



PRESS RELEASE

StepStone Extends its Technology Portfolio with Acquisition of Obvious Solutions

StepStone Expands its Offering to Recruiters by Acquiring Pioneering Recruitment Solutions Business

January 13, 2005 – StepStone ASA, Europe’s leading provider of online recruitment solutions, today announced that it has continued to expand its portfolio through the acquisition of Obvious Solutions Ltd.

Obvious is a pioneer and leader in the use of video and technology-based selection and has been recognised by the Chartered Institute of Purchasing and Supply for the Most Innovative Project at HBOS.

Obvious’s online testing and structured video interviewing – of the employer and of short-listed candidates – allows candidates to get a better understanding of the employer and available roles, and allows recruiters to assess candidates in an efficient and highly structured manner.

Colin Tenwick, CEO of StepStone, said, “An increasing number of our customers are clearly seeing the benefits that online recruitment technology and campaigns are delivering to their business. They are now asking us to extend beyond purely delivering candidates to actively managing their use of recruitment technology to source candidates and manage the recruitment process. By combining the skills and experience of StepStone and Obvious we can now deliver a fully managed end-to-end technology-driven solution, from candidate sourcing right up to final interview.”

David Geddes, co-founder and CEO of Obvious added, “Our approach has been hugely successful in the market and we have very successfully used StepStone’s technology solutions as the talent platform for several of our customers. We are now getting more and more business opportunities across Europe and beyond. By combining with StepStone we will be able to rapidly leverage our success through StepStone’s established organisation. We are very much looking forward to this new chapter in our history as part of StepStone.”

Current Obvious clients include GE Consumer Finance, HBOS and Microsoft, while StepStone works with a diverse range of organisations from Irish Life to Toyota and Canon Europe. Over the last year StepStone and Obvious have extensive experience of working together as partners to deliver fully managed recruitment programmes to a number of clients including Amazon and BP.

Under the deal, StepStone ASA will initially acquire 75.1% of the ordinary shares of Obvious Solutions Ltd. for approximately €2.0 million in shares of StepStone ASA. Obvious will operate as a subsidiary of the StepStone Solutions business, and continue to be run by its existing management team, based in Linlithgow, near Edinburgh, Scotland. Obvious gains access to StepStone's strong base of clients across Europe, as well as being able to take advantage of the physical and people resources in StepStone's offices, to grow its business more aggressively and service future client needs.

Background Information

About StepStone

StepStone is Europe's leading provider of online recruitment services and solutions. StepStone's well-established public career sites attract over 1 million visits a week and provide broad reach for candidates into the job market, and for recruiters into the candidate community. StepStone's technology solutions, comprising EasyCruit HR, OneStep and HireEnterprise are today installed at over 100 customers and offer organisations of all sizes the opportunity to deploy their own private career sites to build candidate relationships and to fuel hiring needs. StepStone is a public company quoted on the Oslo stock exchange.

About Obvious Solutions

Over the last five years, and from a standing start, Obvious has developed genuinely innovative technology-based solutions allowing clients to outsource general and graduate recruitment programmes, gaining benefits in cost and speed through the innovative use of techniques such as structured, video-captured, interviews.

Typically these solutions involve the use of online career sites to build candidate communities, automatic short-listing from the talent pool, and the use of online testing and structured video interviewing to create a shortlist for final selection by the employer. Client and candidate trust of the process is quickly gained through the very open, structured approach and adherence to best practices. The use of video allows both candidates and clients to be far more informed prior to meeting each other than would normally be the case.

Operating from an administrative base in Linlithgow near Edinburgh, co-founders Alex Clyne and David Geddes plan to aggressively grow a turnover already in excess of £1.5m by accessing StepStone's strong base of clients across Europe, as well as being able to take advantage of the physical and people resources in StepStone's offices. With a large network of trained associate interviewers already in place supplementing 35 full time

staff, there is a solid platform on which to build. Obvious's impressive client list already includes Amazon, BP, CSC, DHL, Exel, GE Consumer Finance, Goodrich, HBOS and Microsoft, with recruitment projects successfully completed in UK, mainland Europe and USA.

How Obvious works

In a typical project, Obvious will initially work with the recruiting organisation to create a video describing the positions and requirements. This provides comprehensive information to interested candidates allowing them both to assess their suitability and to prepare for subsequent interview.

