

For Immediate Release

Contact: Nikki Leonardi
Hudson
(813) 890-7521
nikki.leonardi@hudson.com

Sarah Kafenstok
Ogilvy Public Relations
(312) 397-6025
sarah.kafenstok@ogilvypr.com

Worker Confidence Holds Steady Even as Layoff Concerns Drop

Hudson Employment IndexSM Edges Up .7 Points in July

New York, August 3, 2005 – Confidence among U.S. workers rose for the second straight month as concerns about layoffs matched previous *Hudson Employment IndexSM* lows. Additionally, concerns about job security fell slightly. The July measure of worker confidence in the labor market moved ahead to 103.7 from 103.0 in June. Despite the latest increase, the current reading is substantially lower than one year ago, when it was 108.1.

While the percent of workers expecting hiring held steady in July at 31 percent, those anticipating layoffs dropped a point to 16 percent. This is the lowest reading for this factor over the last year, matching results from October 2004 and January 2005. In addition, fewer workers were concerned about job loss in July – that figure dropped one point to 20 percent. This was particularly true for workers at companies with 250+ employees, as they reported substantially fewer layoffs and preoccupations surrounding job security.

“Considering the time of year, the July *Index* points to good news for the job market,” said Jeff Anderson, senior vice president, Hudson, North America. “Summer tends to be the slow season for hiring, yet worker views of the market this year seem fairly strong, mirroring the recent Bureau of Labor Statistics report that fewer companies are laying off employees.”

The *Index* is down from one year ago, primarily because workers this year are less optimistic about their personal finances and their employers’ hiring plans. However, the percent of workers happy with their job is up four points from July 2004 –74 percent compared to 70 percent.

Confidence fell among managers in July, particularly those in the private sector, who reported less optimism towards their personal finances and a decrease in anticipated hiring. However, similar to the overall workforce, fewer managers expected layoffs in the coming months.

| | All Workers July 2005 | All Workers July 2004 | Workers at Companies 500+ | Private Sector Managers |
|---------------------------------|--------------------------|--------------------------|------------------------------|----------------------------|
| Expect hiring | 31 % | 33 % | 41 % | 40 % |
| Expect lay offs | 16 % | 17 % | 19 % | 17 % |
| Concerned about job security | 20 % | 18 % | 20 % | 23 % |
| Happy with current position | 74 % | 70 % | 76 % | 76 % |

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

With the release of a recent *Index*, Hudson launched an updated website with easier access to metro market and occupational sector 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 August 31, 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 9,318 working Americans during the month of July. 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.

Hudson

Hudson delivers specialized professional staffing, outsourcing and human capital solutions worldwide. From single placements to total solutions, the firm attracts, selects and develops talent to meet the specific business needs of each client. Global practice areas include Accounting & Finance; Engineering, Operations & Scientific; Human Resources; IT & Telecommunications; Legal; and Sales & Marketing.

Hudson is a division of Hudson Highland Group, Inc. (NASDAQ: HHGP) one of the world's leading professional staffing, retained executive search and human capital solution providers. More information is available at Hudson.com.

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.

###