

**2003
Annual
Report**



HUDSON HIGHLAND GROUP



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Profile

Hudson Highland Group, Inc.

Hudson Highland Group, Inc. (NASDAQ: HHGP) offers a full suite of specialized professional staffing, retained executive search and other human capital solutions worldwide. The company employs approximately 3,700 professionals serving clients in more than 20 countries through its Hudson and Highland Partners businesses. More information about Hudson Highland Group is available at www.hhgroup.com.

Our Vision

To be the world's best at helping employers achieve success through people

Realizing Our Vision

What we do: We work with our clients to attract, select, engage, develop and retain the best people.

We will become the world's best through:

- Specialization (functional and industry-specific)
- Knowledge sharing
- Global reach with local touch
- Innovation
- Operational excellence
- A superior employment experience

As we become the best, we make these commitments to our employees:

- Growth and opportunity
- The environment and tools to succeed
- A sense of belonging
- Recognition and rewards
- A values-based culture

Our Values

Integrity

We embrace and uphold the highest standards of personal and professional ethics, honesty and trust.

Respect

We treat everyone with uncompromising respect, civility and fairness.

Collaboration

We work as a team and share knowledge for continuous improvement, learning and innovation.

Empowerment

We are empowered to deliver operational excellence through innovation and leadership at all levels.

Responsibility

We are responsible to fulfill our commitments to colleagues and clients with a clear understanding of the urgency and accountability inherent in those commitments.



Letter from the Chief Executive Officer and Chief Financial Officer

We believe we have an extraordinary opportunity at Hudson Highland Group. This view is driven by several key factors.

- **Focus** – Last year our spin-off from Monster Worldwide enabled our complementary set of professional service businesses – specialized permanent, contract and project staffing; retained executive search; and employment life cycle human capital solutions – to focus as an independent company on helping clients achieve success through people.
- **Global** – We have a balanced global business platform, primarily led by local nationals in their respective markets, to credibly serve local, regional and multi-national clients through our wholly-owned operations in Europe, North America, Australia/New Zealand, Asia and several emerging markets.
- **Offering** – We combine permanent and project recruitment services for executive, managerial and professional levels with a host of proven employment life cycle solutions spanning major markets worldwide.
- **Growth** – We believe that the global market for helping businesses efficiently recruit, engage and develop the right people will experience strong growth for years to come. Population shifts, societal aging, functional outsourcing trends, new technologies and changing lifestyle patterns are all converging to raise the stakes in the people/business performance equation.
- **Clients** – We have a deep roster of long-standing, satisfied clients. Blue-chip companies from around the world such as Honeywell, Nestlé, Toyota and Westpac have relied on us for years. You can read more about these and other success stories later in this report.
- **Integrity** – We operate at the highest level of legal and ethical principles, and hold ourselves accountable for uncompromising integrity – one of our firm’s core values – with all of our stakeholders.
- **People** – We believe we have the talent, intellectual horsepower and evolving culture at Hudson Highland Group to build an enviable industry force.

The year 2003 was one of transition for us. Since becoming a fully independent, publicly held company last spring, we have focused on reducing our cost structure, improving financial and operational discipline, and creating a more efficient and performance-driven global enterprise. In particular:

- We tightened our focus on core, stable markets offering strong opportunity for growth in our European, North American and Asia Pacific operations.
- We exited unprofitable locations, repositioned our executive search business and adjusted our work force to align it with business and market conditions.
- We effectively managed our working capital and cash reserves for financial flexibility, and further strengthened our balance sheet, writing off impaired goodwill from historical acquisitions and uncollected invoices.
- We streamlined various financial, accounting and IT infrastructure processes, enabling greater operational discipline, focus and efficiency.
- As important, we made several strategic investments in select geographic markets, solution sets and intellectual capital development.

Through this transition, we have brought greater stability and discipline to the organization. Today we have a talented team committed to the best strategies and markets to create value for our stockholders, clients, business partners and employees. While challenges remain, we are encouraged that our strategic investments are starting to deliver results and we remain focused on achieving profitability during 2004.

In closing, we are mindful that we must continue to challenge ourselves to improve our business. With the unwavering focus and effort of our senior management team, the dedication of all of our employees and the invaluable advice and guidance of our Board of Directors, we will continue to drive Hudson Highland Group forward.



