



Challenger, Gray & Christmas, Inc.
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FOR IMMEDIATE RELEASE

CEO Turnover Remains High As Summer Closes

113 CEO CHANGES IN AUGUST INCLUDING MICROSOFT, US STEEL

CHICAGO, September 11, 2013 – Turnover among the nation’s chief executive officers remained elevated in August as 113 planned CEO departures were reported, including notable retirement announcements from Steve Ballmer at Microsoft and John Surma at U.S. Steel Corp.

While the 113 departures recorded in August is above the year-to-date average (105), the monthly total was 11.7 percent lower than July, when CEO changes reached a three-year high of 128, according to the latest report on CEO turnover released Wednesday by global outplacement consultancy Challenger, Gray & Christmas, Inc.

The August total was up 8.7 percent from the 104 CEO exits recorded in August of last year. This marks the fifth month this year that CEO changes were higher than the corresponding period from a year ago.

Challenger has now tracked 842 CEO changes so far this year, 5.8 percent more than the 796 recorded in the first eight months of 2012.

Last month saw a major announcements from tech-giant Microsoft, whose CEO Steve Ballmer announced he would leave amid falling sales and charges that the company is slow to adapt to mobile markets and tablet PCs. Investors reacted positively to the news, as it increased share prices. Meanwhile, Chicago start-up-turned-public-offering Groupon announced that Eric Leftkofsky would continue at the helm after taking over as interim CEO for Andrew Mason in February. Co-CEO Ted Leonsis will remain Chairman.

“Neither Microsoft nor Groupon had a firm succession plan for replacing Ballmer and Mason. This is not uncommon, but it could prove costly in the long run, as companies must first struggle to fill the void in leadership and then traverse a volatile period of adjustment that typically occurs following such a significant change,” said John Challenger, chief executive officer of Challenger, Gray & Christmas.

“Microsoft has an opportunity to go outside to find a replacement for Ballmer, which could give the company the shake-up it needs. However, as was demonstrated with Groupon, the best approach may be to stick with talent who already know the ropes. It will be interesting to see how these companies fair going forward.”

Microsoft and Groupon were among the 11 computer firms announcing CEO changes last month. These firms have announced 88 departures for the year, 8.6 percent more than the 81 computer sector CEOs who left their posts through August last year.

Meanwhile, the government/non-profit sector led all industries in August with 24 announced changes, bringing the year-to-date total to 122, 12 percent more than the 109 through August 2012. Health care followed with 18 August departures. Financial firms also announced 11 chief executive changes in August, bringing the sector’s year-to-date total to 103, a 45 percent increase from the 71 financial CEO changes tracked through August of 2012.

Resignation was the most oft-cited reason for departure in August, with 37 CEOs resigning. This brings the year-to-date total for resignations to 239. Another 23 CEOs retired last month. Three CEOs were ousted by their boards in August, while 3 others left amid scandal.

CHIEF EXECUTIVE DEPARTURES

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
January	113	123	96	89	113	134	114
February	110	104	92	132	82	114	127
March	86	94	99	119	114	123	103
April	94	90	103	101	78	112	126
May	104	99	103	125	115	115	144
June	94	99	113	107	105	126	105
July	128	83	104	88	126	124	88
August	113	104	104	95	101	144	124
September		95	108	111	105	140	112
October		108	91	81	89	125	96
November		112	82	79	94	104	132
December		103	83	107	105	123	85
TOTAL	842	1,214	1,178	1,234	1,227	1,484	1,356

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CHIEF EXECUTIVE DEPARTURES

Public vs. Private

	13-August	2013 YTD	2012 YTD
Private	85	669	477
Public	28	173	132

**CEO DEPARTURES
By Industry**

	12-Aug	13-Jul	13-Aug	12-YTD	13-YTD
Aerospace/Defense	1		1	9	8
Apparel		1	1	1	5
Automotive	7	1		13	9
Chemical	2			6	2
Commodities		3	1	2	4
Computer	11	15	11	81	88
Construction	1	1		11	7
Consumer Products	1	2	1	19	15
Electronics	4		2	20	14
Energy	5	2	6	36	31
Entertainment/Leisure	3	5	4	30	33
Financial	14	19	11	71	103
Food	2	1	5	18	29
Government/Non-Profit	15	20	24	109	122
Health Care/Products	21	34	18	161	169
Industrial Goods	3	1	5	20	24
Insurance			1	17	11
Legal					4
Media	2	3	2	22	20
Pharmaceutical	2	6	9	31	32
Real Estate	1		4	10	18
Retail	2	2		25	23
Services	5	3	3	45	27
Telecommunications		5	2	9	19
Transportation	2	2	2	20	17
Utility		2		10	8
TOTAL	104	128	113	796	842

CEO DEPARTURES

By Reason

	13-Aug	Y-T-D
Resigned	37	239
Retired	23	185
Step Down	17	147
New position in another company	17	119
Interim Period Ended	1	57
Acquisition/Merger	1	18
Another position within company	2	17
Ousted	3	17
Contract Dispute/Expiration	1	9
Scandal	3	7
Bankruptcy		4
Financial Losses	2	6
Health	3	6
Died	2	5
Legal Trouble		2
Family		1
Differences with Board		1
Leave of Absence	1	1
Liquidation		1

CEO DEPARTURES

Average Age, Tenure

	Age		Tenure	
	2013	2012	2013	2012
January	52	61.3	7.9	6.9
February	56.6	57.9	8.3	9.8
March	54.2	62.1	6.9	8.3
April	57.4	58	10.3	8
May	62.2	62.2	10.1	7.9
June	65.1	57.8	13.9	8.4
July	57.8	52.3	10.1	6.8
August	59.1	65.7	8.9	8.9
September		60.1		8.2
October		68.5		8.5
November		62.4		7.3
December		66.5		11.9