

From great people to great performance



Hudson Highland Group

Investor Presentation

September 2007



Forward Looking Statements

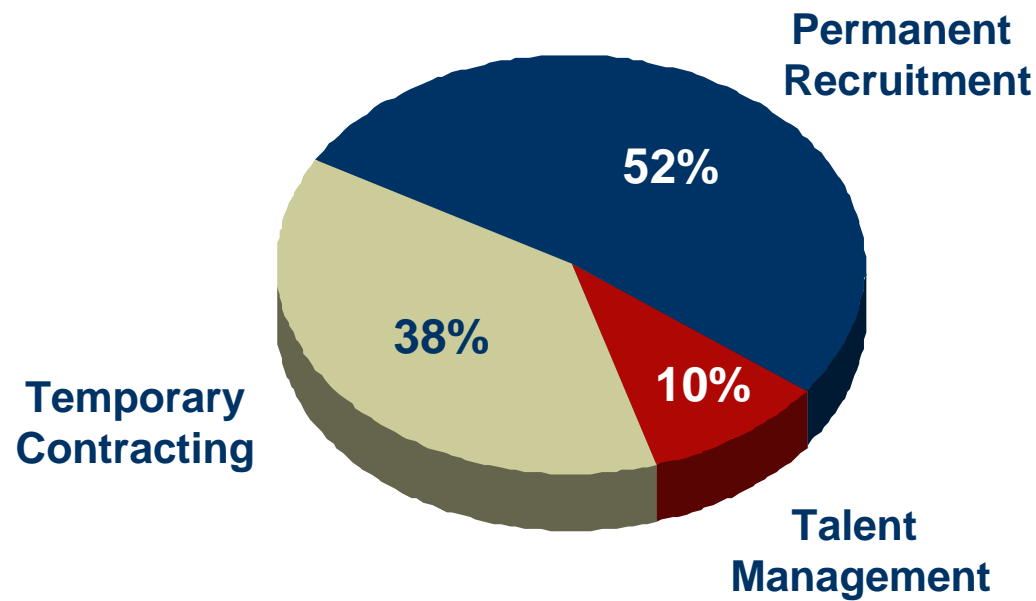
Please be advised that except for historical information, the statements made during this presentation and in these slides constitute forward-looking statements under applicable securities laws. Such forward-looking statements involve certain risks and uncertainties, including statements regarding the 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, dispositions of non-strategic assets, competition, seasonality and the other risks discussed in our filings made with the Securities and Exchange Commission. These forward-looking statements speak only as of the date of this presentation. 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.

Hudson Highland Group

- Hudson Highland represents the consolidation of 67 acquisitions by former parent (54 acquisitions related to Hudson, 13 related to Highland)
- Hudson Highland spun out from Monster Worldwide April 1, 2003
- Divested Highland Partners in October 2006
- Hudson delivers global permanent recruitment, contract staffing and talent management services
- Worldwide capabilities from over 100 offices in 25 countries
- Approximately 3,600 employees

