



10 January 2011

**Hydrogen Group plc
(‘the Group’)**

Pre-Close Trading Update

Hydrogen Group plc, the specialist professional recruitment business, is today issuing a trading update in respect of its financial year ended 31 December 2010.

Whilst the broader macroeconomic environment has remained uncertain, the recovery in recruitment markets has continued throughout 2010. Our excellent, longstanding client relationships and ability to source scarce candidates has positioned us well to take advantage of recovering markets and performance across the Group has been strong, with growth of Net Fee Income (“NFI”) of over 60% to exceed £27m for the year ended 31 December 2010 (2009: £17m).

In the UK, our contract business has delivered a particularly good performance, experiencing a significant increase in the number of contract placements. Our newly launched Pharmaceuticals business has gone from strength to strength, with excellent success in the European markets.

Internationally, our Australian and Singapore offices have both performed well. Having opened in Singapore in January of this year both offices took advantage of very active markets in the first half of 2010. We have been delighted with the growth delivered in this region and have expanded our headcount and moved into new premises in order to take full advantage of further opportunities in 2011.

We have an excellent operational management team in place and throughout the year have encouraged international mobility across our teams, with a number of UK employees up to Director level being selected to move abroad to support the Group’s international expansion.

We have invested carefully in our business throughout 2010, building our presence in new market sectors and international markets, with significant increases in Group headcount to position the Group to take advantage of stronger markets in 2011. The year end net debt position of £2 million (2009; net cash £3.1m) was better than expectations given the working capital investment required to finance the growth in contractor numbers.

Commenting, Ian Temple, Executive Chairman said:

“The Group has delivered a strong performance in 2010 and remains in line to meet expectations for the year.

We have made excellent progress on our strategy for international growth and have made significant investment for the future in areas where we have identified potential. As a result, we are well placed to take advantage of the opportunities in 2011.”

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