

For immediate release

Contact: Manisha Ramchandani
Hudson
(852) 2919 6161
manisha.ramchandani@hudson.com

***Hiring expectations are falling in each market this quarter,
The Hudson Report reveals***

However, employers are optimistic about company prospects in the next six months

HONG KONG – 19 OCTOBER 2011 – The hiring expectations of multi-national corporations across major Asian markets are falling in China, Hong Kong and Singapore, according to a just-released study. Hudson (NASDAQ: HHGP), a leading provider of permanent recruitment, contract professionals and talent management services worldwide, today released its comprehensive quarterly *The Hudson Report* for Asia. With a reputation as a key socio-economic indicator since its Asia launch in 1998, the survey of employers' expectations of an increase or decrease in staffing levels represents a significant indication of their optimism about the growth of both their organisation and their industry. Nearly 1,700 key employment decision makers were surveyed in September 2011 from multinational organisations of all sizes in all major industry sectors. The decision makers surveyed were located in China (Beijing and Shanghai), Hong Kong and Singapore.

Key findings in ***The Hudson Report – Asia Q4 2011*** are:

HIRING EXPECTATIONS

- **China** again has the highest expectations: 64 percent of respondents anticipate increased hiring this quarter, compared with 72 percent in Q3;
- The steepest decline is reported by **Hong Kong**, where 38 percent expect to grow headcount, down from 61 percent the previous quarter;
- Expectations are also falling in **Singapore**, with 42 percent of respondents saying they will hire more staff, down from 56 percent in Q3.

OTHER KEY FINDINGS

- More than 75 percent of respondents in each market expect their company's performance to be excellent or good in the next six months;
- A majority of respondents in each market say that Gen Y employees present specific management challenges;
- Unrealistic job expectations and lack of loyalty are the most significant attributes that make Gen Y employees challenging to manage;
- Mentorship and coaching programmes and encouraging independent thinking and employees' own initiative are the most widely used ways of making the workplace attractive to Gen Y employees;

- Respondents in China use leadership development programmes and advanced studies to develop Gen Y talents, while those in Hong Kong and Singapore focus on cross-functional job progression.

DETAILED FINDINGS

Hiring expectations falling in all three markets

Hiring expectations show a decline in all three markets this quarter, which is unsurprising in the light of the difficulties currently facing the global economy. China reports the smallest fall in expectations and Hong Kong the greatest, by a substantial margin.

Nearly two-thirds (64 percent) of respondents in **China** expect to grow headcount in Q4, a much higher proportion than in either Hong Kong or Singapore. This compares with 72 percent the previous quarter. IT&T, the only sector to report an increase this quarter, has the highest expectations: 75 percent of respondents plan to increase hiring, up from 64 percent in Q3. Many large IT vendors saw their revenues rise in Q2 and Q3 and they are confident about taking on more staff.

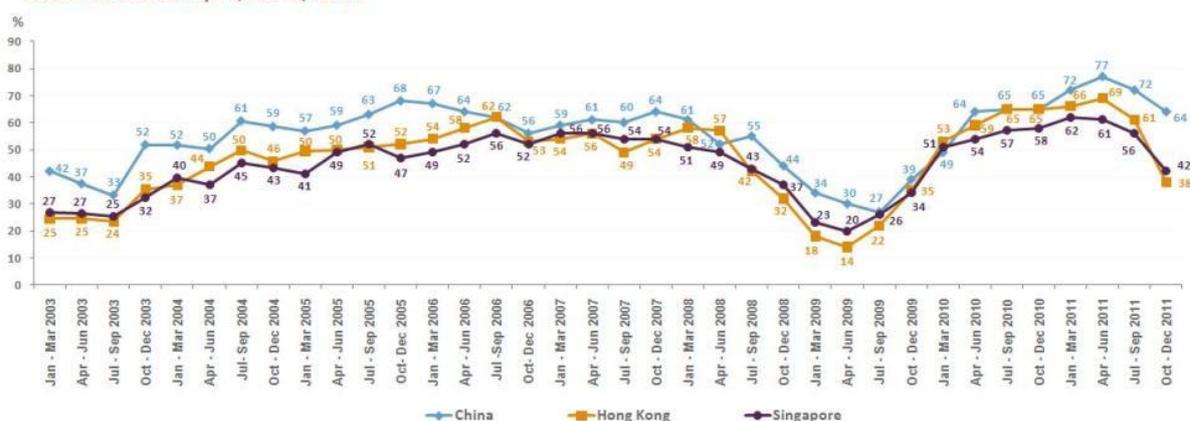
Hiring expectations are falling fastest in **Hong Kong**, from 61 percent in Q3 to 38 percent this quarter. It is emphasised, however, that there was an unbroken rise in expectations for the two years from Q3 2009 and that a correction had begun to appear inevitable. Media / PR / Advertising has the highest expectations and is the only sector with rising expectations this quarter: 50 percent of respondents plan to hire more staff, up from 47 percent in Q3. Much of the new hiring is for junior staff in support roles but demand for candidates with digital experience remains strong.

