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14 January 2010

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 2009.

Although trading across the global recruitment markets continued to be challenging throughout 2009, the modest improvement seen in some sectors at the start of the second half of the year continued and there have been further signs of stabilisation across our markets.

In the UK we have seen solid performances from our contract business as well as early signs of increased activity across our permanent business in quarter four.

Internationally, our Australian business has delivered a good performance for the year and has moved to larger premises to accommodate further growth. We continue to expand our international presence in more robust global markets through our proven incubator model. In 2009 we established a team to target the Singapore market and since the year end we have been pleased to announce the opening of an office in this region, our first in South East Asia.

The actions taken during the year, to improve operational efficiency and align our cost base to our trading environment, have delivered benefits. We therefore anticipate that the Group's pre-exceptional profit before tax for the year ended 31 December 2009 will be slightly ahead of market expectations.

Whilst we remain cautious in our outlook, our flexible model, strong balance sheet and net cash balance at year end of approximately £3m give us confidence that we are well positioned for the year ahead. Consequently, the Board intends to pay a second interim dividend of 3.6p per share on the 12 February 2010 to shareholders on the register as at 22 January 2010. This will be paid instead of a final dividend. Total dividends for the year ended 31 December 2009 will therefore be 4.1p per share (2008: 4.1p). The Board believe the business has sufficient resources and prospects to maintain this level of dividend for the foreseeable future and will seek to review it as and when profitability improves.

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