

For immediate release

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Expectations to hire dropping in all markets but by varying degrees

Most do not believe a recession is imminent except in Japan

HONG KONG – 17 APRIL 2008 – Expectations to hire for the second quarter (Q2) of 2008 have fallen in every market surveyed. Japan and China have seen a steep fall in expectations in the last quarter. The number fell from 66% to 55% in Japan and from 61% to 52% in China. Expectations have remained fairly stable at 57% in Hong Kong and have fallen slightly in Singapore.

Most respondents do not believe that a recession is imminent but there are large variations in the levels of optimism, with only 14% of respondents in China compared to 41% in Japan who believe that there may be a recession in the next 6 months.

Hudson (NASDAQ: HHGP), a leading provider of permanent recruitment, contract professionals and talent management services worldwide, 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 1998, the survey on employers' expectations of an increase or decrease in staffing levels represents 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 2,600 key employment decision makers from multinational organisations of all sizes in all major industry sectors. The four locations surveyed were China, Hong Kong, Singapore and Japan.

Significant findings in the **Q2 2008 Hudson Report** are:

- In China, 52% of respondents forecast headcount growth in Q2, down from 61% the previous quarter;
- Expectations are steady in Hong Kong, where 57% plan to increase headcount, compared with 58% in Q1;
- Japan reports the steepest fall in expectations with 55% expecting to hire more staff in Q2 compared with 66% the previous quarter;
- Expectations have fallen slightly in Singapore, with 49% forecasting increased hiring this quarter, down from 51%;
- In every market surveyed, most respondents do not believe that a recession is imminent. Respondents in China are the most optimistic, those in Japan the least;
- At 31%, Japan has the fewest respondents who say that a recession would affect their hiring plans, while Singapore has the most – 58%.

Hiring expectations are falling

Expectations in hiring have seen a fall in China with 52% of respondents planning to increase headcount, a decline from 61% in the previous quarter.

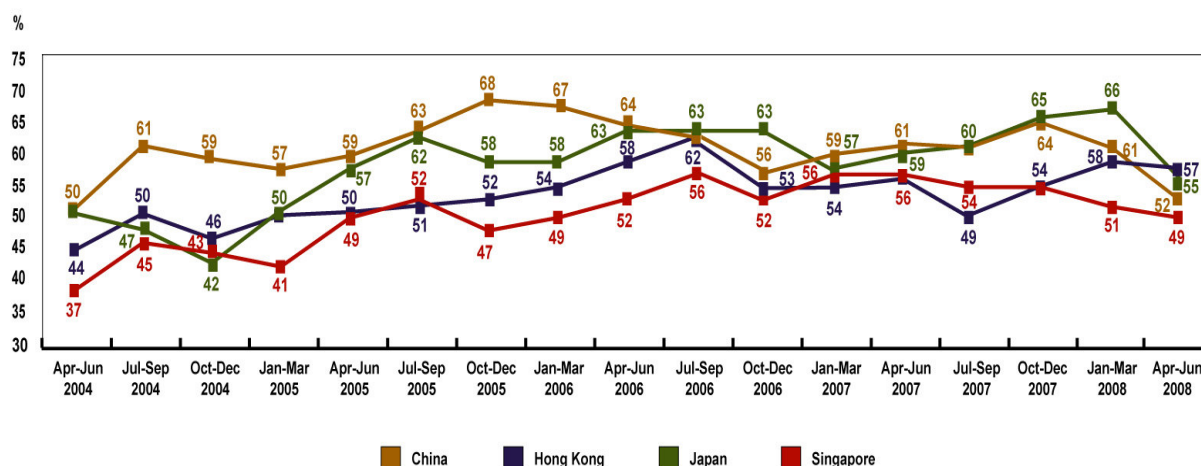
In Hong Kong, hiring expectations have remained fairly steady, with 57% of the respondents anticipating increased hiring this quarter. This compares to 58% in Q1.

Japan has the steepest fall in expectations among all markets since the last quarter with predictions on increased hiring falling from 66% to 55%.

Expectations have fallen slightly in Singapore, with 49% of the respondents planning to increase headcount in Q1, compared with 51% in the previous quarter.

