

**HUDSON GLOBAL, INC.**

**FULL YEAR & Q4 2012  
EARNINGS CALL**

February 21, 2013

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# Forward Looking Statements

*Please be advised that except for historical information, the comments 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 the impact of the recent economic downturn and other conditions in the markets in which we operate, risks associated with volatility in our revenue, 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.*

# Q4 2012: Consolidated Financial Results

*\$US in Millions, except EPS*

	B+ / W- (2)	Q4 2012	Q4 2011
Revenue	- 17%	\$184.3	\$222.7
	- 18% CC (1)		
Gross Margin	- 21%	\$66.9	\$84.6
	- 22% CC		
SG&A	+ 19%	\$63.8	\$78.4
	+ 19% CC		
Adjusted EBITDA	- 50%	\$3.2	\$6.3
	- 51% CC		
EBITDA	- 41%	\$3.5	\$6.0
	- 43%		
EBITDA, as a % of Revenue		1.9%	2.7%
Net Income (loss)	NM	(\$0.3)	\$3.3
	NM CC		
Diluted EPS		(\$0.01)	\$0.10

(1) CC represents constant currency variance.

(2) B/W indicates whether the result was better (+) or worse (-) than the comparison period.

(3) NM: Not meaningful

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# Q4 2012: Hudson Americas

*\$US in Millions*

	B+ / W- <sup>(1)</sup>	Q4 2012	Q4 2011
Revenue	- 17%	\$39.5	\$47.8
Gross Margin	- 32%	\$9.4	\$13.7
SG&A	+ 29%	\$8.0	\$11.3
Adjusted EBITDA	- 44%	\$1.4	\$2.4
Adjusted EBITDA, as a % of Revenue		3.5%	5.1%

(1) B/W indicates whether the result was better (+) or worse (-) than the comparison period.

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# Q4 2012: Hudson Asia Pacific

*\$US in Millions*

	B+ / W- <sup>(2)</sup>	Q4 2012	Q4 2011
Revenue	- 24%	\$63.5	\$83.2
	- 26% CC <sup>(1)</sup>		
Gross Margin	- 22%	\$26.4	\$33.6
	- 24% CC		
SG&A	+ 16%	\$24.1	\$28.6
	+ 18% CC		
Adjusted EBITDA	- 53%	\$2.3	\$5.0
	- 55% CC		
Adjusted EBITDA, as a % of Revenue		3.7%	6.0%

(1) CC represents constant currency variance.

(2) B/W indicates whether the result was better (+) or worse (-) than the comparison period.

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# Q4 2012: Hudson Europe

*\$US in Millions*

	B+ / W- (2)	Q4 2012	Q4 2011
Revenue	- 11%	\$81.3	\$91.8
	- 11% CC (1)		
Gross Margin	- 16%	\$31.2	\$37.3
	- 16% CC		
SG&A	+ 19%	\$27.7	\$34.4
	+ 19% CC		
Adjusted EBITDA	+ 16%	\$3.5	\$3.0
	+ 21% CC		
Adjusted EBITDA, as a % of Revenue		4.2%	3.2%

(1) CC represents constant currency variance.

(2) B/W indicates whether the result was better (+) or worse (-) than the comparison period.

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# FY 2012: Consolidated Financial Results

*\$US in Millions, except EPS*

	B+ / W- (2)	2012	2011
Revenue	- 17%	\$777.6	\$933.7
	- 16% CC (1)		
Gross Margin	- 20%	\$284.9	\$354.3
	- 18% CC		
SG&A	+ 16%	\$277.4	\$329.9
	+ 14% CC		
Adjusted EBITDA	- 69%	\$7.5	\$24.4
	- 69% CC		
EBITDA	- 100%	\$0.1	\$23.6
	- 100%		
EBITDA, as a % of Revenue		0.0%	2.5%
Net Income (loss)	NM	(\$5.3)	\$10.9
	NM		
Diluted EPS		(\$0.17)	\$0.34

(1) CC represents constant currency variance.

