

For Immediate Release

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Employee Confidence Reaches Annual Low in December

Hudson Employment IndexSM Drops 1.3 Points; Annual Comparison Reveals Greater Optimism Heading Into New Year

New York, January 5, 2005 – The *Hudson Employment IndexSM* fell 1.3 points in December to 103.6, its lowest reading of 2004. Key attributing factors included a drop in worker ratings of personal finances and increased expectations of staff cuts. However, the *Index* has risen 3.6 points year over year, reflecting an overall improvement in worker outlook compared to December 2003.

While national hiring expectations held at the same level as the previous month (31 percent), optimism about hiring among private-sector employees declined two points to 35 percent in December. Still, both of these figures reflect increases over last year's levels. Men were significantly more confident about their companies' hiring plans than women (34 percent vs. 26 percent), as were higher earners. Only 27 percent of employees earning between \$20,000-\$40,000 a year anticipated increased hiring in their firms, compared to 46 percent of employees earning over \$100,000 a year.

The percentage of U.S. workers who expect staff layoffs and those worried about losing their own jobs both increased a percentage point to 19 percent in December. By comparison, a year ago, 17 percent expected layoffs and 20 percent were worried about losing their own jobs.

The percentage of workers rating their personal finances as excellent or good dropped two points to 43 percent. Further, 37 percent of workers reported that their finances are getting worse, a one-point increase since November. While ratings are generally higher than last year, signaling increased prosperity, the outlook for personal finances is more pessimistic than a year ago.

Percentage of respondents who say their companies are hiring in coming months:

	Dec '03	Jan '04	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
All Workers	29	31	31	33	33	32	34	33	33	32	34	31	31
Managers	32	33	32	35	35	33	36	34	34	33	35	32	33
Private-Sector Employees	32	36	36	38	39	39	39	39	39	38	39	37	35

“Despite the fact that the workforce has lowered its hiring expectations and has lingering financial concerns, future employment prospects look promising,” said Jeff Anderson, senior vice president, Hudson Global Resources, North America. “The number of workers expecting their next jobs to be better increased two percentage points in the last month – and six in the last year – which means that workers still feel there is room for personal career improvement.”

Starting this month, the *Hudson Employment Index* will measure geographic employee confidence in six new cities: Atlanta, Los Angeles, Minneapolis-St. Paul, Philadelphia, Tampa and Washington, D.C. It currently segments local market job confidence in Boston, Chicago, Dallas, New York, and San Francisco. The *Hudson Employment Index* will also measure employee confidence segmented by age, gender, race and compensation levels.

Hudson, one of the world’s leading professional staffing, outsourcing and human capital solution providers, publishes the *Hudson Employment Index*, a monthly measure of U.S. workforce confidence in the employment market. Next month’s *Hudson Employment Index* will be released on February 2, 2005.

The Hudson Employment Index

The *Hudson Employment Index* (Hudson-Index.com) measures the U.S. workforce’s confidence in the employment market. Based upon monthly telephone surveys with approximately 9,000 U.S. workers, the *Index* tracks aggregate employment trends around career opportunities, hiring intentions, job satisfaction and retention. The *Index* is compiled each month by Rasmussen Reports, LLC, an independent research firm (RasmussenReports.com).

Data reported in this release is based upon a national telephone survey of 9,224 working Americans during the month of December. The margin of sampling error for a survey based upon this many interviews is approximately 1 percent with a 95 percent level of confidence. The data is not seasonally adjusted. It will be reviewed at year-end to determine if seasonal adjustments are appropriate. The *Hudson Employment Index* is a service mark owned by Hudson Highland Group, Inc.

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Special Note: Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995: Except for historical information contained herein, the statements made in this release constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements involve certain risks and uncertainties, including statements regarding the company's strategic direction, prospects and future results. Certain factors, including factors outside of our control, may cause actual results to differ materially from those contained in the forward- looking statements, including economic and other conditions in the markets in which we operate, risks associated with acquisitions, competition, seasonality and the other risks discussed in our Form 10-K and our other filings made with the Securities and Exchange Commission, which discussions are incorporated in this release by reference.

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