

For immediate release

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Hiring expectations show further decline *Salary inflation still an issue*

SINGAPORE – 24 JULY 2008 – Hiring expectations have declined even further in Singapore, with 43% of respondents forecast increased hiring in Q3 2008, compared with 49% last quarter. Employers are being cautious about hiring new staff, over half (53%) are keeping their headcount steady and only a small number – 4% – are looking to cut staff. However, salary inflation for new hires is not abating.

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 768 of these executives based in Singapore.

Significant findings in the **Q3 2008 Hudson Report** are:

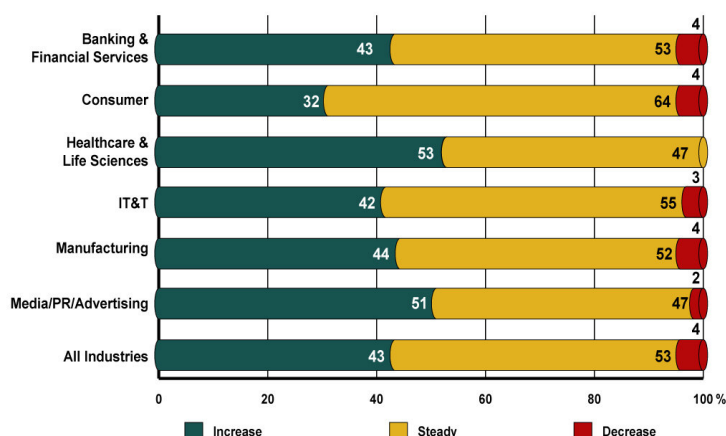
- Hiring expectations are also falling year-on-year: with 43% planning to recruit more staff this quarter compared with 54% in Q3 2007;
- Despite the current economic climate, asking salaries for new managerial hires are not falling with just 10% of respondents saying they are able to negotiate lower salaries;
- Where reductions in new hire asking salaries are possible, they are very limited: 47% of respondents say that the gap between expectations and new hire salary offers is 5% or less;
- Across all the sectors surveyed, 34% of respondents have seen a fall in staff turnover rates over the past year;
- Performance-related bonuses and training and development programmes are regarded as the most effective tools for retaining talented staff.

Expectations to hire are positive

Hiring expectations have decreased slightly, with 43% of executives in key business sectors forecast increased headcount in Q3 2008, compared with 49% in Q2.

Gina McLellan, Singapore country manager, Hudson says, *"Hiring expectations are falling from the high levels seen in recent years as the global economy slows. Many employers are seeing a fall in staff turnover but there is little sign of any reduction in asking salaries for new managerial hires."*

Permanent hiring expectations in Singapore



Source: The Hudson Report – Singapore, Q3 2008

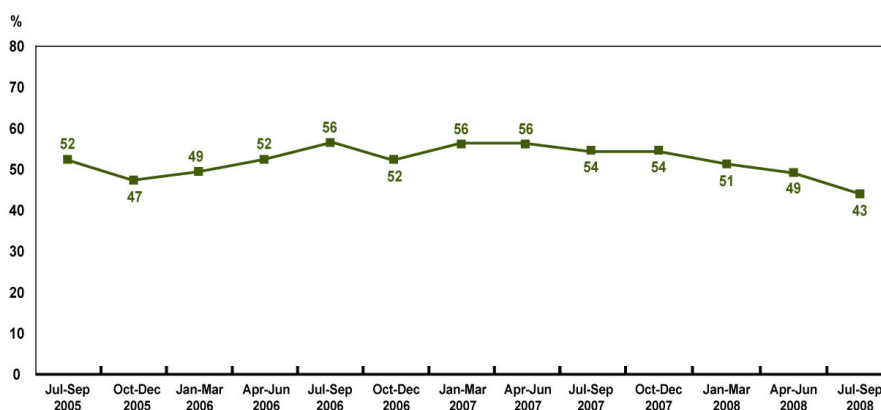
The Healthcare & Life Sciences sector reports both the highest expectations and the greatest rise: 53% plan to grow headcount, up from 41% in Q2. The Consumer is experiencing the steepest decline in expectations: 32% of respondents say they will hire more staff, down from 49% the previous quarter.

