

16 February 2011

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 2011, covering the period from 1 October 2010 to date.

Group performance

Since the announcement of the half-year results on 30 November 2010, the Group has continued to trade well and in line with management expectations, with no material financial impact from the recent weather disruptions. For the four completed months to the end of January, travel bookings were up by approximately 15% and client spend rose by approximately 15% in real terms, compared to the prior year. Our revenue increased by around 13% (up 10% at constant currency). We are encouraged that corporate travel activity has increased across all of our regions, with the highest growth in Asia Pacific.

We have continued to manage our cost base closely, taking into account that our clients are travelling more, to ensure that our strategy of delivering value through first-class service is met. As reported in our November interims, we have been adding capacity to ensure that we continue to deliver excellent service and to support the expected continuing growth.

Outlook

We believe the key markets in which HRG operates remain attractive and will continue to grow. We have a clear strategy and are well positioned to take advantage of the increasing travel activity as the global economic recovery continues.

The Board believes that HRG will continue to grow and now anticipates that underlying profit before taxation for the full year will be slightly ahead of previous expectations.

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

“I am pleased to report that the encouraging revenue momentum that we saw through the first half of the year has continued. During a period that included some exceptionally difficult weather conditions, HRG has

been able to further demonstrate its value to clients as we work to help them make alternative travel arrangements. First-class client service is at the heart of the HRG business model and our client retention rate remains high and the new business pipeline is strong.

“HRG is also leading the way in the development and integration of mobile technology in travel management and we continue to innovate and invest in our technology to the benefit of our clients. We are confident that our clear strategy, unwavering client focus, and global infrastructure will allow the Group to take advantage of the improving climate and growth prospects available to us.”

Market overview

Conditions in our markets have continued to recover and this is supported by recently published macro and industry data from a number of sources:

- The International Monetary Fund (IMF) has raised its global economic growth forecast for 2011 to 4.5%;
- International Air Transport Association (IATA) statistics for international passenger traffic, which includes both business and leisure travel, showed further growth in the final quarter of 2010 such that passenger numbers are now 4% above the pre-recession peak of early 2008. IATA has also upgraded its financial forecast for aggregate airline profits as conditions have continued to improve; and
- The latest global data on hotel occupancy, published by STR Global, confirmed continued year-on-year growth in revenue per available room (RevPAR).

Although our business does not correlate closely with any single set of data, the figures from the IMF, IATA and STR Global show a consistent pattern of general improvement and our business is trending similarly.

Client activity

As we noted in our interim results, client travel activity has continued to recover, with many companies having a greater focus on travel policy compliance and cost control. We believe that these trends are likely to continue and, with an increasing willingness to consolidate travel activity for multiple markets through common service centres, we look forward to the opportunities such circumstances present.

Similar to last year, a short period of especially poor weather in Europe and North America impacted our clients' ability to travel, although given the diversification of our business this did not materially impact our performance. Adverse weather conditions do provide an opportunity to reinforce the value of HRG's service as we provide travellers with alternative itineraries. It is not unusual for normal travel to be disrupted somewhere in the world and it is at times like these that clients better appreciate the value of the service that we are able to provide.

The Group's client retention rate remains high and our new business pipeline remains strong. We have extended our relationships with Novartis, Syngenta and Volkswagen amongst others. Noteworthy contract renewals include Atkins, BNP Paribas, CBC, Diageo, Evonik, Magna, Procter & Gamble, Schaeffler, Siemens and the UK Government's Ministry of Defence and Foreign & Commonwealth Office. We have also added several new clients including Direct Energy.

Technology

HRG's technology continues to play an important role in the efficient management of clients' travel programmes. In particular, our proprietary Universal Super Platform should allow us to respond to the increasing use of mobile technology. During 2010, we announced a mobile technology partnership with Sabre Travel Network, which included TripCase, a mobile itinerary management application. Earlier this month, we announced the extension of our mobile capability, with an application to provide travellers with enhanced functionality within the parameters of their own corporate travel policy, including a hotel booking facility, flight and rail schedules, trip data, profile and itinerary information.

Financial position

The Group's cash generation and balance sheet remain robust. Since 30 September 2010, average net debt has been approximately £14m lower than the same period last year. There have been no material adverse events or transactions that have impacted the Group's financial position since 30 September 2010, save for the information provided in this statement.

Pension deficit

The Company's pension deficit remains volatile due to changes in interest rates and inflation rates. Using assumptions based on the latest available information, the UK deficit, which was £145m at the end of September 2010, would have reduced by approximately £40m to £105m.

Funding

As announced at the time of the Group's interim results, we completed the re-financing of our £220m committed credit lines in November 2010, with £190m committed until November 2014 and £30m committed until November 2018. Based on our current forecasts, the Board believes that these facilities provide the Group with sufficient headroom.

- Ends -

Enquiries:

Hogg Robinson Group

+44 (0)1256 312 600

Julian Steadman, Group Finance Director

Angus Prentice, Head of Investor Relations

Tulchan Communications

+44 (0)20 7353 4200

David Allchurch

Stephen Malthouse

Martin Robinson

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 worldwide network, including contracted partners, extends to over 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

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.

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