(2) B/W indicates whether the result was better (+) or worse (-) than the comparison period.

(3) NM: Not meaningful

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# FY 2012: Hudson Americas

*\$US in Millions*

	B+ / W- (1)	2012	2011
Revenue	- 12%	\$169.2	\$192.2
Gross Margin	- 15%	\$43.2	\$50.8
SG&A	+ 14%	\$38.3	\$44.3
Adjusted EBITDA	- 25%	\$4.9	\$6.4
Adjusted EBITDA, as a % of Revenue		2.9%	3.4%

(1) B/W indicates whether the result was better (+) or worse (-) than the comparison period.

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# FY 2012: Hudson Asia Pacific

*\$US in Millions*

	B+ / W- (2)	2012	2011
Revenue	- 20%	\$288.1	\$359.1
	- 20% CC (1)		
Gross Margin	- 20%	\$117.4	\$146.9
	- 21% CC		
SG&A	+ 17%	\$104.5	\$125.5
	+ 17% CC		
Adjusted EBITDA	- 39%	\$12.9	\$21.3
	- 40% CC		
Adjusted EBITDA, as a % of Revenue		4.5%	5.9%

(1) CC represents constant currency variance.

(2) B/W indicates whether the result was better (+) or worse (-) than the comparison period.

# FY 2012: Hudson Europe

*\$US in Millions*

	B+ / W- (2)	2012	2011
Revenue	- 16%	\$320.2	\$382.4
	- 14% CC (1)		
Gross Margin	- 21%	\$124.3	\$156.6
	- 17% CC		
SG&A	+ 17%	\$116.3	\$140.2
	+ 13% CC		
Adjusted EBITDA	- 52%	\$8.0	\$16.5
	- 50% CC		
Adjusted EBITDA, as a % of Revenue		2.5%	4.3%

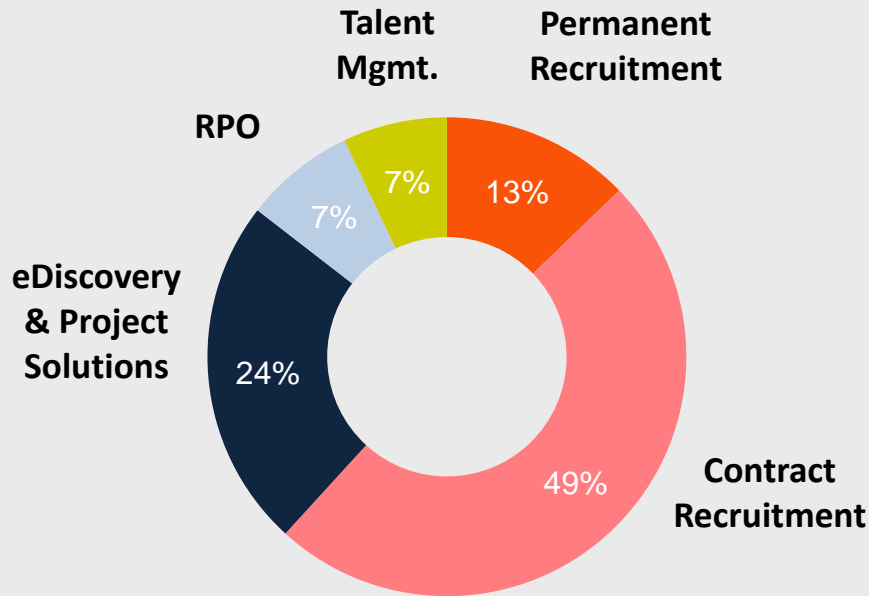
(1) CC represents constant currency variance.

(2) B/W indicates whether the result was better (+) or worse (-) than the comparison period.

