

HUDSON GLOBAL, INC.

Q2 2014 EARNINGS CALL

July 31, 2014

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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 may cause actual results to differ materially from those contained in the forward-looking statements, including global economic fluctuations, risks related to fluctuations in our operating results, the ability of clients to terminate their relationship at anytime, competition, limited availability under our credit facilities and our ability to successfully achieve our strategic initiatives 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.

Q2 2014: Consolidated Financial Results

\$US in Millions, except EPS

	B+ / W- (2)	Q2 2014	Q2 2013
Revenue	- 2% - 4% CC (1)	\$167.4	\$171.4
Gross Margin	+ 4% + 2% CC	\$62.8	\$60.5
SG&A	- 1% + 0% CC	\$63.6	\$63.0
Adjusted EBITDA	+ 68% + 64% CC	(\$0.8)	(\$2.5)
EBITDA	+ 42% + 39% CC	(\$2.2)	(\$3.9)
EBITDA, as a % of Revenue		-1.3%	-2.3%
Net Income (loss)	+ 25% + 22% CC	(\$4.4)	(\$5.8)
Diluted EPS		(\$0.13)	(\$0.18)

(1) CC represents constant currency variance.

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

Q2 2014: Hudson Americas

\$US in Millions

	B+ / W- (1)	Q2 2014	Q2 2013
Revenue	- 30%	\$26.3	\$37.3
Gross Margin	- 24%	\$7.1	\$9.2
SG&A	+ 6%	\$7.2	\$7.7
Adjusted EBITDA	- 109%	(\$0.1)	\$1.5
Adjusted EBITDA, as a % of Revenue		-0.5%	4.1%

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

Q2 2014: Hudson Asia Pacific

\$US in Millions

	B+ / W- (2)	Q2 2014	Q2 2013
Revenue	+ 4%	\$65.1	\$62.9
	+ 7% CC (1)		
Gross Margin	+ 1%	\$24.5	\$24.3
	+ 4% CC		
SG&A	+ 0%	\$23.5	\$23.5
	- 3% CC		
Adjusted EBITDA	+ 40%	\$1.0	\$0.7
	+ 11% CC		
Adjusted EBITDA, as a % of Revenue		1.5%	1.1%

(1) CC represents constant currency variance.

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

Q2 2014: Hudson Europe

\$US in Millions

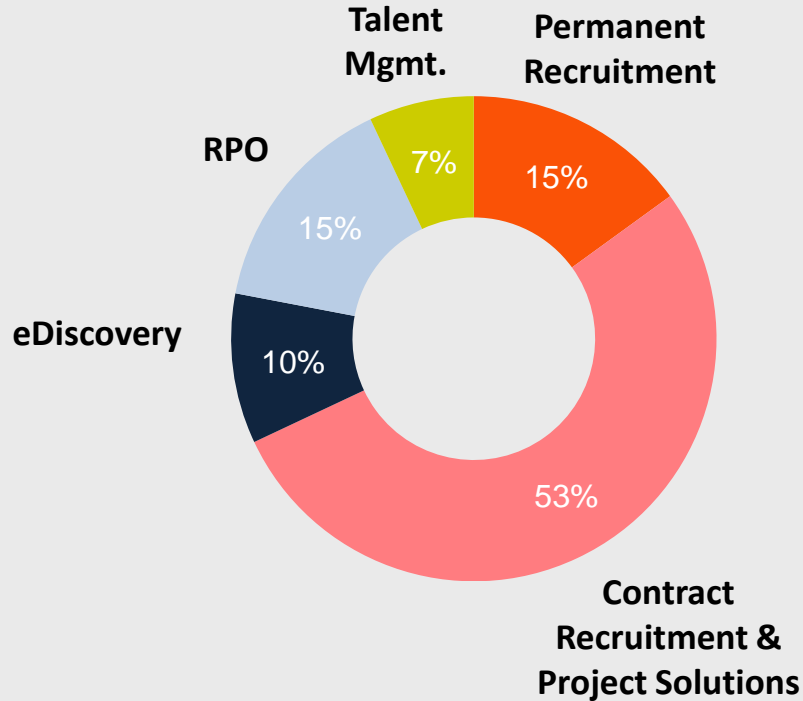
	B+ / W- (2)	Q2 2014	Q2 2013
Revenue	+ 7%	\$76.0	\$71.2
	- 1% CC (1)		
Gross Margin	+ 16%	\$31.2	\$27.0
	+ 9% CC		
SG&A	- 4%	\$28.0	\$26.9
	+ 2% CC		
Adjusted EBITDA	NM	\$3.2	\$0.1
	NM CC		
Adjusted EBITDA, as a % of Revenue		4.2%	0.1%

(1) CC represents constant currency variance.

