

For Immediate Release

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Q3 hiring expectations are at a five year high

Salaries are increasing and candidates are declining job offers as they receive multiple job offers and counter offers from their employers

SINGAPORE – 18 JULY 2006 – Continued hiring increases means good news for Singapore's workforce, while increased optimism continues to fuel increasing economic growth. Planned headcount increases are at 56%, and are at their highest level since Quarter One (Q1), 2001. This optimism is reflected in planned salary increases and 7% of employers expecting to pay 15% or more, the highest figure for any market surveyed in Asia.

Hudson, one of the world's leading professional staffing, outsourcing and talent management providers and a division of Hudson Highland Group, Inc. (NASDAQ: HHGP), today released findings of its comprehensive quarterly Hudson Report for Asia. With a reputation as a key socio-economic indicator in the current marketplace since its Asia launch in December 1998, the survey has been built on the premise that employers' expectations of an increase or decrease in staffing levels represent a significant indication of their optimism in the growth of their organisation and their industry as a whole. The Hudson Report represents the expectations of over 2,300 key employment decision makers from multinational organisations of all sizes in all major industry sectors with 656 of these companies based in Singapore.

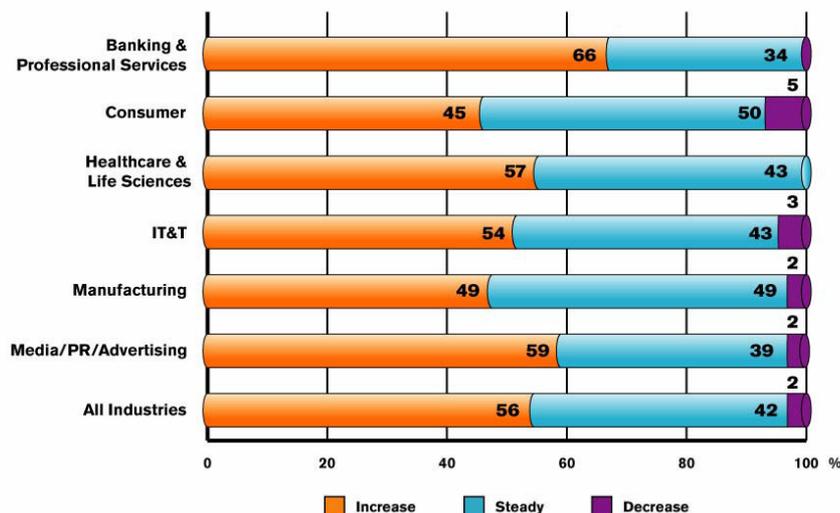
Significant findings in the **Q3, 2006 Hudson Report** are:

- Compared to a year ago, hiring expectations have substantially increased – 56% of respondents in Q3, 2006 forecast headcount growth, up from 52% in Q2 and 52% a year ago;
- Banking & Professional Services firms have the highest expectations, with 66% forecasting increased hiring – a sharp rise from 52% the previous quarter;
- Salaries are moving upwards, with 46% expecting to pay rises of 5% or more and a further 7% to pay 15% or more, the highest figure for any market surveyed in Asia;
- The largest salary increases are forecast by the Banking, Media/PR/Advertising and IT&T sectors;
- Respondents are confident about the future, with 85% saying their company's performance will be excellent or good in the next six months;
- Many candidates are turning down offers with nearly one-third of respondents reporting that they are experiencing refusals;
- Offers from other companies, higher salary expectations and counter-offers by current employers are given as the main reasons for candidates declining job offers.

Expectations still rising

The companies forecasting headcount growth have increased from 52% in Q2 to 56% this quarter. A further 42% of employers surveyed anticipate that employment will remain steady and only 2% forecast a decline in headcount. This is the highest figure for hiring expectations for five years.