Jon F. Chait
Chairman, President and Chief Executive Officer



Richard W. Pehlke
Executive Vice President and Chief Financial Officer



*Jon Chait (left) and
Richard Pehlke*

Helping Employers Achieve Success Through People

Hudson Highland Group is one of the world's largest providers of specialized professional staffing, retained executive search and other human capital solutions. We help our clients achieve greater organizational performance by assessing, recruiting and developing the best and brightest people for their businesses. Our approximately 3,700 employees in more than 20 countries are dedicated to providing unparalleled service and value to our clients.

Spun off from Monster Worldwide in March 2003, Hudson Highland Group goes to market globally through two primary brands: Hudson and Highland Partners.

Hudson

Hudson Global Resources helps leading companies efficiently find specially skilled individuals at the professional and managerial levels for direct hire, contract and project roles around the world. From single placements to comprehensive work force outsourcing, we serve a broad cross section of major industries through our global specialty practices:

- Accounting & Finance
- Engineering, Operations & Scientific
- Healthcare
- Human Resources
- Information Technology & Telecommunications
- Legal
- Sales & Marketing

Hudson Highland Group is one of the world's largest providers of specialized professional staffing, retained executive search and other human capital solutions. We help our clients achieve greater organizational performance by assessing, recruiting and developing the best and brightest people for their businesses.



Hudson Human Capital Solutions partners with clients around the world to maximize returns on their investments in people. From assessing top talent to improving organizational effectiveness, driving high performance and providing career transition and reintegration services, these solutions span the entire employment life cycle. Our systematic approach to managing human capital blends a deep understanding of how people relate to their work environment with innovative, practical technology solutions.

Hudson Inclusion Solutions are designed to transform corporate cultures to embrace and leverage the necessary differences in people, and improve overall business performance as a result. Given that increasing globalization of economies is having dramatic business and cultural effects worldwide, diversity is a top priority for global business leaders today and a key strategy for competitive advantage. Our offerings span Discovery & Assessment, Recruitment, Retention, Leadership Development & Training, Strategic Partnerships, Communications, and Metrics & Measures.

Highland Partners

Highland Partners is the unique boutique with global reach in C-level retained executive search, specializing in recruiting at the CEO, COO, CIO, CFO and Board of Director levels, as well as senior-level operations and staff positions. We have assembled an elite team of specialized, senior partners who get personally involved in every search assignment booked. We believe this approach enables us to offer our clients an unsurpassed level of quality, service and attention, while providing access to an international talent base across all major industries at the very highest levels of management and operations.

Hudson Highland Center for High Performance

The **Hudson Highland Center for High Performance** brings together global thought leaders and experienced practitioners to develop effective solutions that maximize performance and improve returns on strategic, financial and human capital investments. The Center recently conducted a systematic global study of the factors that accelerate high performance. The study provides – for the first time ever – proprietary data that allows organizations to benchmark their work groups against quantifiable global standards of high performance. With these insights, businesses can identify key opportunities to achieve sustainable, profitable growth through faster development of new products, services and markets, and enhanced retention of top talent.



The Hudson Highland Center for High Performance brings together global thought leaders and experienced practitioners to develop effective solutions that maximize performance and improve returns on strategic, financial and human capital investments.



“For 25 years, I’ve consulted with the team that is now Hudson



Human Capital Solutions on all major HR decisions.”

*Luc De Bruyckere
Executive Chairman
Ter Beke*



“Hudson Global Resources had experienced recruiters in every location around the globe that we wanted to staff. They met our aggressive schedule and found the right people for each job. With their proven capabilities and overall value, there’s no reason to look beyond Hudson Highland Group.”

Timothy R. Craven

*Timothy R. Craven
Global HR Leader
Honeywell ACS*



Recruiting Across the Globe

When Honeywell Automation and Control Solutions (ACS) needed to recruit professionals in five countries around the world, the business unit's human resources team turned to another global leader, Hudson Highland Group.

The assignment was to recruit for a single type of position – procurement professionals – in five countries: Hungary, the Czech Republic, Poland, Mexico and China. The project later expanded to include Germany, Italy, the United Kingdom and the U.S.

Hudson Global Resources got off to a fast start, developing and implementing common selection criteria that incorporated the needs of the position, while at the same time accommodating cultural differences and norms in the various countries. Together, our team of experienced recruiters in each market and the Honeywell ACS human resources staff screened more than 2,000 candidates from 15 countries, resulting in 28 external and five internal hires within the first six months. During the course of the project, additional candidates were identified for other positions. The responsibilities of Hudson Global Resources later expanded to include the staffing of a design center and a new factory in the Czech Republic and the recruitment of product management talent for a business unit in Scotland.

