

For Immediate Release

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Worker Confidence Falls to Lowest Level in a Year and a Half

Hudson Employment IndexSM Drops 2.5 Points in May

New York, June 1, 2005 – Confidence among U.S. workers weakened in May as the *Hudson Employment IndexSM* declined 2.5 points from 102.4 to 99.9, due to increased concerns about personal finances, hiring intentions and job loss. The *Index* fell below its December, 2003, base of 100.0 for the first time in its history. The latest reading is also significantly lower than one year ago, when it was 104.0.

Workers continue to be concerned about their personal finances, as they have been for the last few months. The percent of workers expecting their financial situation to improve fell two points in May to 39 percent, while the number anticipating it would worsen rose two points to 42 percent. More workers are pessimistic than optimistic about their finances for the first time in over a year.

Additionally, workers are worried about their firms' hiring plans. Nearly one-fifth (19 percent) of the workforce expects their organizations to lay off staff in the coming months, up from 17 percent in March and April. Similarly, the percent of workers nervous about losing their own jobs rose to its highest level in more than a year at 22 percent. The number of workers who expect their firms to hire was essentially unchanged this month.

Despite workers' concerns, optimism continues to climb among managers. The percent anticipating their companies will hire in the coming months rose two points to 35 percent, while the percent expecting layoffs dropped a point to 18 percent. Managers in the private sector were even more bullish as the number predicting increased hiring climbed from 44 percent last month to 48 percent in May.

“There appears to be a significant divide between workers' and managers' perceptions when it comes to their employers' hiring plans,” said Jeff Anderson, senior vice president, Hudson, North America. “While government reports and Hudson's business both indicate that certain sectors are experiencing a slight increase in layoffs due to seasonal factors, many industries continue to grow. Management needs to communicate the prospects for growth and state of their business – whether positive or negative – to keep staff informed and engaged.”

Younger workers and those earning less than \$40,000 per year also saw a considerable decline in optimism, with job loss cited as a primary concern among these two groups.

| | All Workers | Private Sector Managers | 20 - 40K salary | 75 -100K salary | Ages 18-29 | Ages 40-49 |
|---------------------------------|-------------|-------------------------|-----------------|-----------------|------------|------------|
| Personal finances getting worse | 42% | 38% | 50% | 33% | 42% | 43% |
| Expect lay-offs | 19% | 16% | 22% | 17% | 20% | 21% |
| Concerned about job security | 22% | 17% | 27% | 15% | 26% | 23% |

*A more detailed data report is available at www.hudson-index.com.

With the release of the latest *Index*, Hudson has launched an updated website with easier access to metro market and industry data. The URL remains www.hudson-index.com.

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 July 6, 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 data is compiled each month by Rasmussen Reports, LLC, an independent research firm (RasmussenReports.com).

Survey results are segmented by eleven metropolitan cities and four industries. The metro markets are: Atlanta, Boston, Chicago, Dallas, Los Angeles, Minneapolis-St. Paul, New York, Philadelphia, San Francisco, Tampa, and Washington, D.C. Industry sectors surveyed are accounting and finance, healthcare, information technology, and manufacturing. The *Hudson Employment Index* also measures employee confidence by age, gender, race and compensation levels.

Data reported in this release is based upon a national telephone survey of 9,298 working Americans during the month of May. 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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