Expectations are also falling in most sectors in **Singapore**. Overall, 42 percent of respondents plan to grow headcount in Q4, compared with 56 percent in Q3. At 6 percent, the proportion of respondents forecasting staff cuts is almost unchanged from Q3's 5 percent. Manufacturing & Industrial is the only sector with rising expectations: 51 percent of respondents say they will hire more staff, up from 44 percent in Q3. Manufacturing remains strong in Asia and many companies are still actively hiring, notably for high tech and specialist roles.

Mike Game, CEO, Hudson Asia, comments, *"Hiring expectations are falling in each market this quarter. However, employers remain optimistic about their company's prospects, with a large majority predicting excellent or good company performance in the next six months."*

REGIONAL PERMANENT INCREASED HIRING EXPECTATIONS OVER TIME

Source: The Hudson Report, Asia - Q4 2011



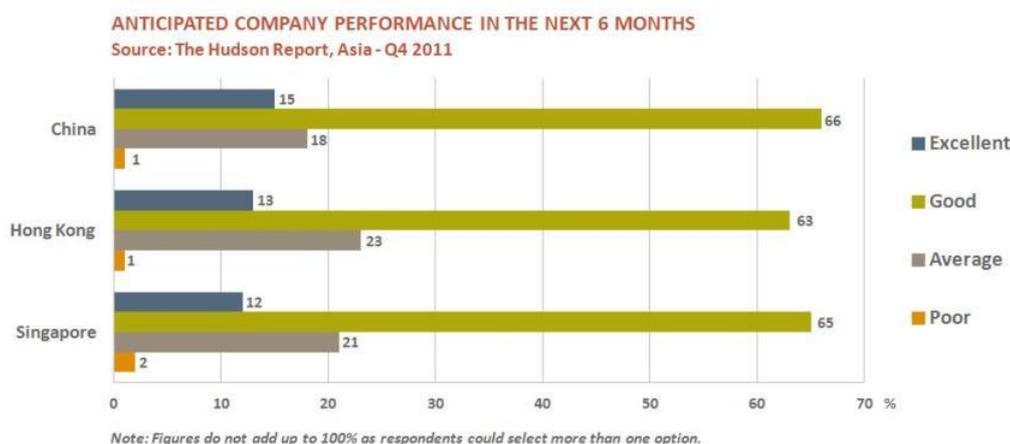
High level of optimism in all markets

Respondents in all three markets surveyed are still very optimistic about their company's performance, despite the decline in hiring expectations this quarter. More than 75 percent of respondents in every market expect their company's performance to be excellent or good in the next six months.

The greatest confidence is reported by respondents in **China**, where 81 percent forecast excellent or good performance, a small decline from Q4 2010's 89 percent. Employers in the IT&T sector are the most optimistic, with 31 percent saying their company's performance will be excellent and a further 55 percent that it will be good. This is consistent with the sector's rapidly rising hiring expectations. Most major IT vendors exceeded their targets in Q2 and Q3 and have a very positive outlook.

Despite the decline in hiring expectations, most respondents in **Hong Kong** remain optimistic about the future. Across all sectors, 76 percent forecast excellent or good performance. Respondents in the Consumer sector are especially confident, with 28 percent saying performance will be excellent, a steep rise from Q4 2010's 16 percent. A further 62 percent forecast good performance. Many parts of the retail sector are still buoyant, with visitors from the Mainland accounting for a large proportion of sales.

Across all sectors in **Singapore**, 77 percent predict excellent or good performance in the next six months. This is lower than Q4 2010's figure of 87 percent but shows that most companies still have a positive outlook. Respondents in the IT&T sector are the most confident about their company's performance, with nearly one-quarter (23 percent) saying it will be excellent. This is a much higher figure than for the other sectors and also a steep rise from the 15 percent reported a year ago. A further 57 percent forecast good performance.



