

HUDSON GLOBAL, INC.

FULL YEAR & Q4 2013 EARNINGS CALL

February 27, 2014

Hudson

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 2013: Consolidated Financial Results

\$US in Millions, except EPS

	B+ / W- ⁽²⁾	Q4 2013	Q4 2012
Revenue	- 13% - 12% CC ⁽¹⁾	\$159.5	\$184.3
Gross Margin	- 15% - 14% CC	\$56.9	\$66.9
SG&A	+ 8% + 7% CC	\$58.9	\$63.8
Adjusted EBITDA	- NM - NM CC	(\$2.0)	\$3.2
EBITDA	- NM - NM CC	(\$5.8)	\$3.5
EBITDA, as a % of Revenue		-3.6%	1.9%
Net Income (loss)	- NM - NM CC	(\$11.3)	(\$0.3)
Diluted EPS		(\$0.35)	(\$0.01)

(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 2013: Hudson Americas

\$US in Millions

	B+ / W- (1)	Q4 2013	Q4 2012
Revenue	- 25%	\$29.6	\$39.5
Gross Margin	- 17%	\$7.8	\$9.4
SG&A	+ 17%	\$6.6	\$8.0
Adjusted EBITDA	- 18%	\$1.1	\$1.4
Adjusted EBITDA, as a % of Revenue		3.8%	3.5%

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

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Q4 2013: Hudson Asia Pacific

\$US in Millions

	B+ / W- (2)	Q4 2013	Q4 2012
Revenue	- 13%	\$55.4	\$63.5
	- 5% CC (1)		
Gross Margin	- 24%	\$20.0	\$26.4
	- 19% CC		
SG&A	+ 11%	\$21.3	\$24.1
	+ 5% CC		
Adjusted EBITDA	- 154%	(\$1.3)	\$2.3
	- 159% CC		
Adjusted EBITDA, as a % of Revenue		-2.3%	3.7%

(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 2013: Hudson Europe

\$US in Millions

	B+ / W- (2)	Q4 2013	Q4 2012
Revenue	- 8%	\$74.5	\$81.3
	- 10% CC (1)		
Gross Margin	- 7%	\$29.1	\$31.2
	- 9% CC		
SG&A	- 1%	\$28.0	\$27.7
	+ 2% CC		
Adjusted EBITDA	- 69%	\$1.1	\$3.5
	- 69% CC		
Adjusted EBITDA, as a % of Revenue		1.5%	4.2%

(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 2013: Consolidated Financial Results

\$US in Millions, except EPS

	B+ / W- ⁽²⁾	2013	2012
Revenue	- 15%	\$660.1	\$777.6
	- 14% CC ⁽¹⁾		
Gross Margin	- 19%	\$229.9	\$284.9
	- 18% CC		
SG&A	+ 13%	\$242.2	\$277.4
	+ 12% CC		
Adjusted EBITDA	- NM	(\$12.3)	\$7.5
	- NM CC		
EBITDA	- NM	(\$19.6)	\$0.1
	- NM CC		
EBITDA, as a % of Revenue		-3.0%	0.0%
Net Income (loss)	- NM	(\$30.4)	(\$5.3)
	- NM CC		
Diluted EPS		(\$0.94)	(\$0.17)

(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

FY 2013: Hudson Americas

\$US in Millions

	B+ / W- (1)	2013	2012
Revenue	- 18%	\$139.0	\$169.2
Gross Margin	- 21%	\$34.2	\$43.2
SG&A	+ 20%	\$30.6	\$38.3
Adjusted EBITDA	- 26%	\$3.6	\$4.9
Adjusted EBITDA, as a % of Revenue		2.6%	2.9%

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

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FY 2013: Hudson Asia Pacific

\$US in Millions

	B+ / W- (2)	2013	2012
Revenue	- 19%	\$232.7	\$288.1
	- 15% CC (1)		
Gross Margin	- 26%	\$87.2	\$117.4
	- 23% CC		
SG&A	+ 15%	\$88.5	\$104.5
	+ 12% CC		
Adjusted EBITDA	- 111%	(\$1.4)	\$12.9
	- 112% CC		
Adjusted EBITDA, as a % of Revenue		-0.6%	4.5%

(1) CC represents constant currency variance.

