

Form 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 7, 2003

Hudson Highland Group, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

000-50129
(Commission File Number)

59-3547281
(IRS Employer Identification No.)

622 Third Avenue
New York, NY 10017
(Address of Principal Executive Offices)

Registrant's telephone number, including area code (212) 351-7300

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(a) Financial Statements.

None.

(b) Pro Forma Financial Information.

None.

(c) Exhibits

99.1 Press Release of Hudson Highland Group, Inc. (the "Company")
issued on May 7, 2003 relating to its first quarter
earnings.

ITEM 9. REGULATION FD DISCLOSURE.

The following information is furnished under "Item 12. Results of
Operations and Financial Condition," in accordance with SEC Release No. 33-8216.

On May 7, 2003, the Company announced its financial results for the three
months ended March 31, 2003. A copy of the press release issued by the Company
relating thereto is furnished herewith as Exhibit 99.1.

Included in the press release issued by the Company and furnished herewith
as Exhibit 99.1 are certain non-GAAP financial measures. Historically, the
Company's business has grown through acquisitions. As a result of this growth,
the Company has incurred costs to integrate, restructure and reorganize both
existing and acquired businesses. The Company has historically presented certain
non-GAAP financial measures to exclude these types of costs. Management of the
Company believes such non-GAAP financial measures are useful to investors
assessing the financial condition and results of operations of the Company's
core business operations.

(All other items on this report are inapplicable.)

The following is a table of additional information related to the March 31, 2003 financial results.

HUDSON HIGHLAND GROUP, INC.
SEGMENT ANALYSIS
(in thousands)
(unaudited)

For the Three Months Ended March 31, 2003	Americas -----	Europe -----	Asia Pac. -----	Corporate -----	Total -----
Hudson revenue	\$77,208	\$84,932	\$81,825		\$243,965
Highland revenue	10,432	3,999	793		15,224
Total revenue	\$87,640	\$88,931	\$82,618		\$259,189
Hudson gross margin	\$17,557	\$37,637	\$27,456		\$ 82,650
Highland gross margin	10,432	3,699	751		14,882
Total gross margin	\$27,989	\$41,336	\$28,207		\$ 97,532
Hudson adjusted EBITDA (1)	\$(2,190)	\$(8,079)	\$(1,067)		\$(11,336)
Highland adjusted EBITDA (1)	(2,354)	(2,402)	(345)		(5,101)
Corporate adjusted EBITDA (1)	-	-	-	\$(4,964)	(4,964)
Adjusted EBITDA (1)	\$ (4,544)	\$ (10,481)	\$ (1,412)	\$ (4,964)	\$ (21,401)
For the Three Months Ended March 31, 2002					
Hudson revenue	\$81,179	\$84,821	\$80,322		\$246,322
Highland revenue	11,513	5,300	945		17,758
Total revenue	\$92,692	\$90,121	\$81,267		\$ 264,080
Hudson gross margin	\$21,089	\$41,219	\$29,258		\$ 91,566
Highland gross margin	11,513	5,300	945		17,758
Total gross margin	\$32,602	\$46,519	\$30,203		\$ 109,324
Hudson adjusted EBITDA (1)	\$ 625	\$(1,635)	\$ 4,077		\$ 3,067
Highland adjusted EBITDA (1)	(1,487)	38	132		(1,317)
Corporate adjusted EBITDA (1)	-	-	-	\$(7,250)	(7,250)
Adjusted EBITDA (1)	\$ (862)	\$ (1,597)	\$ 4,209	\$ (7,250)	\$ (5,500)

(1) Non-GAAP earnings before interest, income taxes, special charges and depreciation and amortization ("Adjusted EBITDA"), is presented to provide additional information about the Company's ability to meet its future debt service, capital expenditures and working capital requirements and is one of the measures that determines its ability to borrow under its credit facility. Adjusted EBITDA should not be considered in isolation or as a substitute for operating income, cash flows from operating activities and other income or cash flow statement data prepared in accordance with generally accepted accounting principles or as a measure of the Company's profitability or liquidity. Furthermore, adjusted EBITDA as presented above may not be comparable with similarly titled measures reported by other companies.

