

From great people to great performance



Hudson Highland Group

February 24, 2005



Forward Looking Statements

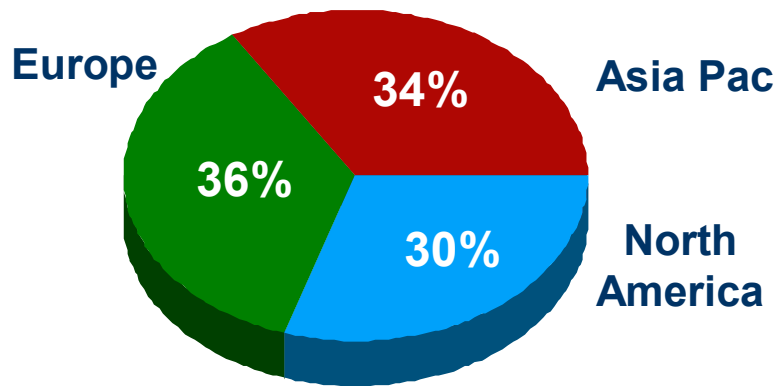
Please be advised that except for historical information, the statements made during this presentation and in these slides constitute forward-looking statements under applicable securities laws. Such forward-looking statements involve certain risks and uncertainties, including statements regarding the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

Hudson Highland Group Today

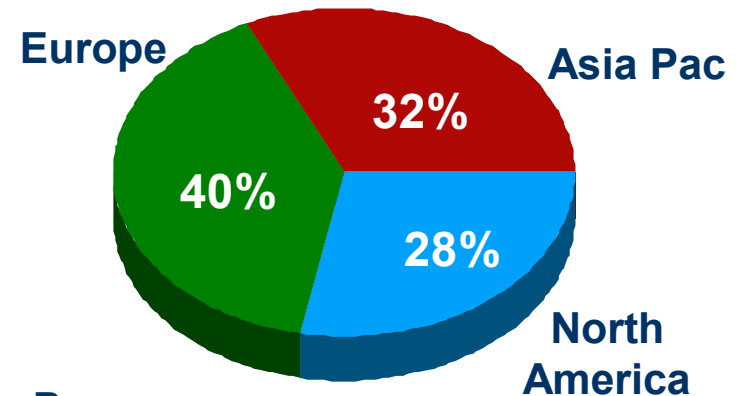
- Leading permanent recruiter globally, also offering professional staffing, retained executive search and employment lifecycle solutions
- 67 acquisitions, spun-off from Monster Worldwide on April 1, 2003 with new management team
- Focus on growing specialty staffing, including Accounting & Finance, Legal, IT, and expanding HCS offerings
- Q4 2004 gross margin mix:
Perm (56%), Temp (34%), HCS (10%)
- Q4 2004 gross margin by segment:
Hudson (88%), Highland (12%)

Diversified Global Operations

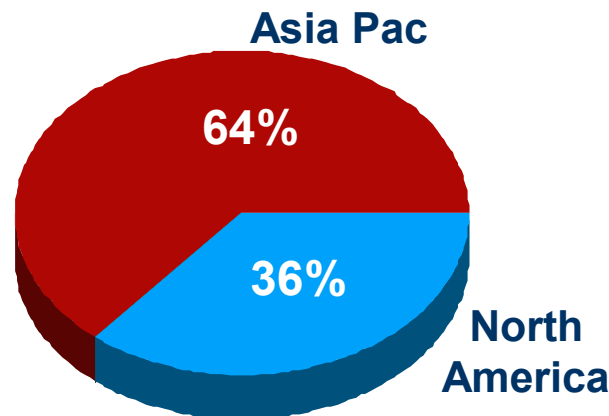
2004 Revenue
\$1.256 B



2004 Gross Margin
\$470.2 M



2004 Adj EBITDA ⁽¹⁾
\$1.0 M



(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. A reconciliation of Adjusted EBITDA to operating loss is contained on page 12.

