - 50k | €40 - 55k | €50 - 60k | €50 - 65k | €60 - 80k | €60 - 85k |
| Payroll | €40 - 45k | €40 - 50k | €45 - 65k | €45 - 70k | €60 - 80k | €65 - 85k |
| Training | €35 - 40k | €35 - 40k | €40 - 60k | €40 - 65k | €55 - 80k | €60 - 80k |
| Compensation & Benefits | €40 - 50k | €40 - 50k | €45 - 65k | €45 - 70k | €60 - 120k | €65 - 120k |
| NB: Figures are basic salaries exclusive of benefits/bonuses unless otherwise specified. | | | | | | |