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

FY 2013: Hudson Europe

\$US in Millions

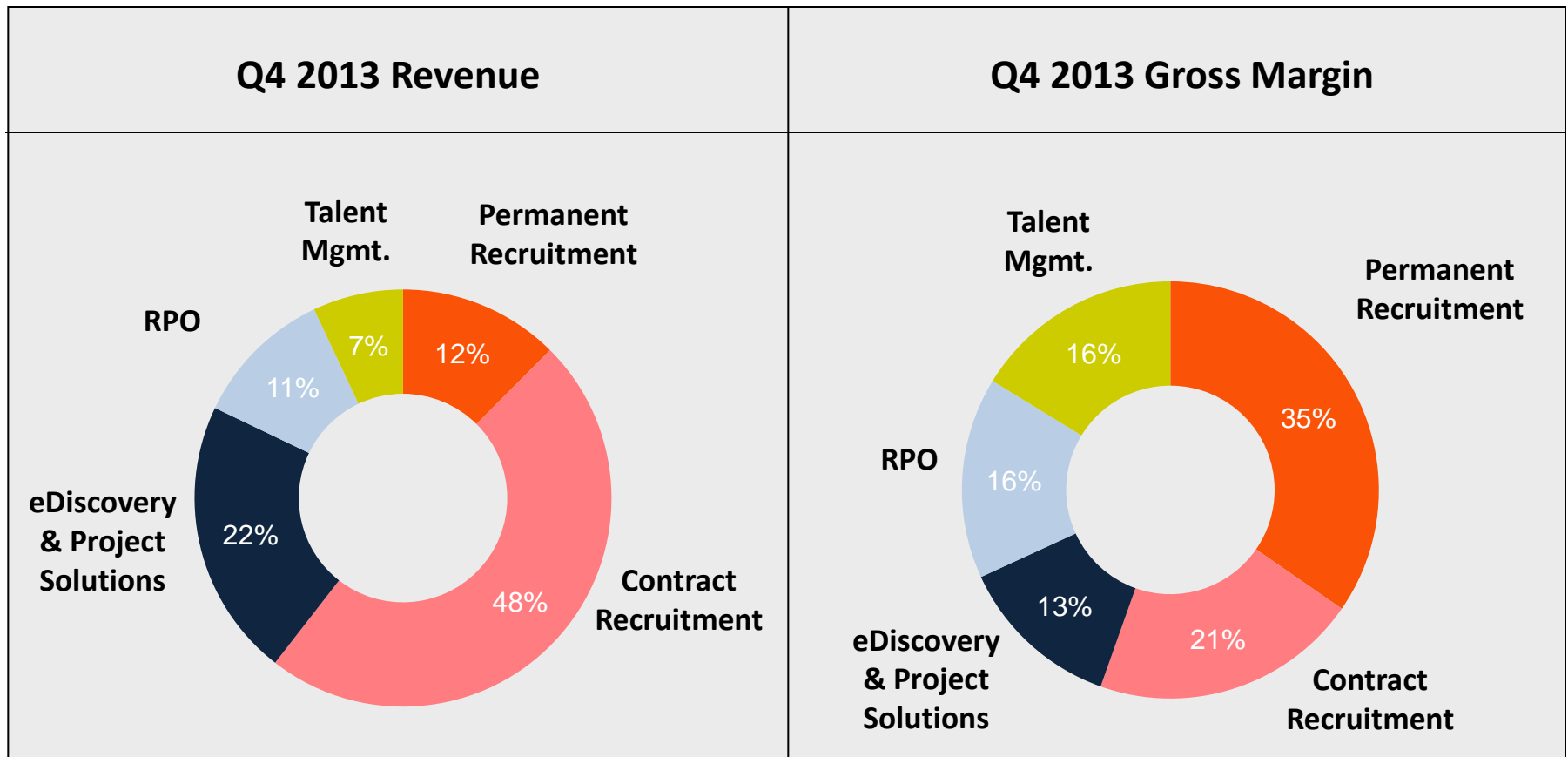
	B+ / W- (2)	2013	2012
Revenue	- 10%	\$288.4	\$320.2
	- 10% CC (1)		
Gross Margin	- 13%	\$108.5	\$124.3
	- 13% CC		
SG&A	+ 8%	\$107.1	\$116.3
	+ 9% CC		
Adjusted EBITDA	- 81%	\$1.5	\$8.0
	- 81% CC		
Adjusted EBITDA, as a % of Revenue		0.5%	2.5%

(1) CC represents constant currency variance.