Employers in all markets find Gen Y are challenging to manage

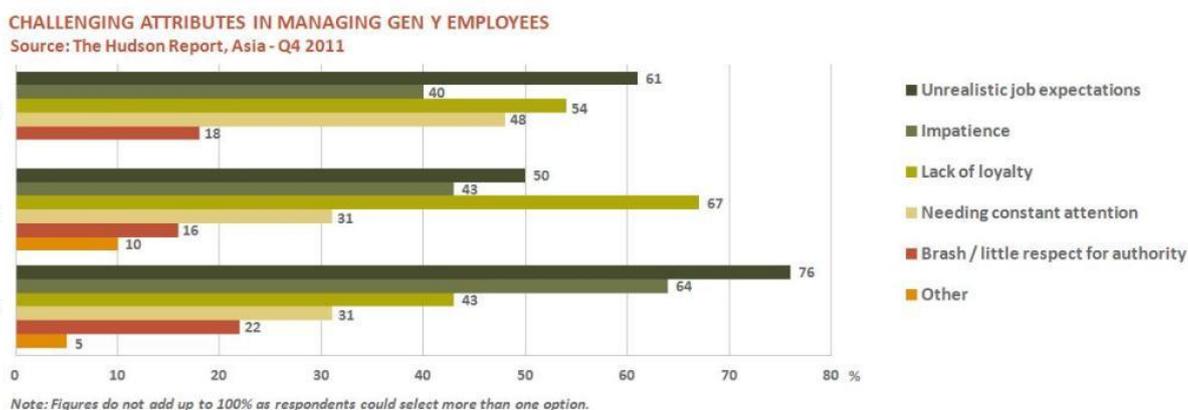
Respondents were asked if they find that Gen Y employees (those aged 30 and under) present specific management challenges. A majority of respondents in all three markets say that they experience challenges in managing this cohort of the workforce.

Across all sectors in **China**, 66 percent agree that Gen Y employees present specific management challenges. This issue is most significant in the Banking & Financial Services and Media / PR / Advertising sectors, where 76 percent and 73 percent respectively give an affirmative response. Both sectors employ large numbers of young people. Of the attributes that make Gen Y employees

challenging to manage, the most significant is unrealistic job expectations, a factor mentioned by 61 percent across all sectors. Fifty four percent say that Gen Y employees' lack of loyalty is challenging and 48 percent mention their need for constant attention.

At 59 percent, **Hong Kong** has the lowest proportion of respondents across all countries experiencing challenges in managing Gen Y staff. Employers in the Media / PR / Advertising sector are the most likely to have problems with Gen Y employees: 67 percent say they do so. This contrasts with just 47 percent in the Manufacturing & Industrial sector. Overall, 67 percent of respondents say that Gen Y employees' lack of loyalty makes them difficult to manage. Other challenging attributes include unrealistic job expectations and impatience, which are mentioned by 50 percent and 43 percent respectively.

Singapore comes between China and Hong Kong, with 62 percent of respondents reporting that they experience challenges in managing Gen Y staff. Employers in the IT&T sector are the most likely to have issues with Gen Y employees: 76 percent say they do so, a much higher figure than for any other sector. Fewer than half (48 percent) of respondents in the Consumer / Advertising / Media sector have this problem. Overall, the most significant attributes that make Gen Y staff difficult to manage are unrealistic job expectations and impatience, mentioned by 76 percent and 64 percent respectively. These figures are notably higher than the responses given in China and Hong Kong.



Various initiatives used to attract Gen Y

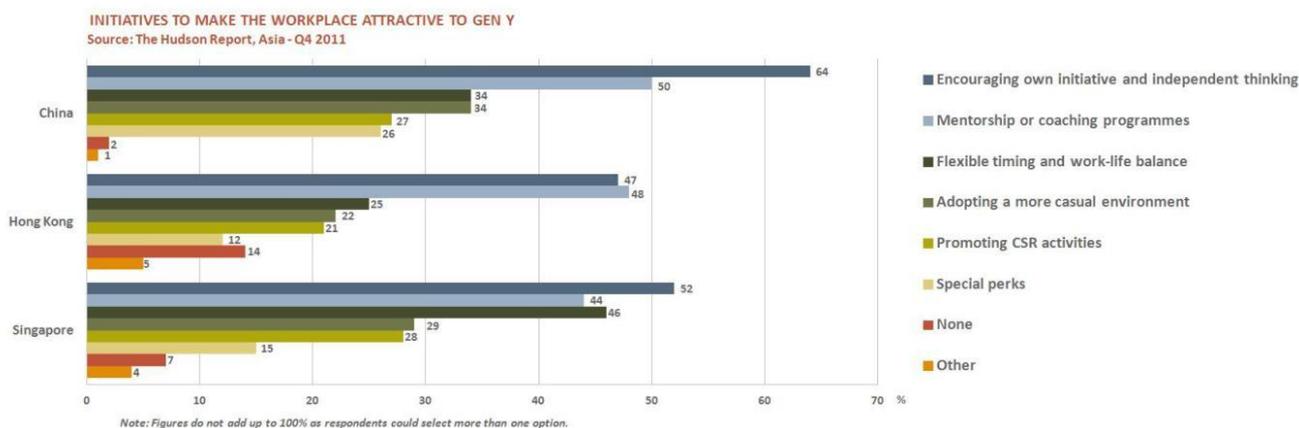
Despite the challenges of managing Gen Y employees, they are an important cohort of the workforce and companies in all three markets are focused on making the workplace attractive to them.

