

## PRESS RELEASE

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### Results for the Quarter ended 31 March 2007

StepStone achieves record quarterly revenues and profits

London, 25 April 2007

*Q1 2007 Highlights vs. Q1 2006*

- Revenue up 98% to €21.4m
- Organic revenue growth rate accelerates to 60%
- Online margin 25%, Solutions 16% - both up 4%
- Adjusted EBITDA €3.3m vs. €0.7m
- Profit after tax of €1.3m
- Operating cash inflow €2.5m
- Integration of ExecuTRACK group on plan

#### **Summary**

##### **Company**

StepStone continued to show strong momentum in the first quarter of 2007. Revenue was up 98% compared to the corresponding quarter last year of which 60% was organic growth. Quarterly revenue increased to €21.4m from €10.8m, adjusted EBITDA increased to €3.3m from €0.7m and adjusted EBITDA margin increased to 15% from 7%.

The financial position continues to strengthen. Operating cash was €2.5m positive. Cash balances at quarter end were €25.2m, shareholder equity increased to €62.6m and both debt and gearing remained low.

##### **Online**

Online performed very well, gaining market share in almost every market in which it operates. The progress in Austria, Belgium, Denmark, Germany, Norway and Sweden is worth particular note.

Online revenue increased by 71% to €12.4m with an underlying organic growth rate of 61%. The business continues to show positive returns on the increased investments made during 2006 in sales and marketing. Listings are up by 58% and traffic to sites is up by 40%. Online EBITDA for the quarter was a record €3.2m, up from €1.5m in Q1 2006. Online EBITDA margin increased to 25% for the quarter compared to 21% a year

ago and. Jobfinder, acquired on 1 January 2007 has now been integrated with encouraging initial results in Q1 2007. Sales were up close to 100% compared to the same quarter last year.

### **Solutions**

Solutions continued to demonstrate strong growth in the quarter. All product groups, ETWeb, i-GRasp and EasyCruit, continued to experience increasing demand in Q1 2007. Contracts were signed with 75 new customers and a number of existing customers either took further modules or contracted for additional products.

The acquisition of ExecuTRACK group was completed on 5 January 2007 and the integration is progressing well. Customers are already starting to realise the benefits of Total Talent solutions and the first cross sales of e-recruitment solutions to ETWeb customers and vice versa are expected in Q2 2007.

Solutions increased quarterly revenues by 155% to €8.9m with an underlying organic growth rate of 59%. Solutions EBITDA for the quarter was a record €1.4m compared to €0.4m in Q1 2006. Solutions EBITDA increased to 16% for the quarter compared to 12% a year ago.

### **Outlook**

The company has made a strong start to the year.

Both businesses delivered record revenues, EBITDA and margins in the quarter. Solutions continues to grow organically at 59% whilst the organic growth rate of Online accelerated for the fourth successive quarter, reaching over 61% in Q1 2007.

The integration of ExecuTRACK is progressing on plan and investment will continue in both divisions to increase capacity and improve long term margins.

At this early stage of the year, the Board remains positive about the business prospects for 2007 and, whilst we enter traditionally the quieter trading half of the year, believes that the company will continue to improve ongoing results.

### **About StepStone Solutions**

StepStone was founded in Norway in 1996 and pioneered the development of online recruitment. The business unit StepStone Solutions delivers a complete suite to reinforce each element of the recruitment and retention process from the initial pre-hire attraction of candidates, through on-boarding to Total Talent Management of employees post-hire including HR Management, Performance Management, Compensation

Management, Skills & Competency Management as well as Career & Succession Planning, Training & Development Management and Organisational Charting. StepStone's fully web-based software solutions have been deployed by more than 800 companies such as Akzo Nobel, Bacardi, Bayer, BASF, BHP Billiton, Cable & Wireless, DHL, DuPont, Financial Ombudsman, Lufthansa, McDonald's, Metro, Novartis, Pearson, Reed Elsevier, Siemens, Thames Water and Volkswagen. Gartner, one of the world's leading technology analysts, reviewed StepStone's solutions, positioning them as a 'Leader' in the e-Recruitment software sector (Magic Quadrant for e-Recruitment Software, 2006). StepStone is the only European based organisation to receive this status.

**More information:** [www.stepstonesolutions.com](http://www.stepstonesolutions.com)

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