

Prime Active Capital plc
Unaudited Interim Results
for the six months ended 30 June 2007

28 September, 2007

FINANCIAL SUMMARY

	H1 2007 Unaudited €000	H1 2006 Unaudited €000	Change %
Revenue			
Managed services			
- Cards	9,110	9,450	-3.5%
- Print	805	2,151	-63.0%
	9,915	11,601	
Books & journals	5,232	5,213	+0.4%
	15,147	16,814	-9.9%
Operating profit			
Managed services			
- Cards	52	500	-89.6%
- Print	-	(364)	n/a
	52	136	
Books & journals	593	651	-8.9%
Total operations	645	787	
Centre costs	(739)	(625)	
Exceptional non-recurring costs at centre	(1,506)	-	
Exceptional costs (Warrants)	(1,775)	-	
	(3,375)	162	
Loss after tax	(3,494)	(110)	
Loss per share (cent)	(5.81)	(0.19)	
Adjusted (loss)/earnings per share (cent)*	(0.36)	(0.19)	
Net debt	3,725	6,074	
Equity	8,710	7,799	
Debt / equity ratio	43%	78%	

* Before exceptional costs

Profit and Loss account

	Notes	Half year ended 30 June 2007 Unaudited €000	Half year ended 30 June 2006 Unaudited €000
Revenue	3	15,147	16,814
EBITDA of the operations		1,768	1,769
<i>EBITDA %</i>		<i>11.7</i>	<i>10.5</i>
Depreciation		(1,132)	(991)
Operating profit before overhead		636	778
Centre costs		(730)	(616)
Exceptional costs	4	(3,281)	-
EBIT		(3,375)	162
Finance costs	5	(234)	(323)
Profit before tax		(3,609)	(161)
Taxation	6	115	52
Profit After Tax		(3,494)	(109)

CHAIRMAN'S STATEMENT

Introduction

The Group operations are substantially unchanged from last year and the full years date, reflecting as they do the same companies and management. Since the accounts date the Group name has changed, as has the Group strategy, its' funding, management team and objectives. However none of that is reflected here.

There are a few amendments caused by the changes. The first is that the corporate overhead increased due to a period where the former management team was handing over to the new management team, there were also payments to the exiting management team agreed by the former Board covered by the small share placing that accompanied the event and a charge in the accounts for the value of warrants reached through a calculation made by independent consultants.

The warrants are not worth anything unless the value of the Groups shares is increased sustainably and this will not be delivered in the short term by the present companies in the Group, but by the new management team applying the Groups resources to the benefit of the shareholders. The task of recruiting that team is well advanced, with four new senior appointments in the UK and Ireland, and the identification and engagement on acquisitions is also well advanced.

Operating commentary

In the six months to 30 June 2007 revenues are €15.1 million, compared with €16.8 million in 2006, the difference reflecting the closure of the commercial print business in September 2006.

Before exceptional costs, there was an operating loss for the period of €94k compared to an operating profit of €162k for the first six months of 2006. The difference in these numbers is substantially caused by the costs of the transition management phase and additional machine depreciation in the journal printer.

Exceptional non-recurring reorganisation costs of €1.5 million were incurred by the company, before the appointment of the current board, arising out of the completion of the proposals set out in the circular to Shareholders dated 12 April 2007. After exceptional costs, tax and interest there is a loss of €1.7 million for the period compared to a loss of €0.1 million in 2006.

Cash flow and net debt

At 30 June 2007 the net debt was as follows:

	Centre €000	Managed Services €000	Books & Journals €000	Group €000
Cash	5,137	104	25	5,266
Cash flow finance	-	(834)	(948)	(1,782)
Term debt	-	(2,774)	(423)	(3,197)
Asset finance	-	(1,966)	(2,046)	(4,012)
	<u>5,137</u>	<u>(5,470)</u>	<u>(3,392)</u>	<u>(3,725)</u>

Following a further share placing in July 2007, which raised €14.5 million net of costs, the Group Balance Sheet at 31 July 2007 shows a net cash position of €10.3 million. Having said that, the term and leasing debt of the subsidiaries is managed and repaid by those companies so that the Group has unencumbered cash at centre of c. €20m.

