

For immediate release

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Demand for high salaries and bonuses is on the rise

Turnover rate increasing

SINGAPORE – 17 JANUARY 2008 – Salaries for new hires continue on an upward trend, with 71% of employers expecting to offer increases of more than 10%. Discretionary bonuses are also increasing and 20% of respondents plan to pay more than 20%. These increases however have failed to keep turnover rates from rising: 40% of respondents say that they are experiencing turnover of more than 10%. Employment expectations on hiring increase remain steady at a healthy level of 51% in Quarter 1 (Q1) 2008.

Hudson (NASDAQ: HHGP), a leading provider of permanent recruitment, contract professionals and talent management services worldwide, today release 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 1998, the survey on 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* surveys the expectations of over 2,500 key employment decision makers from multinational organisations of all sizes in all major industry sectors, with 659 of these executives based in Singapore.

Significant findings in the **Q1 2008 Hudson Report** are:

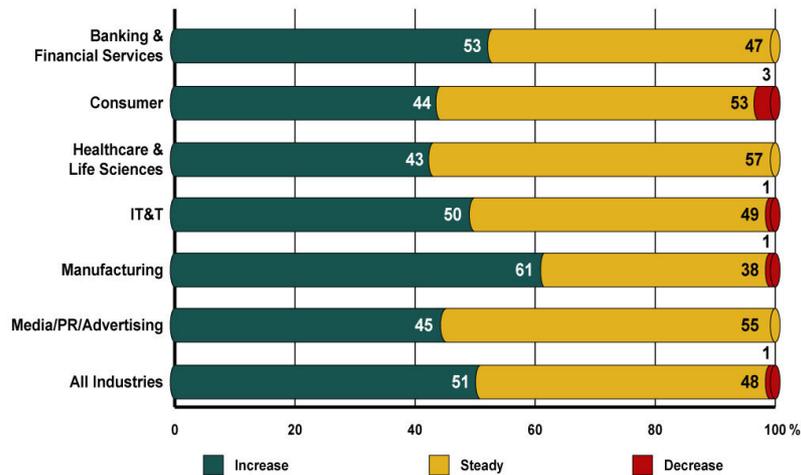
- Hiring expectations are consistent over the longer term: the proportion of respondents who plan to recruit more staff has remained in the 51% - 56% range for eight consecutive quarters;
- New hire salaries are rising, with 71% of respondents expecting to offer increases of more than 10%, the highest figure in Asia along with China;
- Discretionary bonuses are also up and 20% of respondents plan to pay more than 20%;
- Big increases in salaries and bonuses have failed to stop staff turnover rates from rising: 40% say they are experiencing turnover of more than 10%;
- Just 8% of respondents anticipate that the current credit crunch will impact their hiring plans.

Expectations to hire are positive

Hiring expectations remain healthy, with 51% of the respondents across all sectors forecasting headcount growth in Q1, compared to 54% in Q4 2007.

Mark Sparrow, Singapore country manager, Hudson says, *"Employment expectations are steady and remain at a high level. Employers are paying big increases in salaries and bonuses to attract and retain talented candidates but still face rising turnover rates."*

Permanent employment expectations in Singapore



Source: The Hudson Report – Singapore, Q1 2008

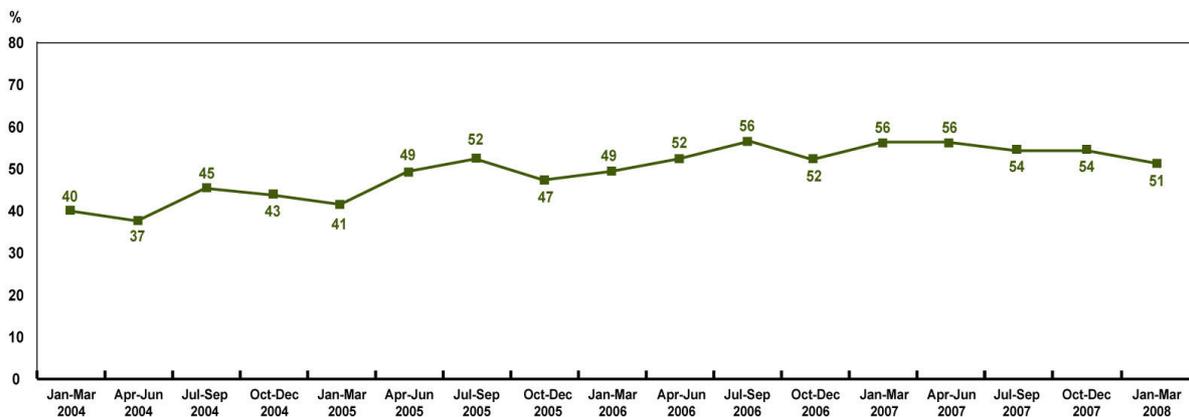
The Manufacturing sector reports the highest expectations, with 61% expecting to hire more staff, up from 57% in Q4. Much of the increase comes from specialist manufacturing areas in the bio- medical and chemical sectors.

Longer term hiring expectations remain steady

Hiring expectations have stayed consistently steady over the longer term. Across all sectors, the 51% of respondents who forecast headcount growth this quarter compares with 56% in Q1 2007. The proportion of respondents who plan to increase hiring has remained in the 51% - 56% range for eight consecutive quarters.

Expected hiring have seen a slight fall year-on-year in the Banking & Financial Services sector, from 59% a year ago to 53% this quarter. Overall, however this sector continues to be active, and competition for talented staff is still strong.

