

**For immediate release**

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***Hiring expectations are falling from the high levels of the last two years, due to an uncertain global market environment, The Hudson Report reveals***

*However, most respondents still expect their company to perform well in the next six months. Employers are also proactive in managing and developing their Gen Y staff*

**SINGAPORE – 19 OCTOBER 2011** – Hiring expectations are falling from the high levels of the last two years, due to an uncertain global market environment, says a new study of over 450 executives across key business sectors interviewed last month. According to *The Hudson Report*, 42 percent of respondents across all sectors forecast headcount growth in Quarter Four (Q4) 2011, compared with 56 percent in Quarter Three.

Hudson (NASDAQ: HHGP), a leading provider of permanent recruitment, contract professionals and talent management services worldwide, today released findings of its comprehensive quarterly *The Hudson Report* for Singapore. A key socio-economic indicator in the current marketplace since its Asia launch in 1998, the survey has been built on the premise that employers' expectations of an increase or decrease in staffing levels represent a significant indication of their level of optimism in the growth of their organisation and their industry as a whole. *The Hudson Report* surveys the expectations of nearly 1,700 key employment decision makers in Asia from multinational organisations of all sizes in all major industry sectors.

Significant findings in ***The Hudson Report – Singapore Q4 2011*** are:

- Most respondents still have a positive outlook despite the fall in hiring expectations: 77 percent forecast that their company's performance will be excellent or good in the next six months;
- Across all sectors, 62 percent say that managing Gen Y employees presents specific challenges;
- Respondents in the IT&T sector experience the greatest challenge in managing Gen Y employees, while those in the Consumer / Advertising / Media sector report the fewest problems;
- Of the attributes that make Gen Y employees difficult to manage, unrealistic job expectations and impatience are seen as the most significant;
- Encouraging independent thinking, work-life balance and mentorship or coaching are the most popular initiatives taken to make the workplace attractive to Gen Y employees;
- Cross-functional job progression and management trainee programmes are the most widely used employee development measures for Gen Y.

## Lower expectations this quarter

Hiring expectations are falling in most sectors this quarter. Overall, 42 percent of respondents plan to grow headcount in Q4 2011, compared with 56 percent in Q3. At 6 percent, the proportion of respondents forecasting staff cuts is almost unchanged from the previous quarter's 5 percent. The decline in expectations is greater than in China but much smaller than in Hong Kong. A correction appeared inevitable after the strong recovery from the 2008 downturn led to an unbroken rise in expectations for almost two years from Q3 2009.

Mike Game, Chief Executive Officer, Asia, Hudson, comments *"Hiring expectations are falling from the high levels of the last two years, due to an uncertain global market environment. However, most respondents still expect their company to perform well in the next six months."*

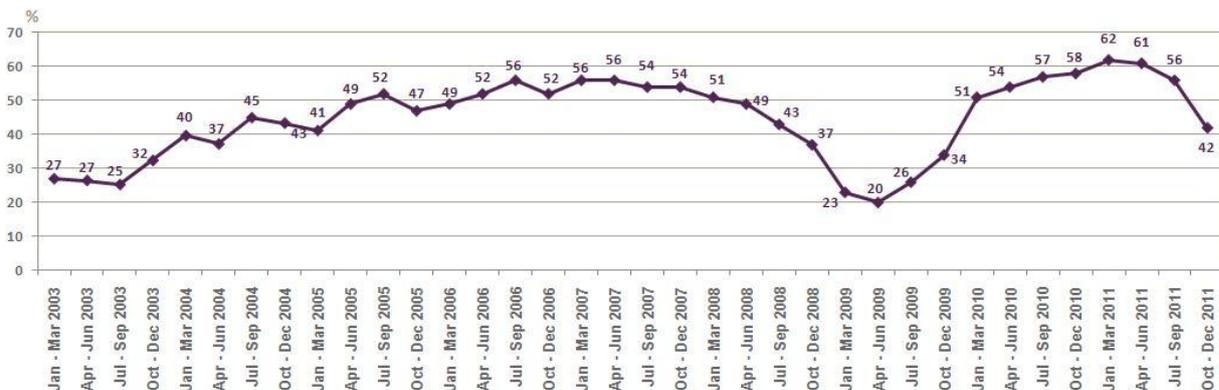


## Decline in expectations year-on-year

The majority of sectors also report a sharp fall in hiring expectations since the same quarter last year. Overall, the 42 percent of respondents forecasting headcount growth this quarter compares with 58 percent in Q4 2010. The proportion of respondents expecting to hire fewer staff numbers has risen from 2 percent to 6 percent. Expectations rose throughout 2010, when companies in all sectors were actively hiring as they recovered from the earlier economic downturn.