Hiring expectations fell over the longer term

Expectations have fallen over the past year, after rising steadily for several years. Overall, the 43% of respondents forecasting headcount growth this quarter compares with 54% in Q3 2007. This is in line with a softening of the overall economy but should be set in the context of a long period of high expectations.

The Healthcare & Life Sciences sector reports a year-on-year rise: 53% of respondents expect to grow headcount in Q3, up from 49% a year ago. Singapore's rapid expansion as a regional healthcare business hub is driving this growth.

Permanent increased hiring expectations over time in Singapore

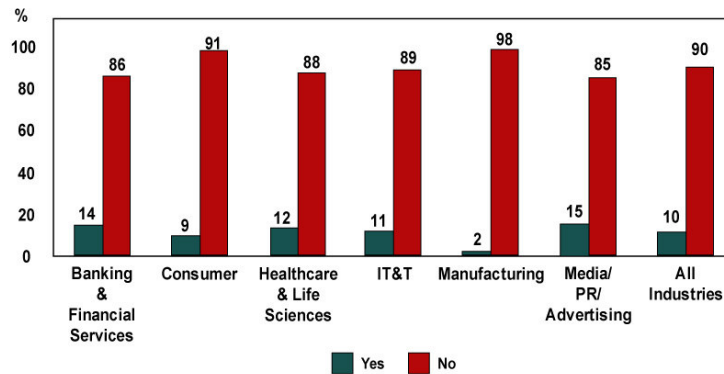


Source: The Hudson Report – Singapore, Q3 2008

No significant decline in salaries for new managerial hires

Only 10% of respondents say they can negotiate lower asking salaries for new managerial hires in the current softening economy. At 15%, the Media/PR/Advertising sector has the highest proportion of respondents who say they are able to reduce asking salaries. The Manufacturing sector are the least likely to be able to obtain any reduction in asking salaries for new hires: only 2% say they can do so.

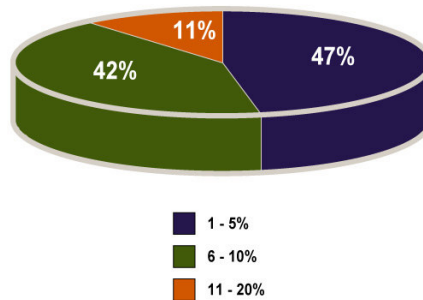
Negotiating lower salaries for new hires



Limited scope to negotiate asking salaries down

Across all sectors, nearly half of respondents – 47% – say that the gap between new hires' expectations and the salary offered is 5% or less. This a higher figure than for any other market surveyed in Asia.

Gap between salary expectation and offer

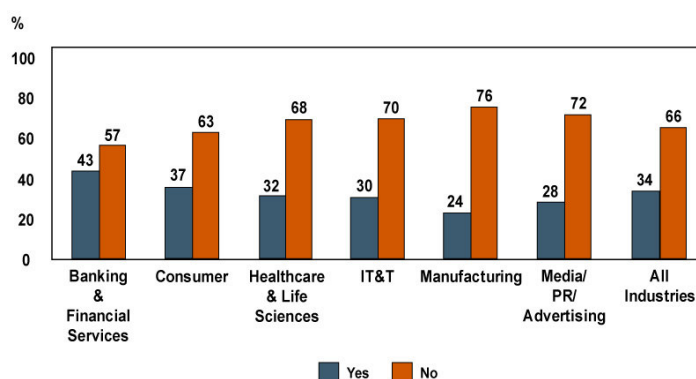


Source: The Hudson Report – Singapore, Q3 2008

Staff turnover rates have dipped

Across all the sectors surveyed, 34% of respondents have seen a decline in staff turnover rates over the past year. This is the second highest figure of the markets surveyed in Asia, after Japan. The Banking & Financial Services sector is experiencing the greatest decline in turnover rates, with 43% reporting a fall. The perceived reduction in turnover is lowest in the Manufacturing sector, where just 24% of respondents report a fall.

Decrease in staff turnover rates



Source: The Hudson Report – Singapore, Q3 2008

Main staff retention measure

Performance-related bonuses and training and development programmes are seen as the most important measures to retain talented employees: they are mentioned by 28% and 25% respectively. Bonuses are seen as valuable retention tools in the IT&T, Healthcare & Life Sciences and Consumer sectors, less so in Media/PR/Advertising.

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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