Encouraging Gen Y staffers to rely on their own initiative and think independently is the most widely used measure in **China**, being mentioned by 64 percent of respondents across all sectors. Fifty percent offer mentorship or coaching programmes, while flexible timing / work-life balance and adopting a more casual environment are both mentioned by 34 percent. Encouraging independent thought and taking initiative is seen as particularly important in the IT&T and Media / PR / Advertising sectors: 67 percent of respondents in both industries mention this factor. These sectors are driven by new ideas and creativity.

Companies in **Hong Kong** are most likely to offer mentorship or coaching programmes and to encourage own initiative and independent thinking as ways of making the workplace attractive to Gen

Y. These two approaches are mentioned by 48 percent and 47 percent respectively. Mentorship and coaching are widely used in the Media / PR / Advertising sector, with 67 percent giving this response.

Three initiatives are highly rated in **Singapore**: encouraging staff members' own initiative and independent thinking, flexible timing and work-life balance and mentorship or coaching programmes are mentioned by 52 percent, 46 percent and 44 percent respectively. The IT&T sector has the highest proportion of respondents offering flexible timing and work-life balance, and adopting a more casual environment – 62 percent and 43 percent respectively. IT companies rely on large numbers of young, vibrant staffers who take an informal approach and appreciate the opportunity to work from home.



Strong focus on talent development

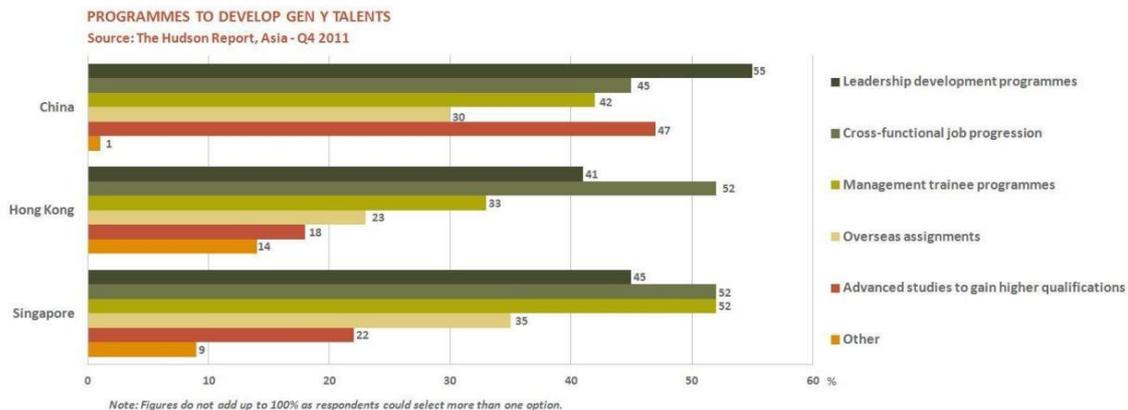
In addition to making the workplace more attractive, employers in all three markets are keen to develop their Gen Y talents and are implementing a number of initiatives to achieve this aim. The countries differ in their approach to this issue.

Training and development initiatives are the most popular in **China**. Across all sectors, leadership development programmes and advanced studies for higher qualifications are provided by 55 percent and 47 percent of respondents respectively. Both figures are significantly higher than for Hong Kong and Singapore. Nearly two-thirds (64 percent) of respondents in the Manufacturing & Industrial sector mention leadership development programmes. There is a strong perception in this sector that younger employees who move into senior roles need to be carefully groomed and prepared for their new responsibilities.

The most widely implemented talent development initiatives in **Hong Kong** are cross-functional job progression, leadership development programmes and management trainee programmes, which are mentioned by 52 percent, 41 percent and 33 percent respectively.

Employers in **Singapore** tend to focus on broadening the experience of Gen Y staffers and preparing them for more responsible positions in the company. Overall, cross-functional job progression and management trainee programmes are the most widely used development measures: both are mentioned by 52 percent of respondents. Both measures are offered extensively in the Banking & Financial Services sector, where management trainee programmes are mentioned by 64 percent and cross-functional job progression by 62 percent. Both figures are significantly higher than for the other

sectors. This is a highly competitive business and banks make stringent efforts to recruit and retain the most talented young candidates and then groom them for management roles.



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