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

Q2 2014: Global Services Split

Q2 2014 Revenue

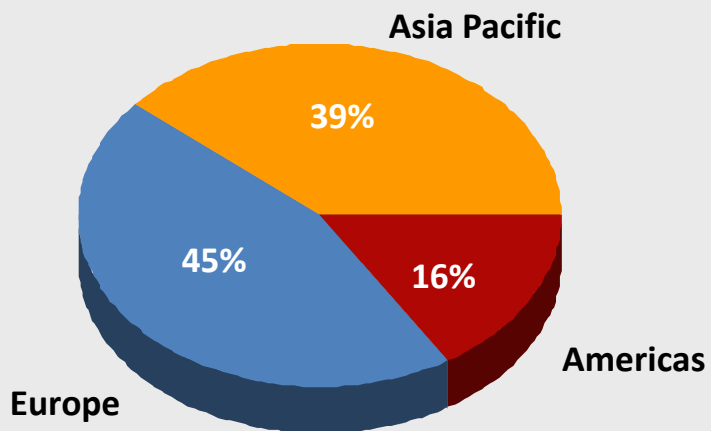


Q2 2014 Gross Margin

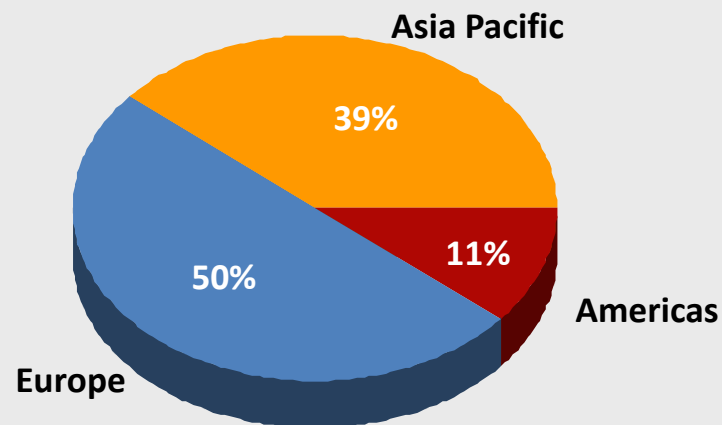


Q2 2014: Regional Split

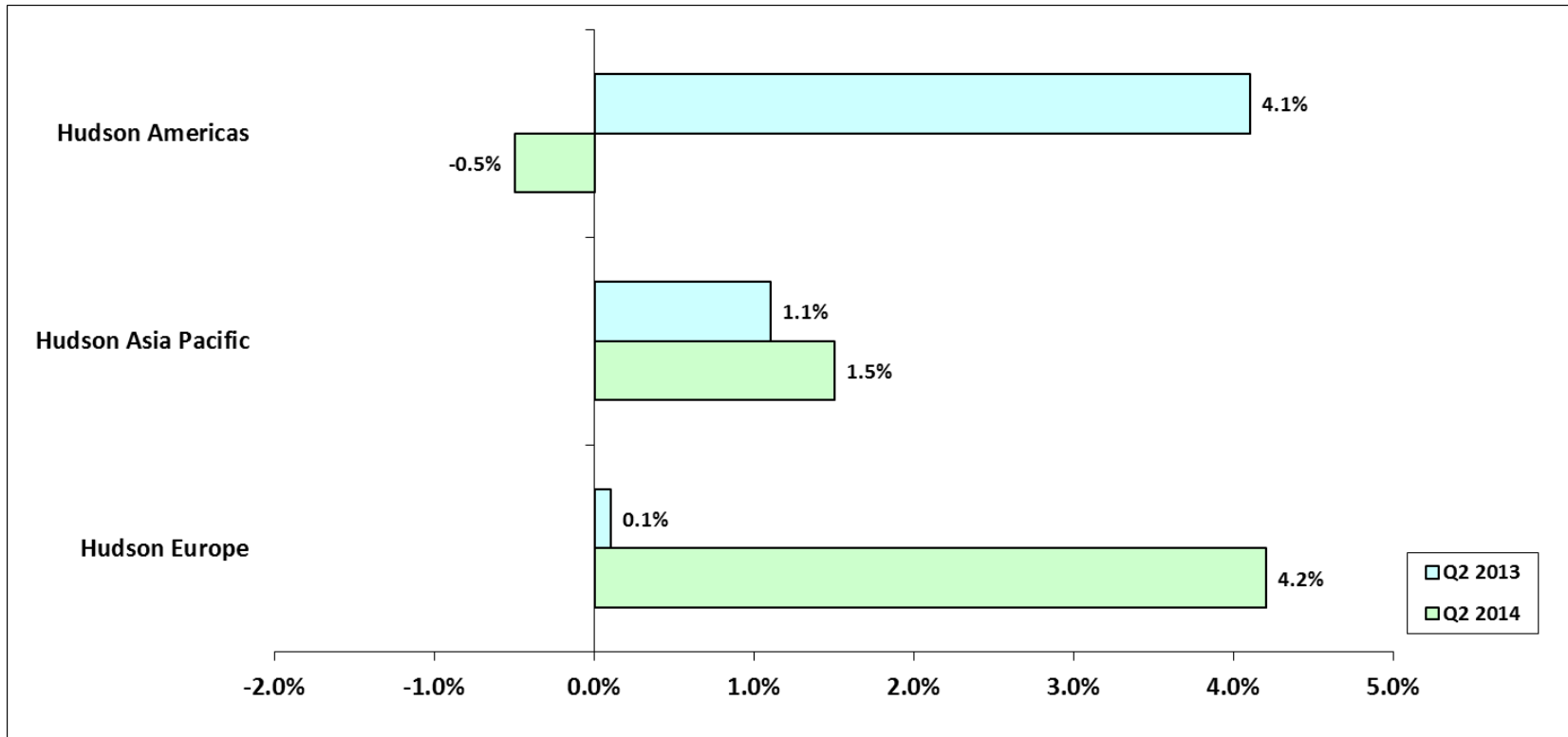
Q2 2014 Revenue



Q2 2014 Gross Margin



Q2 2014: 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		
	June 30, 2014	December 31, 2013
Cash	\$17.9	\$37.4
Accounts Receivable	\$100.5	\$85.9
Selected Liabilities		
	June 30, 2014	December 31, 2013
Short-term Borrowings	\$2.2	\$0.5
Shareholders' Equity	\$68.6	\$74.4
Working Capital		
	June 30, 2014	December 31, 2013
Current Assets	\$128.7	\$132.0
Current Liabilities	\$70.2	\$68.8
Working Capital	\$58.5	\$63.3

