

Immediate Release

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Hiring expectations show a steep rise in all Asian markets

Employers have to increase salaries to attract the talent they need

HONG KONG – 21 JANUARY 2010 – 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 Asia. With a reputation as a key socio-economic indicator since its Asia launch in 1998, the survey on employers' expectations of an increase or decrease in staffing levels represents a significant indication of their optimism in the growth of their organisation and their industry as a whole. Over 1,500 key employment decision makers were surveyed in November from multinational organisations of all sizes in all major industry sectors. The locations surveyed were China (Beijing and Shanghai), Hong Kong and Singapore.

Key findings in *The Hudson Report – Asia Q1 2010* are:

HIRING EXPECTATIONS

- Nearly half of all respondents in **China** – 49 percent – forecast headcount growth this quarter, up from 39 percent in Q4 2009;
- **Hong Kong** has both the steepest rise and the highest expectations, with 53 percent of respondents saying they will hire more staff; this compares with 35 percent in the previous quarter;
- Expectations in **Singapore** show their largest quarterly increase since *The Hudson Report* began: the 51 percent of respondents planning to grow headcount this quarter is up from 34 percent in Q4 2009.

OTHER KEY FINDINGS

- A large majority of respondents in all three markets will pay discretionary year-end bonuses for 2009 and bonus levels are higher than a year ago;
- Respondents in China and Singapore see mentoring and training as the most effective employee engagement strategies, while Hong Kong employers will focus on increasing salaries and bonuses;
- Respondents in all three markets are more optimistic about their company's potential performance than this time last year;
- The increasingly buoyant job market means that most employers expect to have to pay higher salaries to attract new managerial hires.

DETAILED FINDINGS

Expectations growing much faster in all markets

The confidence reported in Q4 2009 is even more apparent in Q1 2010. Hiring expectations show a steep rise in all three markets surveyed. Hong Kong and Singapore report both higher expectations and a larger rise than China this quarter. This is the first time that expectations have been higher in Singapore than in China since Q4 2001.

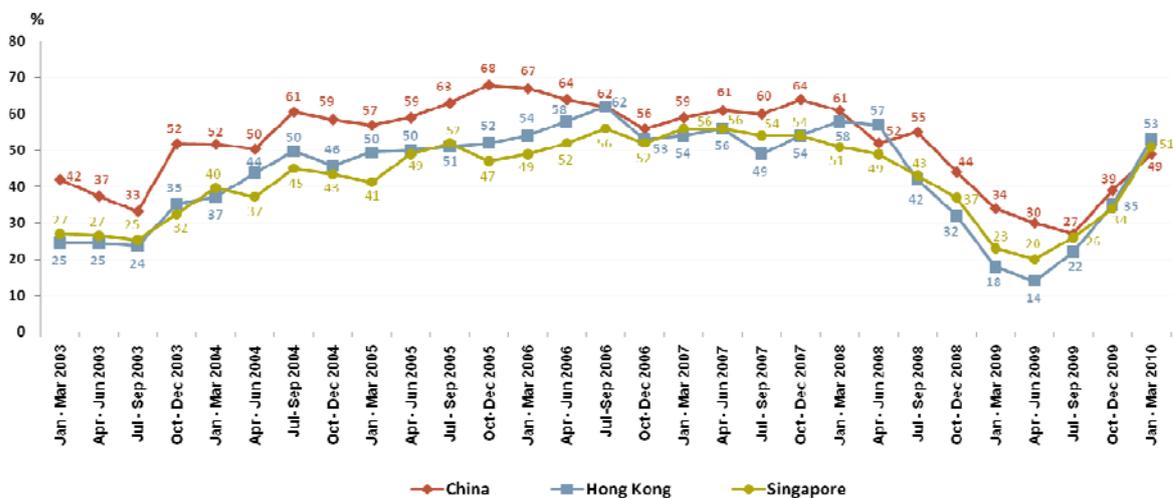
Nearly half of all respondents in **China** – 49 percent – forecast increased hiring this quarter, sharply up from 39 percent in Q4 2009. The Banking & Financial Services sector has the highest expectations, with 58 percent of respondents planning to hire more staff. The industry appears to have made a strong recovery from the effects of the economic downturn.