Strategy

In circulars to Shareholders dated 12 April and 2 July of this year, the intention to develop the Company as an operating investment vehicle was determined. As part of this process, at EGMs in May and July, Shareholders approved two separate share placings of 14.1 million shares at €0.15 and 42.9 million shares at €0.35. The proceeds of the first placing were substantially applied to the transition costs of the old team, and the proceeds of the second issue are still to hand.

Subsequent to that the shares were consolidated on the basis of one new share for five old shares and the name of the Group changed to Prime Active Capital plc from Oakhill Group plc.

Outlook

The team is committed to identifying and moving aggressively on investment opportunities where it is perceived significant value can be derived for the shareholders of the company. Identification and engagement on some opportunities is well advanced.

Peter E. Lynch
Executive Chairman
28 September 2007

For Further Information, please contact:

Peter E. Lynch Executive Chairman Prime Active Capital plc	+ 353 1 240 1420
Peter Coyne AIB Corporate Finance	+ 353 1 667 0233
Kevin Keating Goodbody Corporate Finance	+ 353 1 667 0420

CONSOLIDATED INCOME STATEMENT

	Notes	Half year ended 30 June 2007 Unaudited €000	Half year ended 30 June 2006 Unaudited €000	Year ended 31 Dec 2006 Audited €000
Continuing operations				
Revenue	3	15,147	16,814	35,977
Cost of sales		(12,055)	(13,285)	(28,261)
Gross profit		3,092	3,529	7,716
Selling and distribution costs		(989)	(1,309)	(2,348)
Administration expenses		(2,197)	(2,058)	(4,601)
Operating loss / (profit) before exceptional operating costs		(94)	162	767
Exceptional operating costs	4	(3,281)	-	-
Operating (loss) / profit	3	(3,375)	162	767
Finance income	5	171	131	257
Finance costs	5	(405)	(454)	(921)
(Loss) / profit before tax		(3,609)	(161)	103
Taxation	6	115	51	36
(Loss) / profit for the period attributable to equity shareholders		(3,494)	(110)	139
(Loss) / earnings per share				
- Basic	7	(5.81)	(0.19)	0.25
Adjusted (loss) / earnings per share				
- Basic	7	(0.36)	(0.19)	0.84

CONSOLIDATED BALANCE SHEET

	30 June 2007 Unaudited €000	30 June 2006 Unaudited €000	31 Dec 2006 Audited €000
Non-current assets			
Property, plant and equipment	11,318	12,126	11,707
	11,318	12,126	11,707
Current assets			
Inventories	1,691	1,538	1,201
Trade and other receivables	6,820	8,716	7,915
Cash and cash equivalents	5,266	5,560	5,661
	13,777	15,814	14,777
Total assets	25,095	27,940	26,484
Current liabilities			
Trade and other payables	5,942	6,804	7,044
Borrowings	4,533	4,735	3,696
Current tax liabilities	741	706	870
	11,216	12,245	11,610
Non-current liabilities			
Borrowings	4,458	6,899	5,791
Deferred tax	589	676	563
Retirement benefit obligations	122	321	139
	5,169	7,896	6,493
Total liabilities	16,385	20,141	18,103
Net assets	8,710	7,799	8,381
Equity			
Ordinary share capital	7,055	5,644	5,644
Share premium	6,596	5,950	5,950
Other reserves	2,204	282	442
Accumulated deficit	(7,145)	(4,077)	(3,655)
Total equity (note 9)	8,710	7,799	8,381

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

	Half year ended 30 June 2007 Unaudited €000	Half year ended 30 June 2006 Unaudited €000	Year ended 31 Dec 2006 Audited €000
Actuarial gain on defined benefit pension plan	4	6	179
Exchange movement	(13)	(30)	130
Net (expense)/income recognised directly within equity	(9)	(24)	309
Loss for the period	(3,494)	(110)	139
Total recognised income/(expense) relating to the period	(3,503)	(134)	448