Diversified global operations

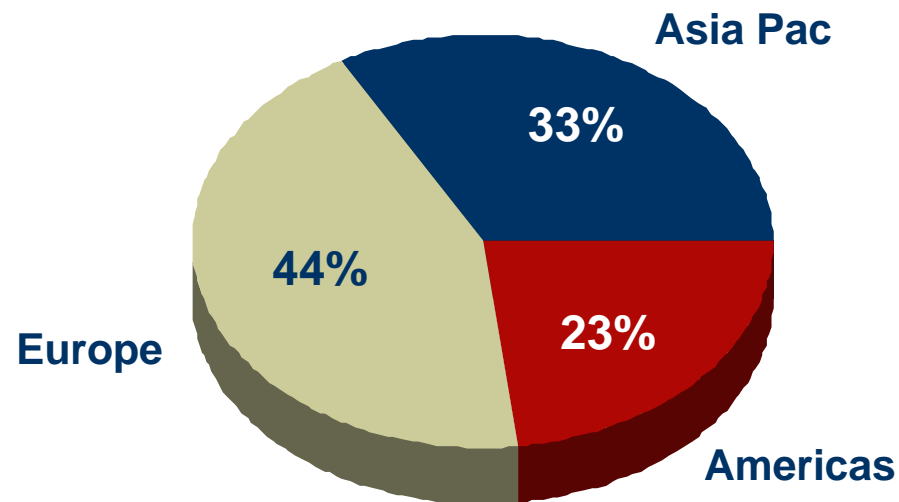
2006 Gross Margin Product Mix



2006 Gross Margin totaled \$495M

Diversified global operations

2006 Gross Margin Geographic Mix



2006 Gross Margin totaled \$495M

Our strategic focus is simple

Hudson

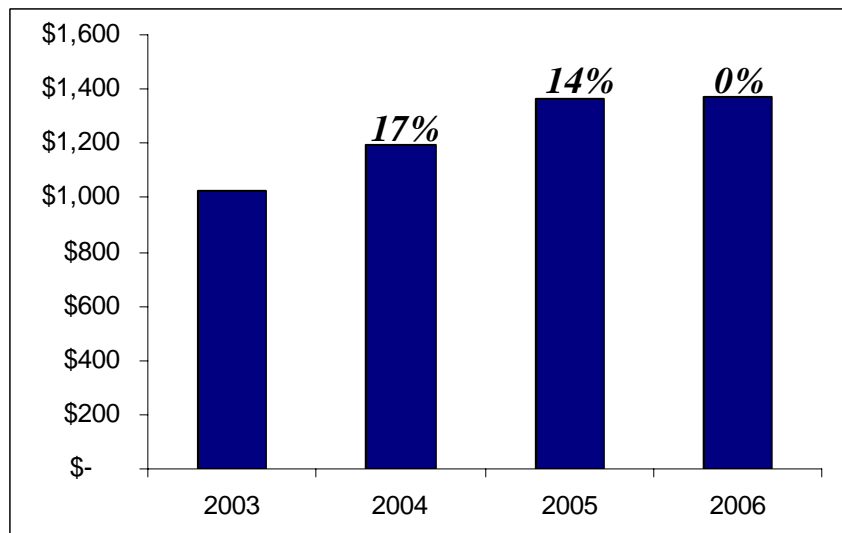
Specialized Professional Resources

- Specialized
 - Defined as service with knowledge and insight as to candidate skills and/or client sectors, with meaningful brand positioning as an “expert”
 - Focused on higher margins specializations due to scarcity of resources
- Professional
 - Candidates with degrees (accounting, law, IT) or specific skills, and excludes industrial, clerical and general technical
- Resources
 - Includes permanent recruitment, temporary contracting, project staffing and also services that differentiate Hudson – skills identification and selection

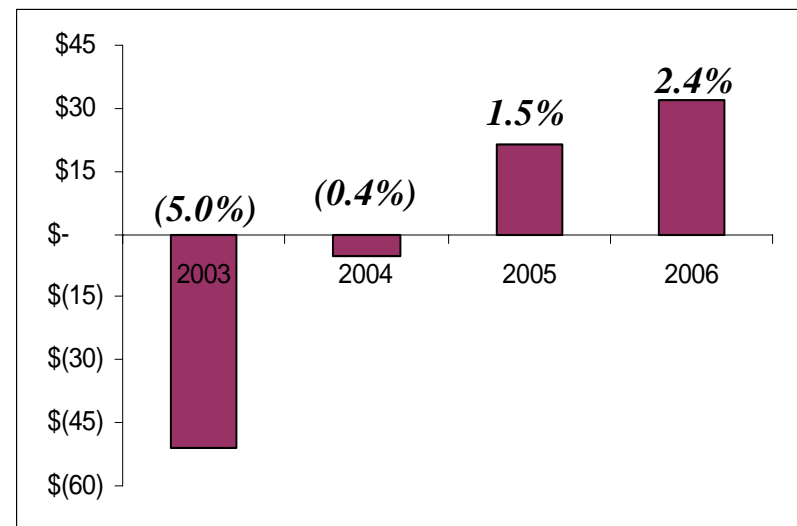
Revenue and EBITDA progress since spin

\$US in Millions

Revenue
(Revenue growth)



Adjusted EBITDA
(As % of Revenue)



Adjusted EBITDA is a non-GAAP measure defined as earnings before interest, income taxes, depreciation, amortization, and also excludes merger and integration costs, business reorganization, and impaired goodwill. A reconciliation of EBITDA to operating income (loss) is included in the presentation.