Hong Kong reports both the steepest rise and the highest expectations among the three markets surveyed. Across all sectors, 53 percent of respondents forecast headcount growth, a considerable increase over Q4's 35 percent. Respondents in the Banking & Financial Services sector are particularly optimistic: 74 percent expect to recruit more staff, sharply up from 43 percent in Q4 2009. Although much of the new hiring is for operational roles, there is growing demand for front office professionals.

Expectations in **Singapore** show their greatest quarterly increase since *The Hudson Report* began. Overall, 51 percent of respondents anticipate headcount growth this quarter, up from 34 percent in Q4 2009. The Banking & Financial Services sector has both the fastest-growing expectations and the highest level: 69 percent plan to boost recruitment, compared with 43 percent in the previous quarter. Candidates with experience in corporate finance, private banking and commodities trading are particularly sought after.

Mike Game, CEO, Hudson Asia, comments, *"Hiring expectations are substantially higher in all three markets this quarter. The job market's strong recovery means that many employers will have to increase salaries to attract talent."*

Regional permanent increased hiring expectations over time



Source: The Hudson Report, Asia - Q1 2010

Most companies plan to pay bonuses

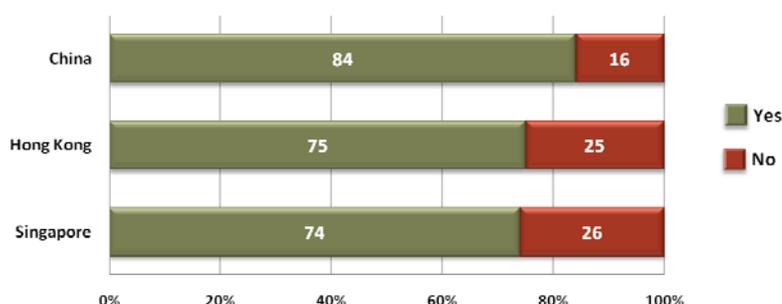
A large majority of respondents in all three markets say that their organisation plans to pay discretionary year-end bonuses for 2009. Employers in China are the most likely to pay bonuses: 84 percent say they will do so. The figures for Hong Kong and Singapore are 75 percent and 74 percent respectively.

In **China**, the Banking & Financial Services sector has the highest proportion of respondents planning to pay bonuses: 91 percent say they will do so. Bonuses traditionally make up a large part of remuneration packages in this industry. At 90 percent and 88 percent respectively, employees in the Consumer and Manufacturing & Industrial sectors are also very likely to receive bonuses for 2009. Both sectors were severely affected by the downturn but many companies have had better than expected results and are in a position to pay bonuses.

Respondents in the Banking & Financial Services sector in **Hong Kong** are also more likely to pay bonuses than those in any other sector: 85 percent plan to do so. The rapid recovery in this sector means that talented candidates have attractive opportunities and employers are striving to retain key staff. The Consumer sector also has a high proportion of respondents whose organisation will pay bonuses for 2009 – 77 percent. Luxury goods companies are the most likely to make bonus payments.

In **Singapore**, a very high 96 percent of respondents in the Healthcare & Life Sciences sector plan to pay discretionary year-end bonuses in 2009. This is a relatively recession-proof industry and most companies remained profitable in 2009.

Organisations paying discretionary year-end bonus in 2009



Source: The Hudson Report, Asia - Q1 2010

Higher bonuses this year

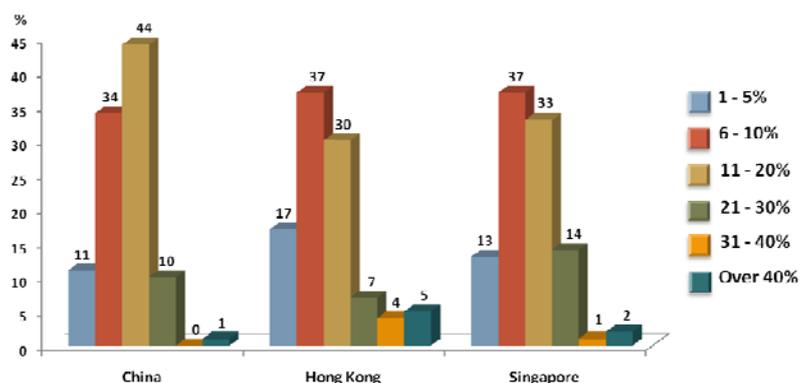
Respondents who say that their organisation will pay discretionary bonuses for 2009 were asked about the expected level. In all three markets, bonus payments are likely to be significantly higher than a year ago.