(All other items on this report are inapplicable.)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

HUDSON HIGHLAND GROUP, INC.(Registrant)

By: /s/ RICHARD W. PEHLKE

Richard W. Pehlke
Executive Vice President and Chief
Financial Officer

Dated: May 13, 2003

Hudson Highland Group, Inc.
Current Report on Form 8-K
Exhibit Index

Exhibit Number	Description
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99.1	Press Release of Hudson Highland Group, Inc. issued on May 7, 2003 relating to its first quarter earnings.

Hudson Highland Group

Contact: At Hudson Highland Group
Richard W. Pehlke
Executive VP & CFO
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At FRB | Weber Shandwick
Joe Calabrese
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HUDSON HIGHLAND GROUP REPORTS 2003
FIRST QUARTER RESULTS

NEW YORK, NY - May 7, 2003 - Hudson Highland Group, Inc. (NASDAQ: HHGP), a leading global professional staffing, HR consulting and executive search enterprise, today announced revenues of \$259.2 million and an operating loss of \$35.8 million for the first quarter ended March 31, 2003. Hudson Highland's net loss for the first quarter of 2003 was \$44.0 million or \$5.25 per basic and diluted share.

"We are very pleased with the completion of the spin-off from Monster Worldwide and our successful debut as a publicly traded enterprise. During the quarter much of our attention was devoted to the separation of the two companies. With that completed, we will be able to focus our attention solely on our operating business units and the marketplace," commented Jon Chait, Chairman and Chief Executive Officer of Hudson Highland Group. "While our first quarter results were in-line with our expectations, we continue to experience difficult economic conditions in many of the markets in which we operate. Some markets exhibited signs of stability but not an upturn."

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First Quarter Summary

- o Revenues of \$259.2 million
- o Gross margin of \$97.5 million or 37.6%
- o Adjusted operating EDITDA loss, excluding business reorganization charges, special charges and merger and integration costs, of \$21.4 million
- o Successfully launched as an independent company
- o Secured \$50 million credit facility from Foothill Capital Corporation
- o Opened 20 new offices and added 43 new consultants in North American operations

Mr. Chait added, "Looking ahead, we are focused on building upon the significant scale in our diversified global operations. We've invested for growth in our North American staffing operations and are committed to increasing the productivity in our operating segments. Importantly, we are moving along a path to profitability even without any improvement in our major economies."

Historical Results

Historical results for 2002 relate to the company's businesses as they were operated as a business unit of Monster Worldwide, Inc. (formerly TMP Worldwide Inc.). On a historical basis for the first quarter ended March 31, 2002, Hudson Highland reported revenues of \$264.1 million and an operating loss of \$15.3 million. The Company's net loss for the first quarter of 2002 was \$308.0 million, or \$36.94 per basic and diluted share. Net loss included a loss from cumulative effect of accounting change for the write-off of \$293.0 million of impaired goodwill, excluding the accounting change net loss was \$15.0 million or \$1.80 per basic and diluted share.

Conference Call / Webcast

Hudson Highland Group will conduct a conference call on Thursday May 8, 2003 at 10:00 am EDT to discuss this announcement. The conference call can be accessed by dialing 1-800-616-7812 at least 5 minutes before scheduled start time. For those outside the United States, please call in on 1-212-676-5291. The conference call will also be broadcast live over the Internet and can be accessed through CCBN at www.companyboardroom.com and the investor information section of the company's website at www.hhgroup.com.

About Hudson Highland Group

Hudson Highland Group, Inc., delivers a full suite of professional staffing, recruitment, HR consulting services worldwide and executive search. Spun off from human capital solutions provider Monster Worldwide, Inc. on March 31, 2003, the company consists of three divisions: TMP/Hudson Global Resources, TMP/Hudson Human Resource Consulting and TMP/Highland Partners. The two enterprises of TMP/Hudson Global Resources and TMP/Hudson Human Resource Consulting work together to assess, recruit, develop and deploy professional staffing, project management and consulting services. TMP/Hudson Global Resources provides a wide range of midlevel search, professional staffing and consulting services. At the top end of the recruitment services spectrum, TMP/Highland Partners recruits at the CEO, COO, CIO, CFO and Board of Director level, as well as senior level operations and staff positions. With an employee base of 4,000 covering 27 countries, Hudson Highland Group is dedicated to providing unparalleled service and value to clients and consumers. More information about the company is available at www.hhgroup.com.