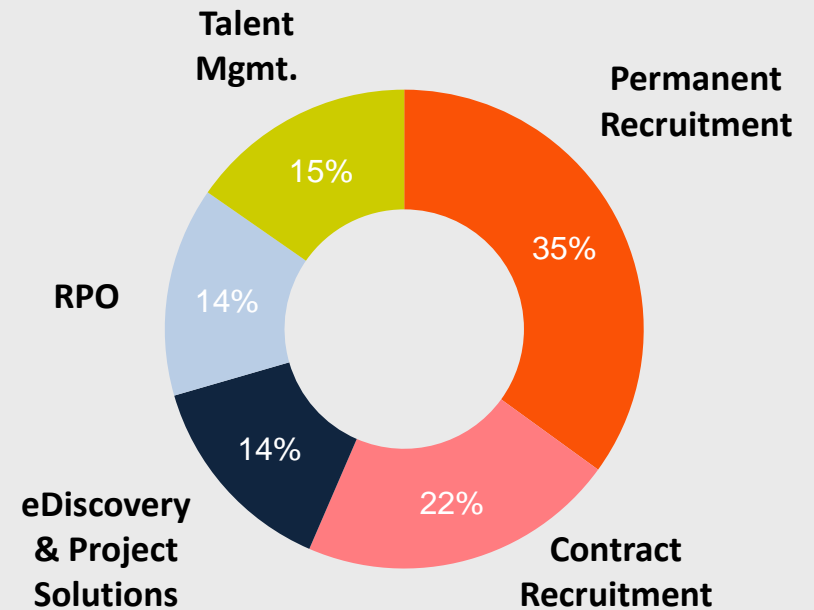
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# Q4 2012: Global Services Split