Across all sectors in **China**, 55 percent of respondents say that bonuses will be more than 10 percent of employees' annual salaries, while 11 percent forecast levels of over 20 percent. Both figures are much higher than the corresponding levels of 32 percent and 6 percent when this question was asked for the year ending 2008.

The level of intended bonus payments is rising sharply in **Hong Kong**. Overall, 46 percent of respondents expect to pay bonuses of more than 10 percent and 16 percent more than 20 percent. These figures are substantially higher than the 2008 year-end bonus figures of 17 percent and 1 percent respectively.

Half of respondents across all sectors in **Singapore** say their organisation will make bonus payments of more than 10 percent this quarter, almost double the figure of 28 percent in the previous year.

Range of discretionary year-end bonus in 2009



Source: The Hudson Report, Asia - Q1 2010

Key measures for employee engagement include mentoring, training and higher pay

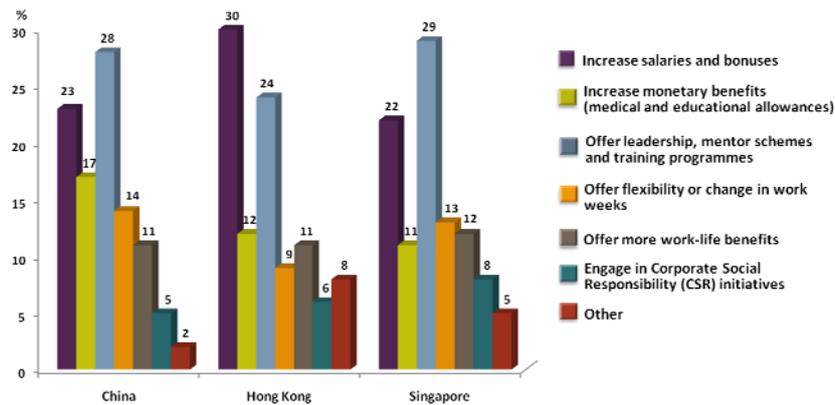
In the light of rising hiring expectations, respondents were asked about measures being taken to drive employee engagement and retain top talent. Overall, employers in China and Singapore see leadership, mentoring schemes and training programmes as the most effective measures. They are mentioned by 28 percent and 29 percent respectively.

In **China**, the Manufacturing & Industrial and Consumer sectors place the greatest emphasis on mentoring and training: 31 percent and 30 percent respectively select this measure. Both sectors are recovering rapidly from the downturn and employers are working to prepare staff for a much busier market environment.

Respondents in **Hong Kong** are the most likely to increase salaries and bonuses as an effective means of driving employee engagement. This measure is seen as particularly valuable in the IT&T sector, where it is cited by 37 percent of respondents.

Singapore has the highest proportion of respondents who see mentoring and training as useful employee engagement measures (29 percent) and the lowest mentioning increased salaries and bonuses (22 percent). These figures suggest that many employers are looking beyond financial rewards as they try to attract and retain staff.

Measures to drive employee engagement and retain top talent



Source: The Hudson Report, Asia - Q1 2010

High level of optimism

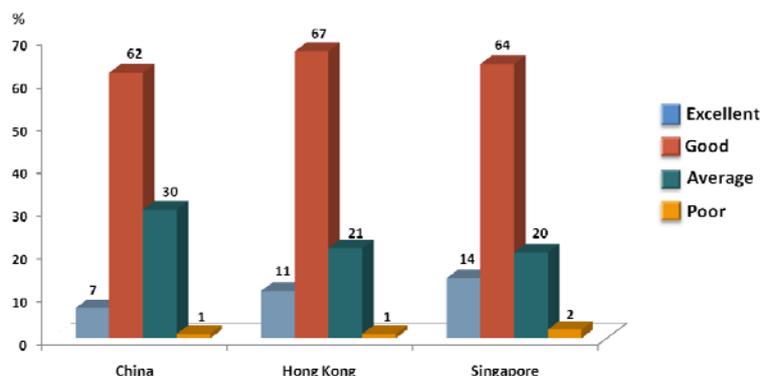
Respondents in all three markets are much more optimistic about how their organisation is likely to perform in 2010 than they were when the same question was asked in Q1 2009.