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

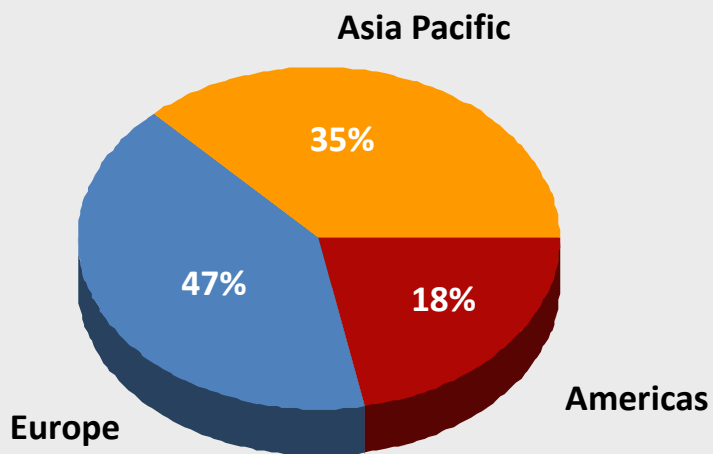
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Q4 2013: Global Services Split

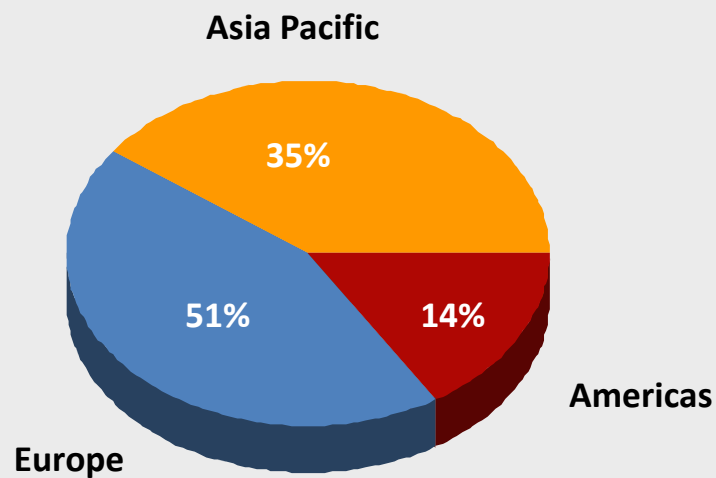


Q4 2013: Regional Split

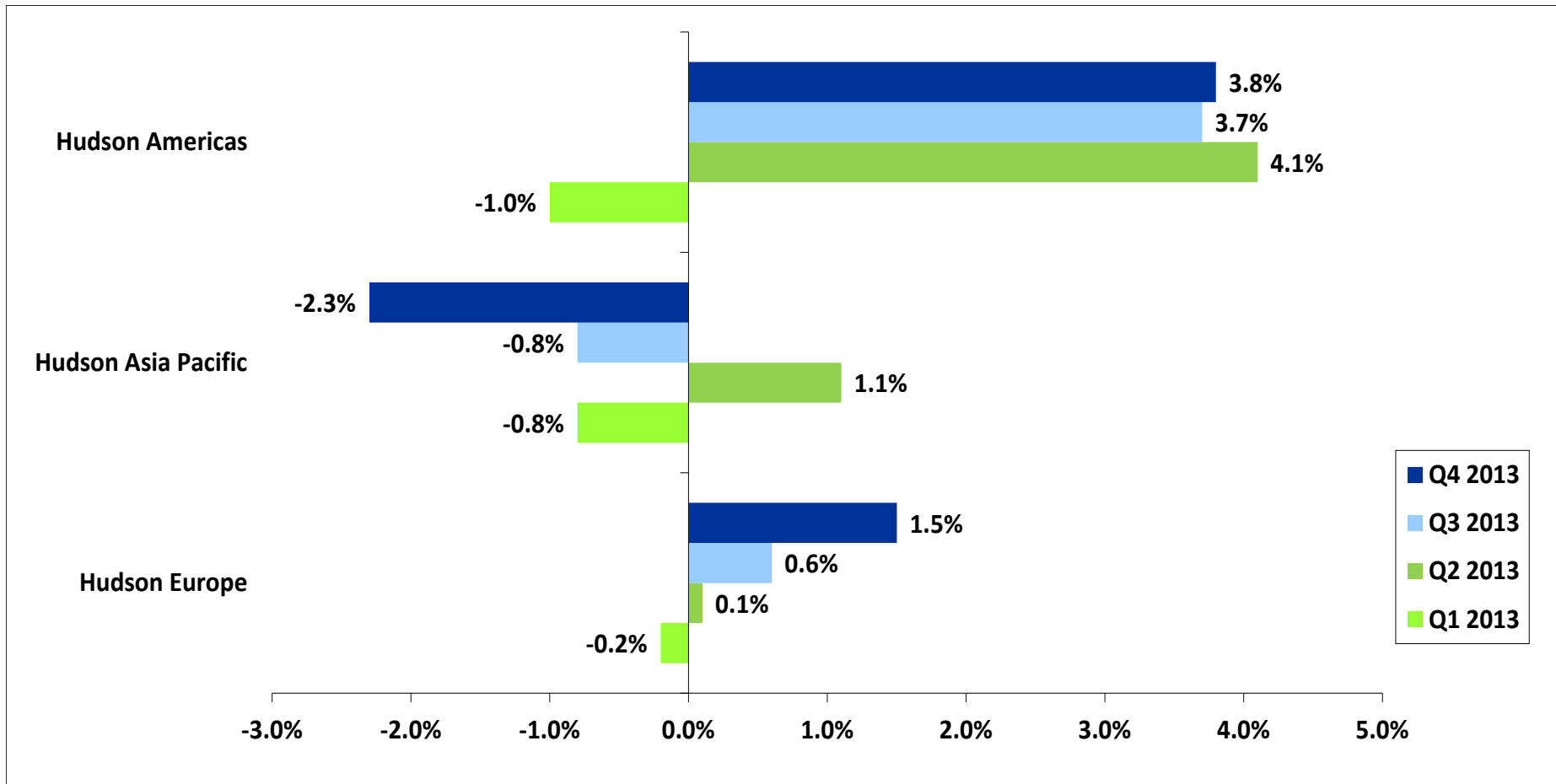
Q4 2013 Revenue



Q4 2013 Gross Margin



FY 2013: 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, 2013	December 31, 2012
Cash	\$37.4	\$38.7
Accounts Receivable	\$85.9	\$107.2
Selected Liabilities		
	December 31, 2013	December 31, 2012
Short-term Borrowings	\$0.5	\$0.0
Shareholders' Equity	\$74.4	\$106.5
Working Capital		
	December 31, 2013	December 31, 2012
Current Assets	\$132.9	\$157.4
Current Liabilities	\$68.8	\$67.2
Working Capital	\$64.2	\$90.2

Q4 2013: Cash Flow Summary

\$US in Millions

	QTD <u>Dec-13</u>	QTD <u>Dec-12</u>
Net income (loss)	\$ (11.3)	\$ (0.3)
Depreciation and amortization	1.6	1.7
Stock-based compensation	0.1	0.2
Change in accounts receivable	12.5	9.3
Change in accounts payable and other liabilities	(5.8)	(6.0)
Others	7.0	(0.6)
Cash provided by (used in) operations	4.1	4.3
Capital expenditures	(0.4)	(0.9)
Free cash flow	3.7	3.4
Change in net borrowings (repayments)	0.5	-
Others	(0.2)	0.6
Effect of exchange rates	0.1	0.2
Change in cash	\$ 4.1	\$ 3.8

