PRESS ANNOUNCEMENT
Monday 23 June 2008

Prime Active Capital

PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007

Financial highlights

- Group revenue down by 4% following the closure of PCC's commercial print division
- Operating profit pre exceptionals up 77%
- PAC Digimedia operating profit up 27%
- Adjusted earnings per share up 78%

	2007 €000	2006 €000	% change
Revenue	**34,632**	35,977	-4%
EBITDA[1] before exceptional costs and other gains	**3,143**	3,107	1%
PAC Digimedia operating profit	**2,575**	2,024	27%
PAC Telemedia operating profit	**(158)**	-	-
Centre costs pre exceptionals	**(1,062)**	(1,257)	-15%
Group operating profit pre exceptionals	**1,355**	767	77%
Adjusted earnings per share (cent) [2][3][4]	**7.45**	4.19	78%

(1) earnings before interest, tax, depreciation and amortisation

(2) 2006 adjusted earnings per share of 0.84 cent as disclosed in the 2006 annual report, has been adjusted to take account of the one for five share consolidation approved by the shareholders at the Extraordinary General Meeting on 25 July 2007

(3) the original weighted average number of shares of 56.44 million has been adjusted pro rata to 11.29 million for this calculation

(4) adjusted earnings per share excludes exceptional costs relating to a corporate restructure in 2007 of €3.42 million and commercial print closure related costs in 2006 of €0.33 million

Commenting on the results, Peter E. Lynch, Chairman, said:

“...it is a tribute to those [PAC Digimedia] management teams that they earned an EBITDA margin of 13% in 2007 in a difficult sector. This performance puts the PAC Digimedia companies firmly in the upper quartile of performance in that sector...

This was a year of change for the Group, but nothing changed as much as the environment in which the company operates. This is now characterised by tight credit, squeezed margins and a global reduction in capital. Nobody enjoys an environment like this, but PAC is adequately financed for the opportunities contemplated by it at present, and has a determined and experienced operational management team at Group, with substantial public markets experience. This is a tremendous opportunity for PAC to grow and we intend to take it.

We have seen these circumstances before and we have been successful in them but none of us should underestimate the difficulty of the trading environment faced by any business in the next couple of years. I would like to thank the staff and management of the operating companies for their hard work and congratulate them on their performance.”

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FINANCIAL AND BUSINESS REVIEW

Introduction

Prime Active Capital plc (PAC) manages a portfolio of companies with a view to growing them organically and through continued bolt on acquisitions. PAC is organised into two main business divisions: PAC Digimedia and PAC Telemedia.

Overview of results

Summary income statement

	2007	2006
	€000	€000
Operating revenue	**34,632**	35,977
Operating expenses (excluding exceptional costs, depreciation, amortisation and other gains)	**(31,489)**	(32,870)
Earnings before interest, tax, depreciation and amortisation expense (EBITDA), exceptional costs and other gains	**3,143**	3,107
Depreciation and amortisation	**(2,004)**	(2,340)
Adjusted earnings before interest, tax (EBIT) and exceptional costs	**1,139**	767
Exceptional costs(1)(2)	**(3,423)**	-
Other gains	**216**	-
Net finance costs	**(278)**	(664)
Share of net (losses) of joint ventures accounted for using the equity method	**(308)**	-
(Loss)/profit before tax	**(2,654)**	103
Income tax credit	**453**	36
(Loss)/profit for the year	**(2,201)**	139
Loss attributable to minority interest	**31**	-
(Loss)/profit for the year attributable to members	**(2,170)**	139
Basic and diluted (loss)/earnings per share(3)	**(12.89)**	1.23

(1) the Group has adopted an income statement which seeks to highlight significant and one off items within the results for the year
(2) included in this figure is an amount for non-recurring reorganisation costs arising out of a corporate restructure in May 2007 and a charge in respect of share warrants issued at the same time
(3) the basic and diluted earnings per share as disclosed in the 2006 annual report have been adjusted to take account of the one for five share consolidation approved by the shareholders at the Extraordinary General Meeting on 25 July 2007

Revenue
Group revenue in 2007 amounted to €34.6 million, a 3.7% decrease on 2006 revenue, primarily due to the closure of the commercial print business in September 2006. Group revenue includes a small contribution from Cellular Center, LLC, a majority stake in which was acquired on 21 December 2007.

