

**For immediate release**

Contact: Margaret Lim  
Hudson  
(65) 6430 5540  
margaret.lim@hudson.com

## **Hiring expectations fall slightly** *Likelihood of a recession is perceived to be low*

**SINGAPORE – 17 APRIL 2008** – Hiring expectations show a slight dip from 51% last quarter to 49% in the second quarter (Q2) of 2008. Just 26% of respondents believe that Singapore will experience a recession on the next six months. Among these respondents, 79% expect their business to be affected, and 58% say a recession would impact their hiring plans. Both figures are much higher than for any other market surveyed. Respondents say that freezing headcount is by far the most likely response to a recession.

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, with 733 of these executives based in Singapore.

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

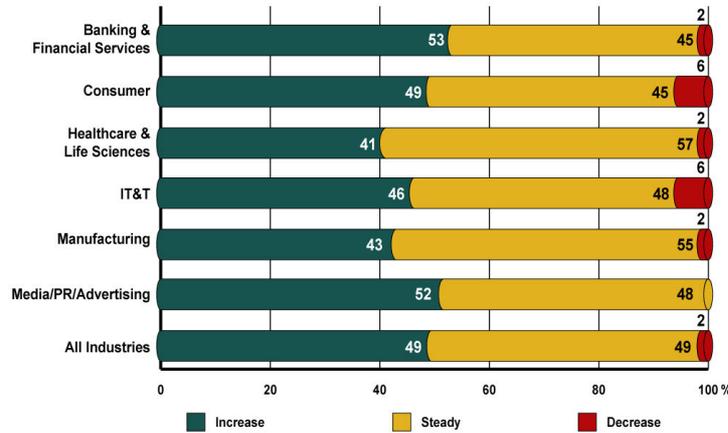
- Hiring expectations have also fallen over the past year: the 49% of respondents who plan to hire more staff this quarter compares with 56% in Q2 2007;
- The Banking & Financial Services sector has the highest hiring expectations, with 53% of respondents forecasting headcount growth;
- Overall, just 26% of respondents expect Singapore to experience a recession in the next six months;
- Of those respondents forecasting a recession, 79% expect their business to be affected, more than in any other market surveyed in Asia;
- Freezing headcount is by far the most likely response to a recession, with 90% saying this is the action they would take;
- Retention and recruitment are seen as the most critical HR challenges, being mentioned by 45% and 32% of respondents respectively.

### **Expectations to hire are positive**

Hiring expectations show a small decline, with 49% of executives in key business sectors forecast increased headcount in Q2 2008, compared with 51% in Q1.

Mark Sparrow, Singapore country manager, Hudson says, "Hiring expectations are falling slightly after a long period at a high level. Most respondents do not forecast an imminent recession, though they say any recession would affect their hiring plans. Staff retention is the greatest HR challenge."

**Permanent hiring expectations in Singapore**



Source: The Hudson Report – Singapore, Q2 2008

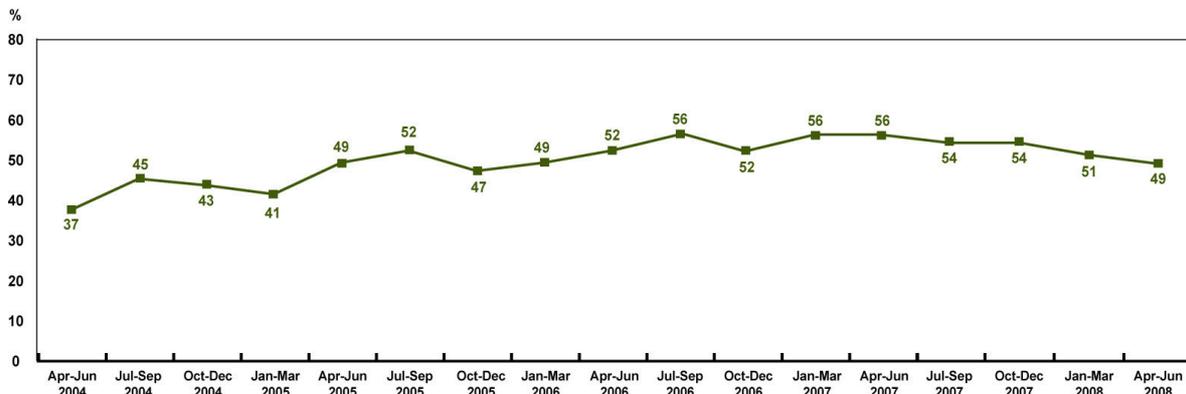
Expectations are highest in the Banking & Financial Services sector, where 53% of respondents plan to hire more staff. The Manufacturing sector reports the greatest decline in expectations, with 43% expecting to hire more staff, compared with a high 61% in Q1.

**Employment expectations fell slightly over the longer term**

Hiring expectations have fallen over the past year. Across all sectors, the 49% of respondents forecasting headcount growth this quarter compares with 56% in Q2 2007. Expectations have fallen in every sector except Media/PR/Advertising.