**Q4 2012 Revenue**

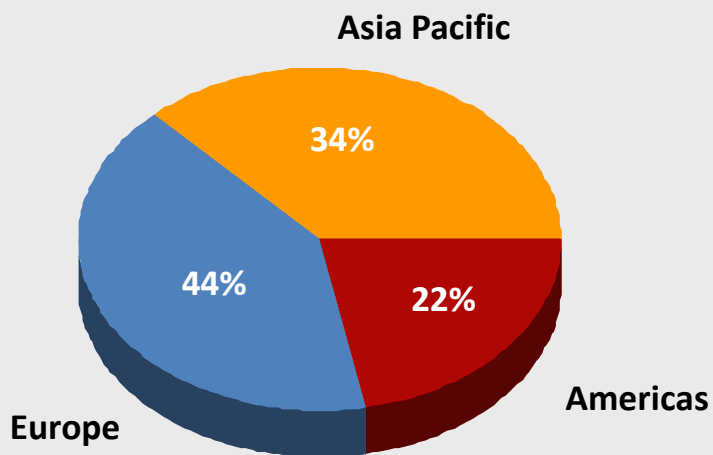


**Q4 2012 Gross Margin**

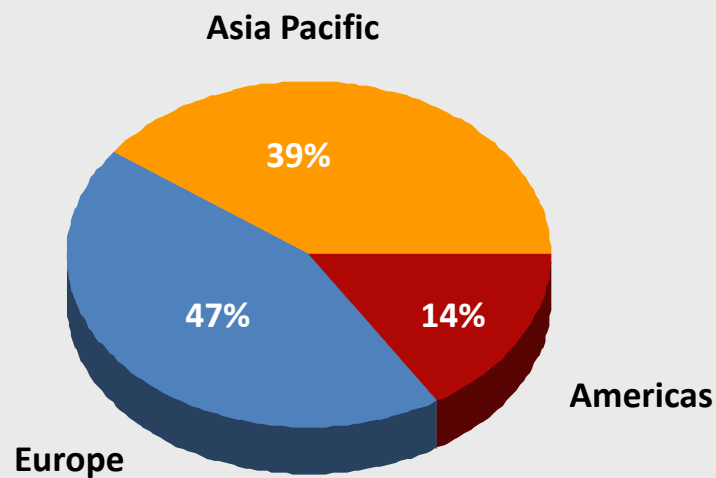


# Q4 2012: Regional Split

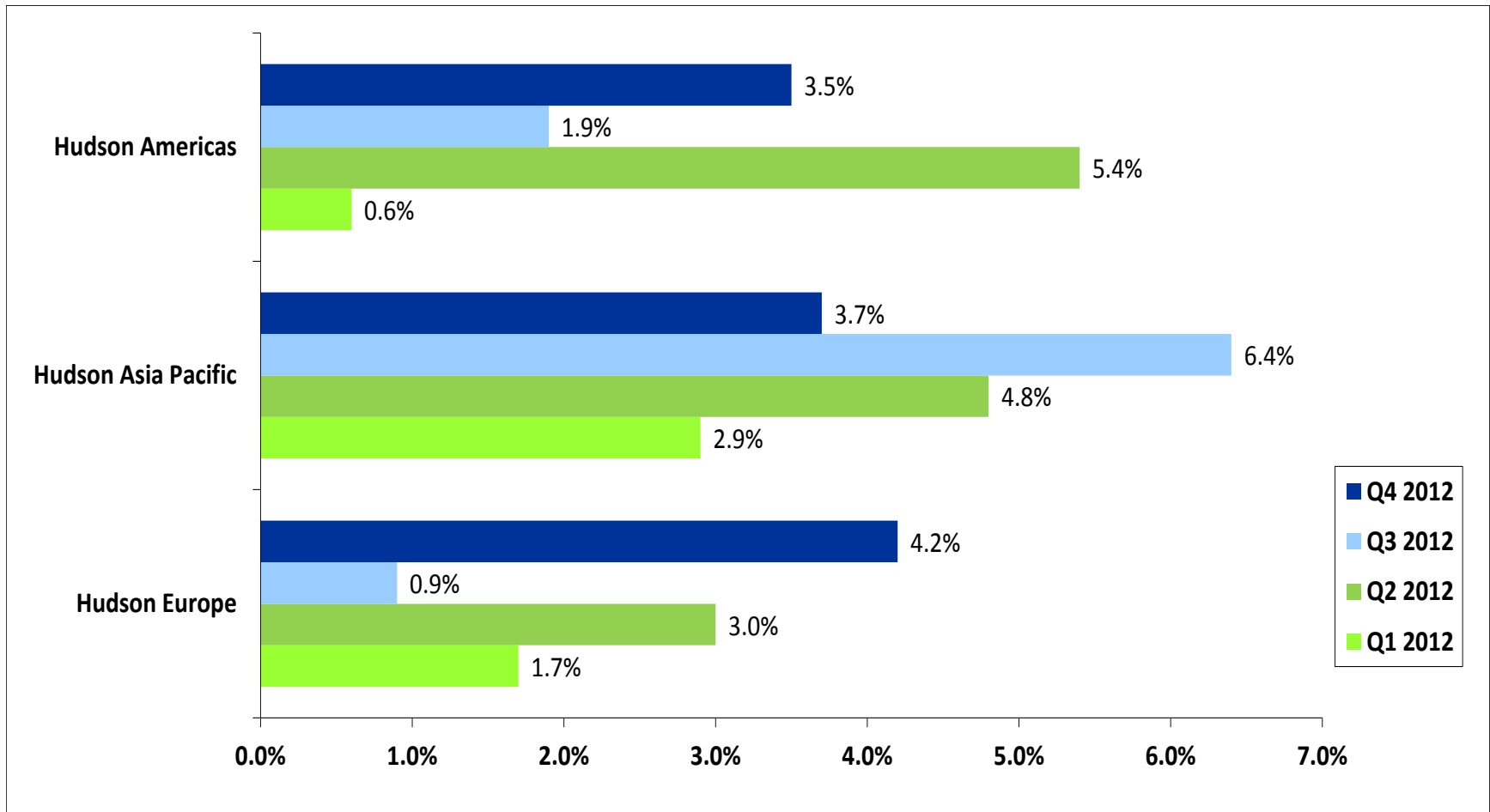
**Q4 2012 Revenue**



**Q4 2012 Gross Margin**



# FY 2012: Adjusted EBITDA Margin



Adjusted EBITDA is a non-GAAP term and is defined and reconciled in the appendix.



