

Immediate Release

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Hiring expectations drop in all markets

Employers implementing headcount freezes in response to the economic climate

HONG KONG – 21 JANUARY 2009 – 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 nearly 3,000 key employment decision makers from multinational organisations of all sizes in all major industry sectors. The four locations surveyed were China (Beijing and Shanghai), Japan, Hong Kong and Singapore.

Key findings in the **Q1 2009 Asia Hudson Report** are:

HIRING EXPECTATIONS

- China reports the highest hiring expectations, with 34% planning to grow headcount, but this represents a sharp fall from 44% in Q4 2008;
- In Hong Kong, hiring expectations are at a seven year low - with just 18% of respondents expecting to hire;
- In Japan, 31% of respondents plan to increase hiring down from 43% the previous quarter;
- Singapore's expectations to hire are also falling sharply - just 23% plan to grow headcount compared with 37% in Q4 2008.

OTHER KEY FINDINGS

- Salary increases for new managerial hires are falling sharply in all four markets, though respondents in China expect to pay the highest raises;
- Year-end bonus payments also show a steep decline in all markets, notably in sectors such as IT&T and Banking & Financial Services, where bonuses have been very high in recent years;
- In all the markets surveyed, fewer than 50% of respondents think their company's performance will be excellent or good in 2009;
- Freezing headcount and strategic hiring of newly available talent are the most likely HR responses to the economic downturn.

DETAILED FINDINGS

Hiring expectations are down in all markets

Hiring expectations show a further steep decline in all four markets. As in Q4 2008, China reports the highest hiring expectations and Hong Kong the lowest.

Although China still has the highest expectations, with 34% of respondents forecasting headcount growth, there has been a sharp fall since Q4 2008, when 44% of respondents said they would increase hiring.

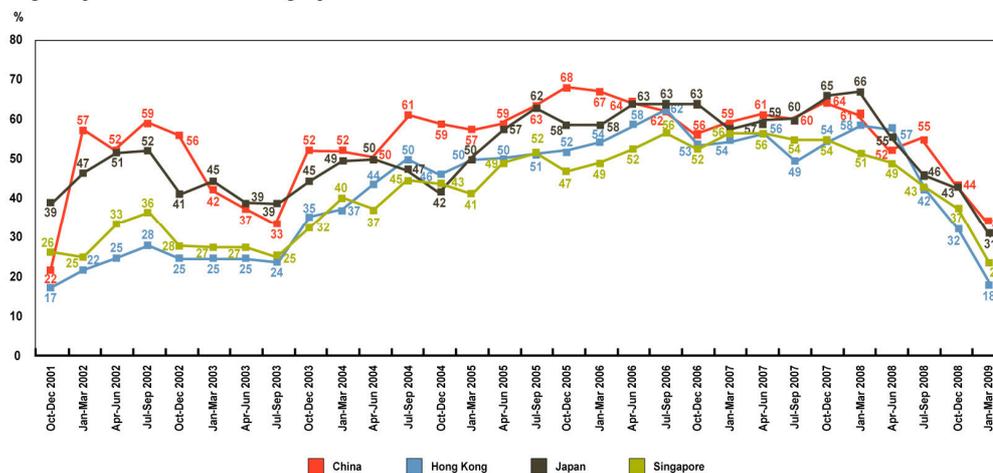
In Hong Kong, the proportion of respondents saying they will increase staffing levels has fallen sharply, from 32% Q4 2008 to 18% this quarter.

Overall, 31% of respondents in Japan plan to hire more staff, compared with 43% the previous quarter. Media/PR/Advertising is the only sector to report an increase in hiring expectations, from 29% in Q4 2008 to 44% this quarter.

Since Q4 2008 the proportion of respondents in Singapore forecasting headcount growth has fallen from 37% to 23% this quarter, while the proportion expecting to reduce staff levels has risen from 4% to 12%.

Mike Game, CEO, Hudson Asia, comments, *“Hiring expectations show a steep decline in all the countries surveyed this quarter. This is having the effect of reducing salary increases for new hires and year-end bonuses.”*

Regional permanent increased hiring expectations over time



Source: The Hudson Report – Asia, Q1 2009

Lower pay increase for new managerial hires

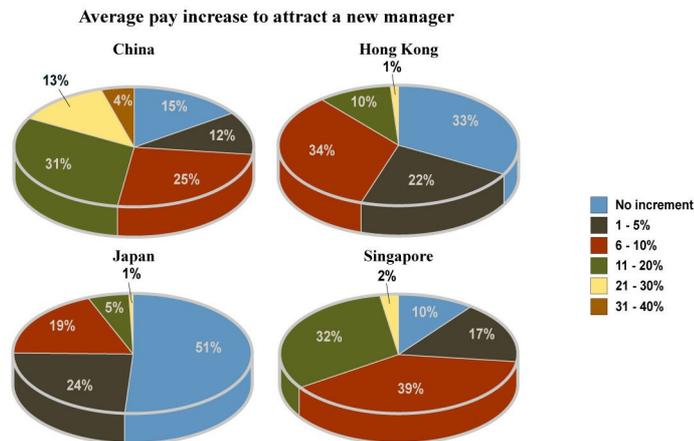
Respondents in all the markets surveyed expect to pay smaller salary increases to attract new hires at a managerial level.

Respondents in China expect to pay the highest salary increases to new hires: 17% say they will pay more than 20%.

One-third (33%) of respondents in Hong Kong do not expect to pay any increase to attract new managerial hires – a large jump from 5% in Q1 2008.

The 51% of respondents in Japan who say they do not need to increase pay to attract new hires is more than twice as many as when this question was asked in Q1 2008.