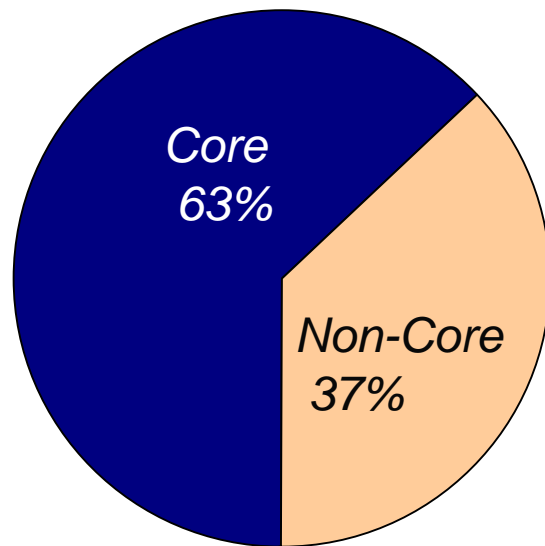
Keys to unlocking profitability & value

- Narrow our focus, divest non-core assets
- Focus on Professional Staffing in functions of IT, Accounting & Finance and Legal
- Improve productivity and efficiency
- These actions help raise operating margins and net income

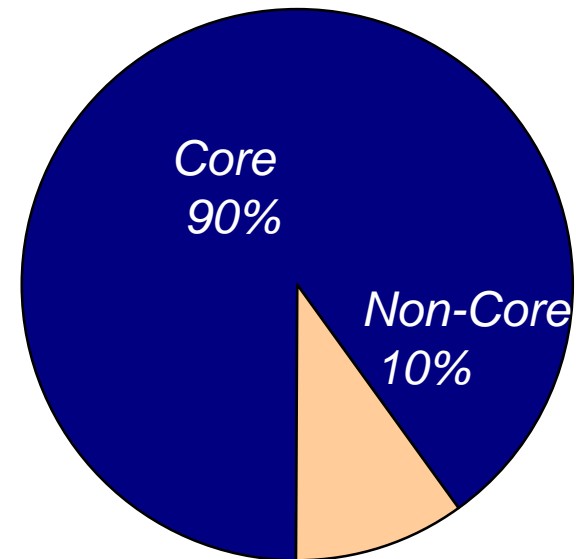
Narrowing our focus

Hudson Highland Gross Margin

2005



Projected*



** Projected data assumes the company is able to divest the non-core assets referenced in our February 7, 2007 shareholder letter, and later in this presentation.*

Specialization and brand positioning

- Expand high margin professional contracting as a greater proportion of revenue – impact on revenue growth
- Expand the North America business unit
- Create a Global Identity with clients and candidates through brand positioning
 - Global and Local specializations
 - Talent management
 - Candidate focus

What differentiates Hudson?

- Higher component of perm placement GM than our peers
- International scope
- Historical and current financial results leave good opportunities for improvement
- In a services business like recruiting, our people and our values ultimately define us in the marketplace on a daily basis

Observations on our North American market

- North America is the most receptive economy to recruitment services
- Our North American unit is not yet comparable to our competitors
- I am serving as the interim market leader to:
 - Regain confidence
 - Drive accountability
 - Drive focus
 - Guide differentiation
- Keys to this are better communication and better tools
- As we get the PeopleSoft technical issues behind us, we need the rest of the year to get some legacy practices behind us

From great people to great performance



Financial and Operational Update



Key Financial Messages

- Earnings
- Cash

Hudson Highland Group

Recent Update

- 2006 was a year that tested our resilience
- Hudson Americas had a weak first half of 2006:
 - Implementation problems with PeopleSoft
 - Weaker results in IT and Aerospace & Defense practice groups
 - Tackling issues to improve ops reporting and streamline manually-intensive processes required a Q1 2006 restatement
- Consolidated EBITDA improved 32% from 2005 on stronger results in second half of 2006
- Progress continued into Q2 2007 with significant improvement from prior year but further work remains