## Balance Sheet: Select Items

*\$US in Millions*

Selected Assets		
	December 31,	
	2012	2011
Cash	\$38.7	\$37.3
Accounts Receivable	\$107.2	\$131.5
Selected Liabilities		
	December 31,	
	2012	2011
Short-term Borrowings	\$0.0	\$3.4
Shareholders' Equity	\$106.5	\$107.4
Working Capital		
	December 31,	
	2012	2011
Current Assets	\$157.4	\$181.9
Current Liabilities	\$67.2	\$90.5
Working Capital	\$90.2	\$91.4

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# Q4 2012: Cash Flow Summary

*\$US in Millions*

	QTD <u>Dec-12</u>	QTD <u>Dec-11</u>
Net income (loss)	\$ (0.3)	\$ 3.3
Depreciation and amortization	1.7	1.5
Stock-based compensation	0.2	0.4
Change in accounts receivable	9.3	21.7
Change in accounts payable and other liabilities	(6.0)	(6.1)
Others	(0.6)	(0.4)
<b>Cash provided by (used in) operations</b>	<b>4.3</b>	<b>20.4</b>
Capital expenditures	(0.9)	(1.7)
<b>Free cash flow</b>	<b>3.4</b>	<b>18.7</b>
Change in net borrowings (repayments)	-	(3.5)
Others	0.6	-
Effect of exchange rates	0.2	(0.4)
<b>Change in cash</b>	<b>\$ 3.8</b>	<b>\$ 14.8</b>

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# FY 2012: Cash Flow Summary

