

17 February 2010

**Hogg Robinson Group plc**  
(‘HRG’, ‘the Company’ or ‘the Group’)

**INTERIM MANAGEMENT STATEMENT**

Hogg Robinson Group plc, the international corporate travel services company, today issues an Interim Management Statement for the year ending 31 March 2010, covering the period from 1 October 2009 to date.

**Overview and summary**

Since our last update on 27 November 2009, conditions in our markets have shown some early signs of recovery. For example, the International Air Transport Association has reported overall year-on-year increases in Revenue Passenger Kilometres, which includes both business and leisure travel, for October, November and December. Although the pattern of recovery is not yet consistent across specific geographies, destinations in Asia Pacific, Latin America and the Middle East have seen the strongest growth, helped by the economic recovery in those regions. However, Europe and North America, our most important regions, are not yet seeing as favourable an economic backdrop.

Despite the effect that the recent poor weather in Europe and North America had on our clients’ ability to travel, the return to more normal levels of client activity has continued and we have traded broadly in line with our expectations since October 2009. Client revenue for the four months under review was down by approximately 6% compared to last year which equates to a 9% decline excluding favourable currency movements. We have continued to manage our cost base carefully to ensure that it remains appropriate for our revenue expectations.

Although the continued lack of visibility makes it difficult to predict the outcome for the final two months of our financial year with certainty, the Board continues to believe that the Group will deliver a full-year performance in line with market expectations.

**Client activity**

The early signs of stabilisation in the market which we noted at the time of our interim results have continued. Some clients have relaxed their policies to allow more frequent travel and the use of premium travel and accommodation. At this point, however, the majority of our clients have not yet returned to the ‘normal’ levels of activity that existed prior to the onset of the global recession and continue to maintain tight control of their overall travel spend.

With the majority of our revenue derived from client fees rather than supplier commissions, HRG remains well positioned to benefit from increasing travel frequency. Whilst upgrades in either the class of travel or standard of accommodation are positive indicators of the broader business travel market, they do not materially affect the revenue received by the Group.

Recent adverse weather conditions in Europe and North America resulted in disruption for many travellers using air, train or other ground transportation, particularly for those connecting to destinations in the UK and the USA. HRG has been able to help its clients through this difficult period by making alternative travel arrangements, often involving different suppliers and routes. Our growing network of home-based travel consultants and telephony call-flow switching was particularly valuable during this period. Given the global nature of HRG's business, we do not anticipate any material impact on the Group's full-year financial results from the inclement weather or from any other short-term disruption in any one market.

HRG's client retention rate remains high and we have added several new clients during the last four months. We have extended our relationships with British Energy, CMHC, Diehl Stiftung, Hess, HSBC, KPMG, GFK, GTZ, Next, P&G, Pfizer and Vinci, and added new clients including Bertelsmann, Novartis, Premier Farnell, Volkswagen, the US Embassy and Wincanton. Client tenders are continuing at a high level and our new business pipeline remains strong.

### **Cost reduction and efficiency**

We remain committed to maintaining a cost base that is appropriate for our ongoing revenue and continue to pursue additional efficiencies. The restructuring initiatives set out in the half-year results in the UK and Nordics are now complete and we will see the benefits of these actions in the next financial year.

### **Funding**

The Group has adequate committed funding in place at attractive rates until September 2011. Based on our current forecasts, the Board believes that these facilities provide sufficient headroom.

### **Articles of Association**

As previously announced, the Directors have proposed an amendment to the Company's Articles of Association in connection with the administration of the borrowing limits in those Articles. A general meeting for this purpose will take place on 5 March 2010 at the registered office of the Company.

David Radcliffe, Chief Executive of Hogg Robinson Group plc, commented:

“Clients continue to travel and we are seeing early signs of stabilisation, albeit market conditions remain challenging with limited forward visibility. With our global customer base and strong track record of helping clients control their travel budgets, we are well placed to benefit as travel patterns return to more normal levels. We have taken decisive action to control our cost base without compromising service levels and will continue to do so.

The resilience of our performance in the face of some severe economic headwinds is testament to the robustness of the business model. The last two months of the year are always seasonally important but at this stage the Board continues to believe that the Group will deliver a full-year performance in line with market expectations.”

- Ends -

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**Notes to Editors**

Hogg Robinson Group plc (HRG) (LSE: HRG), was established in 1845 and is an international corporate travel services company with headquarters located in Basingstoke, Hampshire, UK. The HRG network, including contracted partners, extends to nearly 120 countries.

HRG’s focus on its clients is underpinned by three differentiators – people, technology and breadth of service. The company has experienced management and skilled operators together with proprietary technology which has been developed in-house. HRG offers a range of services around the globe to deliver value, cost savings, efficiency and innovation, without compromise.

[www.hoggrobinsongroup.com](http://www.hoggrobinsongroup.com)

### **Forward-looking statements**

This announcement may contain forward-looking statements with respect to certain of the plans and current goals and expectations relating to the future financial conditions, business performance and results of Hogg Robinson Group. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that are beyond the control of HRG, including amongst other things, HRG's future profitability, competition with the markets in which the Company operates and its ability to retain existing clients and win new clients, changes in economic conditions generally or in the travel and airline sectors, terrorist and geopolitical events, legislative and regulatory changes, the ability of its owned and licensed technology to continue to service developing demands, changes in taxation regimes, exchange rate fluctuations, and volatility in the Company's share price. As a result, HRG's actual future financial condition, business performance and results may differ materially from the plans, goals and expectations expressed or implied in these forward-looking statements. HRG undertakes no obligation to publicly update or revise forward-looking statements, except as may be required by applicable law and regulation (including the Listing Rules). No statement in this announcement is intended to be a profit forecast or be relied upon as a guide to future performance.

The release, publication, transmission or distribution of this announcement in, into or from jurisdictions other than the United Kingdom may be restricted by laws and therefore persons in such jurisdictions into which this announcement is release, published, transmitted or distributed should inform themselves about and observe such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of such jurisdiction.