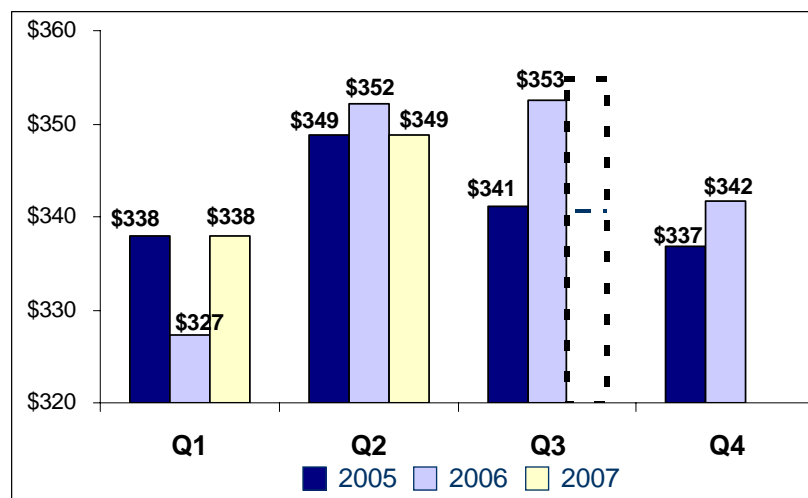
Update on 2007

- Delivered strongest Q1 and Q2 EBITDA result since spin
 - Q2 07 gross margin growth of 7% vs. Q2 06 on slight revenue decline
 - International is making good strides in Q2 adjusted EBITDA margin, with Hudson Europe at 8.7% and Hudson Asia Pac at 8.3%
- Q3 adjusted EBITDA guidance of \$9-12M driven by:
 - Legal projects ending late in Q2
 - Reorganizations in Financial Solutions and Perm
 - Project timing between Q3 and Q4
- We now expect to be in upper half of our adjusted EBITDA guidance range, due to stronger July and August, particularly in North America
 - Legal pipeline conversion was good, though some short term projects
 - Benefits from reorganizing Financial Solutions coming through
 - IT successful in expanding its GM in some markets

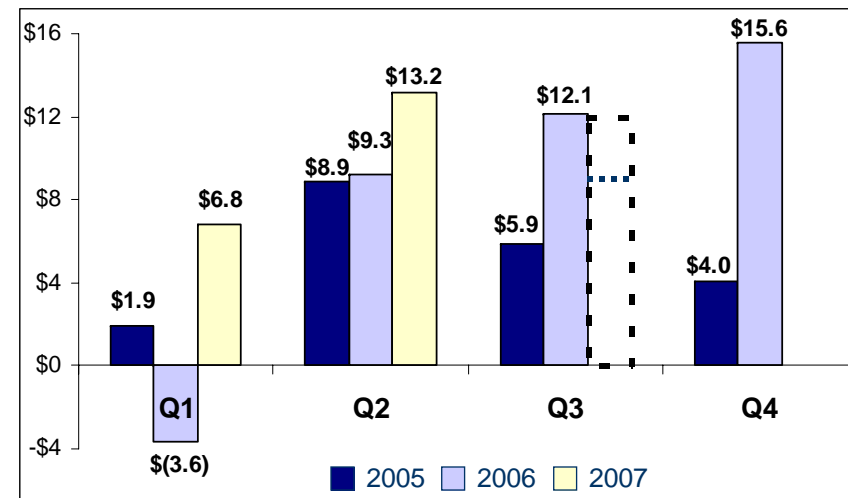
Quarterly Comparison, 2005 - 2007

\$US in Millions

Revenue



Adjusted EBITDA



Q3 2007 Guidance:

Revenue of \$340 – \$355M, given prevailing exchange rates

Adj EBITDA of \$9 – \$12M

Guidance as presented July 25, 2007 in the Q2 2007 earnings release.

Adjusted EBITDA is a non-GAAP measure defined as earnings before interest, income taxes, depreciation, amortization, and also excludes merger and integration costs, business reorganization, and impaired goodwill. A reconciliation of EBITDA to operating income (loss) is included in the presentation.

