

26 July 2010

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

INTERIM MANAGEMENT STATEMENT

Ahead of today's Annual General Meeting, Hogg Robinson Group plc, the international corporate travel services company, announces its first Interim Management Statement for the year ending 31 March 2011, covering the period from 1 April to 26 July 2010.

Market conditions

Market conditions have generally continued to improve during the period since our last update to the market on 26 May 2010, which was based on trading to end April 2010. The International Air Transport Association (IATA) reported strong growth in air travel in May having been depressed in April by the impact of airspace closures associated with the Icelandic ash cloud plume, and has confirmed that during the first five months of 2010 air travel, measured as revenue passenger kilometres (RPK), rose 7.2% year-on-year, above the 6-7% average run-rate achieved during the last two decades. The most recent data for hotel occupancy issued by STR Global shows continued monthly revenue per available room (RevPAR) year-on-year growth albeit the improving trends were most marked in Asia Pacific.

Group performance

HRG has performed very well during the first three months of the financial year with client revenue 6% ahead of last year at constant currency. When coupled with lower operating costs, this has produced a strong result for the quarter. We continue to manage our cost base carefully and will benefit from increased operational gearing as activity increases.

Client activity

While we have seen some early evidence from selected clients of a return to premium travel, the majority continue to seek help from us in tightly controlling their travel costs. However, compared to last year, client travel spend in the first quarter was up by 19% at constant currency.

The majority of HRG's revenue comes from client fees rather than from supplier commissions. So, whilst upgrades in class of travel and standards of accommodation are positive indicators of the overall improving health of the corporate travel market, they do not necessarily lead to a direct increase in the Group's revenue.

HRG's client retention rate remains high and it is from this loyal client base that the Group will increasingly benefit as our existing clients' staff travel more frequently. In addition, we expect to see the benefit from last year's client wins coming through as they begin to trade with HRG. These include additional business from Ericsson and the wins of Ernst & Young, Novartis, SGS and Volkswagen AG.

In terms of new business, since the start of the current financial year, we are delighted to have welcomed several new clients and to have extended our existing relationships with others. These include Agilent, HCL AXON, Institute of International Education and Syngenta. Successful contract renewals include ABB, National Australia Bank, Takeda and Willis. Our new business pipeline remains healthy and offers significant opportunities for HRG to grow its business around the world.

Financial position

The Group has committed funding in place at attractive rates until September 2011. Based on our current forecasts, the Board believes that these facilities provide sufficient headroom. Preparation is already underway for the renegotiation of these facilities, which is likely to result in an increase in the cost of funds.

Outlook

The financial year has started well. Despite the limited visibility that is inherent for corporate travel management, at this early point in our financial year our confidence is increasing. We expect travel activity amongst our existing clients to continue to increase in line with macroeconomic conditions. We will see additional benefit from new clients that have yet to trade with HRG and will maintain tight control over our cost base without damaging our reputation for superior client service and value.

The majority of the Group's earnings have traditionally come in the second half of the financial year. The Board believes HRG will continue to progress and deliver a full-year performance in line with its expectations.

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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

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 plc (HRG). 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 within 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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