

For Immediate Release

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Employment expectations continue to remain high across Asia with the greatest increases in optimism in Hong Kong, Japan and Singapore

Comprehensive Hudson Report Released for Quarter Two 2006

HONG KONG – 11 APRIL 2006 – Expectations for permanent employment for the second quarter of 2006 remain high in all four markets. Expectations in Hong Kong, Japan and Singapore are at a five year high. Expectations to hire at 58% are still rising in Hong Kong and are now at the highest level since Q4, 2000. In Japan, expectations are at the highest level ever recorded by the Hudson Report, with 63% planning to grow headcount. In Singapore expectations continue their upward trend, with 52% forecasting increased hiring. China has witnessed a small drop in the expectations to hire but China still shows the strongest expectations to hire out of all the markets surveyed in Asia.

Hudson, one of the world's leading professional staffing, outsourcing and talent management solution providers 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 1995, 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 optimism in the growth of their organisation and their industry as a whole. The Hudson Report represents the expectations of over 2,400 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.

The latest employment trends

Employment prospects are still buoyant in China, where 64% of companies plan to increase hiring in Q2 2006, a small drop from 67% the previous quarter. This figure is again higher than in any other market surveyed in Asia. Construction companies again have the highest expectations, with 93% planning to increase hiring. Expectations are also growing fast in Banking, where 73% of executives forecast increased hiring.

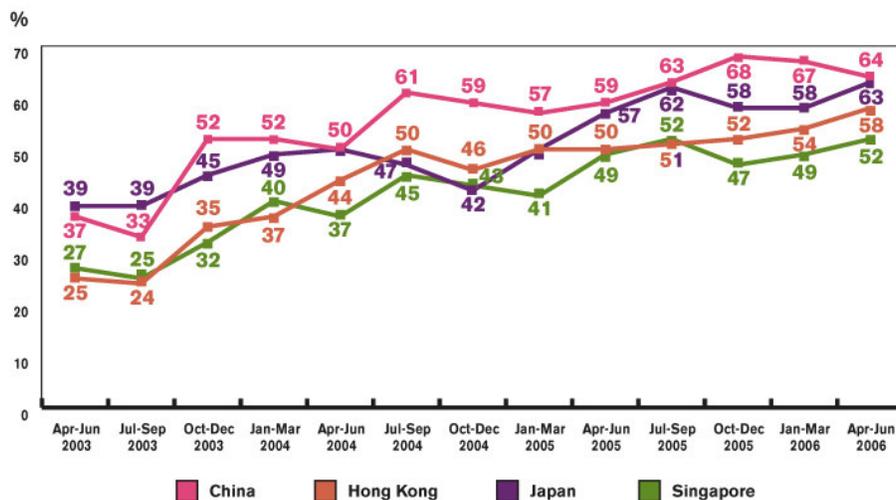
Expectations also continue to rise in Hong Kong, where 58% of respondents are planning to hire more staff in Q2 and increase from 54% the previous quarter which is the highest level recorded since Q4 2000. The Banking & Professional services sector is the most optimistic, with 64% forecasting increased headcount. In the Manufacturing sector 59% say they will hire more staff.

In Japan, the economic recovery appears to be continuing with employment expectations remaining high as 63% of employers planning to increase headcount in Q2 up from 58% the previous quarter. This is the highest figure ever reported by the Hudson Report in Japan. The Construction/Property sector has the highest expectations, with 90% forecasting increased headcount. Healthcare & Life Sciences companies are also optimistic as 79% of respondents say they will hire more staff.

In Singapore, employment expectations are still going up and 52% of respondents in all sectors forecast increased hiring, compared with 49% in Q1. Healthcare & Life Sciences companies forecast the greatest increase in hiring with 62% of respondents aiming to grow headcount.

“Permanent employment expectations remain extremely high across the region, even after a long period of consistent growth and yet most sectors are still planning to expand headcount to cope with fast-growing workloads. But extra work is also leading to longer hours and rising employee burnout.” said Gary Lazzarotto, CEO, Asia, Hudson.

Permanent hiring expectations over time in Asia



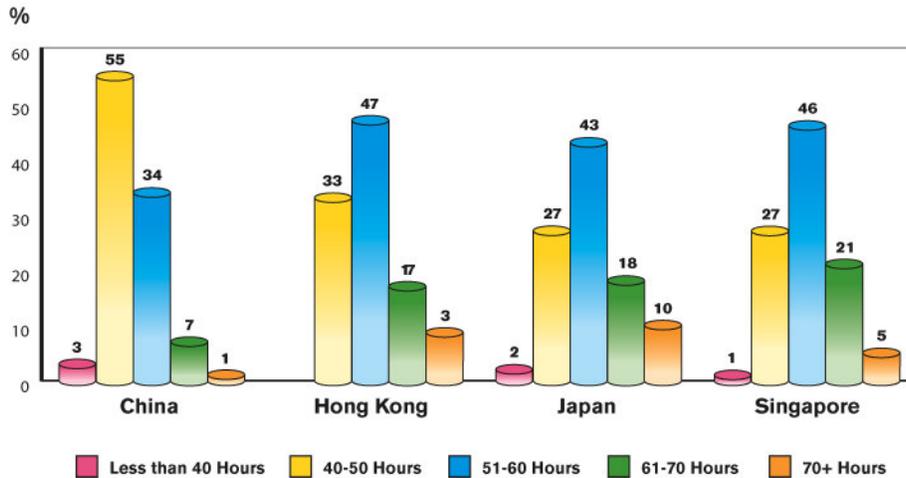
Source: The Hudson Report – Asia, Q2 2006

Long working hours

The strong economic performance and consequent steep rise in the volume of work is putting a strain on employees, with many employees reporting that they are working longer hours.

