

# HUDSON GLOBAL

Baird's 2013 Business  
Solutions Conference

February 27, 2013

Hudson

# FORWARD LOOKING STATEMENT

*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 global economic fluctuations, the ability of clients to terminate their relationship with the company at any time, competition in the company's markets, risks related to international operations, including foreign currency fluctuations, the ability to implement the company's cost reduction initiatives effectively 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.*

# A LEADING GLOBAL TALENT SOLUTIONS COMPANY

## LEADERSHIP AND SPECIALIST RECRUITMENT

- Permanent and contract recruitment

## eDISCOVERY AND PROJECT SOLUTIONS

- Legal eDiscovery and specialized contracting solutions

## RECRUITMENT PROCESS OUTSOURCING (RPO)

- Permanent and contingent workforce solutions
- Hybrid internal and outsourced solutions

## TALENT MANAGEMENT

- Assessment and selection
- Outplacement and career management services

# SUBSTANTIAL FOOTPRINT AND BALANCED PORTFOLIO

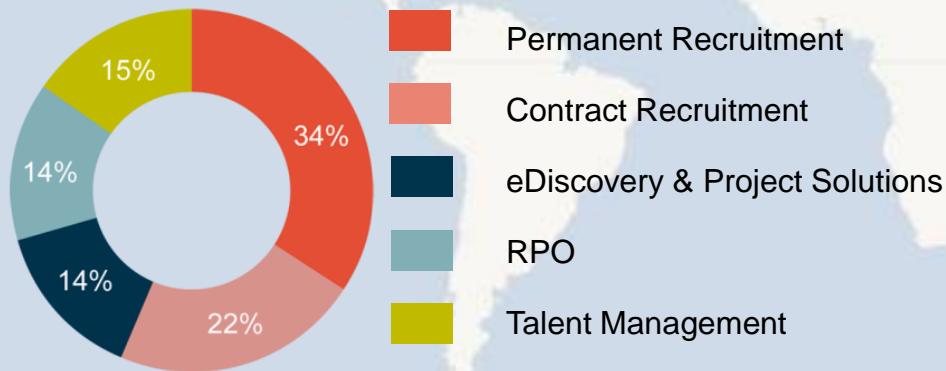
**19 countries**

- **6,300** Clients
- **17,500** permanent placements per year
- Managing **5,800** Contractors per day