Permanent employment expectations in Singapore

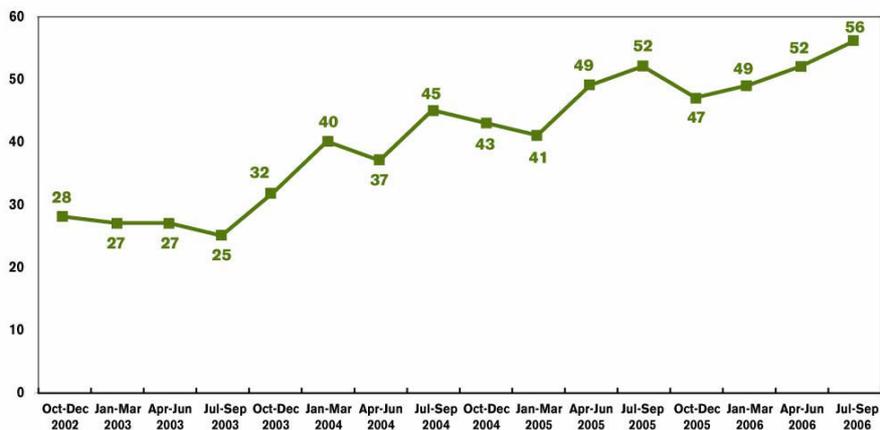


Source: The Hudson Report – Singapore, Q3 2006

Mark Sparrow, Country Manager, Hudson Singapore, says, “Employment expectations are still rising and are now higher than at any other time since Q1, 2001. The competition for talent is pushing up salaries and candidates can choose between multiple jobs offers resulting in many offers being declined.”

Banking & Professional Services have the highest expectations for headcount with 66% of respondents saying they will hire more staff, a substantial increase from 52% in Q2. The media/PR/advertising sector is buoyant, with 59% of executives predicting headcount growth.

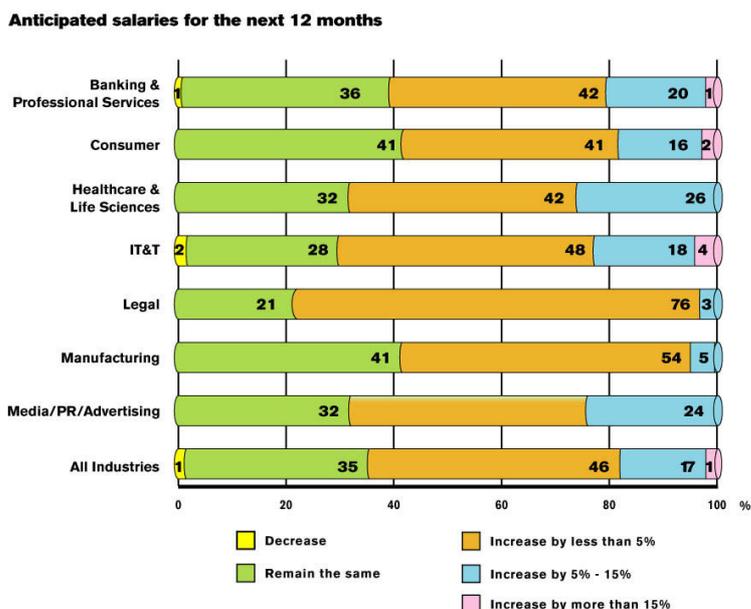
Permanent hiring expectations over time in Singapore



Strong upward trend in salaries

Employers are recognising that they have to respond to the tight job market by raising salaries. Overall, 46% of respondents anticipate paying increases of 5% or more in the next year. A further 7% to pay 15% or more, the highest figure for any market surveyed in Asia.

The Banking sector has the highest number of respondents planning to increase salaries with 57% anticipating paying 5% or more.



Source: The Hudson Report – Singapore, Q3 2006

Positive outlook for the rest of the year

There is a high level of confidence about the outlook for the next six months. Across all sectors, 19% of respondents expect their company's performance to be excellent and a further 66% say it will be good. This is the second highest level of confidence among the markets surveyed in Asia.