Mike Game, CEO, Hudson Asia, comments, *“Hiring expectations have fallen in every market this quarter, though at significantly different rates. But few respondents anticipate an imminent recession and staff recruitment and retention are still the most critical HR challenges.”*

Regional permanent increased hiring expectations over time



Source: The Hudson Report – Asia, Q2 2008

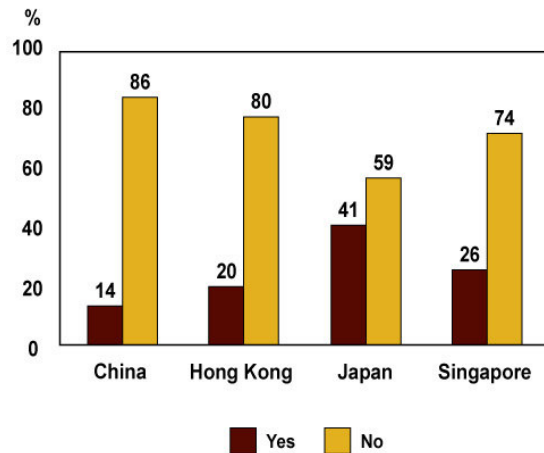
Recession not widely anticipated

In all the markets surveyed, the majority of respondents do not believe that a recession is imminent. In China, just 14% of respondents expect there to be a recession in the next six months. This is a lower proportion than in any other market surveyed in Asia, reflecting the continuing buoyancy in the market.

Only 20% of respondents in Hong Kong think that a recession is imminent. In contrast, Japan has the highest proportion of respondents at 41%, who believe that a recession is likely in the next six months.

Just over one-quarter - 26% - of respondents in Singapore forecast a recession in the next six months.

Likely to experience a recession in the next 6 months



Source: The Hudson Report – Asia, Q2 2008

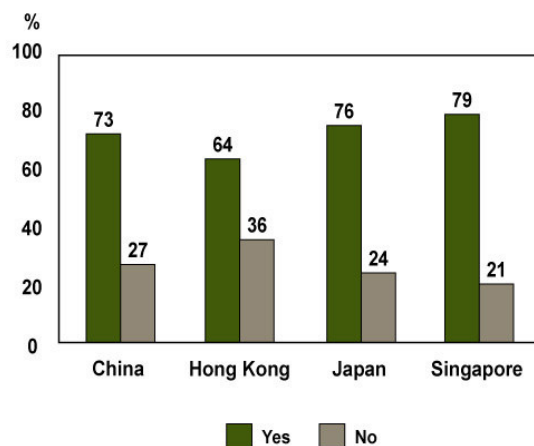
Majority expect that their industry will be affected in the event of a recession

Across all sectors in China, 73% of respondents expect to feel an impact if there is a recession with Media/PR/Advertising firms being the most pessimistic, with 93% saying they would be affected.

Hong Kong has the lowest proportion of respondents expecting their industry to be affected by a recession - 64% across all sectors.

In Japan 76% of respondents anticipate an impact on their industry if there is a recession. In Singapore, 79% of respondents expect to be affected by any recession, a higher figure than for any other market surveyed in Asia.

Recession likely to affect your industry



Source: The Hudson Report – Asia, Q2 2008

Impact on hiring plans in the event of a recession

There are some significant variations between the markets surveyed on whether their hiring plans for the next six months would be affected in the event of a recession.

Overall, 40% of respondents in China and Hong Kong say that a recession would affect their company's hiring plans.

Japan has the lowest proportion of respondents who say that their hiring plans would be affected in the event of a recession – just 31%.

Across all sectors in Singapore, 58% of respondents say that a recession would affect their hiring plans, a much higher figure than for any other market surveyed in Asia.

Recruitment and retention still the greatest HR challenges

In every market surveyed, hiring the right staff and retaining talent are still seen as by far the most critical HR challenges in the next six months, and very few respondents see that cutting staff is an issue.

Across all sectors in China, 48% say recruiting is the most serious challenge, while 27% choose retention.

Overall, 45% of respondents in Japan believe that hiring, followed by 30% for staff retention, is their greatest HR challenge. In Singapore respondents place a different emphasis on the two principal HR challenges. Across all sectors, 45% say retaining talent is the biggest challenge, compared with 32% for hiring the right staff.

Hudson

Hudson (NASDAQ: HHGP) is a leading provider of permanent recruitment, contract professionals and talent management services worldwide. From single placements to total outsourced solutions, Hudson helps clients achieve greater organisational performance by assessing, recruiting, developing and engaging the best and brightest people for their businesses. The company employs more than 3,600 professionals serving clients and candidates in more than 20 countries. More information is available at www.hudson.com.

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