

For immediate release

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Hiring expectations in Singapore see a strong upward trend in Q1

Employers to offer higher salaries to attract new manager hires

SINGAPORE – 16 JANUARY 2007 – Employment expectations in Singapore have risen after a slight dip in Quarter Four (Q4) 2006 to 52%. Fifty-six percent plan to increase headcount in Q1 2007, a rise from 49% compared to a year ago. In the continuing war for talent, over half of the respondents are willing to pay higher salaries and bonuses of 10% or more to attract and retain talented candidates as poaching is cited as the main reason for turnover.

Hudson, one of the world's leading professional staffing, outsourcing and talent management solution providers, 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 2,200 key employment decision makers from multinational organisations of all sizes in all major industry sectors, with 652 of these executives based in Singapore.

Significant findings in the **Q1 2007 Hudson Report** are:

- 56% of those surveyed are planning to grow headcount this quarter, up from 49% in Q1 2006;
- Companies are paying significantly higher salaries compared to other countries surveyed to attract new managerial talent: over half (58%) expect to increase new managers' salaries by more than 10%, a substantial rise from 37% in Q1 2006;
- Companies are planning to pay higher bonuses than last year, with 53% saying they will pay more than 10%;
- Companies in all the sectors surveyed are optimistic about the next six months, with 90% forecasting excellent or good performance;
- 32% of respondents in all sectors experienced staff turnover of more than 10% in the past year;
- Staff poaching is the most significant cause of staff turnover.

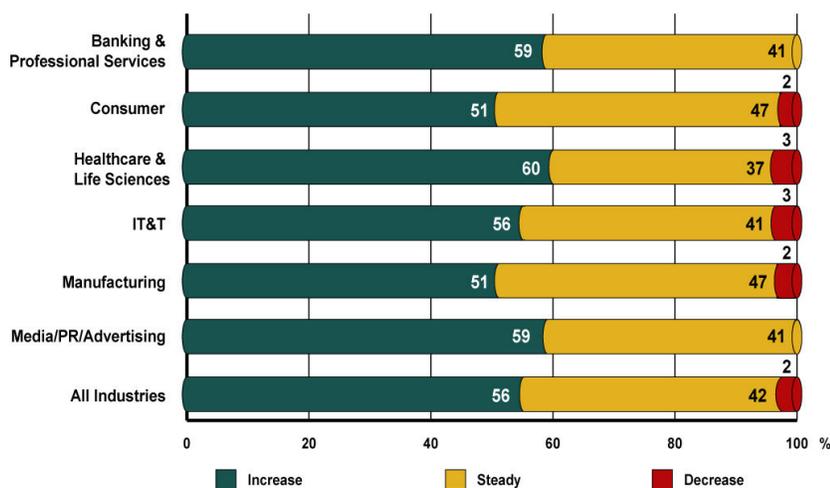
Expectations to hire on the rise

Employment expectations are rising again after a slight dip in Q4 2006. Across all sectors, 56% of respondents say they will increase headcount in Q1, compared with 52% the previous quarter. Some

sectors such as Healthcare and Media/PR/Advertising and Banking report larger rises in expectations.

Mark Sparrow, Country Manager, Hudson Singapore, says, "Employment expectations are rising and companies express a high level of optimism about future performance. But the other side of the coin is severe competition for staff. Companies recognise they must be prepared to look at the packages they offer which would now include significant increases in salaries and bonuses in order to attract appropriately talented individuals."

Permanent employment expectations in Singapore



Source: The Hudson Report – Singapore, Q1 2007

The Healthcare sector reports the highest expectations, with 60% of respondents planning to hire more staff as compared to 48% the previous quarter. Singapore's substantial investment in the life sciences and biomedical industry is creating huge demand for candidates that may be difficult to meet.

The Media/PR/Advertising sector reports the greatest rise in hiring expectations: 59% of firms forecast increased headcount, up from 45% in Q4 2006. This sector is particularly buoyant because companies in most industries are currently doing well, creating strong demand for marketing and advertising services.