Overall, 62 percent of respondents in China forecast good performance in 2010 and a further 7 percent say it will be excellent. These figures show that companies are much more confident about their prospects than a year ago, when the comparable responses were 44 percent and 3 percent respectively.

In **Hong Kong**, 67 percent of respondents across all sectors predict that performance will be good and a further 11 percent excellent. These figures represent a huge improvement over their 2009 equivalents of 38 percent and 2 percent respectively. Employers in the Banking & Financial Services sector are the most confident, with 86 percent forecasting that performance will be good or excellent, more than twice as many as the 41 percent who gave this response in Q1 2009.

At 14 percent, **Singapore** has the highest proportion of respondents across all sectors predicting excellent performance in 2010. A further 64 percent say performance will be good. The comparable figures for Q1 2009 were 3 percent and 44 percent respectively. The Banking & Financial Services sector is especially bullish. More than a quarter of respondents – 26 percent – say that performance will be excellent and a further 61 percent expect it to be good.

Anticipated company performance in 2010



Source: The Hudson Report, Asia - Q1 2010

Rising salary expectations

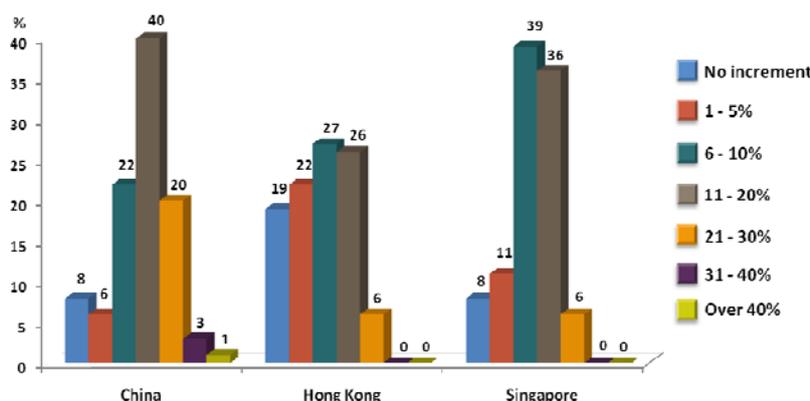
The strong growth in hiring expectations means that most respondents expect to pay higher starting salaries to attract new managerial hires. Salary increases for new managers are likely to be higher in China than in the other markets surveyed.

Across all sectors in **China**, nearly two-thirds of respondents – 64 percent – think they must pay rises of more than 10 percent to attract new managerial hires and 24 percent expect to pay over 20 percent. These figures suggest that the job market is more buoyant than this time last year, when 48 percent forecast rises of more than 10 percent and 17 percent forecast rises of more than 20 percent. The proportion of respondents saying they will pay no increment at all has almost halved, from 15 percent to 8 percent.

Respondents in **Hong Kong** expect to pay lower rises to attract new managerial hires than their counterparts in China and Singapore. Overall, 19 percent say they will pay no increment at all, more than twice as many as in the other markets. However, 32 percent say they must pay more than 10 percent, nearly three times as many as the 11 percent who gave this response in Q1 2009.

In **Singapore**, 42 percent of respondents across all sectors expect to have to increase starting salaries by more than 10 percent to recruit the candidates they want. This compares with 34 percent in Q1 2009.

Average pay increase to attract new managerial hires



Source: The Hudson Report, Asia - Q1 2010

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Hudson is a leading provider of permanent recruitment, contract professionals and talent management services worldwide. From single placements to total outsourced solutions, Hudson helps clients achieve greater organisational performance by assessing, recruiting, developing and engaging the best and brightest people for their businesses. The company employs nearly 2,500 professionals serving clients and candidates in more than 20 countries. More information is available at hudson.com.

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 current 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 or non-core 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; 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.