*\$US in Millions*

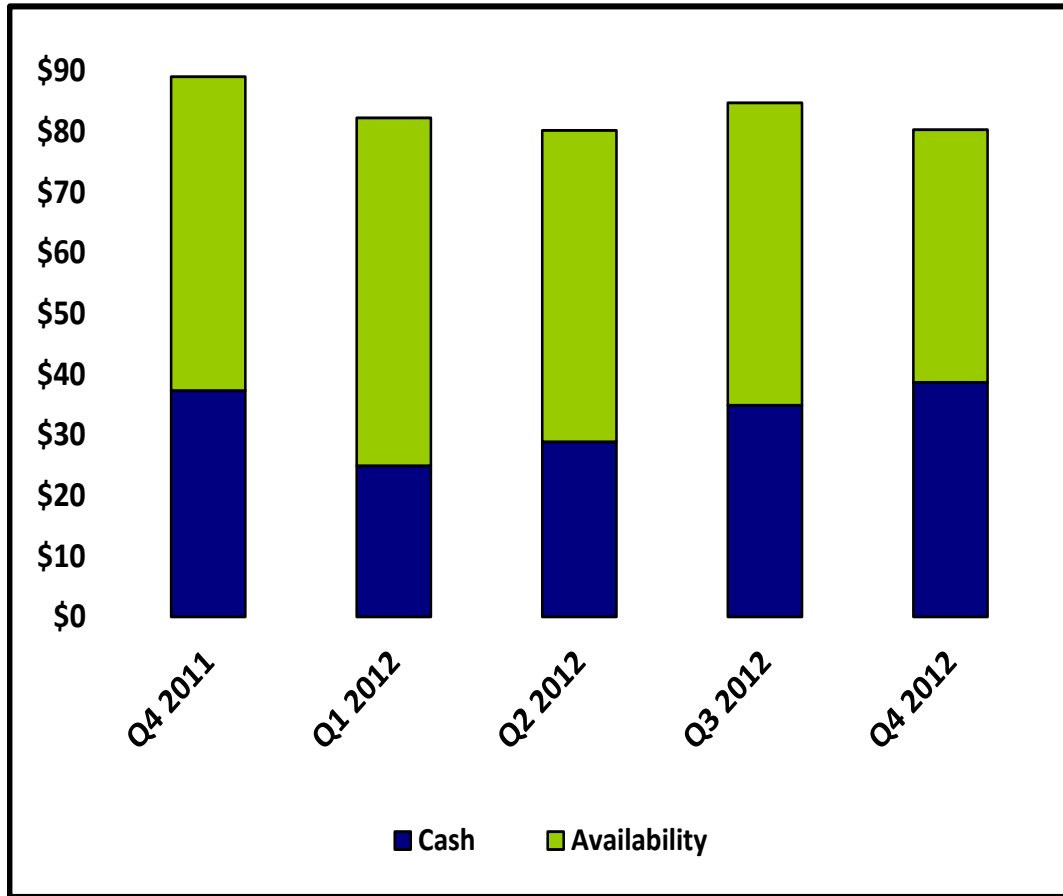
	YTD <u>Dec-12</u>	YTD <u>Dec-11</u>
Net income (loss)	\$ (5.3)	\$ 10.9
Depreciation and amortization	6.4	6.3
Stock-based compensation	2.6	3.2
Change in accounts receivable	27.1	(4.0)
Change in accounts payable and other liabilities	(22.5)	(2.5)
Others	4.9	(0.5)
<b>Cash provided by (used in) operations</b>	<b>13.2</b>	<b>13.4</b>
Capital expenditures	(8.6)	(6.8)
<b>Free cash flow</b>	<b>4.6</b>	<b>6.6</b>
Change in net borrowings (repayments)	(3.2)	2.0
Others	(0.7)	(0.1)
Effect of exchange rates	0.7	(0.7)
<b>Change in cash</b>	<b>\$ 1.4</b>	<b>\$ 7.8</b>

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# Strong Liquidity

*\$US in Millions*



## Q4 Temporary Contracting GM by Region

	Q4 2012	Q4 2011
Americas	20.0%	23.6%
Asia Pacific	14.8%	15.2%
Europe	17.7%	19.6%
Hudson Total	17.4%	19.2%



# Appendix

## Q4 2012: Regional Gross Margin Mix

*Approximate mix of gross margin by product around the globe*

	Temp	Perm	Talent Mgmt
Americas	80%	20%	0%
Europe	35%	45%	20%
UK	50%	45%	5%
Cont. Europe	20%	40%	40%
Asia Pacific	25%	65%	10%
ANZ	35%	50%	15%
ASIA	0%	95%	5%
Hudson Total	35%	50%	15%

## Q4 2012: Public Sector Gross Margin Mix

*Approximate gross margin mix of public sector work*

	Public Sector
Americas	2%
ANZ	21%
Asia	--
UK	9%
Cont Europe	31%
Total	15%

# 2012 EBITDA Reconciliation

*\$US in Millions*

Q1 2012	Hudson				Total
	Americas	Asia Pacific	Europe	Corp	
Revenue	\$ 45.2	\$ 74.3	\$ 81.2	\$ -	\$ 200.6
Gross margin	\$ 11.8	\$ 29.3	\$ 32.1	\$ -	\$ 73.2
Adjusted EBITDA (loss) (1)	\$ 0.3	\$ 2.1	\$ 1.4	\$ (4.8)	\$ (0.9)
Business reorg expenses	-	0.1	0.7	0.1	0.9
Office integration expense	-	0.3	-	-	0.3
Goodwill and other impairment charges	-	-	-	-	-
Non-operating expenses (income)	0.7	1.7	1.8	(4.3)	-
EBITDA (Loss) (1)	\$ (0.5)	\$ -	\$ (1.1)	\$ (0.6)	\$ (2.2)
Depreciation and amortization					1.5
Interest expense (income)					0.2
Provision for (benefit from) income taxes					(0.6)
Loss (income) from disc ops, net of taxes					-
Net income (loss)					\$ (3.2)