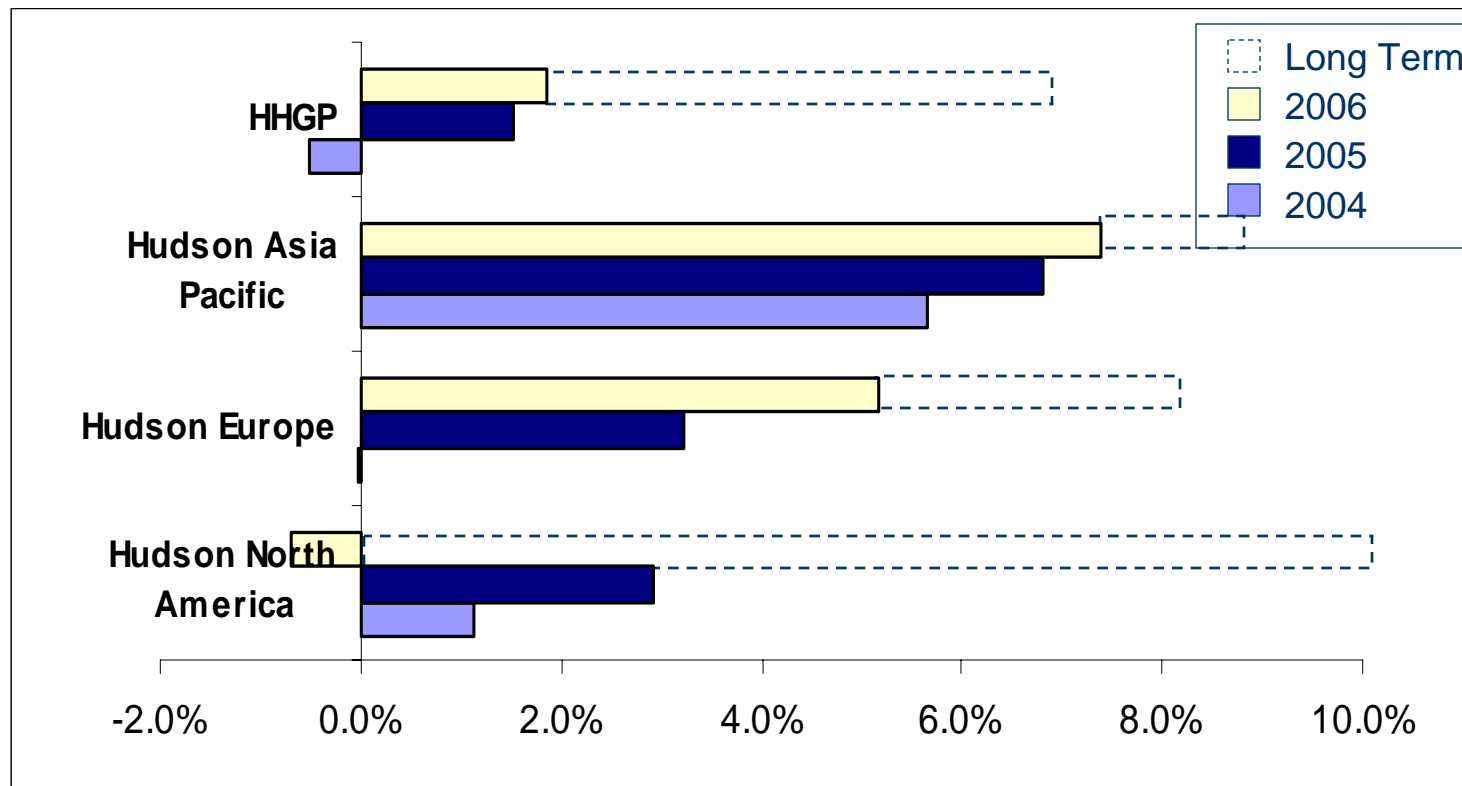
Unlocking profitability, financially

- Operating Leverage
 - Focus on higher margin business while lowering cost structure is the main key to EBITDA progress
- Divesting non-core, lower margin businesses and assets
 - Improves our allocation of resources
 - Lower trading multiples than our current multiple: 2-6x on a combination of proceeds and liquidated retained assets
 - Divestitures allow us to unlock the cost structure

Cash Flow

- 2006 cash flow from operations significantly improved at \$36M
 - Up from 2005 cash flow from operations of (\$26M)
- We consider cash flow as important as earnings – main drivers are focus on DSO and overall working capital management
- Q2 2007 cash flow from operations was \$20M, up from \$2.2M in Q2 06 and \$8.4M in Q2 05
 - Net cash of \$56.7 million at end of Q2 07
- In July 2007, we paid \$30.5 million in acquisition earn outs commensurate with performance

Our long term EBITDA margin goal remains 7-10%



EBITDA is a non-GAAP measure defined as earnings before interest, income taxes, depreciation and amortization. A reconciliation of EBITDA to operating income (loss) is included in the presentation.