CONSOLIDATED CASH FLOW STATEMENT

	Half year ended 30 June 2007 Unaudited €000	Half year ended 30 June 2006 Unaudited €000	Year Ended 31 Dec 2006 Audited €000
Operating activities			
Cash generated from operations (note 8(a))	(967)	40	3,394
Taxation recovered/(paid)	14	(18)	(17)
Net cash (outflow)/inflow from operating activities	(953)	22	3,377
Investing activities			
Purchase of property, plant and equipment	(757)	(455)	(901)
Proceeds from sale of property, plant and equipment	-	-	54
Interest received	136	131	202
Net cash outflow from investing activities	(621)	(324)	(645)
Financing activities			
Proceeds from issue of shares	2,056	-	-
Proceeds from borrowings	812	678	-
Repayments of borrowings	(634)	(592)	(1,855)
Capital element of finance lease rental payments	(667)	(775)	(1,475)
Interest paid	(217)	(278)	(515)
Finance lease interest	(160)	(176)	(353)
Net cash inflow/(outflow) from financing activities	1,190	(1,143)	(4,198)
Net decrease in cash and cash equivalents (note 8(b))	(384)	(1,445)	(1,466)
Cash and cash equivalents at beginning of period	5,661	7,048	7,048
Effect of exchange rate changes	(11)	(43)	79
Cash and cash equivalents at end of period	5,266	5,560	5,661

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

The financial information included in the interim report has been prepared on the basis of the recognition and measurement requirements of International Financial Reporting Standards (IFRS) and interpretations of the International Financial Reporting Interpretation Committee (IFRIC).

The financial information set out in the interim statement is un-audited and does not constitute statutory accounts. The statutory accounts for the year ended 31 December 2006, which received an unqualified audit opinion have been filed with the Registrar of Companies. The same accounting policies are followed in the interims as compared to the 2006 financial statements.

2. Exchange rates

The income statements and cash flows of subsidiaries are translated into euro based on the average exchange rate for the period. The balance sheets are translated using the period-end exchange rate.

	Half year ended 30 June 2007	Half year ended 30 June 2006	Year ended 31 Dec 2006
Average rate for the period £ Sterling	0.6747	0.6871	0.6818
Period-end rate £ Sterling	0.6740	0.6921	0.6735

3. Analysis of revenue and operating results by business segment

	Half year ended 30 June 2007 Unaudited		Half year ended 30 June 2006 Unaudited		Year ended 31 Dec 2006 Audited	
	€000 Revenue	€000 Result	€000 Revenue	€000 Result	€000 Revenue	€000 Result
Managed Services	9,915	52	11,601	136	25,232	725
Books & Journals Centre*	5,232	593	5,213	651	10,745	1,299
		(4,020)		(625)		(1,257)
	15,147	(3,375)	16,814	162	35,977	767

*Centre costs for the half year to 30 June 2007 include exceptional costs of €3.28 million.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Exceptional operating costs

	Half year Ended 30 June 2007 Unaudited €000	Half year ended 30 June 2006 Unaudited €000	Year ended 31 Dec 2006 Audited €000
Exceptional non-recurring operating costs	(1,506)	-	-
Exceptional costs – Warrants	(1,775)	-	-
Total Exceptional costs	(3,281)	-	-

Non-recurring reorganisation costs of €1.5 million were incurred by the company arising out of the completion of the proposals set out in the circular to Shareholders dated 12 April 2007.

Salaries	€000
Placing Fees	1,134
Legal	<u>117</u>
Total	<u>1,506</u>

Under IFRS2 we are required to estimate the fair value of the warrants at the grant date 15 May 2007. The warrants are not worth anything unless the value of the Groups shares is increased sustainably and this will not be delivered in the short term by the present companies in the Group, but by the new management team applying the Groups resources to the benefit of the shareholders.

5. Net finance costs

	Half year Ended 30 June 2007 Unaudited €000	Half year ended 30 June 2006 Unaudited €000	Year ended 31 Dec 2006 Audited €000
Interest income	171	131	257
Interest expense	(405)	(454)	(921)
	(234)	(323)	(664)

Interest income and interest expense are inclusive of the net pensions financing credit and debit.

