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Q2 hiring expectations are at a five year high

Long working hours and the increasing volume of work is leading to higher levels of staff burnout

SINGAPORE – 11 APRIL 2006 – 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), has released findings of its Hudson Report for Quarter 2 (Q2) 2006. With a reputation as a key socio-economic indicator in the current marketplace since its Asian launch in December 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 optimism in the growth of their organisation and their industry as a whole.

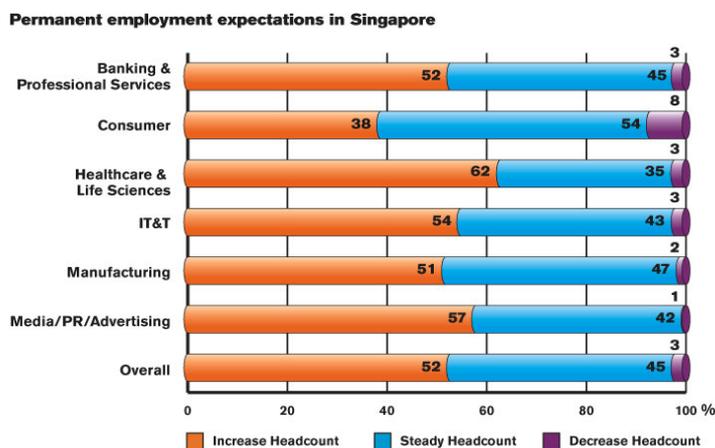
In Asia, over 2,400 key employment decision makers from multinational organisations of all sizes in all major industry sectors were surveyed in China, Hong Kong, Japan and Singapore with 685 executives based in Singapore.

Significant findings in the **Q2 2006 Hudson Report** are:

- Compared to a year ago, hiring expectations have substantially increased – 52% of respondents in Q2, 2006 forecast headcount growth, up from 49% in the previous quarter and 49% a year ago;
- Healthcare & Life Sciences firms have the highest expectations, with 62% forecasting increased hiring – a sharp rise from 45% the previous quarter;
- Increasing workloads mean that working hours are rising sharply and 72% of respondents work more than 50 hours a week with 59% saying that they are working longer hours than two years ago;
- Employee burnout is increasing, with 41% of respondents reporting a rise;
- Increased workload and difficulties with recruitment are seen as the leading causes of burnout;
- Measures to prevent and relieve burnout include re-engineering workflows, hiring more staff and additional training.

The latest employment trends

The companies forecasting headcount growth have increased from 49% in Q2, 2005 to 52% this quarter. A further 45% of professionals surveyed anticipate that employment will remain steady and only 3% forecast a decline in headcount. This is the highest figure for hiring expectations for five years.

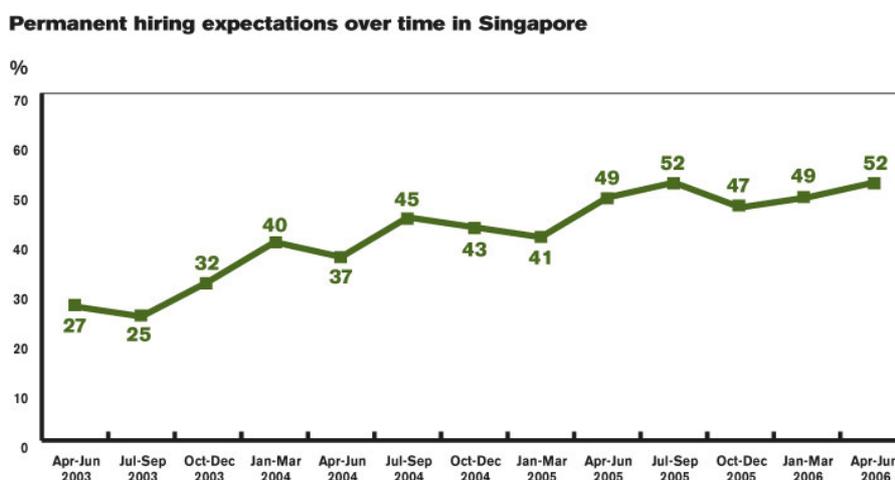


Source: The Hudson Report – Singapore, Q2 2006

Gary Lazzarotto, CEO, Hudson Asia, says, “The overall picture is very positive. Employment expectations, already high, continue to rise. Over half of all the companies surveyed are planning to increase headcount this quarter. The downside is a candidate-short market, leading to longer hours for many staff and an increase in employee burnout.”

Healthcare companies have the highest expectations for permanent headcount with 62% of respondents saying they will hire more staff, a substantial increase from 45% in Q1.

The media/PR/advertising sector is particularly buoyant, with 57% of executives predicting headcount growth, reflecting the increased spend on marketing campaigns.



Source: The Hudson Report – Singapore, Q2 2006

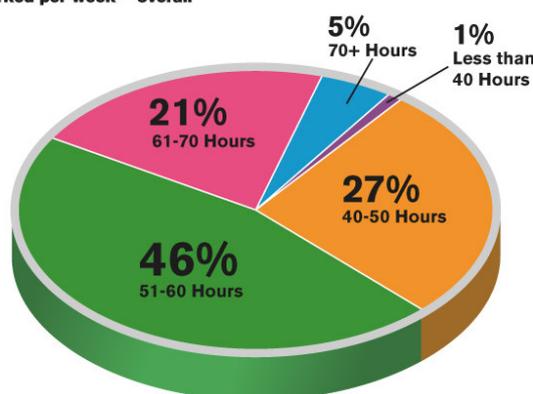
The hottest jobs in Singapore

The highest level of demand is for sales and IT staff across all industry sectors, accounting for 22% of all anticipated new hiring. Singapore's successful strategy of becoming a regional hub for IT functions means that IT professionals are sought after, as seen by the rise from 12% the previous quarter.