Q2 2014: Cash Flow Summary

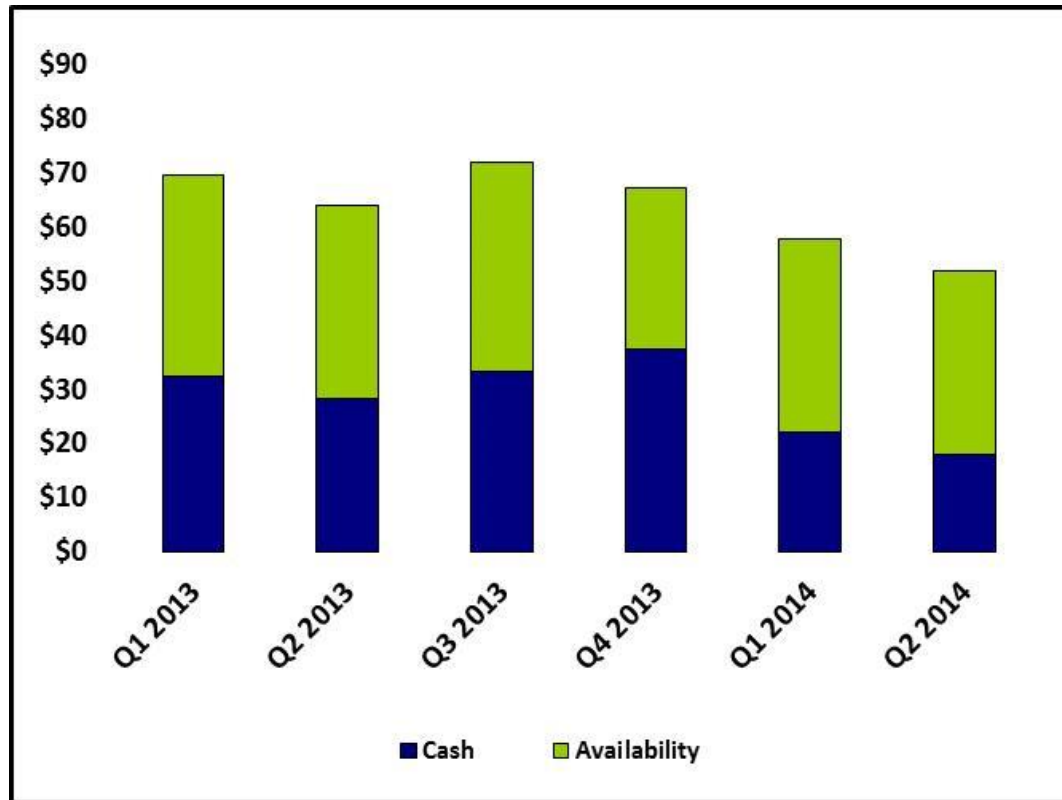
\$US in Millions

	QTD <u>Jun-14</u>	QTD <u>Jun-13</u>
Net income (loss)	\$ (4.4)	\$ (5.8)
Depreciation and amortization	1.5	1.7
Stock-based compensation	0.3	0.9
Change in accounts receivable	(0.2)	(3.4)
Change in accounts payable and other liabilities	(3.8)	3.3
Others	2.0	(0.1)
Cash provided by (used in) operations	(4.6)	(3.4)
Capital expenditures	(1.2)	(0.5)
Free cash flow	(5.8)	(3.9)
Change in net borrowings (repayments)	1.6	0.7
Others	(0.3)	(0.3)
Effect of exchange rates	0.2	(0.7)
Change in cash	\$ (4.3)	\$ (4.2)

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Liquidity Remains Strong

\$US in Millions



Note: Q2 2014 includes \$13.1 million of availability from the RBS facility which will expire in August 2014 and which the company expects to replace with new facilities in the US and UK.

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Q2 Temporary Contracting GM by Region

	Q2 2014	Q2 2013
Americas	17.0%	19.3%
Asia Pacific	12.7%	13.1%
Europe	17.2%	16.0%
Hudson Total	15.5%	15.9%



Appendix

Q2 2014 Regional Gross Margin Mix

Approximate mix of gross margin by product around the globe

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

Q2 2014: Public Sector Gross Margin Mix

Approximate gross margin mix of public sector work

	Public Sector
Americas	4%
ANZ	29%
Asia	--
UK	13%
Cont Europe	25%
Total	18%

Q1 EBITDA Reconciliation

\$US in Millions

	Hudson				Total
	Americas	Asia Pacific	Europe	Corp	
Q1 2014					
Revenue	\$ 26.9	\$ 56.4	\$ 78.6	\$ -	\$ 161.9
Gross margin	\$ 6.7	\$ 20.9	\$ 30.0	\$ -	\$ 57.5