**Americas**  
**15%\***

**Europe**  
**44%\***

**APAC**  
**41%\***

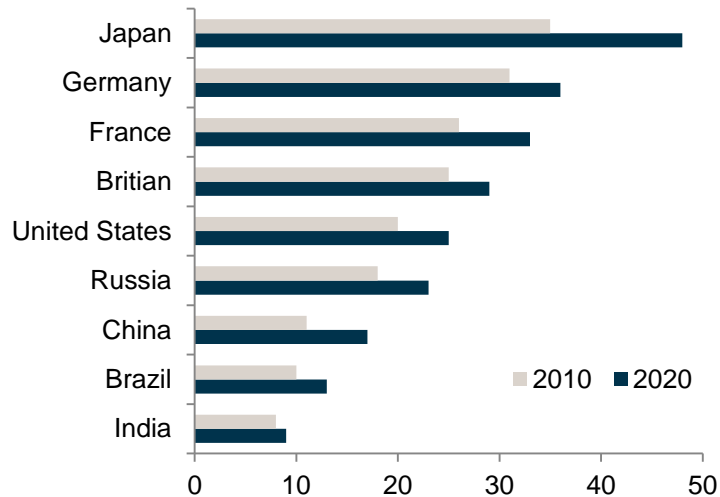


\* Based on Hudson 2012 Gross Margin

# STRONG LONG-TERM OUTLOOK FOR TALENT SERVICES

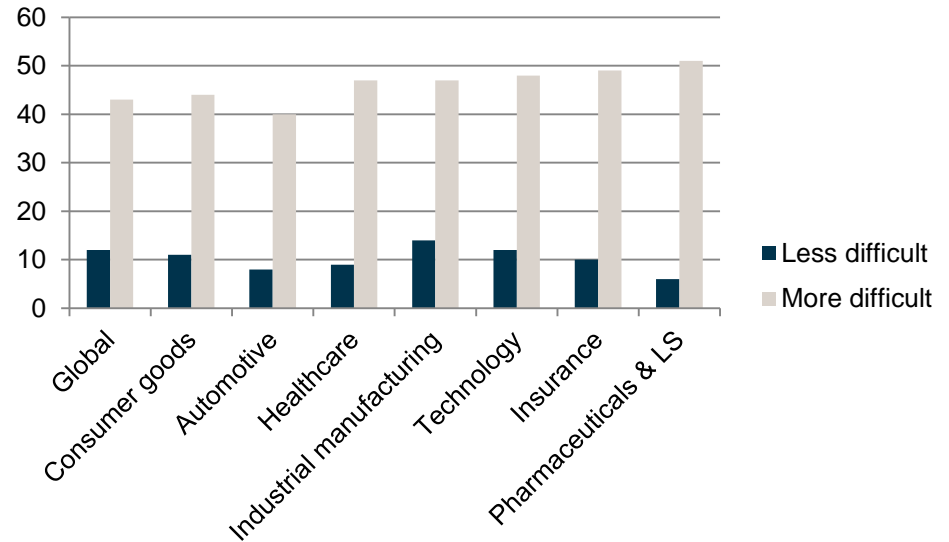
## Global labor force is rapidly aging

Percent of workforce aged 65 and over



## Demand for complex skill mix presents hiring challenges

Percent of CEOs rating of hiring difficulty to previous year



We have developed a powerful vision to capitalize on this long-term potential

Sources:  
 The Economist, September 10, 2011, UN population division  
 PwC 15<sup>th</sup> Annual Global CEO Survey 2012

# OUR VISION UNLEASHES THE VALUE OF HUDSON

*A world-class global provider of talent solutions, delivering the highest quality service to clients and candidates*



# KEY ACTIONS TAKEN IN 2012 TO STRENGTHEN OUR BUSINESS

\$US in Millions

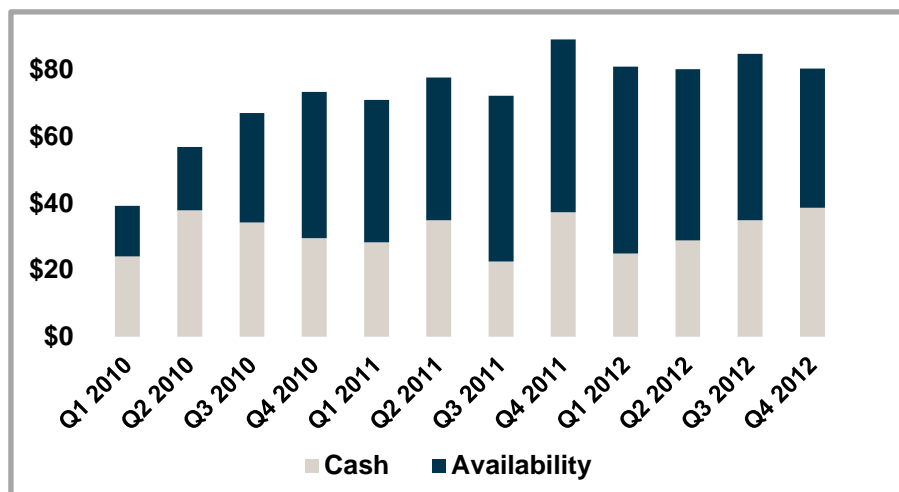
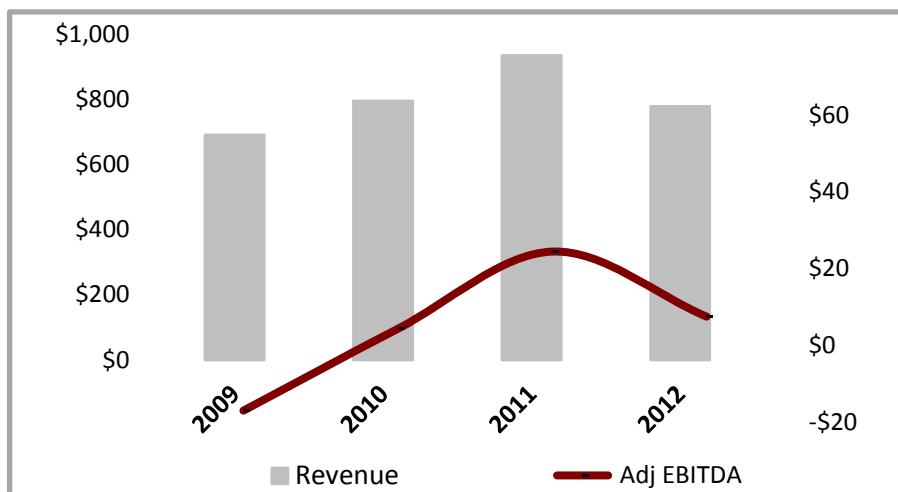
## Accelerating our Transformation