Regional Update

Hudson North America

- Strong growth in 2004 after ramping up staff
- Significant decline in staff turnover
- Continued strong growth opportunity

Hudson Europe

- New leadership
- Developing consistent offerings across region
- Slower growth environment, shifting business mix

Regional Update

Hudson ANZ

- Excellent productivity improvements in 2004
- Improving value proposition for clients
- Internal career path development to improve retention
- Focus on continued profitability

Hudson Asia

- Excellent growth in 2004
- Market leadership position in Singapore, Shanghai
- Strong growth market, smaller presence

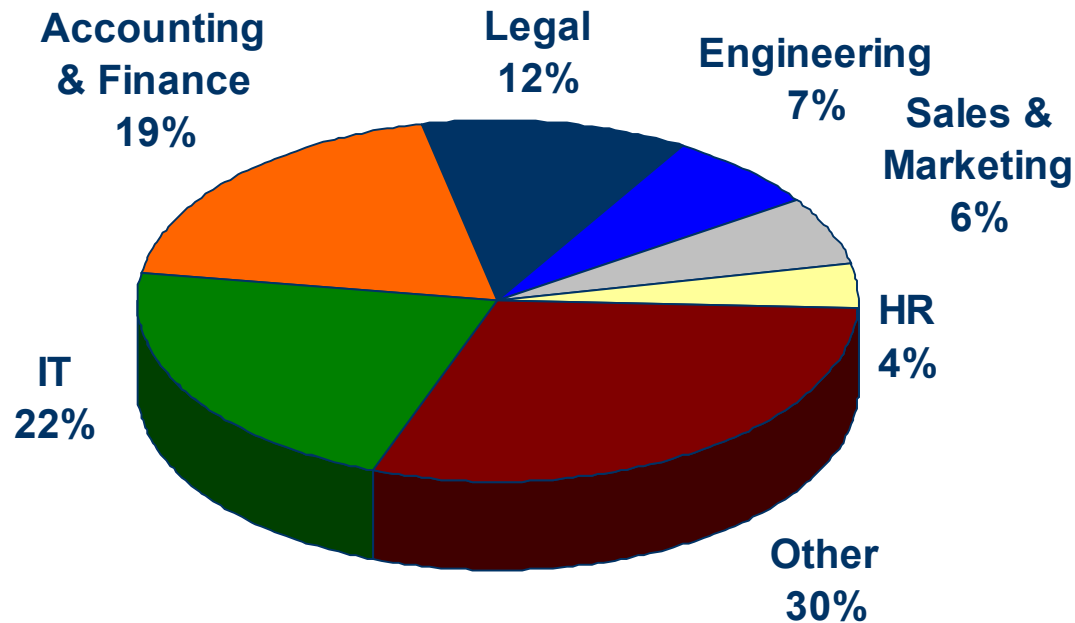
Regional Update

Highland Partners

- Successfully repositioned to leading global boutique
- Average billings per partner near \$1m in 2004
- Primary focus on profitability

Diversified Global Operations

Specialization in Hudson's Major Markets (Represents 2004 GM of \$280m)



Includes Hudson North America, UK, and Australia.

"Other" primarily includes Office Services, Technical and Operations, Commercial, and Trade.

Long Term Strategy

From Great People to Great Performance

- Create a More Predictable Business
- Growth in North America
- Increase Proportion of Temp Revenue
 - Continental Europe
- Focus on High Margin Specialty Staffing
- Introduce HCS Products Globally

From great people to great performance



Financial Overview



Selected Financials

\$US in Millions

	<u>2004</u>	<u>2003</u> ⁽¹⁾	<u>Var</u>	<u>%</u>
Revenue	1,256	1,085	171	15.8%
Gross Margin	470	403	67	16.7%
SG&A	469	463	6	1.3%
Adjusted EBITDA ⁽²⁾	1	(60)	61	101.7%
Gross Margin %	37.4%	37.1%		

(1) Q1 results were before the spin-off from Monster Worldwide on April 1, 2003.

(2) 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 Adjusted EBITDA to operating loss is contained on the next page.