Hudson Highland Group's long-term relationship with Honeywell ACS involves almost every aspect of our service portfolio, from executive search to management selection, project recruiting and human capital solutions. Most important, it highlights how Hudson Highland Group's global presence and multiple service capabilities can successfully come together to help our clients achieve their business objectives – at home and around the world.

“With our worldwide network of experienced, locally based recruiters, Hudson Global Resources had the unique ability to source high-quality candidates for the same position in nine countries – on time and on budget.”

*Ferenc Baracska
Country Manager, Hungary
Hudson Global Resources*

Honeywell

Global



Outsourcing



“Our experience with Nestlé illustrates the multi-faceted capabilities of Hudson Global Resources. We’re on-site as an integral part of the Nestlé recruitment team and we’re one of several candidate sourcing firms. That’s strategic partnering at its best.”

*Joanna Prewett
Associate Director - Alliance Partnership
Hudson Global Resources*



Adding Value Through Outsourcing

For Nestlé S.A., the world's largest food company, outsourcing the recruitment process for its United Kingdom operations has proven to be a sweet success.



Based in Croydon and York, Nestlé UK employs over 7,000 people in 20 locations throughout the United Kingdom. When the company moved to an HR shared service model, Nestlé human resources management identified the need for an on-site resource manager.

With its experienced staff and broad range of capabilities, Hudson Global Resources was the perfect choice. For the past three years, Hudson has provided an on-site resource manager who manages the entire recruitment process and is treated as a Nestlé employee. Responsibilities include managing third-party agencies, establishing and monitoring service levels, setting up and maintaining the vendor assessment process and consulting on recruitment strategies and activities. In addition to our role in managing the entire process, Hudson Global Resources is also one of the third-party vendors recruiting new employees for virtually every available position within the company. In this capacity, we go through the same vendor assessment process as the other firms utilized by Nestlé.

For Nestlé, outsourcing the recruitment process has resulted in greater efficiencies in procuring talent and a higher quality of hire, along with increased retention and a more cost-effective recruiting process. For Hudson Global Resources, this strategic partnership is an outstanding opportunity for our people to do what we do best – assist the world's leading companies in recruiting the talent that will shape their future.

“Our relationship with Hudson has evolved over the past three years, with the on-site resource team becoming an integral part of the Nestlé HR Shared Service initiative. A particular strength has been the way in which Hudson has advised us on re-engineering our approach to volume recruitment in the core areas of our business.”

Fiona Alcorn
Fiona Alcorn
Head of Recruitment
Nestlé UK



“Hudson Human Capital Solutions has a strong local presence and very quickly showed an understanding of the Toyota culture. Their willingness to customize their concepts and tools to our needs enabled us to translate our Toyota way values into the competencies that support our performance and set us apart from the competition.”

A handwritten signature in black ink, appearing to read "Ivo Wetsels". The signature is fluid and stylized, with a long horizontal line extending from the end of the name.

*Ivo Wetsels
Director of Human Resources
Toyota Motor Marketing Europe*



Instilling Values Across an Organization

Toyota Motor Corporation is recognized worldwide for its high quality standards and strong values. Hudson Highland Group is a driving force to help embed these standards and values across Toyota's global work force.

In a pilot project, Toyota turned to Hudson Human Capital Solutions in Brussels, Belgium to make the management competency model developed in Tokyo practical for Toyota Motors Marketing Europe. Working closely with corporate headquarters in Tokyo, the Hudson Human Capital Solutions team assessed the different management functions at the European headquarters and defined the desired behaviors for each position, ranging from top executives to senior professionals. Using this defined criteria, assessment exercises were custom designed to identify the ten critical competencies that have made Toyota so successful. The goal was to help Toyota managers understand the values and apply them in their jobs.

During the two-year project, more than 500 executives and managers across Europe will be screened to identify their strengths and development needs in terms of the new competency model. They will be provided with a customized development plan that will help them apply the Toyota standards and values to their job. Executive coaching will help to facilitate the enhancement of work performance. Hudson Human Capital Solutions also designed and manages development centers for training top management in how to work with the new competency model.

Hudson Human Capital Solutions' partnership with Toyota Motors Marketing Europe highlights our international team's ability to develop customized solutions for today's values-driven organizations.

“Toyota is a global leader and our ability to successfully manage such a large-scale project demonstrates our geographic strength and international talent. We were the only provider with the flexibility and mindset to custom design a program that matched the Toyota culture.”