Operating profit before interest, taxation and exceptional costs
Adjusted EBIT, defined as operating profit before interest, taxation and exceptional costs, amounted to €1.14 million in 2007, compared to €0.77 million in the previous year. This reflected the improved performance in the PAC Digimedia division.

Exceptional costs
The corporate reorganisation in May 2007 resulted in a change to the executive management team and the creation and issuing of warrants in respect of new ordinary shares. Certain one off charges arose as a result of the reorganisation and, as per IFRS 2, the fair value of the warrants are recognised as an expense over the vesting period resulting in a charge to the income statement in 2007.

Net financial expense
The net financial expense for 2007 was €0.28 million compared to €0.66 million in 2006. The underlying capital base of the Group changed during 2007 following the share placings in May 2007 and July 2007. The aggregate cash raised, net of expenses, as a result of the two share placings was €16.19 million.

Minority interest
The minority share of loss after tax for 2007 amounted to €0.03 million. The minority arose following the acquisition of the majority stake in Cellular Center. There was no minority interest in the Group in 2006.

Earnings per share
The adjusted fully diluted earnings per share for 2007 is 7.45 cent, a 78% increase on 2006. Adjusted earnings per share excludes exceptional costs in 2007 and commercial print closure related costs in 2006 and assumes that the one for five share consolidation had taken place in 2006. Fully diluted earnings per share, before such adjustments, amounted to a loss of 12.89 cent compared to earnings of 1.23 cent in 2006, based on a like for like comparison as if the share consolidation had taken place in 2006.

Cash flow and net debt

At 31 December 2007 the Group had net cash of €7.80 million compared to net debt of €3.83 million at 31 December 2006. The main contributing factors to the improvement were the share placings in May and July 2007.

Significant outflows in the year included net payments totalling €1.54 million in respect of capital expenditure of which €1.49 million was in the digital media division and the remainder in the UK and Ireland centre. Funding for capital expenditure was provided from existing resources. Acquisitions in the year amounted to €3.42 million representing the aggregate consideration and costs of the acquisition of the majority stake in Cellular Center, less the cash acquired as part of the acquisition.

The table below summarises the cash flow for the year.

	2007 **€000**	2006 €000
Operating (loss)/profit	**(2,068)**	767
Other operating costs-warrants	**2,258**	-
Depreciation	**2,004**	2,340
Other financial assets at fair value through profit or loss	**(261)**	-
Curtailment gain on defined benefit pension scheme	**(125)**	-
Net working capital including pension and loss on disposals	**(1,055)**	287
Operating cash flow	**753**	3,394
Net interest paid	**(294)**	(666)
Tax paid	**(11)**	(17)
Capital expenditure net (including leased assets)	**(1,383)**	(1,792)
Net proceeds from share placing	**16,190**	-
Payments for investments in subsidiaries	**(3,423)**	-
	11,832	919
Opening net (debt)	**(3,826)**	(4,649)
Currency	**(201)**	(96)
Closing net cash/(debt)	**7,805**	(3,826)

Net debt as at 31 December 2007 is analysed as follows:

	PAC Digimedia €000	**PAC Telemedia €000**	**Centre €000**	**Group €000**
Cash	**1,376**	**1,389**	**10,426**	**13,191**
Term debt	**(2,340)**	**-**	**-**	**(2,340)**
Asset finance	**(3,046)**	**-**	**-**	**(3,046)**
	(4,010)	**1,389**	**10,426**	**7,805**

At 31 December 2006 there were committed borrowing facilities available for drawdown of €2.7 million in the digital media division. This debt was secured on the assets of the division. In 2007, the digital media division replaced this cash flow financing facility with an ordinary overdraft facility.