Adjusted EBITDA Reconciliation to GAAP

\$US in Millions

	<u>2004</u>	<u>2003</u> ⁽¹⁾
Adjusted EBITDA (2)	1	(60)
Reorg Recovery (Cost)	(3)	(27)
M&I Recovery (Cost)	(1)	(3)
D&A	(20)	(21)
Goodwill Impairment	-	(203)
Operating Income (Loss)	(23)	(314)

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Global Contributions

Adj EBITDA Improvement over 2003 ⁽¹⁾

HH Americas + \$22m

HH Europe + \$21m

HH Asia Pac + \$18m

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Progress in 2004

Consistently Delivering on Our Plan

- Positive Adj EBITDA for the Full Year 2004
- Raised \$30 million in Successful Equity Offering
- Significant Steps to become a more cohesive global business
- First Major Acquisition – JMT
- Returned Highland Partners to Adj EBITDA Profitability
- Operating Metrics Exceeding 2001 Levels Globally
- Significant Progress in Real Estate Portfolio

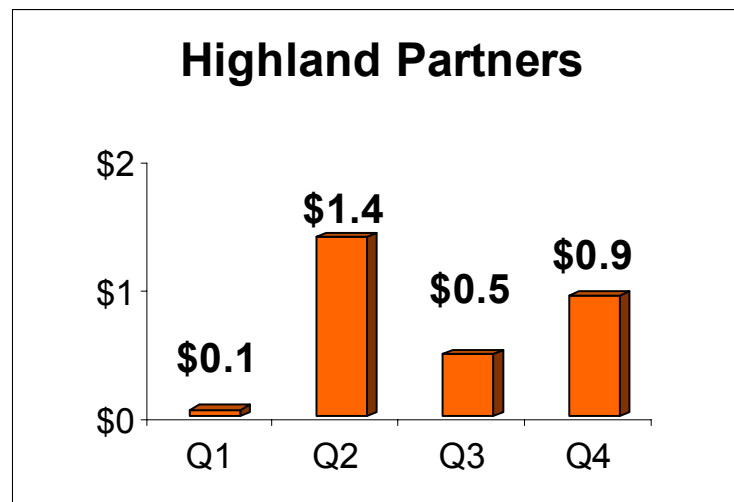
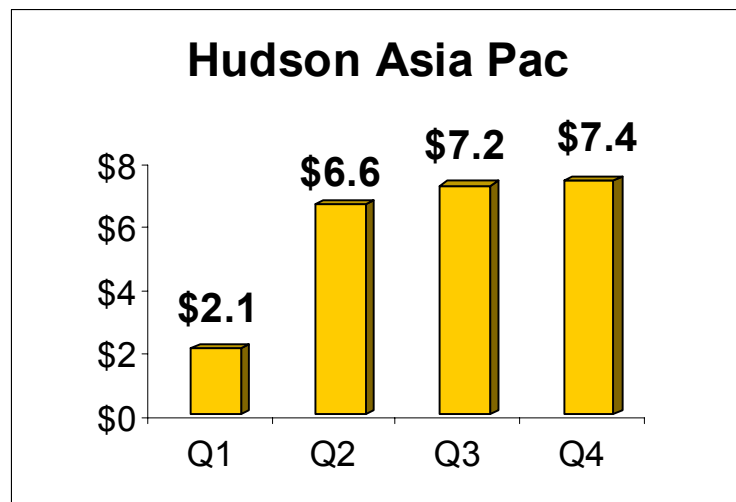
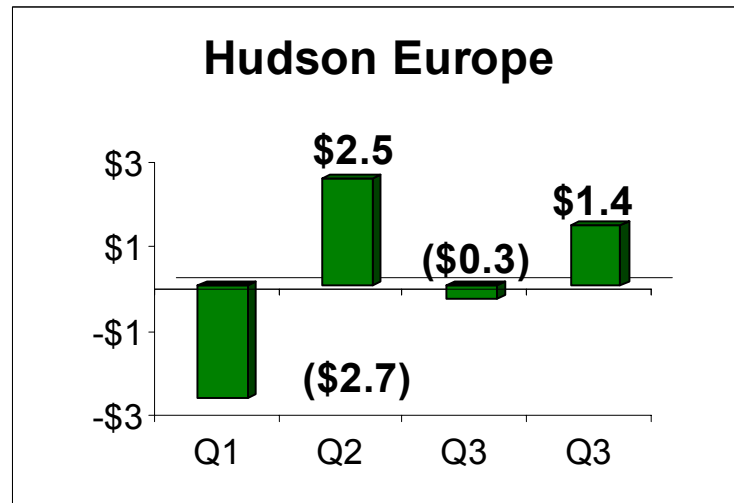
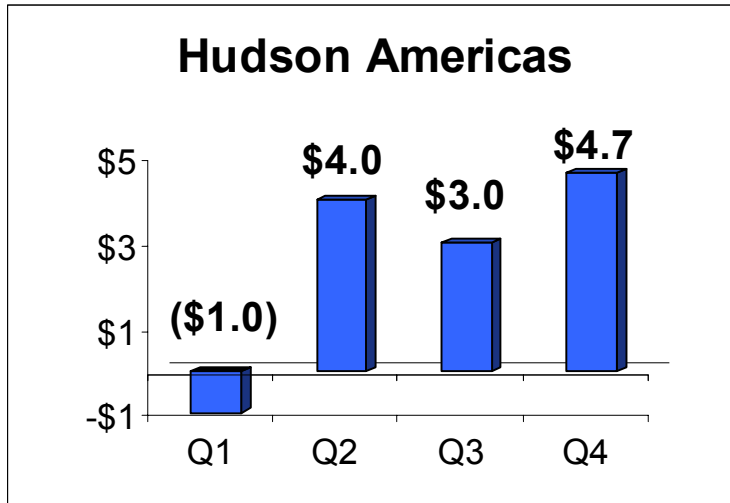
Improved Results in 2004