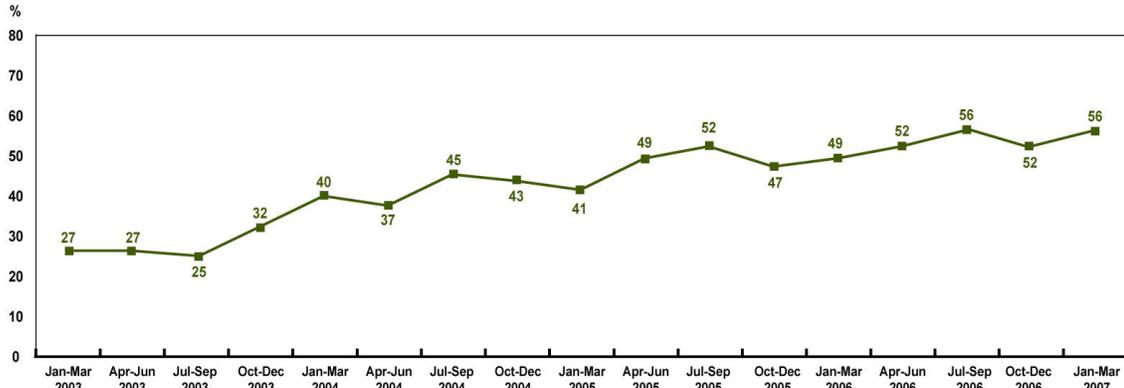
Banks' hiring expectations are still growing, with 59% saying they will grow headcount, a rise from 54%. Much of the new hiring is likely to take place after annual bonuses have been paid, usually by the end of February.

Permanent employment expectations over time

At 56%, the number of respondents across all sectors who forecast increased hiring in Q1 2007 is significantly higher than the 49% who expected to increase headcount in Q1 2006. The Healthcare and Consumer sectors report the highest year-on-year rise in hiring expectations: the proportion of

respondents forecasting headcount growth in each sector has risen from 45% to 60% and from 36% to 51%, respectively.

Hiring expectations over time in Singapore

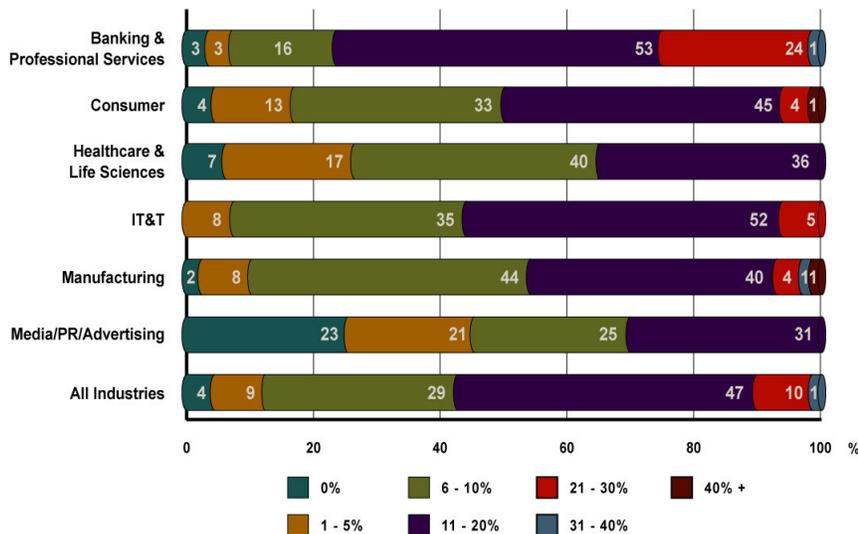


Source: The Hudson Report – Singapore, Q1 2007

Substantial salary rises

Across all sectors, new managerial hires are commanding higher salary packages. Overall, 58% of respondents expect to increase salaries for these new hires by more than 10%. This is significantly more than the 37% who gave this answer when the same question was asked in Q1 2006. Banks expect to pay by far the highest increases, with 78% saying that salaries will rise by more than 10%.