Candidates are then targeted and sourced according to the needs of the assignment, but typically taking advantage of the reach and power of the web, for example through StepStone's online career sites or solutions products.

Initial interviews are carried out locally to the candidate through Obvious's extensive network of HR associates, following a strict and objective structure agreed with the client. Interviews are captured on video, indexed and organised in a consistent structure. This provides an extremely efficient basis for objective review to produce a shortlist of candidates for final interview.

Delivery to the client is via web browser, CD, DVD or conventional video, depending upon requirements. Final job offers and correspondence are administered either by Obvious using technology-based recruitment platforms, or directly by the client.

The overall result for the recruiter is an efficient process, delivering the very best candidates quickly and cost-effectively. Candidates are treated in a professional and equitable manner, and left with a positive experience irrespective of their success.

Case Studies

Obvious services a blue-chip client base, including DHL, GE Consumer Finance, HBOS and Microsoft. In addition to work in the UK, the company has delivered recruitment projects in USA, for clients including Goodrich, Scottish Enterprise and CSC, and in mainland Europe for Exel, BP, Amazon and CSC.

Obvious and Microsoft

Rated as one of the best employers in the UK in the annual Sunday Times Best Employers survey, Microsoft has little problem attracting applicants for its annual graduate recruitment scheme. The challenges come in selecting the most talented and suitable people from among this number. This was taking up significant management time and effort.

In addition Microsoft recognised that many of its applicants were also potential customers, and if treated well throughout the process could become advocates for the company even if they were not hired. Cutting recruitment costs while providing a poorer service was not the answer.

In 2001, Microsoft turned to recruitment experts Obvious to solve their dilemma. The use of video interviewing has allowed the selection process to be standardised, making it possible to compare a wide selection of candidates while treating them at least as fairly,

if not more so than before. Follow up research conducted by Obvious shows that over 90% of those interviewed felt the system was fairer than traditional interviewing.

Nikki Wilkinson, Graduate Recruitment Manager at Microsoft, commented, "I love the innovative way Obvious makes the best use of technology to improve the overall quality and experience of the graduate hiring process."

Obvious and HBOS

For HBOS, Obvious were selected to deliver an innovative approach to the recruitment of personal financial advisors (PFAs). The solution provides a private career site carrying video interviews with managers to provide an insight into the roles as well as providing a first level filtering of candidates. Such candidates then proceed to an online test, with successful candidates proceeding to a video interview by Obvious. Answers to a consistent set of key competency questions are captured in a structured manner to video CD along with test results and video notes. These are then used by hiring managers for final interview and selection.

The project successfully reduced the cost of recruiting PFAs at HBOS by £450,000 and has been recognized through a CIPS Supply Management Award for innovation. The awards recognize best practice in the purchasing and supply industries. The judges praised the solution for reducing management time spent on recruitment as well as cutting costs.

"We've halved our recruitment costs in this area since contracting Obvious," said Morag McFarlane, the banking group's senior procurement manager.

Financial Terms

StepStone ASA will acquire 75.1 per cent of the ordinary shares of Obvious Solutions Ltd. The price is dependent upon the performance of Obvious in 2004 and is expected to be approximately €2 million. StepStone will also acquire all of the 70,000 £1 preference shares and €115,000 of debt for a further €240,000. The consideration (for the ordinary shares, preference shares and debt) will be satisfied by the issue of shares in StepStone ASA. StepStone expects to issue €1.7 million worth of shares shortly, with the balance in Q2 2005 after the audited accounts of Obvious for the year ended 31 December 2004 are available.

Obvious expects to report revenue of between €2.1 million and €2.3 million and be profitable for 2004. Completion is subject to fulfilment of certain conditions precedent.

StepStone ASA has a call option, and the remaining shareholders in Obvious Solutions Ltd. have a put option, on the outstanding 24.9 per cent of shares that is exercisable for 12 months starting in 2007. The price is dependent upon the performance of Obvious in 2005 and 2006 and is again payable wholly in shares of StepStone ASA. If the call or put options are exercised the total consideration is expected to be between 0.9 and 1.2 times the 2006 revenue.

Further information can be found at www.stepstone.com and www.obvious-solutions.com