- Strengthened leadership team with industry vets
- Redeployed top talent to key leadership roles
- Evolving Legal eDiscovery from staffing to solutions
- Advanced digital talent sourcing and business development

## Restructuring our Operations

- Eliminated 9% of headcount, consolidated offices, removed management layers
- Cost reduction actions offset 76% of gross margin decline
- Employee engagement steady amidst change

## Managing our Financial Performance



# HUDSON - IN SUMMARY

- Skills shortages create a strong long-term outlook for talent solutions providers
- Our global footprint and market leading positions provide platform for success
- Our new strategy strengthens our foundation and establishes a roadmap for unleashing the full value of our business
- 2012 actions helped offset majority of gross margin declines and advance strategy
- Excellent liquidity and a strong balance sheet provide significant flexibility

Hudson is well positioned to exit the downturn in a strong competitive position



# APPENDIX

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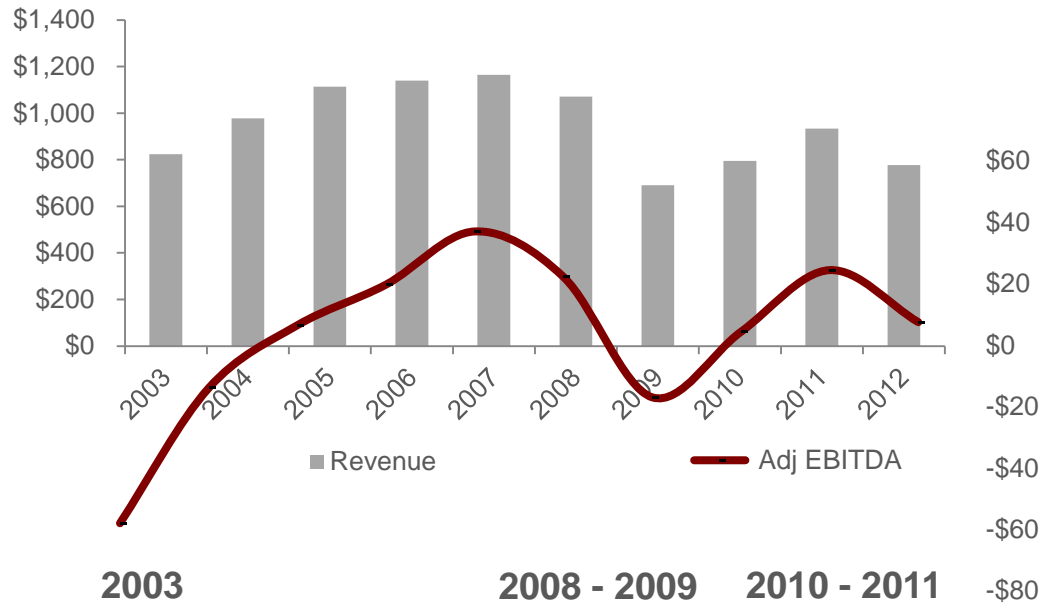
AMERICAS | ASIA PACIFIC | EUROPE | MIDDLE EAST  
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# HUDSON 2003 – 2012