Working hours are much longer

The strong economy means that many employees are working much longer hours with 72% of respondents saying they are working more than 50 hours per week. This is a steep rise from 64% in Q2 2005 and is higher than for any other market surveyed in Asia.

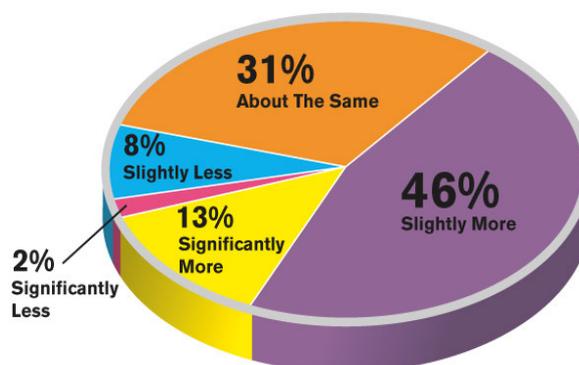
Hours worked per week – overall



Source: The Hudson Report – Singapore, Q2 2006

Working hours are also moving upwards over the longer term, with 46% of respondents stating that they are working slightly longer hours than they were two years ago and a further 13% are working significantly more. The proportion of respondents whose working hours have increased over the past two years is higher than in any other market surveyed in Asia.

Comparison of hours worked over the last two years – overall

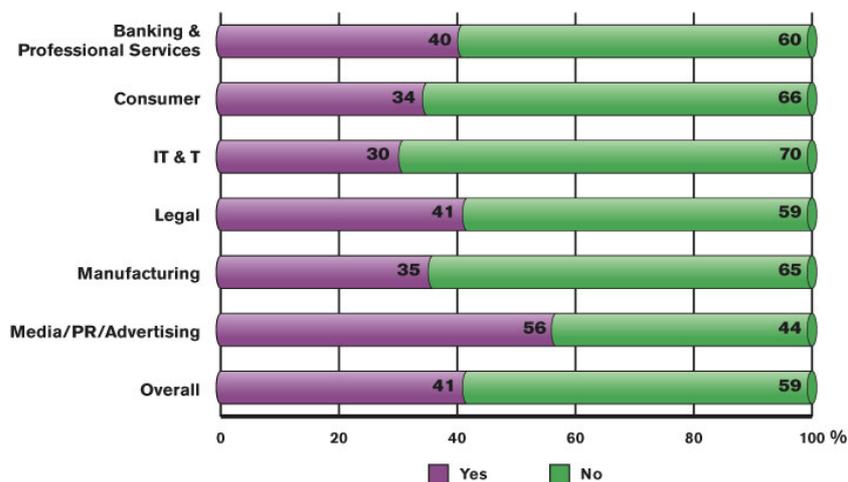


Source: The Hudson Report – Singapore, Q2 2006

Staff burnout is increasing

A high 41% of respondents report increased levels of burnout among employees. The growth of burnout is most marked in Media/PR/Advertising firms, where 56% report increased burnout.

Companies experiencing increased employee burnout



Source: The Hudson Report – Singapore, Q2 2006

Increased workload is causing burnout

The rapid increase in the volume of work is seen as the most significant reason causing burnout, with 61% citing this as the cause of increased burnout. The second most important reason is seen as the difficulty of recruiting staff, mentioned by 40%.

Reasons for increase in staff burnout

Industry	Volume of work increased rapidly	Difficulties in recruiting staff	Increased use of email, mobiles, voicemail & Blackberries	Managers expect employees to work long hours	Staff shortages due to turnover	Staff are reluctant to tell managers they are over-worked	Others
Banking & Professional Services	58%	40%	32%	32%	33%	13%	21%
Consumer	65%	27%	27%	50%	46%	38%	12%
Healthcare & Life Sciences	64%	36%	0%	9%	0%	9%	18%
IT&T	64%	39%	44%	21%	33%	17%	23%
Manufacturing	73%	30%	32%	32%	22%	14%	19%
Media/PR/Advertising	53%	54%	39%	24%	15%	12%	32%
Overall	61%	40%	35%	28%	28%	16%	23%

Workflow re-engineering, extra hiring and training are responses to burnout

Overall, re-engineering workflow processes to eliminate non-essentials is seen as the single most effective measure, with 59% of respondents citing it. Hiring additional staff and helping employees to acquire skills necessary for their jobs are also seen as important with 44% and 42% mentioning these measures respectively.

Measures to combat burnout – overall

Industry	Re-engineer workflow to eliminate non-essentials	Hire more staff	Assist employees to learn skills necessary to the role	Use technology to streamline work	Review job descriptions & delivery expectations	Encourage employees with burnout to work fewer hours	Others
Banking & Professional Services	67%	42%	39%	35%	36%	15%	18%
Consumer	65%	23%	65%	46%	27%	46%	12%
Healthcare & Life Sciences	45%	55%	27%	9%	9%	9%	18%
IT&T	71%	44%	33%	45%	40%	24%	17%
Manufacturing	51%	41%	38%	19%	30%	24%	19%
Media/PR/Advertising	41%	54%	53%	22%	20%	12%	29%
Overall	59%	44%	42%	33%	31%	21%	20%

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