Permanent increased hiring expectations over time in Singapore



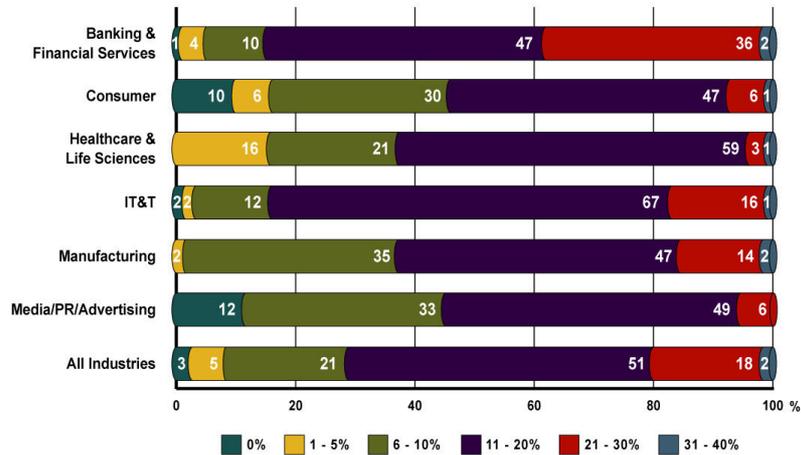
Source: The Hudson Report – Singapore, Q1 2008

Steep pay raises for new hires

Employers have to offer substantial salary raises to attract new hires at a managerial level. Across all sectors, 71% of respondents say they plan to increase salaries by more than 10%. This is the highest

figure for the markets surveyed in Asia, along with China. Of these, 20% say they plan to pay more than 20%.

Pay increase to attract managerial staff



Source: The Hudson Report – Singapore, Q1 2008

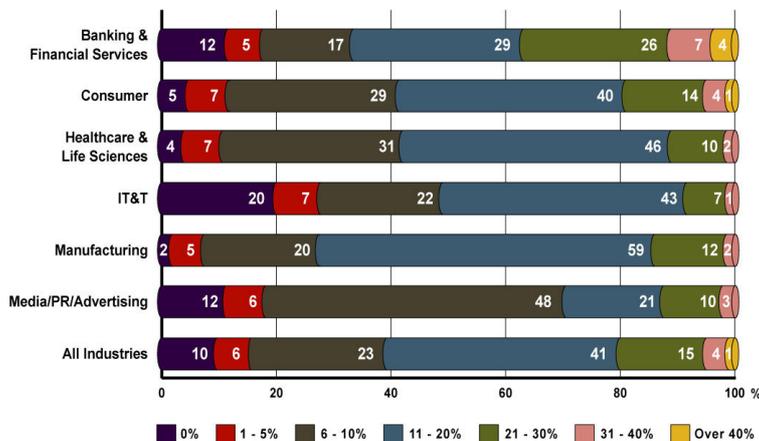
The Banking & Financial Services sector is having to pay the biggest rises: 85% say they are increasing salaries by more than 10%, and 38% are offering more than 20%. New hire salaries are soaring in the IT&T sector, where 84% report that they are paying increases of more than 10%, up from 57% in Q1 2007.

Bonuses are also rising

Overall, 61% of respondents say they will pay bonuses of more than 10% and 20% plan to pay over 20%. These figures are higher and compare with 53% and 18% respectively in Q1 2007.

Healthcare & Life Sciences companies report that they are planning to make significantly higher bonus payments this year: 58% say they will pay more than 10% and 12% will pay more than 20%. These figures compare with 34% and 0% in Q1 2007.

2007 discretionary year-end bonus



Source: The Hudson Report – Singapore, Q1 2008

Poaching and limited career progression are key reasons for turnover

A substantial increase in staff turnover suggests that big increases in salaries and bonuses are not helping employers to retain the staff they want. Across all sectors, 40% of respondents report that they are experiencing turnover rates of more than 10% and 11% say turnover is above 20%. Turnover is highest in the Banking & Financial Services sector, where nearly half of respondents (49%) say they are experiencing rates of more than 10%.

Respondents see staff poaching and limited opportunities for career progression as the main factors in the growth of staff turnover rates. Across all sectors, 34% and 21% respectively cite them. Poaching is seen as a major issue in Singapore, where it is mentioned by a higher proportion of respondents than in any other market surveyed.

Reasons behind staff turnover

| Industry | Staff poached | Career progression limited | Dissatisfied with salary/bonuses | Personal reasons | Others | Dissatisfaction with management | Low staff morale |
|------------------------------|---------------|----------------------------|----------------------------------|------------------|--------|---------------------------------|------------------|
| Banking & Financial Services | 37% | 22% | 13% | 9% | 12% | 3% | 4% |
| Consumer | 27% | 18% | 13% | 13% | 18% | 8% | 3% |
| Healthcare & Life Sciences | 24% | 25% | 14% | 15% | 5% | 7% | 10% |
| IT&T | 38% | 19% | 14% | 14% | 6% | 5% | 4% |
| Manufacturing | 32% | 25% | 19% | 11% | 2% | 4% | 7% |
| Media/PR/Advertising | 42% | 9% | 9% | 15% | 17% | 4% | 4% |
| All Industries | 34% | 21% | 14% | 12% | 9% | 5% | 5% |

Source: The Hudson Report – Singapore, Q1 2008

Credit crunch impact should be minimal

Respondents were asked if they expect the current credit crunch to have any effect on their hiring plans in Q1. Across all sectors just 8% forecast that there will be an impact on hiring. This is the second lowest figure for the markets surveyed in Asia, after China. The Banking & Financial Services and Manufacturing sectors have the highest proportion of respondents who expect the credit crunch to affect their plans but even here the figures are low – 13% and 10% respectively.

Hudson

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