In China, working hours are generally shorter than in the other markets surveyed with 8% of respondents reporting that they work more than 60 hours per week. In Hong Kong 20% of respondents work more than 60 hours per week. Many employees in Japan have seen a substantial rise in working hours with 28% of respondents working more than 60 hours per week, which are the longest working hours out of all the countries surveyed. Singapore has the next highest level of working hours with 26% stating that they work more than 60 hours per week.

Hours worked per week – overall



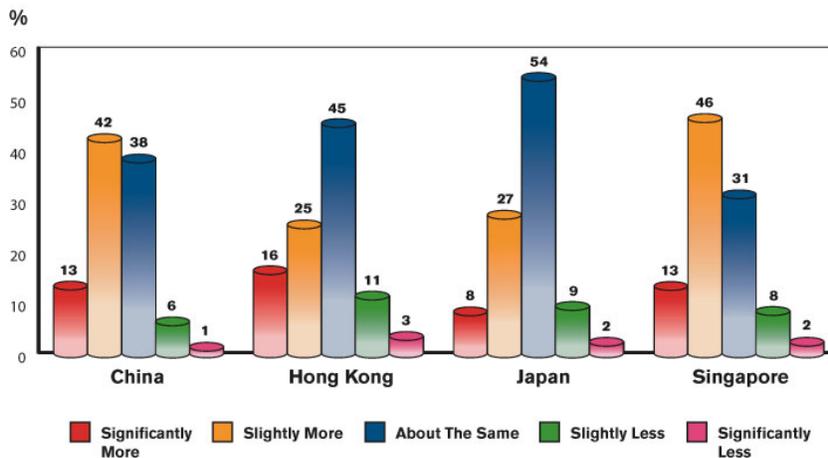
Source: The Hudson Report – Asia, Q2 2006

Hours have increased over the longer term

There is a clear trend towards an increase in working hours. Across all four markets surveyed almost half (45%) of respondents say they are working significantly or slightly longer hours than they did two years ago. Fewer than 11% are working shorter hours.

In China, 42% of respondents report slightly longer working hours than two years ago and a further 13% are working significantly longer. In Hong Kong, 25% of respondents report slightly longer hours and a further 16% significantly longer which is the highest of any market surveyed in Asia. There has been a smaller increase in working hours in Japan than in the other three markets surveyed with 27% of respondents working slightly longer hours and a further 8% who have seen a significant increase. Singapore has the highest proportion of respondents whose working hours have increased over the past two years, with 46% of respondents working slightly longer hours and a further 13% significantly longer.

Comparison of hours worked over the last two years – overall



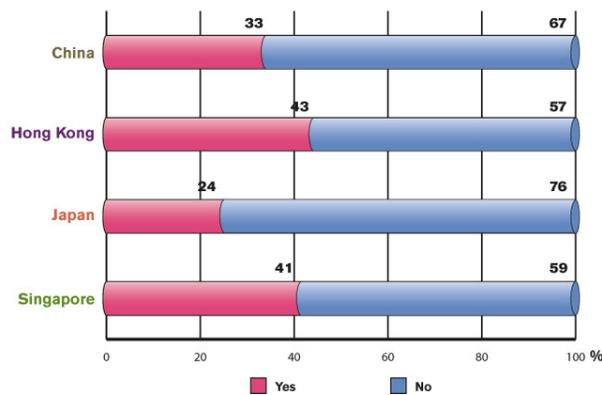
Source: The Hudson Report – Asia, Q2 2006

Employees are experiencing burnout

Employee burnout appears to have increased over the last two years. In China, Hong Kong and Singapore, the number of respondents reporting burnout is higher than when this issue was last surveyed, in Q2, 2005. The number reporting increased burnout has remained the same in Japan.

In China, 33% of respondents are seeing increased burnout among employees. Hong Kong is experiencing the greatest increase in employee burnout of the four markets surveyed, as 43% of respondents report a rise in burnout. In Japan 24% report increased staff burnout which is lower than in any other market surveyed. In Singapore 41% of respondents across all sectors report higher levels of staff burnout.

Companies experiencing increased employee burnout



Source: The Hudson Report – Asia, Q2 2006

Increasing workloads are leading to burnout

In all four markets surveyed, a rapid increase in the volume of work is seen as the main reason for higher burnout followed by difficulties in recruiting staff.

Reasons for increase in staff burnout

Industry	Difficulties in recruiting staff	Staff shortages due to turnover	Volume of work increased rapidly	Managers expect employees to work long hours	Increased use of email, mobiles, voicemail & Blackberries	Staff are reluctant to tell managers they are over-worked	Others
China	33%	31%	61%	12%	8%	10%	7%
Hong Kong	44%	40%	84%	17%	19%	8%	8%
Japan	50%	26%	54%	19%	10%	14%	8%
Singapore	40%	28%	61%	28%	35%	16%	23%

Source: The Hudson Report – Asia, Q2 2006

Extra hiring seen as the main solution to burnout

Hiring more staff is seen as the single most important measure to combat burnout. Other measures designed to help existing staff work more effectively, including re-engineering workflow to eliminate non-essentials and reviewing job descriptions and delivery expectations, are also seen as important.

Measures to combat burnout – overall

Industry	Review job descriptions & delivery expectations	Encourage employees with burnout to work fewer hours	Assist employees to learn skills necessary to the role	Use technology to streamline work	Re-engineer workflow to eliminate non-essentials	Hire more staff	Others
China	43%	27%	30%	22%	29%	49%	9%
Hong Kong	34%	20%	22%	34%	45%	54%	15%
Japan	33%	23%	27%	24%	25%	59%	7%
Singapore	31%	21%	42%	33%	59%	44%	20%

Source: The Hudson Report – Asia, Q2 2006

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