*Ann-Sophie Cremers
Manager, Organizational Development
Hudson Human Capital Solutions*

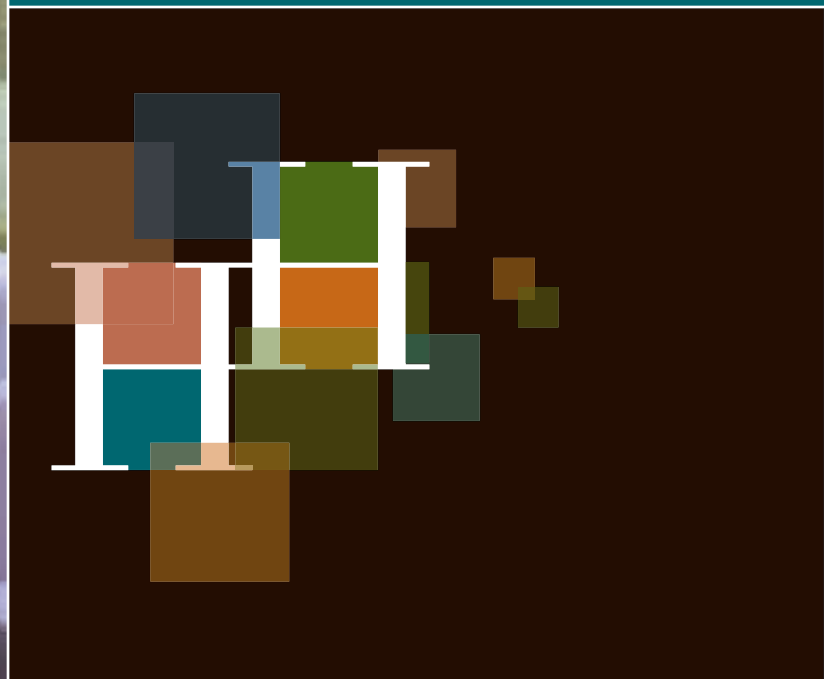


Solutions



“We developed a customized solution for Royal Bank of Scotland Group that meets their unique needs. Our client team, which is devoted exclusively to RBS group, consistently delivers on our client’s stringent performance requirements and service levels, illustrating how our commitment, quality and professionalism add value to our client’s business.”

*Peter Chater
Senior Client Services Manager
Hudson Global Resources*



Developing a Customized Recruitment Solution

Banking on Hudson Highland Group has resulted in greater uniformity and increased consistency in recruiting for one of Europe's leading financial services groups.



The Royal Bank of Scotland group (RBS) is the second largest bank in the United Kingdom and in Europe, and currently ranks fifth in the world. With thousands of branches and 120,000 employees, recruiting is a major focus – and a significant expense.

In prior years, the recruitment of technical staff for positions in human resources, finance, marketing, IT and banking involved over 400 suppliers. Recognizing that this large number of providers created inconsistencies in the recruitment process and minimized opportunities for economies of scale, RBS group management partnered with Hudson Global Resources in developing a customized solution.

As a preferred supplier for specialist recruitment, Hudson Global Resources worked closely with RBS group management to develop the best model to meet their diverse needs. We established a team in the UK that works exclusively for RBS group. We know their business, their requirements and their candidate profiles. In addition, with a head office in Edinburgh and recruiting strength in London, we are an excellent geographical fit.

Today, RBS group works with four suppliers instead of 400. Hudson Global Resources serves as an extension of RBS group in the marketplace, consistently communicating their messages to candidates throughout the UK and beyond. The recruitment process is procedure-based and uniform. And the new model is achieving significant economies of scale – a benefit that for RBS group is money in the bank.

“Hudson understands the financial services sector and the recruitment market. They have a strategic focus, wide UK coverage and are extremely responsive to our needs. I feel at all times that the reputation of RBS group is safe in their hands.”

A handwritten signature in black ink, appearing to read 'Carol Buckroyd', is written over a light grey rectangular background.

*Carol Buckroyd
Contract Manager
Royal Bank of Scotland*



“We selected Highland Partners because we needed much more than a recruiter. They helped us to completely transform our organization and produce more real change than any other project we have undertaken. Hudson Highland Group was a strategic partner with a genuine desire to help us turn our organization around.”

A handwritten signature in black ink, appearing to read 'Jeff Smith'.