Q3 2012	Hudson				Total
	Americas	Asia Pacific	Europe	Corp	
Revenue	\$ 39.1	\$ 73.4	\$ 75.3	\$ -	\$ 187.9
Gross margin	\$ 9.6	\$ 29.9	\$ 28.2	\$ -	\$ 67.7
Adjusted EBITDA (loss) (1)	\$ 0.8	\$ 4.7	\$ 0.6	\$ (4.6)	\$ 1.5
Business reorg expenses	0.3	0.2	1.0	-	1.5
Non-operating expenses (income)	0.9	1.2	1.8	(4.4)	(0.6)
EBITDA (Loss) (1)	\$ (0.4)	\$ 3.4	\$ (2.2)	\$ (0.2)	\$ 0.6
Depreciation and amortization					1.7
Interest expense (income)					0.2
Provision for (benefit from) income taxes					1.0
Loss (income) from disc ops, net of taxes					-
Net income (loss)					\$ (2.2)

Q2 2012	Hudson				Total
	Americas	Asia Pacific	Europe	Corp	
Revenue	\$ 45.5	\$ 76.9	\$ 82.4	\$ -	\$ 204.8
Gross margin	\$ 12.4	\$ 31.9	\$ 32.8	\$ -	\$ 77.1
Adjusted EBITDA (loss) (1)	\$ 2.5	\$ 3.7	\$ 2.4	\$ (4.9)	\$ 3.7
Business reorg expenses	0.7	1.0	3.1	0.2	5.1
Office integration expense	-	0.2	-	-	0.2
Non-operating expenses (income)	0.9	1.9	1.6	(4.1)	0.4
EBITDA (Loss) (1)	\$ 0.8	\$ 0.6	\$ (2.3)	\$ (1.0)	\$ (1.9)
Depreciation and amortization					1.6
Interest expense (income)					0.2
Provision for (benefit from) income taxes					(4.1)
Loss (income) from disc ops, net of taxes					-
Net income (loss)					\$ 0.4

Q4 2012	Hudson				Total
	Americas	Asia Pacific	Europe	Corp	
Revenue	\$ 39.5	\$ 63.5	\$ 81.3	\$ -	\$ 184.3
Gross margin	\$ 9.4	\$ 26.4	\$ 31.2	\$ -	\$ 66.9
Adjusted EBITDA (loss) (1)	\$ 1.4	\$ 2.3	\$ 3.5	\$ (4.0)	\$ 3.2
Business reorg expenses	-	-	0.2	-	0.2
(Gain) loss on disposal of business	(0.6)	-	-	-	(0.6)
Non-operating expenses (income)	0.6	1.0	0.6	(2.2)	-
EBITDA (Loss) (1)	\$ 1.4	\$ 1.3	\$ 2.6	\$ (1.8)	\$ 3.5
Depreciation and amortization					1.7
Interest expense (income)					0.1
Provision for (benefit from) income taxes					2.1
Loss (income) from disc ops, net of taxes					-
Net income (loss)					\$ (0.3)

- (1) EBITDA is a non-GAAP measure defined as earnings before interest, income taxes, depreciation and amortization. Adjusted EBITDA is a non-GAAP measure defined as earnings before interest, income taxes, depreciation and amortization, non-operating income, goodwill and other impairment charges, business reorganization expenses and other charges.