At 10%, Singapore has the lowest proportion of respondents who do not plan to increase new hire salaries.



Source: The Hudson Report – Asia, Q1 2009

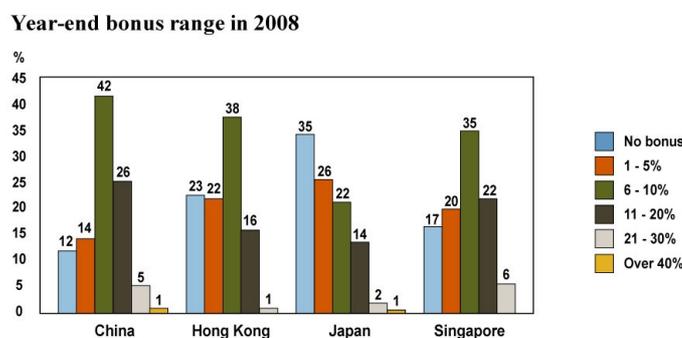
Year-end bonuses are falling

Although higher than in the other markets surveyed, bonuses in China are falling sharply. Bonuses of more than 10% are forecast by 32% of respondents, while 6% say they will pay more than 20%.

Just 1% of respondents in Hong Kong will pay more than 20%, down from 30% in Q1 2008. The very high bonuses paid in the IT&T and Banking & Financial Services sectors have dropped significantly.

At 35%, Japan has the highest percentage of respondents planning to pay no bonus at all. The decline in bonus payments is most dramatic in the Banking & Financial Services sector.

The proportion of respondents in Singapore who say they will pay bonuses of more than 10% has fallen sharply. It is now just 28%, compared with 61% in Q1 2008.



* No year-end bonus recorded in the 31 - 40% range

Source: The Hudson Report – Asia, Q1 2009

Downturn will affect company performance in 2009

Across all the markets surveyed, most respondents do not express a high level of confidence about how their company will perform in 2009. Respondents in China and Singapore are notably more optimistic than those in Hong Kong and Japan.

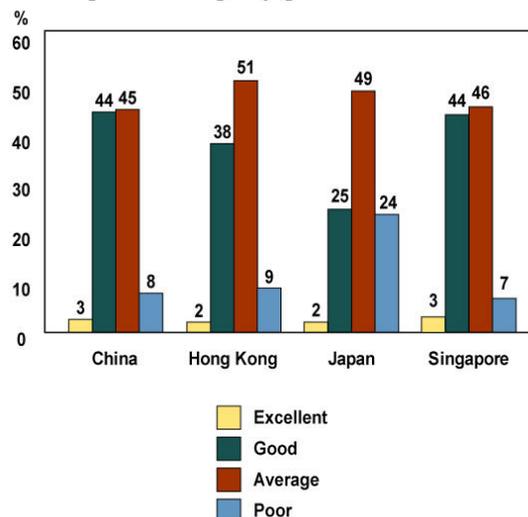
In China, 47% of respondents forecast that their company's performance will be excellent or good in 2009, while 8% expect it to be poor.

Across all sectors in Hong Kong, 51% expect average company performance in 2009 and 9% think performance will be poor.

Japan reports the lowest expectations for company performance in 2009. Overall, 73% forecast average or poor performance, meaning that targets will not be met.

At 7%, Singapore has the lowest proportion of respondents anticipating poor performance. Excellent or good performance is forecast by 47%.

Anticipated company performance in 2009



Source: The Hudson Report – Asia, Q1 2009

Freezing headcount is the strategy most likely to be adopted in Asia

Respondents were asked about how their company's HR strategy is changing in response to the current economic situation. Freezing headcount is the strategy most likely to be adopted in all four markets. Strategic hiring of newly available talent and requiring global approval for new headcount are also widely seen as effective options.

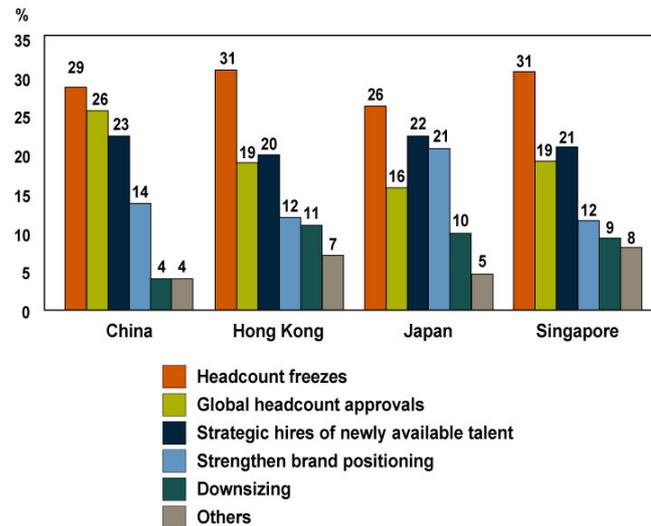
China has the highest percentage of respondents – 23% – who are strategically hiring newly available talent. The market is still talent short in many key areas and employers are taking this opportunity to recruit scarce professionals.

In Hong Kong, headcount freezes are most likely to be implemented by Consumer and Manufacturing companies: this response was given by 34% in both sectors.

The Manufacturing and Consumer sectors also report the highest proportion of respondents freezing headcount in Japan: 36% and 29% respectively say they are adopting this strategy.

Together with Hong Kong, Singapore reports the highest percentage of respondents implementing a headcount freeze, expressed by 31% of respondents.

Change in HR strategies of companies



Source: The Hudson Report – Asia, Q1 2009

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