## A BRIEF HISTORY

\$US in Millions

**Revenue & Adjusted EBITDA**



**1997 - 2001**  
Formed through  
67 acquisitions  
by parent

**2003**  
Spun off from  
Monster  
Worldwide

**2008 - 2009**  
Revenue  
impacted,  
downsizing  
in recession

**2010 - 2011**  
Growth in  
recovery



**2003-2011**

Rationalization of component businesses



# FOUR KEY INITIATIVES TO EXECUTE OUR VISION

## REAP THE VALUE OF OUR GLOBAL BUSINESS

- Global leadership team
- Global practices
- Centers of excellence
- Front and back office efficiencies

## ATTRACT, DEVELOP AND RETAIN THE RIGHT PEOPLE FOR US

- Consistent and superior people practices
- Compensation aligned with value creation
- Comprehensive training and development
- Workforce engagement
- New leadership joined the team
- Redeployed existing talent to key markets

## FOCUS ON SELECTED CLIENTS AND SERVICES IN THE MARKET

- Targeted client segmentation
- Tailored delivery models
- Superior client service
- Talent Management proprietary tools

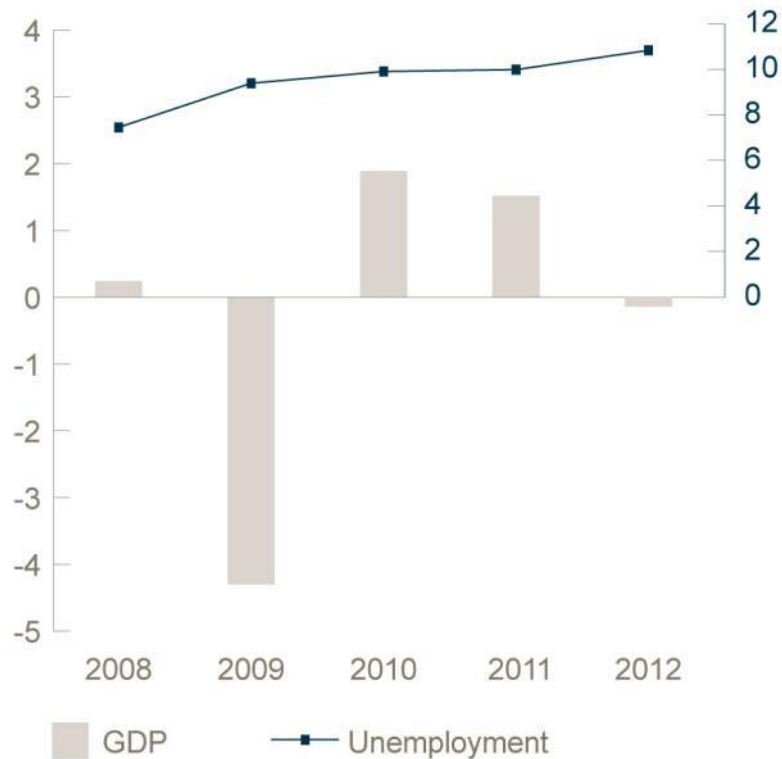
## CREATE A COMPELLING DIGITAL PRESENCE

- Client and candidate optimized web sites
- CRM-driven leads and conversion
- Social media proficiency
- Employee engagement through digital platforms