# 2011 EBITDA Reconciliation

*\$US in Millions*

Q1 2011	Hudson				Total
	Americas	Asia Pacific	Europe	Corp	
Revenue	\$ 45.8	\$ 79.0	\$ 93.7	\$ -	\$ 218.5
Gross margin	\$ 10.4	\$ 31.9	\$ 38.9	\$ -	\$ 81.2
Adjusted EBITDA (loss) (1)	\$ 0.2	\$ 3.2	\$ 4.1	\$ (5.1)	\$ 2.4
Business reorg expenses	-	-	0.4	-	0.4
Non-operating expenses (income)	0.6	1.1	1.6	(3.8)	(0.5)
EBITDA (Loss) (1)	\$ (0.4)	\$ 2.0	\$ 2.2	\$ (1.3)	\$ 2.5
Depreciation and amortization					1.6
Interest expense (income)					0.2
Provision for (benefit from) income taxes					0.7
Loss (income) from disc ops, net of taxes					-
Net income (loss)					\$ 0.0

Q3 2011	Hudson				Total
	Americas	Asia Pacific	Europe	Corp	
Revenue	\$ 47.7	\$ 100.6	\$ 96.8	\$ -	\$ 245.1
Gross margin	\$ 13.7	\$ 41.2	\$ 38.1	\$ -	\$ 93.0
Adjusted EBITDA (loss) (1)	\$ 2.0	\$ 7.1	\$ 3.9	\$ (5.2)	\$ 7.7
Business reorg expenses	-	-	-	-	-
Non-operating expenses (income)	0.5	1.8	1.9	(4.0)	0.2
EBITDA (Loss) (1)	\$ 1.5	\$ 5.2	\$ 2.0	\$ (1.3)	\$ 7.4
Depreciation and amortization					1.5
Interest expense (income)					0.3
Provision for (benefit from) income taxes					2.2
Loss (income) from disc ops, net of taxes					-
Net income (loss)					\$ 3.4

Q2 2011	Hudson				Total
	Americas	Asia Pacific	Europe	Corp	
Revenue	\$ 50.9	\$ 96.3	\$ 100.2	\$ -	\$ 247.4
Gross margin	\$ 13.0	\$ 40.2	\$ 42.2	\$ -	\$ 95.5
Adjusted EBITDA (loss) (1)	\$ 1.8	\$ 6.1	\$ 5.5	\$ (5.4)	\$ 8.1
Business reorg expenses	-	-	0.4	-	0.4
Non-operating expenses (income)	0.7	2.3	2.4	(5.5)	-
EBITDA (Loss) (1)	\$ 1.2	\$ 3.8	\$ 2.7	\$ (0.0)	\$ 7.7
Depreciation and amortization					1.6
Interest expense (income)					0.4
Provision for (benefit from) income taxes					1.4
Loss (income) from disc ops, net of taxes					-
Net income (loss)					\$ 4.2

Q4 2011	Hudson				Total
	Americas	Asia Pacific	Europe	Corp	
Revenue	\$ 47.8	\$ 83.2	\$ 91.8	\$ -	\$ 222.7
Gross margin	\$ 13.7	\$ 33.6	\$ 37.3	\$ -	\$ 84.6
Adjusted EBITDA (loss) (1)	\$ 2.4	\$ 5.0	\$ 3.0	\$ (4.1)	\$ 6.3
Business reorg expenses	-	-	-	-	-
Non-operating expenses (income)	1.2	1.8	1.9	(4.6)	0.3
EBITDA (Loss) (1)	\$ 1.2	\$ 3.1	\$ 1.1	\$ 0.5	\$ 6.0
Depreciation and amortization					1.5
Interest expense (income)					0.2
Provision for (benefit from) income taxes					1.0
Loss (income) from disc ops, net of taxes					-
Net income (loss)					\$ 3.3

- (1) EBITDA is a non-GAAP measure defined as earnings before interest, income taxes, depreciation and amortization. Adjusted EBITDA is a non-GAAP measure defined as earnings before interest, income taxes, depreciation and amortization, non-operating income, goodwill and other impairment charges, business reorganization expenses and other charges.