Safe Harbor Statement

This press release 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 press release, 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 company's ability to manage its growth; risks associated with expansion; the company's reliance on information systems and technology; competition; fluctuations in operating results; the impact of global economic fluctuations on temporary contracting operations; the cyclical nature of the company's executive search and mid-market professional staffing businesses; risks relating to foreign operations, including foreign currency fluctuations; dependence on highly skilled professionals; the impact of employees departing with existing executive search clients; risks maintaining professional reputation and brand name; restrictions imposed by blocking arrangements; exposure to employment-related claims, legal liability and costs and limitations on insurance coverage related thereto; dependence on key management personnel; government regulations; the company's ability to successfully operate as an independent company and the level of costs associated therewith; and the company's ability to obtain financing on a stand-alone basis and restrictions on the company's operating flexibility due to the terms of its credit facility. Additional information concerning these and other factors is contained in the company's filings with the Securities and Exchange Commission. These forward-looking statements speak only as of the date of this press release. The company assumes no obligation, and expressly disclaims any obligation, to update any forward-looking statements.

HUDSON HIGHLAND GROUP, INC.
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended March 31,	
	2003	2002
Revenue	\$ 259,189	\$ 264,080
Direct costs	161,657	154,756
Gross margin	97,532	109,324
Selling, general and administrative expenses	124,418	118,888
Business reorganization and other special expenses	7,961	-
Merger and integration expenses	975	5,740
Operating loss	(35,822)	(15,304)
Other expenses:		
Other	(1,747)	(442)
Interest, net	(293)	28
Loss before provision for income taxes and accounting change	(37,862)	(15,718)
Provision (benefit) for income taxes	6,149	(713)
Loss before accounting change	(44,011)	(15,005)
Cumulative effect of accounting change	-	(293,000)
Net loss	\$ (44,011)	\$(308,005)
Basic and diluted loss per share:		
Loss before accounting change	\$ (5.25)	\$ (1.80)
Net loss	\$ (5.25)	\$ (36.94)
Weighted average shares outstanding	8,383	8,339

HUDSON HIGHLAND GROUP, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS
(in thousands, except per share amounts)

	March 31, 2003 (unaudited)	December 31, 2002
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 40,000	\$ 25,908
Trade accounts receivable, net	158,467	161,831
Due from Monster Worldwide, Inc.	13,530	-
Other current assets	21,716	28,177
	-----	-----
Total current assets	233,713	215,916
Property and equipment, net	43,116	34,106
Intangibles, net	204,688	201,937
Other assets	14,805	15,145
	-----	-----
	\$496,322	\$467,104
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accounts payable	\$25,287	\$ 28,305
Accrued expenses and other current liabilities	96,948	84,669
Accrued integration and restructuring costs	7,519	8,935
Accrued business reorganization costs	22,569	25,845
	-----	-----
Total current liabilities	152,323	147,754
Other liabilities	2,318	2,776
	-----	-----
Total liabilities	154,641	150,530
	-----	-----
Commitments and Contingencies		
Stockholders' equity:		
Preferred stock, \$0.001 par value, 10,000 shares authorized; none issued or outstanding	-	-
Common stock, \$0.001 par value, 100,000 shares authorized; issued and outstanding 8,383 and 0 shares, respectively	8	-
Additional paid-in capital	313,794	-
Accumulated other comprehensive loss:		
Foreign currency translation adjustments	27,879	24,660
Total divisional equity	-	291,914
	-----	-----
Total stockholders' equity	341,681	316,574
	-----	-----
	\$496,322	\$467,104
	=====	=====

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 (in thousands)
 (unaudited)

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Hudson gross margin	\$21,089	\$41,219	\$29,258	\$ 91,566
Highland gross margin	11,513	5,300	945	17,758
	-----	-----	-----	-----
Total gross margin	\$32,602 =====	\$46,519 =====	\$30,203 =====	\$109,324 =====

HUDSON HIGHLAND GROUP, INC.
 SCHEDULE OF ADJUSTED EBITDA
 (in thousands)
 (unaudited)

	March 31, 2003	Three months ended December 31, 2002	March 31, 2002
Operating income (loss)	\$(35,822)	\$(43,752)	\$(15,304)
Business reorganization, merger and integration charges	8,936	19,727	5,740
Depreciation and amortization	5,485	3,225	4,064
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Adjusted EBITDA (1)	\$(21,401)	\$(20,800)	\$ (5,500)
	=====	=====	=====

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