*Jeff Smith
Chief Information Officer
Telstra*



Reshaping Processes and People

When Telstra, Australia's third largest public company and the world's thirteenth largest telecommunications provider, had a vision for transforming its Information Technology Services organization, help was just a phone call away.

To improve the efficiency, quality, service and speed of its product lines, as well as to reduce costs, Telstra wanted to create a new integrated ITS organization. Changing the culture of an organization of over 2,500 Telstra IT people required the full spectrum of professional staffing, change management, recruitment and human capital solutions. Hudson Highland Group was Telstra's provider of choice to manage this strategically significant project.

Our Highland Partners team worked closely with Telstra's ITS management staff and strategy consultants to perform a complete review of the IT services and processes and develop the structure, capabilities and competencies for the new organization and the leadership team. Highland Partners managed the assessment and selection of internal and external candidates utilizing Highland Partners' S4 management assessment methodologies. We reviewed more than 1,000 internal candidates and matched appropriately qualified Telstra employees to newly designed management positions.

Leveraging the online technology of Hudson Global Resources and the redeployment and career counseling capabilities of Hudson Human Capital Solutions, Highland Partners facilitated the redesign and establishment of 300 new roles and subsequent hires from the internal and external marketplace which included the evaluation of another 2,000 employees.

In just a short time, the new Telstra ITS team has been recognized for providing superior service with a reduction in cycle times and costs – the benchmark of positive change.

“This was a premier example of how Hudson Highland Group brings together all of the resources needed to exceed our client's expectations. The powerful combination of resources from Highland Partners, Hudson Global Resources and Hudson Human Capital Solutions enabled us to accomplish what no other provider could.”

*Mark Lelliott
Managing Partner, Melbourne
Highland Partners*



KNOW-HOW



Partnering



“Our relationship with Westpac has evolved from a transactional supplier to a strategic recruitment partner as company management saw firsthand how we could add value to the business.”

*Karen Colfer
General Manager, Westpac Account
Hudson Global Resources*



Strategic Partnering for High Volume Recruitment

At one time, Westpac Banking Corporation, a major Australian bank employing 28,500 people across the Asia Pacific market, had over 280 providers for the recruitment of permanent and temporary staff with salaries up to \$50,000. Now they have only one – Hudson.



Since 2000, Hudson Global Resources has been recruiting for all of Westpac's positions up to \$50,000 including bank tellers, branch managers, call center and administrative staff and junior business analysts. Hudson, however, is more than a recruitment partner. We are also the sole supplier of psychological assessment services and are on a panel of suppliers for all executive roles (\$50-\$250K).

Westpac's confidence and trust in our team has resulted in a relationship that spans the entire business. A dedicated team of specialists from Hudson Human Capital Solutions worked with line managers from Westpac to design nationally consistent assessment center models for nine job families, an Internet-based ordering system, on-line application and screening, and a suite of customized management reports. In addition, a diversity recruitment program designed for Westpac won the Prime Minister's award in 2002. Our team also helped Westpac with the integration of a major acquisition, which required more than 550 joint interviews. In addition, over 560 staff attended interview techniques and/or resume-building workshops designed and administered by Hudson.

In three years, the Hudson team has placed 6,500 permanent staff and currently has 1,200 temporary staff working in the bank. More importantly, Westpac now has assessment models and recruitment processes in place to provide consistency across the organization and has reduced recruitment spending by millions of dollars per year. Now that's real savings.

“Hudson isn't just an agency to us; they're a strategic partner for our organization. They understand our business drivers, which help them make smart choices on our behalf. They represent us very well and we put a lot of responsibility in their hands.”

A handwritten signature in dark ink, appearing to read 'R. Rossiter'.

*Rachael Rossiter
Portfolio Manager
Recruitment, Retention & Employer of Choice
Westpac Banking Corporation*

Leadership

Management

Hudson

Hudson Global Resources

Asia

Gary Lazzarotto – Chief Executive Officer
Albert Kwong – Chief Financial Officer
Vanessa Goss – General Counsel and
Group Company Secretary, Asia Pacific

China

Odilia Poon – General Manager

Hong Kong

Erika Morton – General Manager

Japan

Gary Lazzarotto – Chief Executive
Officer

Singapore

Stefanie Cross-Wilson – General
Manager

Australia/New Zealand

Vittoria Borazio – Chief Financial Officer
Vanessa Goss – General Counsel and
Group Company Secretary, Asia Pacific
Kimberley Hubble – General Manager,
Sales and Marketing

Australia

Melanie Kontze – General Manager,
Victoria
Geoff Qurban – General Manager,
Regional Australia
Andrew Staite – General Manager,
New South Wales