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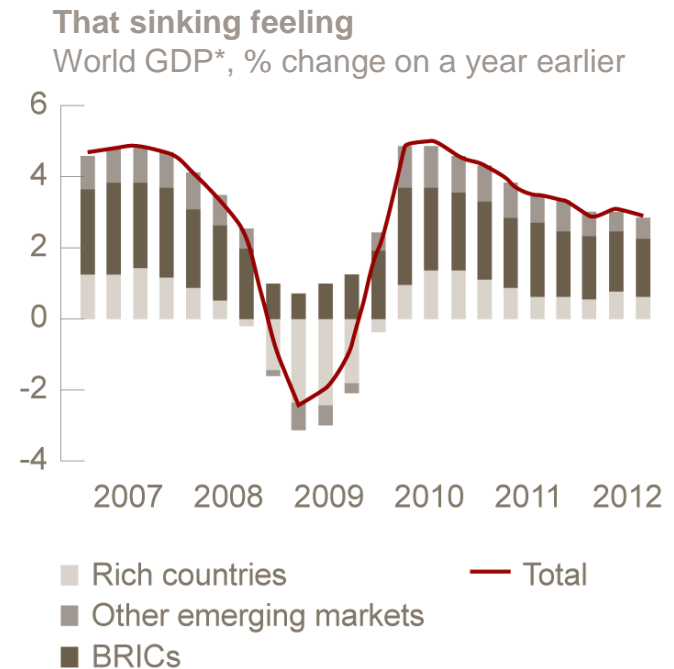
# ECONOMIC CONDITIONS DETERIORATED IN 2012

**GDP growth evaporated in Europe, raising unemployment and causing ripples worldwide**



Source: OECD Economic Outlook No. 91, May 2012

**Global economy expanding by just 2.8% in 2012, slowest rate since the end of 2009**



\* Estimates based on 54 countries representing 90% of world GDP. Weighted by GDP at purchasing-power parity.

Source: The Economist

# EBITDA RECONCILIATION, FULL YEAR

*\$US in Millions*

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenue	\$ 824.4	\$ 977.8	\$ 1,114.4	\$ 1,146.8	\$ 1,170.1	\$ 1,079.1	\$ 691.1	\$ 794.5	\$ 933.7	\$ 777.6
Gross margin	\$ 309.8	\$ 367.9	\$ 419.7	\$ 444.2	\$ 496.4	\$ 455.0	\$ 260.5	\$ 298.6	\$ 354.3	\$ 284.9
Adjusted EBITDA (loss)	\$ (57.5)	\$ (13.8)	\$ 6.5	\$ 21.6	\$ 42.3	\$ 22.3	\$ (17.2)	\$ 4.3	\$ 24.4	\$ 7.5
Acquisition related expenses	\$ -	\$ -	\$ -	\$ 1.7	\$ 5.3	\$ -	\$ -	\$ -	\$ -	\$ -
Business reorg and other expenses	18.7	1.2	0.5	6.0	3.6	11.2	18.2	1.7	0.7	7.7
Goodwill and other impairment charges	195.4	-	-	-	-	67.2	1.5	-	-	-
Non-operating expenses (income)	-	1.8	0.4	(1.4)	(3.4)	(3.3)	(1.4)	(3.9)	0.0	(0.3)
EBITDA (loss)	\$ (271.6)	\$ (16.8)	\$ 5.6	\$ 15.3	\$ 36.8	\$ (52.8)	\$ (35.5)	\$ 6.5	\$ 23.6	\$ 0.1
Depreciation and amortization	16.2	17.5	16.3	19.5	14.4	14.7	12.5	8.2	6.3	6.4
Interest expense (income)	0.3	0.1	1.8	1.7	(0.6)	(1.1)	0.7	1.3	1.1	0.6
Provision for (benefit from) income taxes	12.0	0.5	4.0	3.0	17.5	6.7	(5.8)	1.5	5.3	(1.7)
Loss (income) from disc ops, net of taxes	32.4	(4.7)	(16.7)	(29.3)	(9.5)	1.2	(2.3)	0.2	-	-
Net income (loss)	\$ (332.5)	\$ (30.3)	\$ 0.2	\$ 20.4	\$ 15.0	\$ (74.3)	\$ (40.6)	\$ (4.7)	\$ 10.9	\$ (5.3)

*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 acquisition-related expenses.*

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# EBITDA RECONCILIATION, 2012