Anticipated company performance for the next 6 months

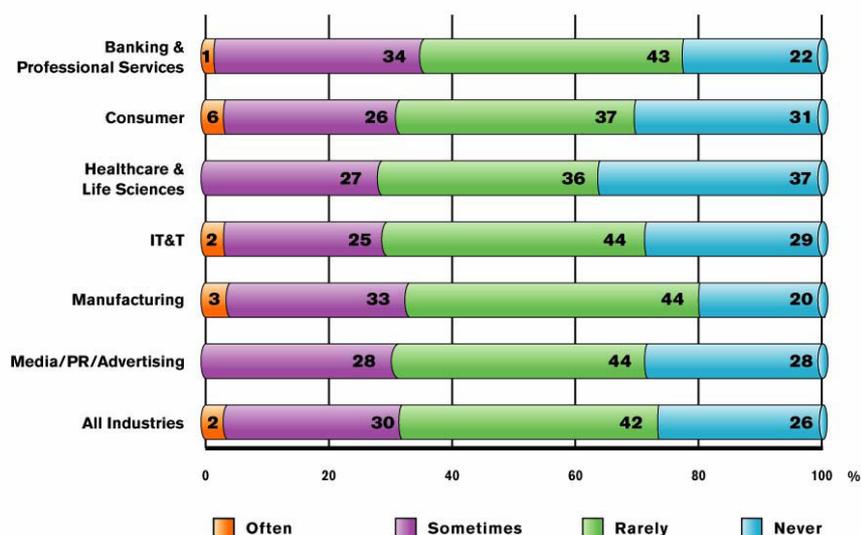


Source: The Hudson Report – Singapore, Q3 2006

Many candidates are declining job offers

The booming employment market means that many talented staff are receiving several job offers. The number of candidates turning down job offers is becoming significant, with nearly one-third of respondents - 32% - reporting that candidates have “often” or “sometimes” declined jobs in the last six months.

Potential employees declining job offers



Source: The Hudson Report – Singapore, Q3 2006

Higher salary expectations and alternative offers are the main reasons for jobs being declined

The most common reasons for jobs being declined are offers from other companies, higher salary expectations and counter-offers by current employers. Overall, 53% of respondents report that candidates cite other job offers as the reason for refusing an offer.

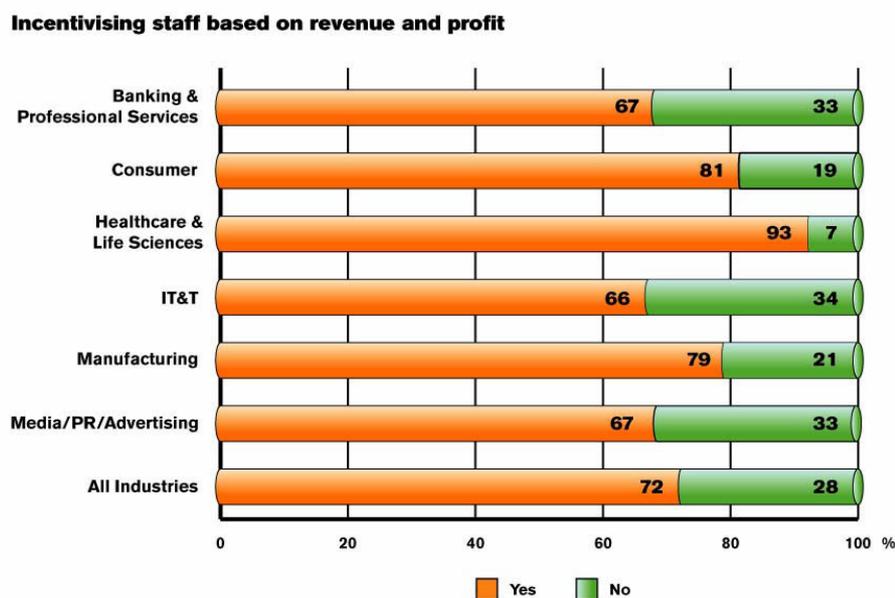
Reasons for declining job offers

Industries	Higher salary expectations	More and better benefits wanted	Takes up a job offer with another company	Counter-offer by the present employer	Working conditions e.g. location; working hours	Company reputation	Others
Banking & Professional Services	59%	15%	59%	51%	12%	14%	12%
Consumer	60%	14%	61%	40%	27%	16%	6%
Healthcare & Life Sciences	47%	16%	26%	63%	5%	16%	16%
IT&T	43%	13%	51%	39%	10%	11%	5%
Manufacturing	46%	10%	46%	34%	10%	5%	6%
Media/PR/Advertising	39%	15%	48%	35%	13%	17%	15%
All Industries	51%	14%	53%	43%	13%	12%	9%

Source: The Hudson Report – Singapore, Q3 2006

Trend towards making incentive payments

Overall 72% of respondents say that they see a trend towards incentivising all staff based on revenues and profit, including employees in back-office and support roles. This is a higher proportion than in any other market surveyed in Asia. Healthcare companies are most likely to pay incentives to all staff.



Source: The Hudson Report – Singapore, Q3 2006

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Special Note: Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995: Except for historical information contained herein, the statements made in this release constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements involve certain risks and uncertainties, including statements regarding the company's strategic direction, prospects and future results. Certain factors including factors outside of our control, may cause actual results to differ materially from those contained in the forward-looking statements, including economic and other conditions in the markets in which we operate, risks associated with acquisitions, competition, seasonality and the other risks discussed in our Form 10-K and our other filings made with the Securities and Exchange Commission, which discussions are incorporated in this release by reference.