Initial Efforts Paying Off

- Significant Leverage Exists in our Business Model:
 - Q2 Revenue and GM up 14% from 2003, Adj EBITDA up 145%
 - Q3 Revenue and GM up over 15% from 2003, Adj EBITDA up over \$16m
 - Q4 Revenue and GM up over 20% from 2003, Adj EBITDA up over \$16m

Improving Trends Globally

Adjusted EBITDA (\$US in Millions)



2005 Outlook

Expect to Continue to Make Progress toward our Goals

- Targeting Long Term EBITDA margins of 7 – 10%
- Expect 1.5 – 2% EBITDA margins for FY 2005, given current economic conditions
- Expect 3.5 – 4% EBITDA margins for FY 2006, given current economic conditions
- Expect Q1 2005 to show higher Y/Y revenue, improved operating results, although EBITDA may not reach breakeven

Comments about our Guidance

- Guidance is silent on revenue by design
- Goal is to build a sustainable, profitable business, regardless of revenue growth
- We are selectively targeting areas for growth
- Top line growth will be influenced by:
 - Regional Economies
 - Business Mix
 - Investment Strategy
 - Resource Allocation
 - Behavior Modification
- In some areas, we may become smaller to become better



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Appendix



Selected Financials

\$US in Millions

	<u>Q4 04</u>	<u>Q3 04</u>	<u>Q2 04</u>	<u>Q1 04</u>	<u>Q4 03</u>	<u>Q3 03</u>	<u>Q2 03</u>	<u>Q1 03</u> ⁽¹⁾
Revenue	344	315	307	290	285	272	269	259
Gross Margin	129	116	118	106	104	98	104	98
SG&A	123	115	113	117	115	114	116	119
Adjusted EBITDA ⁽²⁾	6	1	6	(11)	(11)	(16)	(12)	(22)
Gross Margin %	37.5%	37.0%	38.5%	36.7%	36.4%	36.1%	38.5%	37.6%

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Adjusted EBITDA Reconciliation to GAAP

\$US in Millions

	<u>Q4 04</u>	<u>Q3 04</u>	<u>Q2 04</u>	<u>Q1 04</u>	<u>Q4 03</u>	<u>Q3 03</u>	<u>Q2 03</u>	<u>Q1 03</u> ⁽¹⁾
Adjusted EBITDA (2)	6	1	6	(11)	(11)	(16)	(12)	(21)
Reorg Recovery (Cost)	0	(3)	(0)	(0)	(17)	(3)	1	(8)
M&I Recovery (Cost)	(1)	0	-	0	(2)	0	(0)	(1)
D&A	(6)	(4)	(5)	(5)	(6)	(5)	(5)	(5)
Goodwill Impairment	-	-	-	-	-	(203)	-	-
Operating Income (Loss)	(1)	(7)	1	(16)	(35)	(226)	(17)	(36)

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