*\$US in Millions*

	Hudson				Total
	Americas	Asia Pacific	Europe	Corp	
<b>Q1 2012</b>					
Revenue	\$ 45.2	\$ 74.3	\$ 81.2	\$ -	\$ 200.6
Gross margin	\$ 11.8	\$ 29.3	\$ 32.1	\$ -	\$ 73.2
Adjusted EBITDA (loss)	\$ 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
Non-operating expenses (income)	0.7	1.7	1.8	(4.3)	-
EBITDA (Loss)	\$ (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)

	Hudson				Total
	Americas	Asia Pac	Europe	Corp	
<b>Q3 2012</b>					
Revenue	\$ 39.1	\$ 73.4	\$ 75.3	\$ -	\$ 187.9
Gross margin	\$ 9.6	\$ 29.9	\$ 28.2	\$ -	\$ 67.7
Adj EBITDA (loss)	\$ 0.8	\$ 4.7	\$ 0.6	\$ (4.6)	\$ 1.5
Business reorg expenses	0.3	0.2	1.0	-	1.5
Office integration expense and (gains) on disposal of business	-	(0.1)	-	-	(0.1)
Non-operating expenses (income)	0.9	1.2	1.8	(4.4)	(0.6)
EBITDA (Loss)	\$ (0.4)	\$ 3.4	\$ (2.2)	\$ (0.2)	\$ 0.7
Depreciation and amortization					1.7
Interest expense (income)					0.2
Provision for (benefit from) income taxes					1.0
Net income (loss)					\$ (2.2)

	Hudson				Total
	Americas	Asia Pacific	Europe	Corp	
<b>Q2 2012</b>					
Revenue	\$ 45.5	\$ 76.9	\$ 82.4	\$ -	\$ 204.8
Gross margin	\$ 12.4	\$ 31.9	\$ 32.8	\$ -	\$ 77.1
Adjusted EBITDA (loss)	\$ 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)	\$ 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

	Hudson				Total
	Americas	Asia Pac	Europe	Corp	
<b>Q4 2012</b>					
Revenue	\$ 39.5	\$ 63.5	\$ 81.3	\$ -	\$ 184.3
Gross margin	\$ 9.4	\$ 26.4	\$ 31.2	\$ -	\$ 66.9
Adj EBITDA (loss)	\$ 1.4	\$ 2.3	\$ 3.5	\$ (4.0)	\$ 3.2
Business reorg expenses	(0.0)	0.0	0.2	0.0	0.2
Office integration expense and (gains) on disposal of business	(0.6)	-	-	-	(0.6)
Non-operating expenses (income)	0.6	1.0	0.6	(2.2)	(0.0)
EBITDA (Loss)	\$ 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
Net income (loss)					\$ (0.3)

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# EBITDA RECONCILIATION, 2011

*\$US in Millions*

	Hudson				Total
	Americas	Asia Pacific	Europe	Corp	
<b>Q1 2011</b>					
Revenue	\$ 45.8	\$ 79.0	\$ 93.7	\$ -	\$ 218.5
Gross margin	\$ 10.4	\$ 31.9	\$ 38.9	\$ -	\$ 81.2
Adjusted EBITDA (loss)	\$ 0.2	\$ 3.2	\$ 4.1	\$ (5.1)	\$ 2.4
Acquisition related expenses	-	-	-	-	-
Business reorg expenses	-	-	0.4	-	0.4
Goodwill and other impairment charges	-	-	-	-	-
Non-operating expenses (income)	0.6	1.1	1.6	(3.8)	(0.5)
EBITDA (Loss)	\$ (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)					\$ -

	Hudson				Total
	Americas	Asia Pacific	Europe	Corp	
<b>Q3 2011</b>					
Revenue	\$ 47.7	\$ 100.6	\$ 96.8	\$ -	\$ 245.1
Gross margin	\$ 13.7	\$ 41.2	\$ 38.1	\$ -	\$ 93.0
Adjusted EBITDA (loss)	\$ 2.0	\$ 7.1	\$ 3.9	\$ (5.2)	\$ 7.7
Acquisition related expenses	-	-	-	-	-
Business reorg expenses	-	-	-	-	-
Goodwill and other impairment charges	-	-	-	-	-
Non-operating expenses (income)	0.5	1.8	1.9	(4.0)	0.2
EBITDA (Loss)	\$ 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