PAC Digimedia

PAC Digimedia is the digital media division which is an amalgamation of the managed services and books & journals divisions. This division has three business units operating in the UK: plastic cards, books & journals production and on-demand digital print and finishing. PAC Digimedia employs approximately 280 people. The central executive management of PAC Digimedia is charged with the management of the existing businesses as well as the development of the business organic and acquisition led growth strategy.

Business overview

The plastic cards business unit consists of two companies, PCC Limited and PCC Services Limited. The PCC companies are market leaders in the design, production, personalisation and distribution of plastic cards for all applications including gifting, loyalty, stored value, membership and mobile phone e-top up. In addition, a full range of card products and personalisation services for non-secure card applications encompassing plastic card-to-carrier matching, embossing, magnetic stripe encoding, secure labelling, automated insertion and direct/personalised mailings is provided. Providing card manufacture, print and personalisation services has enabled the business unit to build up an enviable list of tier one clients within the telecom, retail, payment and B2B industries.

The books & journals business unit encompasses Bell & Bain Limited, a specialist in the printing, binding and distribution of academic books and journals. Its customer base comprises publishers from the United Kingdom and throughout the world. Books and journals are produced by lithographic printing and high speed in-line digital print. The market in the United Kingdom for high quality books and journals has come under major price pressure from off-shore production facilities based in China and other eastern countries. This has led to reduced margin, however investment in machinery and major developments in work practice to improve efficiency have enabled the maintenance of an upper quartile margin position within this business unit in comparison with industry peers.

The on-demand digital print and finishing business unit is represented by Top Copy Image Centres Limited and is based in Leeds. This business unit specialises in on-demand low volume print manufacturing, personalisation, enclosing and distribution for a large number of retail and financial businesses throughout the United Kingdom.

Performance for the year ended 31 December 2007

Financial information

	2007	2006[1]
	€000	€000
Revenue	**34,488**	35,977
EBITDA[2]	**4,569**	4,349
EBITDA margin %	**13.2**	12.1
Operating profit	**2,575**	2,024
Operating margin %	**7.5**	5.6
Net interest[3]	**(664)**	(859)
Capital expenditure	**(1,492)**	(1,846)
Net operating assets[4]	**13,577**	14,207

(1) performance for the previous year is based on combining the results of the managed services and books & journals divisions
(2) earnings before interest, tax, depreciation and amortisation
(3) net interest comprises total finance income of €0.011 million less total finance costs of €0.675 million in 2007 and total finance income of €0.009 million less total finance costs of €0.868 million in 2006
(4) net operating assets includes property, plant and equipment, inventories, trade and other receivables and payables and excludes corporate tax, net debt and goodwill

During the year to end of December 2007, revenue declined by approximately 4%. This is attributed predominately to the closure of the loss making commercial print facility in October 2006. However EBITDA margin increased 1.1% on the subsequent reduced turnover. Operating profit margin also increased significantly as a result of improved working practices.

There has been exceptional growth in gift cards during the year with revenue growing from €3.60 million in 2006 to €5.90 million in 2007. PCC won a number of high-profile high street retail accounts to add to their impressive portfolio of customers.

Bell and Bain also enjoyed revenue growth, although its operating profit decreased, reflecting the competitiveness of the market and the continuing pressure on prices from overseas and other UK producers. The turnover from conventionally litho printed books and journals increased by 5.3% whereas sales of digitally produced versions increased by 101.7% and now represent 4.5% of total sales. The growth in revenue is mainly organic growth from existing customers with several new customers being attracted by the digital book production facility. This business continues to produce margins in the upper-quartile relative to its peers.

Top Copy's performance improved significantly on the previous year. Its market remains highly competitive as supply continues to outweigh demand.

Capital expenditure of €1.49 million enabled the division to further enhance its operational footprint.

PAC Telemedia

PAC Telemedia is the telecommunications division and currently comprises the Group's majority stake in Cellular Center, LLC, a Georgia, USA based chain of retail stores.

Business overview
Cellular Center is a premium retailer of mobile phones and accessories and is an authorised agent for Verizon Wireless offering its pre and post paid mobile telecommunication subscription services and wireless data products.