## **EXPECTATIONS TO HIRE OVER TIME - SINGAPORE**

Source: The Hudson Report, Singapore - Q4 2011

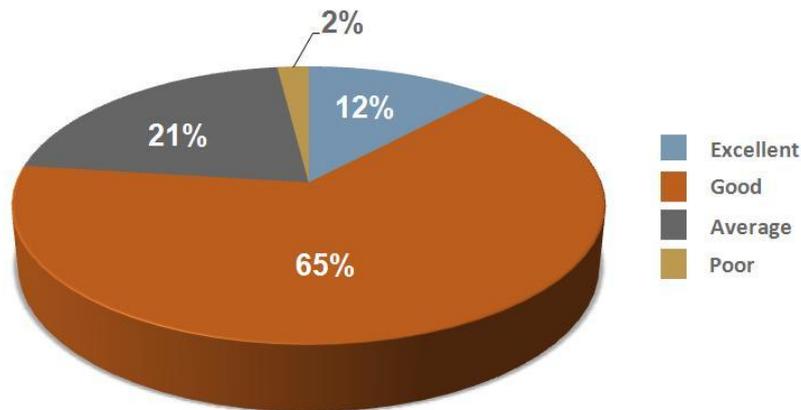


## Substantial majority confident about future

Most respondents are still optimistic about their company's performance even though hiring expectations are falling this quarter. Across all sectors, 77 percent expect that performance will be excellent or good in the next six months and just 2 percent think it will be poor. Overall confidence is lower than in Q4 2010, when 87 percent forecast excellent or good performance, but these figures suggest that most companies still have a very positive outlook.

### ANTICIPATED COMPANY PERFORMANCE IN THE NEXT 6 MONTHS

Source: The Hudson Report, Singapore - Q4 2011

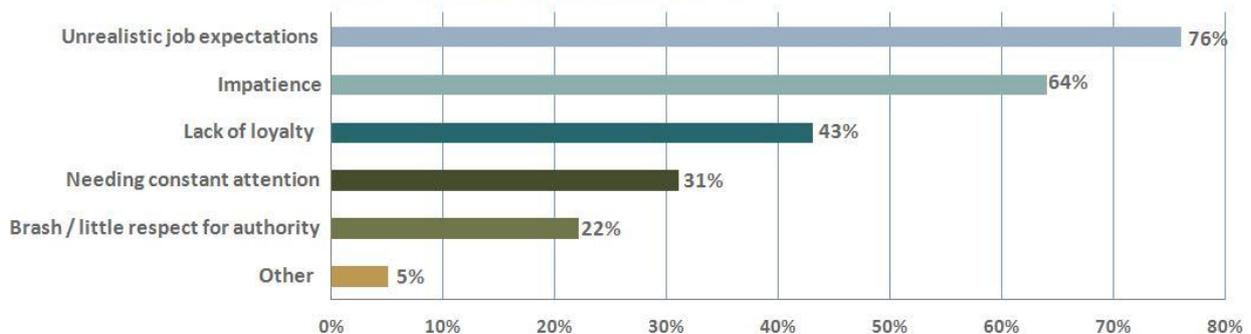


## Gen Y presents management challenges

Gen Y employees (those aged 30 and under) present specific management challenges according to a majority of respondents. Across all the sectors surveyed, 62 percent say that they experience challenges in managing Gen Y staff. Respondents identify a number of attributes that make Gen Y employees especially challenging to manage. Overall, the most significant are unrealistic job expectations and impatience, which are mentioned by 76 percent and 64 percent respectively. These figures are substantially higher than those for the other attributes covered and are also notably higher than the responses given in China and Hong Kong.

### CHALLENGING ATTRIBUTES IN MANAGING GEN Y EMPLOYEES

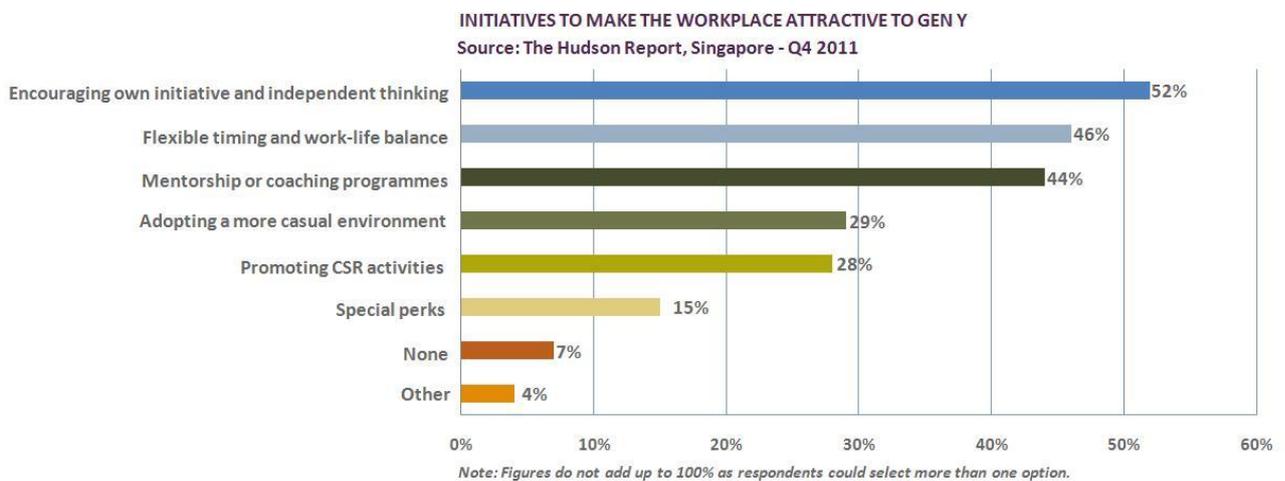
Source: The Hudson Report, Singapore - Q4 2011



Note: Figures do not add up to 100% as respondents could select more than one option.