New Zealand

Greg Thompson – General Manager

Europe

Tim Livett – Chief Financial Officer
Andrew McNeilis – European Commercial
Director
Marcel Spaargaren – Head of
Interim/Contracting
Sarah Gregory – General Counsel

Belgium/Luxembourg

Ivan de Witte – Country Manager

Central Europe

Hans-Joachim Fritz – Regional Head,
Germany and Central Europe

Czech Republic/Slovakia

Irena Brichta – Country Manager

Hungary

Ferenc Baracscai – Country Manager

Poland

Agnieszka Maciejewska – Country
Manager

France

Patrick Reneleau – Country Manager

Italy

Leonardo Zaccheo – Country Manager

The Netherlands

Max Schep – Country Manager

Scotland/Ireland/Nordics

Russell Yeomans – Regional Head

Ireland

Bernadette Cox – Country Manager

Norway

Andreas Wettre – Country Manager

Scotland

Andy Rogerson – Country Manager

Sweden

Ann-Sofie Hoffman – Country Manager

Spain

Montserrat Luquero – Country Manager

United Kingdom

John Rose – Country Manager

North America

Brendan Flood – Chief Financial Officer
and Chief Operating Officer

Jason Beck – Executive Vice President,
Engineering, Aerospace and Defense
Resources

Troy Gregory – Executive Vice
President, Legal Resources

Kevin Knaul – Executive Vice President,
IT Resources and IT Solutions

Dee Lonn – Executive Vice President,
Accounting and Finance Resources

Josh Sorkin – Executive Vice President,
Management Search Group

Steven Wolfe – Executive Vice President,
Healthcare

Jeff Anderson – Senior Vice President,
National Accounts

Mark Fenske – Senior Vice President,
Energy Group

Michele Minten – Senior Vice President,
Permanent Services

Scott Salantrie – Senior Vice President,
Finance and Planning

Tim Bosse – Vice President, Life
Sciences and Pharmaceutical Group

Randy DePiero – Vice President,
Management Search Group, Canada

Alicia Doyle – Vice President, Human
Resources

Michael Kelly – Vice President, Real
Estate

Carla Snell – Vice President,
Engineering Practice Group

David Rhind – General Counsel

Hudson Human Capital Solutions

Matthew Levin – Vice President, Global
Operations Officer

Ivan de Witte – Managing Director, Europe
David Reynolds – Managing Director,
Australia/New Zealand

Max Schep – Managing Director,
Re-Integration Services, Europe

Ramie Green – Vice President/Practice
Leader, North America

Garrett Sheridan – Vice President/Practice
Leader, North America
Marc Timmerman – Director, Europe

Hudson Inclusion Solutions

Billy Dexter – President
Michelle Vanderlaan – Senior Vice President

Highland Partners

Asia Pacific

Dan Dumitrescu – Chief Executive Officer
John Neale – Financial Director

Australia

Catherine Andersen – Managing
Partner, Sydney
Alexandra Goodfellow – Managing
Partner, Sydney
Mark Lelliott – Managing Partner,
Melbourne

Europe/North America

Michael Corey – Vice Chairman, Group
Leader – Financial Services Sector
Robert Rollo – Vice Chairman, Group
Leader – Specialty Practices and
Managing Partner, Los Angeles
Bud Wright – Vice Chairman, Group
Leader – Consumer & Industrial Sectors
and Managing Partner, Atlanta

Europe

United Kingdom

John Sharkey – Non-Executive
Chairman
Simon Rhodes – Managing Partner,
London

Switzerland

Rainer Faistauer – Managing Partner,
Zurich

North America

Canada

Marcelo Mackinlay – Managing
Partner, Toronto

United States

Michael Ballenger – Managing
Partner, San Francisco
Gerard Cameron – Managing Partner,
Boston, New York, Princeton and
Stamford
Patrick Corey – Managing Partner,
Chicago
Jeremy Hanson – Managing Partner,
Minneapolis
Neal Maslan – Managing Partner, Encino
Judy Stubbs – Managing Partner, Dallas

Hudson Highland Center for High Performance

Mark Smith – President and Chief
Operating Officer
George Hogenson – Senior Vice President,
Program Development
Sasha Song – Vice President, Professional
Services

Corporate Information

Directors

Jon F. Chait – Chairman, President and Chief Executive Officer, Hudson Highland Group, Inc. (a)

