

## **For immediate release**

### **The dramatic rebound of hiring trends in Asia continues as corporate confidence reaches record high levels**

*Hudson Global Resources releases comprehensive Hudson Report for Quarter Two 2004*

**HONG KONG, 30 March 2004** – The Asian economic rebound sees no signs of slowing down with companies in Asia more confident than ever before after witnessing the sustained economic improvements that began in the second half of last year. Companies in Hong Kong are experiencing most the dramatic improvements of hiring expectations and corporate confidence in Asia. China and Japan both are showing very strong hiring intentions for the next three months with nearly half of the surveyed companies in both markets planning to add new staff. Singapore is the least positive on the job market of the surveyed regions in Asia with their hiring expectations down from last quarter.

Hudson Global Resources, one of the world's leading professional staffing, outsourcing and human capital solution providers (formerly known as TMP Worldwide eResourcing) and a division of Hudson Highland Group, Inc. (NASDAQ: HHGP), 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 December 1998, the survey has been built on the premise that employers' expectations of an increase or decrease in net staffing levels represent a significant indication of their optimism in the growth of their organisation and their industry as a whole. It represents the expectations of nearly 2,000 key employment decision makers from multinational organisations of all sizes in all major industry sectors. The four locations surveyed were China, Hong Kong, Singapore and Japan.

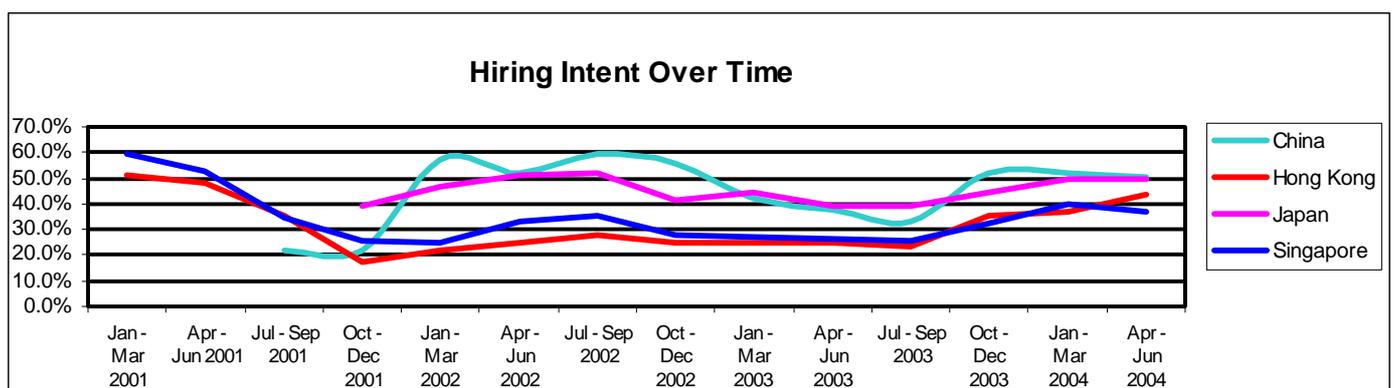
#### **Asian hiring trends for Q2 2004**

Hong Kong companies expect to hire more people in the next three months compared to any other quarter in the past three years with 43.7% looking to add new staff. This is a significant increase from 37.1% recorded last quarter and a dramatic rebound from just 23.6% recorded during the SARS outbreak. Another sign of confidence is the number of companies looking to decrease headcount has dropped to just 1.5%, which is less than half of the 3.3% recorded last quarter and down significantly from 6.5% recorded at the time of the SARS outbreak in Hong Kong. The Accounting, Financial Services and Consulting sector has a higher contingent of hiring firms than other sectors, with 46.7% of companies pledging to hire more staff this quarter.

China is once again leading Asia's employment trends with 50.3% of businesses looking to increase permanent headcount – that's now two quarters in a row with over 50% of businesses actively expanding their teams. Only 0.3% of all companies surveyed said they had plans to decrease headcount, which is down from 1.0% last quarter. The most aggressive recruiter this quarter is Consumer, where 60% of companies have said they plan on increasing staff numbers, up from the 56.1% that said the same last time. The Accounting, Financial Services and Consulting sector has shown the biggest turnaround in hiring sentiment: 53.8% of employers plan on increasing staff numbers, up from 35% recorded last quarter.

Japan is the second most active recruitment market with 49.8% of all companies this quarter planning on boosting their hiring activities over the coming months, which is fractionally higher than the 49.4% that said the same last time. Only 2.1% of companies plan on cutting back staff numbers, which is exactly the same as previous quarter. The Legal sector has shown the strongest signs of optimism of all sectors this quarter with 65.4% of all companies in this category planning to increasing staff levels compared to 34.8% from last quarter. The Consumer sector is the most conservative this quarter, and has also shown the biggest drop in positive sentiment of all categories with 43.9% of companies are looking for new staff when compared to 53% last quarter.

