

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF THAT JURISDICTION

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

DEFINED TERMS USED BUT NOT DEFINED IN THIS ANNOUNCEMENT HAVE THE MEANINGS SET OUT IN THE OFFER DOCUMENT

FOR IMMEDIATE RELEASE

21 June 2017

The Management Team strongly urges shareholders to support them and accept the Offer.

Response to Defence Document

The Offer provides shareholders with a certain cash exit now in challenging trading conditions:

1. InterQuest Group faces an uncertain future with trading and dividends at risk
2. BREXIT and economic uncertainties already beginning to impact
3. It is becoming increasingly difficult to attract, retain and incentivise revenue earning consultants. Consultant numbers have been falling and continue to do so
4. The Offer is from your Management Team who know the business and key consultants best
5. The Offer value at 42p is at a premium to the historic share price and reflects the views of providers of external funding of the risks to future trading performance
6. The Offer seeks to safeguard value for all stakeholders in the Company

The Management Team notes the announcement released on 15 June 2017 by the Independent Director concerning the defence circular (the "Circular") in connection with the Offer.

In the Circular, the Independent Director has put forward a limited number of reasons why, in his opinion, the Offer should not be recommended to shareholders.

The Management Team responds below to certain of these arguments:

Argument 1 – "Chisbridge was formed by the InterQuest executive Management Team who sees value in the business" and which has access to information which is not available to all shareholders.

Management Team Response:

The Management Team acknowledges that, by virtue of their position, they are in possession of information that is not readily available to other InterQuest shareholders. This includes detailed knowledge of the market environment, consultant morale and the competitive environment in which InterQuest operates in attracting, retaining and motivating the consultants who drive the value of the business.

The Management Team is constrained by what it can say in the prevailing regulatory environment, especially with regard to current trading. The trading update released on 15 June 2017 provided some limited detail about the current trading environment and the likely forecast trading performance of the Company. The RNS announcement by SThree plc, a larger peer group company on 16 June 2017, included the following statement:

“UK&I performance as expected adversely impacted by the decision of the UK to leave the EU and Public Sector reforms, with GP down 16%* YoY”

**at constant currency*

The RNS announcement by SThree plc defines GP as SThree plc gross profit

Argument 2 -The Independent Director believes that the Offer materially undervalues the Company based on its historic share price.

Management Team Response:

The Management Team believes that an historic share price in itself is not a good guide to the likely future value of any company. The future share price performance of InterQuest will be determined, amongst other things, by its financial performance and the prevailing economic environment. In addition, the lack of liquidity in the Company's shares typically means that the price is simply a function of trades completed by small buyers and sellers.

In making the Offer at the Offer Price the Management Team was constrained by the amount of debt which, in the view of its providers of funding, the business could service after the transaction.

The amount of debt which the Management Team believes can be serviced by Chisbridge has been determined principally by the Management Team's views of InterQuest's likely future financial performance. The Management Teams' financial models have been reviewed in detail by the Management Team's funding partners.

The Management Team understands that certain shareholders may wish the Offer to be at a higher price. However in making its offer for the Company, the Management Team is seeking to safeguard the value of the business for all stakeholders in the Company in such economically uncertain times.

The Management Team is confident that those shareholders who are or have been employees of the Company will understand the potential impact of economic uncertainties on staffing organisations and consequent requirement to retain its best people. The Management Team strongly believes that this is best achieved as a private Company.

The Management Team would like to draw Shareholders' attention to the statement in the Circular by the Independent Director set out in the last paragraph of section 1 of Appendix 2 that:

“The Independent Director wants shareholders to have a balanced view on future prospects and to be aware of the cyclical nature of the recruitment sector and the lack of visibility on future earnings. InterQuest is predominantly focused in the UK and there is a high level of political and economic uncertainty around Brexit, IR35 post-election government and the general economic environment that makes future performance very difficult to forecast. Whilst the Company is taking a medium-term view of the future performance of the business, there are still a number of market and political challenges that could affect performance in the short-term.”

This statement by the Independent Director provides considerable support for the rationale behind the Offer.

Argument 3 - The Independent Director believes that “there are significant benefits to remaining an AIM quoted company”

He believes these benefits include:

i) To attract, incentivise and retain staff

Management Team Response

The Management Team believes that the significant corporate governance constraints and compliance obligations placed on the Company whilst AIM quoted prevents it from offering competitive incentivisation arrangements to attract and retain staff of an appropriate calibre. The Company is also constrained, whilst being AIM quoted, by the number of options it can grant for its employees. Due to the volatility of the market share price the Group has chosen to resort to offering share options at par value. This places a significant tax burden on the option holder, rendering them, in the opinion of the Management Team, highly unattractive.

A key reason for the Offer is to seek to reverse the decreasing number of consultants (on a like for like basis) being attracted and retained by the Company through incentivisation arrangements which cannot be offered to employees and potential employees whilst InterQuest remains a publicly quoted company.

The current share option scheme has only awarded on average c.£4.2k per employee per year since 2005, using a weighted average tenure of shares. Such incentivisation arrangements are materially below the market norms. In addition to this, 53% of the value of option awards since May 2005 were not taken up, either because they lapsed for non-performance or employees left without being able to exercise them. This further evidences InterQuest's current lack of ability to attract, incentivise and retain key staff, in the opinion of the Management Team.

ii) To provide InterQuest with access to additional capital.

The Management Team would remind shareholders that, other than at its initial admission to trading on AIM, it has not raised any money from the stock market and has no current intention to do so.

Under the heading ii) above the Circular refers to acquisitions that InterQuest has made, the consideration for which has been paid partly in shares.

The Management Team believes that being AIM quoted with a depressed share price limits the ability to use its shares as consideration in further acquisitions. Furthermore, the Management Team believes that as a result of the greater flexibility in incentivisation arrangements which will be available as a private business, InterQuest's ability to expand its operations organically will be enhanced.

Recommendation

The Management Team strongly urges shareholders to support them and accept the Offer.

A copy of this announcement will be published, made available on Chisbridge's website at www.chisbridge.com and dispatched to shareholders today.

Enquiries:

Chisbridge Limited

Gary Ashworth

Tel: +44 (0)7909 912 800

SPARK Advisory Partners Limited (Financial Adviser)

Matt Davis / Miriam Greenwood

Tel: +44 (0)203 368 3550

Apart from the responsibilities, if any, which may be imposed on SPARK Advisory Partners Limited by the Financial Services and Markets Act 2000, the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended) or the regulatory regimes established thereunder or the Code, SPARK Advisory Partners Limited does not accept any responsibility whatsoever for the contents of this announcement or for any statements made or purported to be made by it or on its behalf in connection with the Offer, SPARK Advisory Partners Limited accordingly disclaims all and

any liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this announcement or any such statement.

SPARK Advisory Partners which is regulated in the United Kingdom by The Financial Conduct Authority is acting exclusively as financial adviser to Chisbridge and no one else in connection with the Offer. SPARK Advisory Partners will not be responsible to anyone other than Chisbridge for providing the protections afforded to its clients or for providing advice in relation to the Offer or any other matter referred to in this Announcement or otherwise.

The directors of Chisbridge accept responsibility for the information contained in this announcement. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

This announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities whether pursuant to this announcement or otherwise. The distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities law of any such jurisdiction.

Disclosure requirements of the Takeover Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.