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FY 2013: Cash Flow Summary

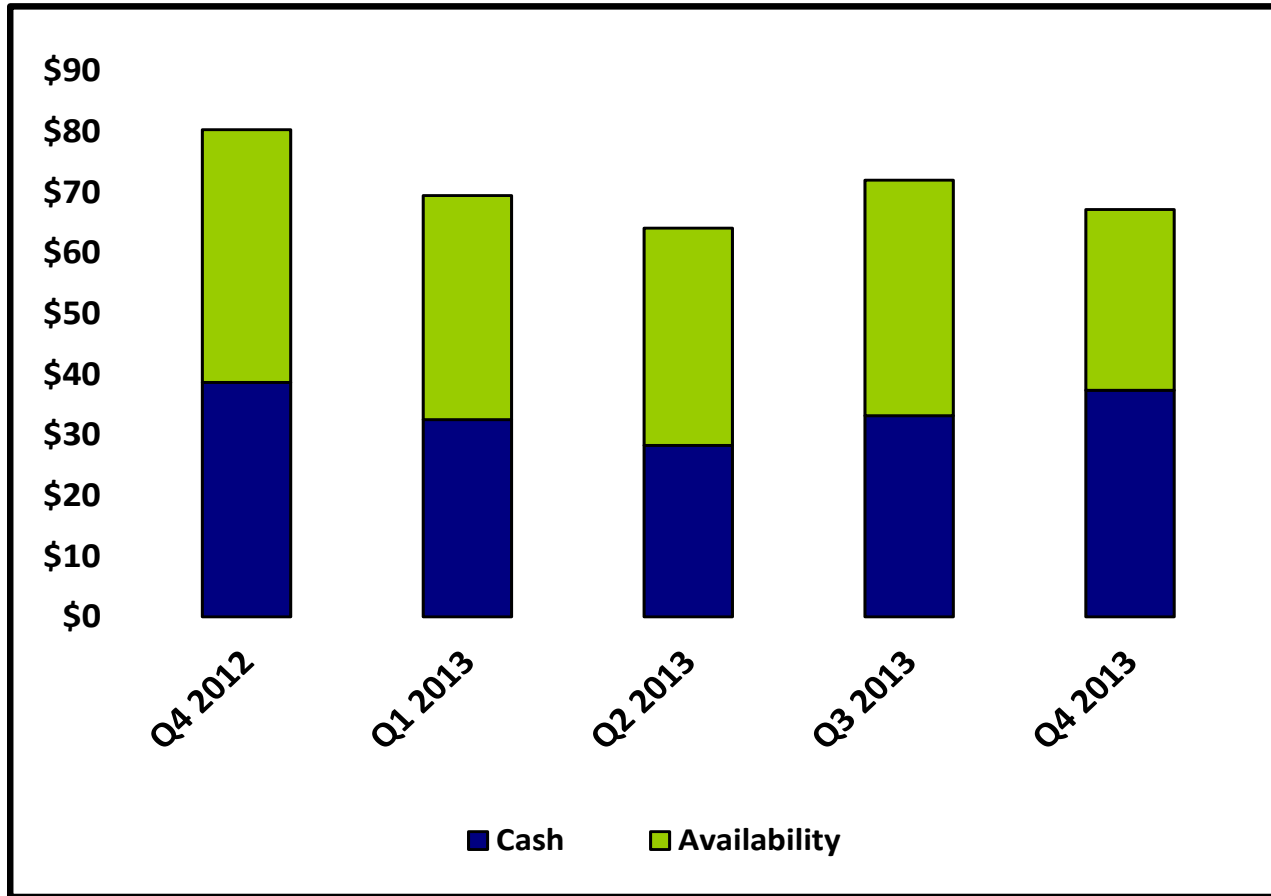
\$US in Millions

	YTD <u>Dec-13</u>	YTD <u>Dec-12</u>
Net income (loss)	\$ (30.4)	\$ (5.3)
Depreciation and amortization	6.4	6.4
Stock-based compensation	2.1	2.6
Change in accounts receivable	19.4	27.1
Change in accounts payable and other liabilities	(2.1)	(22.5)
Others	7.1	4.9
Cash provided by (used in) operations	2.5	13.2
Capital expenditures	(2.6)	(8.6)
Free cash flow	(0.1)	4.6
Change in net borrowings (repayments)	0.5	(3.2)
Others	(1.0)	(0.7)
Effect of exchange rates	(0.7)	0.7
Change in cash	\$ (1.3)	\$ 1.4

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Liquidity Remains Strong

\$US in Millions



Q4 Temporary Contracting GM by Region

	Q4 2013	Q4 2012
Americas	20.4%	20.0%
Asia Pacific	13.3%	14.8%
Europe	16.9%	17.7%
Hudson Total	16.5%	17.4%



Appendix

Q4 2013: Regional Gross Margin Mix

Approximate mix of gross margin by product around the globe

	Temp	Perm	Talent Mgmt
Americas	70%	30%	0%
Europe	30%	45%	25%
UK	40%	55%	5%
Cont. Europe	20%	40%	40%
Asia Pacific	25%	60%	15%
ANZ	35%	50%	15%
ASIA	5%	95%	5%
Hudson Total	35%	50%	15%