John J. Haley – President and Chief Executive Officer, Watson Wyatt and Company (b) (c) (d)

Jennifer Laing – Associate Dean, London Business School (c)

Nicholas G. Moore – Director, Bechtel Group, Inc. (b) (c)

David G. Offensend – Senior Advisor, Evercore Partners Inc. (a) (b) (c) (d)

Richard W. Pehlke – Executive Vice President and Chief Financial Officer, Hudson Highland Group, Inc. (a)

René Schuster – Global Marketing Director, Vodafone Group, PLC (d)

- (a) 2004 Executive Committee
- (b) 2004 Audit Committee
- (c) 2004 Compensation Committee
- (d) 2004 Nominating and Governance Committee

Officers and Executive Management

Corporate

Jon F. Chait – Chairman, President and Chief Executive Officer*

Richard W. Pehlke – Executive Vice President and Chief Financial Officer*

Margaretta Noonan – Executive Vice President, Global Human Resources*

Richard A. Harris – Senior Vice President and Chief Information Officer*

Laurent Chen – Vice President, Interactive Services

Neil Funk – Vice President, Internal Audit*

Rick Gray – Vice President, Marketing and Communications*

Steven B. London – Vice President, Global Treasurer*

Ralph O'Hara – Vice President and Global Controller*

Latham Williams – Vice President, Legal Affairs and Administration, Corporate Secretary*

Eric Marcus – Chief Knowledge Officer

Business Divisions

Susan Lucia Annunzio – Chairman and Chief Executive Officer, Hudson Highland Center for High Performance

Bob Goodman – Chairman and Chief Executive Officer, Hudson Global Resources, Asia Pacific, and Chairman, Hudson Human Capital Solutions

Michael T. Kelly – Chairman, Highland Partners

Anne Hatton – President, Hudson Global Resources and Human Capital Solutions, Australia/New Zealand

Chris Herrmannsen – President, Hudson Global Resources and Human Capital Solutions, Europe

Thomas Moran – President, Hudson Global Resources, North America

John Wallace – President and Chief Executive Officer, Highland Partners

Chris Rigby – Executive Vice President, International Sales

Chris Beck – Chief Financial Officer, Highland Partners

Jennifer McClard – Chief Information Officer, Highland Partners

* *Executive Officer*

Forward-Looking Statements

This report contains statements that the company believes to be “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in this report, including statements regarding the company’s future financial condition, results of operations, business operations and business prospects, are forward-looking statements. Words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “predict,” “believe” and similar words, expressions and variations of these words and expressions are intended to identify forward-looking statements. All forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These factors include, but are not limited to, the impact of global economic fluctuations on the company’s temporary contracting operations, the cyclical nature of the company’s executive search and mid-market professional staffing businesses, the company’s ability to manage its growth, risks associated with expansion, the company’s heavy reliance on information systems, the impact of potentially losing or failing to develop technology, competition in the company’s markets, fluctuation in the company’s operating results from quarter to quarter, risks relating to the company’s foreign operations, including foreign currency fluctuations, the company’s dependence on its highly skilled professionals and key management personnel, the impact of employees departing with existing executive search clients, risks maintaining the company’s professional reputation and brand name, restrictions imposed by blocking arrangements, the company’s exposure to employment-related claims from both clients and employers and limits on related insurance coverage, the impact of government regulations, the company’s ability to successfully operate as an independent company and the level of costs associated therewith, and restrictions on the company’s operating flexibility due to the terms of its credit facility. These forward-looking statements speak only as of the date of this report. The company assumes no obligation, and expressly disclaims any obligation, to update any forward-looking statements.

Annual Meeting

The annual meeting of Hudson Highland Group, Inc. will be held on Friday, April 30, 2004, at 8:00 a.m., local time, at the Nasdaq MarketSite, 4 Times Square (Broadway and 43rd Street), New York, NY 10036.

Stockholder Information

Form 10-K for the year ended December 31, 2003 (without exhibits), as filed with the Securities and Exchange Commission, accompanies this Hudson Highland Group report and, together with this report, constitutes Hudson Highland Group’s 2003 Annual Report to Stockholders.

Investor Information/Quarterly Reports

For quarterly earnings reports, press releases and other investor information, please visit our web site at www.hhgroup.com or e-mail your inquiries to investor.relations@hhgroup.com.

Common Stock

Hudson Highland Group, Inc. common stock is listed on the Nasdaq National Market under HHGP.