6. Taxation

	Half year Ended 30 June 2007 Unaudited €000	Half year ended 30 June 2006 Unaudited €000	Year ended 31 Dec 2006 Audited €000
On ordinary activities:			
Irish tax	-	-	-
Overseas tax	142	14	3
Adjustments in respect of previous periods	-	-	(135)
		14	(132)
Deferred tax			
Timing differences	(27)	37	(63)
Adjustments in respect of previous periods	-	-	231
	115	51	36

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. (Loss)/earnings per share

	Half year ended 30 June 2007 Unaudited €000	Half year ended 30 June 2006 Unaudited €000	Year ended 31 Dec 2006 Audited €000
(Loss)/earnings for the period attributable to equity shareholders	(3,494)	(110)	139
Print – closure related costs	-	-	334
Exceptional operating costs	3,281	-	-
Adjusted (loss)/profit for the period attributable to equity shareholders	(213)	(110)	473
(Loss)/earnings per share (cent)	(5.81)	(0.19)	0.25
Print – closure related costs	-	-	0.59
Exceptional operating costs	5.45	-	-
Adjusted (loss)/earnings per share (cent)	(0.36)	(0.19)	0.84
Weighted average number of shares ('000)	60,103	56,439	56,439

8. Cash flow statement

(a) Cash generated from operations

	Half year Ended 30 June 2007 Unaudited €000	Half year ended 30 June 2006 Unaudited €000	Year ended 31 Dec 2006 Audited €000
(Loss)/profit before taxation	(3,609)	(161)	103
Adjustments for:			
Exceptional costs - Warrants	1,775	-	-
Net finance costs	234	323	664
Depreciation	1,132	991	2,340
Movement in post employment obligations	(6)	(4)	2
(Increase) / decrease in inventories	(488)	108	441
Decrease / (increase) in trade and other receivables	1,051	(639)	337
Decrease in trade and other payables	(1,056)	(578)	(493)
	(967)	40	3,394

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Cash flow statement (continued)

(b) Reconciliation of net decrease in cash and cash equivalents to movement in net debt

	Half year ended 30 June 2007 Unaudited €000	Half year ended 30 June 2006 Unaudited €000	Year ended 31 Dec 2006 Audited €000
Decrease in cash and cash equivalents	(384)	(1,445)	(1,466)
Financing			
New borrowings	(812)	(678)	-
Repayment of borrowings	634	592	1,855
Lease repayments	667	775	1,475
	105	(756)	1,864
New finance leases	-	(738)	(945)
Effect of exchange rate changes	(4)	69	(96)
Movement in net debt in the period	101	(1,425)	823
Net debt at beginning of period	(3,826)	(4,649)	(4,649)
Net debt at end of period	(3,725)	(6,074)	(3,826)

(c) Analysis of net debt

	30 June 2007 Unaudited €000	30 June 2006 Unaudited €000	31 Dec 2006 Audited €000
Cash and cash equivalents	5,266	5,560	5,661
Cash flow finance	(1,782)	(2,261)	(970)
Term debt and other loans	(3,197)	(4,332)	(3,834)
Obligations under finance leases	(4,012)	(5,041)	(4,683)
	(3,725)	(6,074)	(3,826)

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Changes in equity

	Share capital €000	Share premium €000	Other reserves €000	Retained earnings/ (accumulated Deficit) €000	Total equity €000
At 1 January 2006	5,644	5,950	312	(3,973)	7,933
Profit for the period	-	-	-	139	139
Actuarial gain on defined benefit pension plan	-	-	-	179	179
Exchange movement	-	-	130	-	130
At 31 December 2006	5,644	5,950	442	(3,655)	8,381
Shares issued May 2007	1,411	646	-	-	2,057
Loss for the period	-	-	-	(3,494)	(3,494)
Actuarial gain on defined benefit pension plan	-	-	-	4	4
Fair valuation of Warrants	-	-	1,775	-	1,775
Exchange movement	-	-	(13)	-	(13)
At 30 June 2007	7,055	6,596	2,204	(7,145)	8,710

The other reserves consist of cumulative exchange movements and the fair valuation of Warrants.

10. Events after the balance sheet date

At an EGM on 25 July, shareholders approved a share placing of 42.9 million shares, which raised €15.0 million development capital.

Shareholders also approved a proposal to consolidate the share capital on the basis of one New Ordinary Share of €0.50 for every five Existing Ordinary Shares of €0.10. The record date for the share consolidation was 3 August 2007.

11. Interim report

This interim report was approved by the Board of Directors on 28 September 2007.

The interim report will be included on the Company's website (www.pacplc.com) and copies are available from the Company's registered office at 2A Sandymount Green, Sandymount, Dublin 4.