The IT&T sector reports the greatest fall in expectations year-on-year, from 62% in Q2 2007 to 46% this quarter. 2007 was a busy period for IT recruitment, as many large banks set up regional operations centres. Most key hires are now in place.

**Permanent increased hiring expectations over time in Singapore**

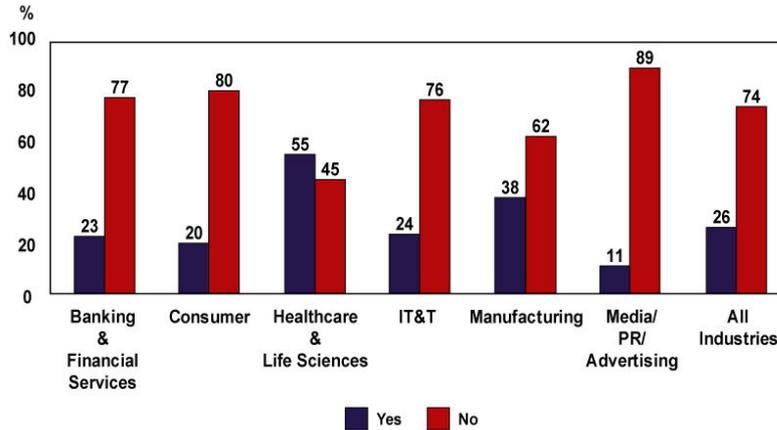


Source: The Hudson Report – Singapore, Q2 2008

## Recession not widely anticipated

Just 26% forecast that Singapore will experience a recession in the next six months. However, there are substantial variations between the sectors, with some respondents believing that a recession is more likely.

### Singapore likely to experience a recession in the next 6 months



Source: The Hudson Report – Singapore, Q2 2008

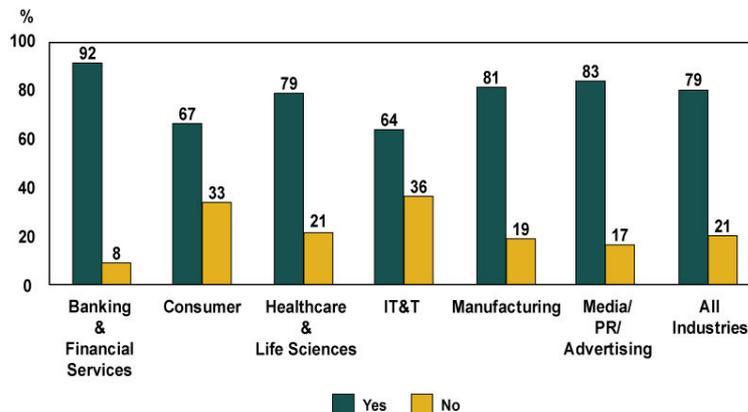
Among Healthcare & Life Sciences companies, 55% forecast a recession, more than twice the average figure for all sectors. Although Singapore is becoming a major hub for the healthcare industry, this is a relatively recent development and many of the players are not yet as well-established as companies in other sectors.

## A high proportion believe their business would be affected by a recession

Respondents who expect Singapore to experience a recession in the next six months were also asked if they believe it will affect their business. Across all sectors, 79% say they anticipate an impact, a higher proportion than in any other market surveyed in Asia.

The Banking & Financial Services sector has the highest proportion of respondents - 92% - saying that a recession is likely to affect them. Banks are likely to be the first to feel the effects of a downturn in the global financial industry.

### Recession likely to affect your industry



Source: The Hudson Report – Singapore, Q2 2008

## Headcount freeze is the main response

Freezing headcount is the action that companies are most likely to take in the event of a recession, by a substantial margin. Across all sectors, 90% of respondents say they would take this course, a higher figure than in any other market surveyed. However, only a low 19% say that they would cut headcount.

The Consumer, Banking & Financial Services and Healthcare & Life Sciences sectors all have a higher than average proportion of respondents saying they would implement a headcount freeze.

### Effect on company HR policies in the next 6 months

Industry	Freeze headcount	Freeze salaries	Cut staff	Cut training	Other
Banking & Financial Services	93%	29%	17%	12%	5%
Consumer	98%	38%	21%	17%	10%
Healthcare & Life Sciences	91%	16%	31%	16%	3%
IT&T	85%	44%	17%	16%	7%
Manufacturing	84%	25%	25%	6%	7%
Media/PR/Advertising	87%	50%	10%	3%	10%
All Industries	90%	33%	19%	12%	7%

Source: The Hudson Report – Singapore, Q2 2008

## 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](http://www.hudson.com).

**Special Note:** Safe Harbour 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 each company's strategic direction, prospects and future results. Certain factors, including factors outside either company's 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 the companies operate, risks associated with acquisitions, competition, seasonality and the other risks discussed in our filings made with the Securities and Exchange Commission, which discussions are incorporated in this release by reference.