Q4 2013: Public Sector Gross Margin Mix

Approximate gross margin mix of public sector work

	Public Sector
Americas	4%
ANZ	28%
Asia	--
UK	11%
Cont Europe	31%
Total	18%

2013 EBITDA Reconciliation

\$US in Millions

	Hudson				Total
	Americas	Asia Pacific	Europe	Corp	
Q1 2013					
Revenue	\$ 37.2	\$ 56.2	\$ 72.3	\$ -	\$ 165.7
Gross margin	\$ 8.1	\$ 21.5	\$ 27.1	\$ -	\$ 56.7
Adjusted EBITDA (loss)	\$ (0.4)	\$ (0.4)	\$ (0.1)	\$ (4.0)	\$ (4.9)
Business reorg expenses	-	0.1	1.9	-	2.0
Office integration expense	-	-	-	-	-
Goodwill and other impairment charges	-	-	-	-	-
Non-operating expenses (income)	0.6	0.3	1.5	(2.7)	(0.3)
EBITDA (Loss)	\$ (0.9)	\$ (0.9)	\$ (3.5)	\$ (1.4)	\$ (6.6)
Depreciation and amortization					1.6
Interest expense (income)					0.1
Provision for (benefit from) income taxes					(0.2)
Loss (income) from disc ops, net of taxes					-
Net income (loss)					\$ (8.2)

	Hudson				Total
	Americas	Asia Pacific	Europe	Corp	
Q3 2013					
Revenue	\$ 34.8	\$ 58.3	\$ 70.5	\$ -	\$ 163.6
Gross margin	\$ 9.1	\$ 21.3	\$ 25.4	\$ -	\$ 55.8
Adjusted EBITDA (loss)	\$ 1.3	\$ (0.5)	\$ 0.4	\$ (4.2)	\$ (2.9)
Business reorg expenses	0.2	-	0.2	0.4	0.7
Non-operating expenses (income)	0.4	(0.3)	0.9	(1.3)	(0.3)
EBITDA (Loss)	\$ 0.7	\$ (0.1)	\$ (0.6)	\$ (3.2)	\$ (3.3)
Depreciation and amortization					1.5
Interest expense (income)					0.2
Provision for (benefit from) income taxes					-
Loss (income) from disc ops, net of taxes					-
Net income (loss)					\$ (5.0)

	Hudson				Total
	Americas	Asia Pacific	Europe	Corp	
Q2 2013					
Revenue	\$ 37.3	\$ 62.9	\$ 71.2	\$ -	\$ 171.4
Gross margin	\$ 9.2	\$ 24.3	\$ 27.0	\$ -	\$ 60.5
Adjusted EBITDA (loss)	\$ 1.5	\$ 0.7	\$ 0.1	\$ (4.9)	\$ (2.5)
Business reorg expenses	0.3	-	0.6	0.4	1.2
Office integration expense	-	-	-	-	-
Non-operating expenses (income)	0.8	0.5	1.7	(2.9)	0.1
EBITDA (Loss)	\$ 0.4	\$ 0.2	\$ (2.2)	\$ (2.3)	\$ (3.9)
Depreciation and amortization					1.7
Interest expense (income)					0.2
Provision for (benefit from) income taxes					0.1
Loss (income) from disc ops, net of taxes					-
Net income (loss)					\$ (5.8)

	Hudson				Total
	Americas	Asia Pacific	Europe	Corp	
Q4 2013					
Revenue	\$ 29.6	\$ 55.4	\$ 74.5	\$ -	\$ 159.5
Gross margin	\$ 7.8	\$ 20.0	\$ 29.0	\$ -	\$ 56.9
Adjusted EBITDA (loss)	\$ 1.1	\$ (1.3)	\$ 1.1	\$ (2.9)	\$ (2.0)
Business reorg expenses	0.8	0.9	1.1	-	2.8
Impairment charges on long-lived assets	-	0.3	1.1	-	1.3
(Gain) loss on disposal of business	-	-	-	-	-
Non-operating expenses (income)	0.7	-	1.5	(2.5)	(0.3)
EBITDA (Loss)	\$ (0.4)	\$ (2.5)	\$ (2.5)	\$ (0.4)	\$ (5.8)
Depreciation and amortization					1.6
Interest expense (income)					0.1
Provision for (benefit from) income taxes					3.8
Loss (income) from disc ops, net of taxes					-
Net income (loss)					\$ (11.3)

- (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.

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)	\$ 1.4	\$ 2.3	\$ 3.5	\$ (4.0)	\$ 3.2
Business reorg expenses	-	-	0.2	-	0.2
Impairment charges on long-lived assets	-	-	-	-	-
(Gain) loss on disposal of business	(0.6)	-	-	-	(0.6)
Non-operating expenses (income)	0.6	1.0	0.6	(2.2)	-
EBITDA (Loss)	\$ 1.4	\$ 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.