Singapore is the least optimistic about hiring staff in Asia this quarter with 37.2% of Singapore-based employers planning on increasing staff levels, which down from 39.7% that said the same last quarter. Only 3.2% of companies are planning on downsizing, compared to 4.3% from last quarter, indicative of a positive economy. The most bullish sector this quarter is Consumer, despite it dropping its hiring expectations from last quarter with 42.1% of employers in this sector plan on increasing their recruitment efforts, which is a slight drop from the 45.3% that said the same last quarter.



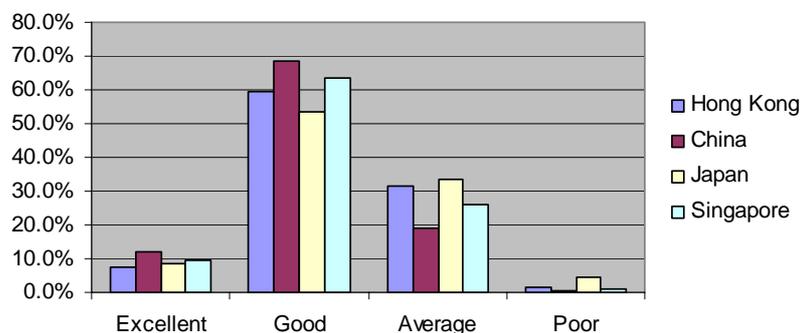
“For many past quarters, companies did not foresee growth in the short-term and constantly looked at least six months ahead for true economic improvement,” said Gary Lazzarotto, CEO Asia, Hudson Global Resources. “Organisations are now both optimistic about their performance in the next three months as well as the rest of the year, this both illustrates how the levels of corporate confidence have grown in Asia over the past six months and why we see more aggressive recruitment efforts.”

## How companies expect to perform in the next three months

Companies in China remain confident with 80.7% of all companies anticipating 'Excellent' or 'Good' company performances in the in the next three months. Hong Kong has a combined 67.2% of all companies anticipating 'Good' (59.9%) or 'Excellent' (7.3%) performances in the first half of next year. Overall, 72.7% of Singapore companies anticipate 'Good' (64.4%), or 'Excellent' (9.3%) performances in the next three months. In Japan, 62.1% of companies believe they are going to have 'Excellent' (8.5%) or 'Good' (53.6%) performance over the next three months. Across Asia, total number of firms expecting "Excellent" or "Good" performances increased substantially when compared to last quarter.

"Many companies have been willing to upgrade their expected performances the second quarter of 2004 after having taken a more conservative approach coming out of an economic downturn over the past two quarters," said Lazzarotto. "Organisations now expect higher performance as they add more staff and grow their operations, we anticipate more companies will upgrade their performance expectations throughout the rest of the year."

**Given the current economic environment, what do you anticipate your company's performance to be in the first half of 2004?**



## The hot jobs in Asia

The Marketing and Public Relations field sees a large increase in job opportunities with companies in Hong Kong (13.6%), China (16.9%), Japan (10.4%) and Singapore (13.1%) looking to fill these roles. Sales roles continue to be the most in demand in every market surveyed across Asia ranging from 36.1% to 29%. Also continuing from last quarter, a large number of companies are looking to fill specialist roles in the Engineering, Operations and Technical area; this discipline remains a strong focal point for companies in Singapore, Japan, and China.

## Talent retention becomes an issue in Asia

As the economy in Asia continues to improve and the job market becomes increasingly fluid, companies are once again faced with the challenge of retaining staff as the competition for the best talent heats up. Japan-based firms are most concerned with this topic with 51.7% claiming talent retention is an issue in 2004. Many companies in Hong Kong are also concerned with keeping staff with 49.7% of firms noting this

issue and China-based firms are also concerned with the many new job openings on the market with 44.8% of firms acknowledging the importance of this issue. With an expected 3% decrease in hiring intent, companies in Singapore are not as currently concerned with talent retention with 42.1% of firms claiming it is important to address this issue in 2004.

## **Most companies not offering pay increases to retain staff**

With the economy rebounding quickly, many employees are eyeing this as the perfect opportunity to seek pay increases or look for new higher-paying jobs with the market becoming increasingly fluid. Even the most productive employees may want to think twice about telling their employers that they will leave without pay increases. Most companies in Asia are not willing to increase salaries to keep even their best staff, with Singapore-based firms (19%) being the least interested in offering more money. Companies in China followed closely (17.9%) along with Hong Kong (22.4%). Firms in Japan are the most willing to pay more to retain staff with 25% of companies stating they should "Improve remuneration" as an important talent retention initiative this year. Companies are now more interested in developing their talent to make them more marketable internally by investing in training and career management programs when compared to offering higher salaries to retain employees.

## **About Hudson Global Resources**

Hudson delivers specialized professional staffing, outsourcing and human capital solutions worldwide. From single placements to total solutions, the firm assesses, recruits and develops talent to meet the specific business needs of each client. Global practice areas include Accounting & Finance; Engineering, Operations & Scientific; Healthcare; Human Resources; IT & Telecommunications; Legal; and Sales & Marketing.

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