*From great people
to great performance*

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Selected Financials, Q2

\$US in Millions

	<u>Q2 07</u>	<u>Q2 06</u>	<u>Var (\$)</u>	<u>Var (%)</u>
Revenue	349	352	(3)	(0.9%)
Gross Margin	138	129	9	7.0%
SG&A	124	119	5	4.2%
Adj EBITDA ⁽¹⁾	13	9	4	42.7%
EBITDA ⁽¹⁾	12	9	3	36.9%
Gross Margin %	39.4%	36.5%		
Temp GM %	18.6%	17.9%		

- (1) Adjusted EBITDA is a non-GAAP measure defined as earnings before interest, income taxes, depreciation, amortization, and also excludes merger and integration costs, business reorganization, and impaired goodwill. EBITDA is a non-GAAP measure defined as earnings before interest, income taxes, depreciation and amortization.

Selected Financials, Full Year

\$US in Millions

	<u>2006</u>	<u>2005</u>	<u>Var (\$)</u>	<u>Var (%)</u>
Revenue	1,373	1,365	9	0.6%
Gross Margin	495	477	18	3.8%
SG&A	461	456	5	1.2%
Adj EBITDA ⁽¹⁾	33	21	13	60.6%
EBITDA ⁽¹⁾	27	20	7	32.5%
Gross Margin %	36.0%	34.9%		
Temp GM %	17.9%	18.0%		

(1) EBITDA is a non-GAAP measure defined as earnings before interest, income taxes, depreciation and amortization. A reconciliation of EBITDA to operating income (loss) follows.

Balance Sheet

As of 6/30/07, \$US in Millions

Assets

Cash	57
Accounts Receivable	226
Other Current Assets	16
<i>Total Current Assets</i>	299
Net PP&E	28
Intangibles	45
Other Assets	6
<i>Total Assets</i>	378

Liabilities and Equity

Accounts Payable	32
Accrued Expenses	133
ST Borrowings, Current Portion LTD	0
Accrued Integration and Reorg Costs	4
<i>Total Current Liabilities</i>	169
Long-term Liabilities	17
LT Accrued Integration and Reorg Costs	6
LT Debt, less Current Portion	0
Shareholders' Equity	186
<i>Total Liabilities and Equity</i>	378

EBITDA Reconciliation, Full Year

\$US in Millions

2006	Hudson				Total
	Americas	Europe	Asia Pac	Corp	
Adjusted EBITDA ⁽¹⁾	1	27	33	(28)	33
Reorg expense	2	3	1	1	6
M&I expense	0	0	(0)	-	0
EBITDA (1)	(2)	25	32	(28)	27
D&A	6	7	3	3	20
Operating income (loss)	(8)	17	29	(32)	7

2005	Hudson				Total
	Americas	Europe	Asia Pac	Corp	
Adjusted EBITDA ⁽¹⁾	13	16	30	(37)	21
Reorg expense	1	(0)	0	-	1
M&I expense	(0)	-	(0)	-	(0)
EBITDA (1)	12	16	30	(37)	20
D&A	5	5	7	1	17
Operating income (loss)	7	11	23	(38)	3

2004	Hudson				Total
	Americas	Europe	Asia Pac	Corp	
Adjusted EBITDA ⁽¹⁾	5	0	23	(33)	(5)
Reorg expense	1	0	(0)	-	1
M&I expense	(0)	0	(0)	-	0
EBITDA ⁽¹⁾	4	(0)	23	(33)	(6)
D&A	5	5	6	2	18
Operating income (loss)	(2)	(5)	17	(35)	(25)

2003	Hudson				Total
	Americas	Europe	Asia Pac	Corp	
Adjusted EBITDA ⁽¹⁾	(13)	(13)	6	(31)	(51)
Goodwill impairment	55	129	11	-	195
Reorg expense	2	10	4	0	16
M&I expense	(0)	3	(0)	-	3
EBITDA ⁽¹⁾	(70)	(154)	(9)	(31)	(265)
D&A	4	4	6	3	17
Operating income (loss)	(74)	(159)	(15)	(34)	(282)