Pay increases to attract new managerial staff



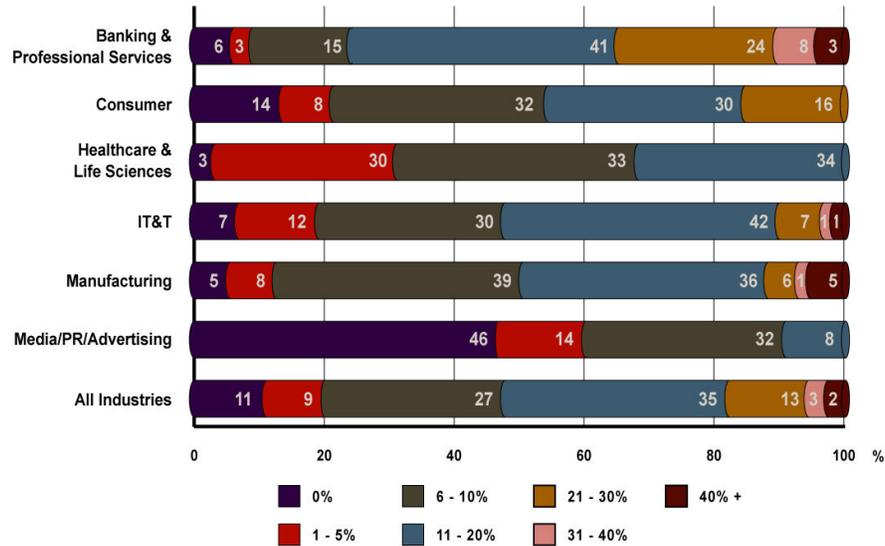
Source: The Hudson Report – Singapore, Q1 2007

Bigger bonuses this year

Across all sectors, 53% of respondents say they will pay bonuses of more than 10%, compared with 42% in Q1 2006. The Banking sector is making by far the highest bonus payments, with 76%

planning to pay more than 10%. The IT&T and Manufacturing companies are also making higher bonus payments, with 51% and 48% planning to pay bonuses of more than 10% respectively.

2006 discretionary year-end bonus

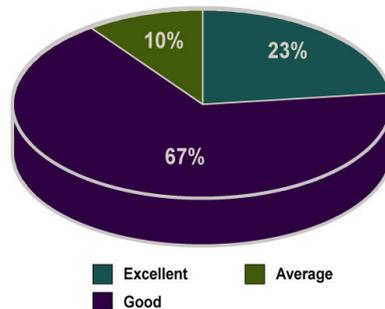


Source: The Hudson Report – Singapore, Q1 2007

Anticipated company performance

Companies in every sector are extremely optimistic about how they will perform in the next six months. Across all sectors, 90% of respondents forecast that their company's performance will be excellent or good in the first half of 2007. The Banking sector is the most optimistic, with 70% forecasting that performance will be good and a further 25% excellent. The IT&T sector has the highest proportion of companies forecasting excellent performance – 29%.

Anticipated company performance in the first half of 2007

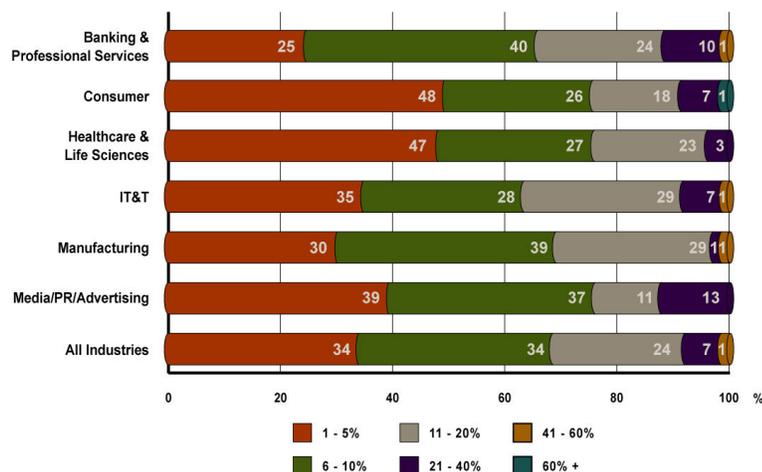


Source: The Hudson Report – Singapore, Q1 2007

Staff turnover is a significant issue

The limited talent pool means that turnover is becoming an issue for employers in Singapore. Nearly one-third (32%) of respondents across all sectors report turnover of more than 10% in the last year. Of these, 8% say it has been more than 20%. Among IT&T companies, 37% of those surveyed are experiencing turnover of more than 10%. The Banking sector also reports a high level of staff turnover, with 35% saying that it is more than 10%.

Average staff turnover in the last 12 months



Source: The Hudson Report – Singapore, Q1 2007

Poaching is a key cause of turnover

Staff poaching, perceptions of limited career progression and personal reasons are the main causes of staff turnover. These three factors are mentioned by 29%, 21% and 16% of respondents respectively. Only 11% of respondents say that dissatisfaction with salaries and bonuses is a significant cause of turnover – the lowest figure of all the countries surveyed.

Hudson

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