	Hudson				Total
	Americas	Asia Pacific	Europe	Corp	
<b>Q2 2011</b>					
Revenue	\$ 50.9	\$ 96.3	\$ 100.2	\$ -	\$ 247.4
Gross margin	\$ 13.0	\$ 40.2	\$ 42.2	\$ -	\$ 95.5
Adjusted EBITDA (loss)	\$ 1.8	\$ 6.1	\$ 5.5	\$ (5.4)	\$ 8.1
Acquisition related expenses	-	-	-	-	-
Business reorg expenses	-	-	0.4	-	0.4
Goodwill and other impairment charges	-	-	-	-	-
Non-operating expenses (income)	0.7	2.3	2.4	(5.5)	-
EBITDA (Loss)	\$ 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

	Hudson				Total
	Americas	Asia Pacific	Europe	Corp	
<b>Q4 2011</b>					
Revenue	\$ 47.8	\$ 83.2	\$ 91.8	\$ -	\$ 222.7
Gross margin	\$ 13.7	\$ 33.6	\$ 37.3	\$ -	\$ 84.6
Adjusted EBITDA (loss)	\$ 2.4	\$ 5.0	\$ 3.0	\$ (4.1)	\$ 6.3
Acquisition related expenses	-	-	-	-	-
Business reorg expenses	-	-	-	-	-
Goodwill and other impairment charges	-	-	-	-	-
Non-operating expenses (income)	1.2	1.8	1.9	(4.6)	0.3
EBITDA (Loss)	\$ 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

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# CONSTANT CURRENCY RECONCILIATION

*\$US in Thousands*

	Three Months Ended December 31,			
	2012	2011		
	As reported	As reported	Currency translation	Constant currency
<b>Revenue:</b>				
Hudson Americas	\$ 39,458	\$ 47,802	\$ 14	\$ 47,816
Hudson Asia Pacific	63,517	83,180	2,518	85,698
Hudson Europe	81,301	91,756	106	91,862
Total	<u>\$ 184,276</u>	<u>\$ 222,738</u>	<u>\$ 2,638</u>	<u>\$ 225,376</u>
<b>Gross margin:</b>				
Hudson Americas	\$ 9,388	\$ 13,738	\$ 13	\$ 13,751
Hudson Asia Pacific	26,361	33,593	1,014	34,607
Hudson Europe	31,175	37,317	(332)	36,985
Total	<u>\$ 66,924</u>	<u>\$ 84,648</u>	<u>\$ 695</u>	<u>\$ 85,343</u>
<b>SG&amp;A and other non-operating income (expense):</b>				
Hudson Americas	\$ 8,039	\$ 12,517	\$ (11)	\$ 12,506
Hudson Asia Pacific	25,030	30,460	869	31,329
Hudson Europe	28,338	36,205	(297)	35,908
Corporate	1,769	(509)	2	(507)
Total	<u>\$ 63,176</u>	<u>\$ 78,673</u>	<u>\$ 563</u>	<u>\$ 79,236</u>
<b>Business reorganization expenses:</b>				
Hudson Americas	\$ (44)	\$ —	\$ —	\$ —
Hudson Asia Pacific	22	-	(1)	(1)
Hudson Europe	213	(27)	(1)	(28)
Corporate	40	-	-	-
Total	<u>\$ 231</u>	<u>\$ (27)</u>	<u>\$ (2)</u>	<u>\$ (29)</u>
<b>EBITDA (loss):</b>				
Hudson Americas	\$ 1,388	\$ 1,241	\$ (32)	\$ 1,209
Hudson Asia Pacific	1,337	3,141	144	3,285
Hudson Europe	2,601	1,140	(32)	1,108
Corporate	(1,808)	484	(1)	483
Total	<u>\$ 3,518</u>	<u>\$ 6,006</u>	<u>\$ 79</u>	<u>\$ 6,085</u>

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