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EBITDA Reconciliation, Q1

\$US in Millions

Q1 2007

	Hudson				Total
	Americas	Europe	Asia Pac	Corp	
Adjusted EBITDA ⁽¹⁾	(0)	7	6	(6)	7
Reorg expense	1	2	0	(0)	3
M&I expense	-	-	-	-	-
EBITDA ⁽¹⁾	(1)	5	6	(6)	4
D&A	1	2	1	0	4
Operating income (loss)	(2)	3	5	(6)	(0)

Q1 2005

	Hudson				Total
	Americas	Europe	Asia Pac	Corp	
Adjusted EBITDA ⁽¹⁾	2	3	7	(10)	2
Reorg expense	1	(0)	-	-	1
M&I expense	(0)	-	-	-	(0)
EBITDA ⁽¹⁾	2	3	7	(10)	1
D&A	1	1	2	0	5
Operating income (loss)	1	2	4	(10)	(3)

Q1 2006

	Hudson				Total
	Americas	Europe	Asia Pac	Corp	
Adjusted EBITDA ⁽¹⁾	(6)	6	5	(8)	(4)
Reorg expense	-	-	-	-	-
M&I expense	-	-	-	-	-
EBITDA ⁽¹⁾	(6)	6	5	(8)	(4)
D&A	2	2	1	0	4
Operating income (loss)	(7)	4	4	(8)	(8)

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EBITDA Reconciliation, Q2

\$US in Millions

Q2 2007	Hudson				
	Americas	Europe	Asia Pac	Corp	Total
Adjusted EBITDA ⁽¹⁾	(1)	11	10	(7)	13
Reorg expense	(0)	(0)	0	2	2
M&I expense	(0)	-	-	-	(0)
EBITDA ⁽¹⁾	(1)	11	10	(8)	12
D&A	1	2	1	0	4
Operating income (loss)	(2)	9	9	(8)	8

Q2 2005	Hudson				
	Americas	Europe	Asia Pac	Corp	Total
Adjusted EBITDA ⁽¹⁾	3	6	10	(9)	9
Reorg expense	(0)	-	-	-	(0)
M&I expense	0	-	-	-	0
EBITDA ⁽¹⁾	3	6	10	(9)	9
D&A	1	1	2	0	4
Operating income (loss)	2	5	8	(9)	5

Q2 2006	Hudson				
	Americas	Europe	Asia Pac	Corp	Total
Adjusted EBITDA ⁽¹⁾	(1)	8	10	(7)	9
Reorg expense	0	(0)	0	0	1
M&I expense	0	-	-	-	0
EBITDA ⁽¹⁾	(2)	8	9	(7)	9
D&A	1	2	1	0	4
Operating income (loss)	(3)	6	9	(7)	4

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EBITDA Reconciliation, Q3

\$US in Millions

Q3 2006	Hudson				Total
	Americas	Europe	Asia Pac	Corp	
Adjusted EBITDA ⁽¹⁾	4	5	11	(7)	12
Reorg expense	1	1	0	0	2
M&I expense	0	0	-	-	0
EBITDA ⁽¹⁾	3	4	11	(8)	10
D&A	1	2	1	0	4
Operating income (loss)	1	3	10	(8)	6

Q3 2005	Hudson				Total
	Americas	Europe	Asia Pac	Corp	
Adjusted EBITDA ⁽¹⁾	4	3	8	(10)	6
Reorg expense	-	-	-	-	-
M&I expense	-	-	-	-	-
EBITDA ⁽¹⁾	4	3	8	(10)	6
D&A	2	1	1	0	4
Operating income (loss)	2	2	7	(10)	2

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EBITDA Reconciliation, Q4

\$US in Millions

Q4 2006	Hudson				Total
	Americas	Europe	Asia Pac	Corp	
Adjusted EBITDA ⁽¹⁾	4	9	8	(6)	16
Reorg expense	0	2	1	0	3
M&I expense	0	-	(0)	-	0
EBITDA ⁽¹⁾	4	7	7	(6)	12
D&A	3	2	1	3	8
Operating income (loss)	1	5	7	(9)	4

Q4 2005	Hudson				Total
	Americas	Europe	Asia Pac	Corp	
Adjusted EBITDA ⁽¹⁾	4	3	5	(8)	4
Reorg expense	-	0	0	-	0
M&I expense	-	-	(0)	-	(0)
EBITDA ⁽¹⁾	4	3	5	(8)	4
D&A	1	2	1	0	4
Operating income (loss)	3	2	4	(8)	(0)

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