Transfer Agent and Registrar

The Bank of New York
Shareholder Relations Dept.
P.O. Box 11258
Church Street Station
New York, NY 10286
800-524-4458
www.stockbny.com

Independent Auditors

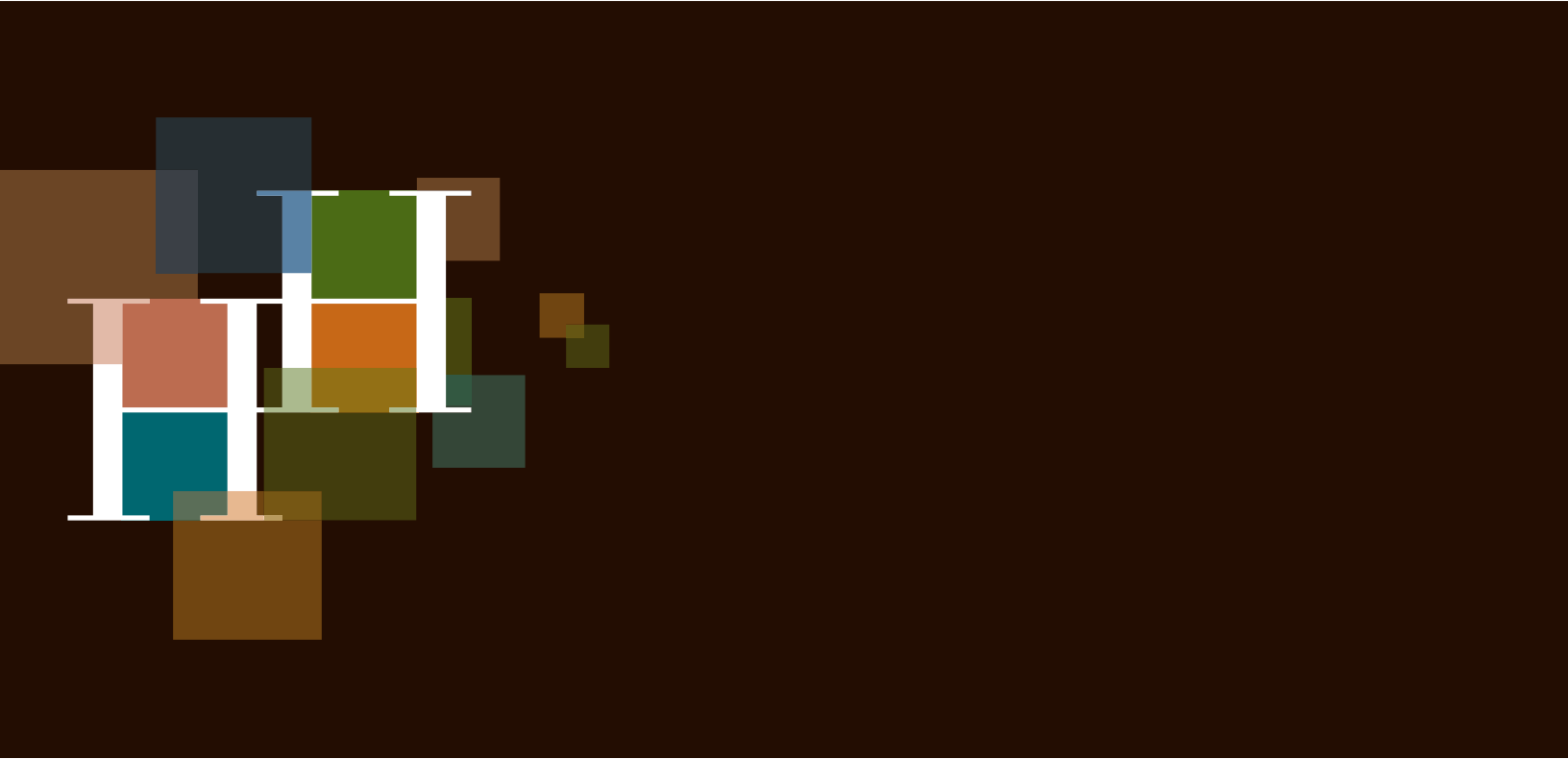
BDO Seidman, LLP
330 Madison Avenue
New York, NY 10017

Legal Counsel

Foley & Lardner LLP
777 East Wisconsin Avenue
Milwaukee, WI 53202

Corporate Headquarters

Hudson Highland Group, Inc.
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Tel: 212-351-7300
www.hhgroup.com



HUDSON HIGHLAND GROUP