Adjusted EBITDA (loss)	\$ (0.6)	\$ 0.1	\$ 2.4	\$ (3.9)	\$ (2.1)
Business reorg expenses	0.1	-	-	-	0.1
Non-operating expenses (income)	0.4	0.4	1.2	(1.8)	0.2
EBITDA (Loss)	\$ (1.1)	\$ (0.3)	\$ 1.2	\$ (2.1)	\$ (2.4)
Depreciation and amortization					1.5
Interest expense (income)					0.1
Provision for (benefit from) income taxes					0.5
Net income (loss)					\$ (4.5)

	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)

- (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.



Q2 EBITDA Reconciliation

\$US in Millions

	Hudson				Total
	Americas	Asia Pacific	Europe	Corp	
Q2 2014					
Revenue	\$ 26.3	\$ 65.1	\$ 76.0	\$ -	\$ 167.4
Gross margin	\$ 7.1	\$ 24.5	\$ 31.2	\$ -	\$ 62.8
Adjusted EBITDA (loss)	\$ (0.1)	\$ 1.0	\$ 3.2	\$ (4.9)	\$ (0.8)
Business reorg expenses	0.0	1.1	-	-	1.1
Non-operating expenses (income)	0.7	0.5	1.6	(2.5)	0.3
EBITDA (Loss)	\$ (0.9)	\$ (0.6)	\$ 1.6	\$ (2.4)	\$ (2.2)
Depreciation and amortization					1.5
Interest expense (income)					0.2
Provision for (benefit from) income taxes					0.4
Loss (income) from disc ops, net of taxes					-
Net income (loss)					\$ (4.4)

	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)

- (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.

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Q2 EBITDA Reconciliation of Certain Charges

\$US in Millions

Q2 2014

Adjusted EBITDA (loss)
Charges related to proxy contest and strategic actions
Adjusted EBITDA excluding above charges

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\$	(0.8)
	<u>1.3</u>
\$	<u>0.5</u>

- (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.

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