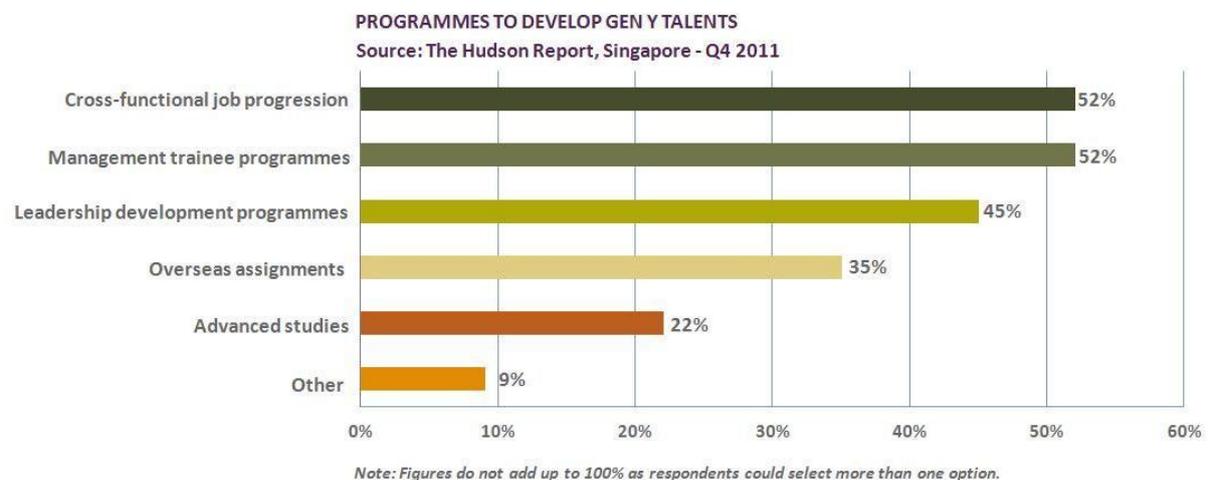
## Attracting and retaining Gen Y employees

Even though Gen Y employees can be challenging to manage, they are a key part of the workforce for many companies. Employers are therefore introducing a wide range of initiatives designed to make the workplace attractive to this cohort. Three such initiatives are rated as particularly important by respondents 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.



## Preparing Gen Y for responsible roles

As well as making the workplace more attractive to their Gen Y staff, employers in all sectors are taking a variety of approaches to develop the talents of this cohort. The approaches most widely used in Singapore are focused 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. At 45 percent, leadership development programmes are also seen as a valuable initiative.



## **Hudson**

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**Special Note:** This press release contains statements that the company believes to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in this press release, including those under the caption "Guidance" and other statements regarding the company's future financial condition, results of operations, business operations and business prospects, are forward-looking statements. Words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "predict," "believe" and similar words, expressions and variations of these words and expressions are intended to identify forward-looking statements. All forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These factors include, but are not limited to, the impact of global economic fluctuations including the recent economic downturn; the ability of clients to terminate their relationship with the company at any time; risks in collecting our accounts receivable; implementation of the company's cost reduction initiatives effectively; the company's history of negative cash flows and operating losses may continue; the company's limited borrowing availability under our credit facility, which may negatively impact our liquidity; restrictions on the company's operating flexibility due to the terms of its credit facility; fluctuations in the company's operating results from quarter to quarter; risks relating to the company's international operations, including foreign currency fluctuations; risks related to our investment strategy; risks and financial impact associated with dispositions of underperforming assets; the company's heavy reliance on information systems and the impact of potentially losing or failing to develop technology; competition in the company's markets and the company's dependence on highly skilled professionals; the company's exposure to employment-related claims from both clients and employers and limits on related insurance coverage; the company's dependence on key management personnel; volatility of stock price; the impact of government regulations; financial impact of audits by various taxing authorities; and restrictions imposed by blocking arrangements. Additional information concerning these and other factors is contained in the company's filings with the Securities and Exchange Commission. These forward-looking statements speak only as of the date of this letter. The company assumes no obligation, and expressly disclaims any obligation, to review or confirm analysts' expectations or estimates or to update any forward-looking statements, whether as a result of new information, future events or otherwise.