Cellular Center commenced business operations in May 2007 and was operating 22 retail stores by 31 December 2007 having acquired 10 stores and opened 12 stores in the intervening period.

Cellular Center's strategy is to rapidly grow its retail business by opening or acquiring retail stores in Georgia, Alabama, Texas and Florida.

Performance for the period 21 December 2007[(1)] to 31 December 2007
Financial information

	2007	2006[(2)]
	€000	€000
Revenue	**144**	-
EBITDA[(3)]	**(156)**	-
Operating loss	**(158)**	-
Net interest[(4)]	**2**	-
Capital expenditure	**-**	-
Net operating assets[(5)]	**131**	-

(1) date on which Cellular Center became a subsidiary
(2) as Cellular Center commenced operations during 2007 there is no prior year comparative data
(3) earnings before interest, tax, depreciation and amortisation
(4) net interest comprises total finance income of €0.002 million
(5) net operating assets includes property, plant and equipment, inventories, trade and other receivables and payables and excludes corporate tax, net debt, goodwill and financial instrument liability

The financial performance of the business for the period to 31 December 2007 was in line with expectations for a business start up of this nature.

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	**Pre-exceptionals 2007 €000**	**Exceptionals (note 3) 2007 €000**	**Total 2007 €000**	Pre-exceptionals 2006 €000	Exceptionals 2006 €000	Total 2006 €000
Revenue	2	**34,632**	**-**	**34,632**	35,977	-	35,977
Cost of sales		**(27,359)**	**-**	**(27,359)**	(28,261)	-	(28,261)
Gross profit		**7,273**	**-**	**7,273**	7,716	-	7,716
Selling and distribution costs		**(1,944)**	**-**	**(1,944)**	(2,348)	-	(2,348)
Administration expenses		**(4,190)**	**(2,289)**	**(6,479)**	(4,601)	-	(4,601)
Other operating expenses		**-**	**(1,134)**	**(1,134)**	-	-	-
Other gains		**216**	**-**	**216**	-	-	-
Operating (loss)/profit	2	**1,355**	**(3,423)**	**(2,068)**	767	-	767
Share of loss of joint venture		**(308)**	**-**	**(308)**	-	-	-
Finance costs		**(727)**	**-**	**(727)**	(921)	-	(921)
Finance income		**449**	**-**	**449**	257	-	257
(Loss)/profit before tax		**769**	**(3,423)**	**(2,654)**	103	-	103
Income tax credit	4			**453**			36
(Loss)/profit for the year	5			**(2,201)**			139
Attributable to:							
Equity shareholders				**(2,170)**			139
Minority interest				**(31)**			-
				(2,201)			139
(Loss)/earnings per share - Basic and diluted (cent)	5			**(12.89)**			1.23

CONSOLIDATED BALANCE SHEET
AT 31 DECEMBER 2007

	2007	2006
	€000	€000
Assets		
Non-current assets		
Property, plant and equipment	**10,578**	11,707
Intangible assets	**3,149**	-
	13,727	11,707
Current assets		
Inventories	**2,349**	1,201
Trade and other receivables	**8,586**	7,915
Financial assets at fair value through profit or loss	**261**	-
Cash and cash equivalents	**13,191**	5,661
	24,387	14,777
Total assets	**38,114**	26,484
Liabilities		
Current liabilities		
Trade and other payables	**8,158**	7,044
Current income tax liabilities	**275**	870
Borrowings	**2,581**	3,696
Provisions for other liabilities and charges	**69**	-
	11,083	11,610
Non-current liabilities		
Borrowings	**2,805**	5,791
Deferred income tax liabilities	**601**	563
Retirement benefit obligations	**-**	139
Put liability	**1,051**	-
	4,457	6,493
Total liabilities	**15,540**	18,103
Net assets	**22,574**	8,381
Equity		
Ordinary shares	**11,341**	5,644
Share premium	**16,444**	5,950
Other reserves	**342**	442
Retained earnings	**(5,828)**	(3,655)
Minority interest in equity	**275**	-
Total equity	**22,574**	8,381

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE
FOR THE YEAR ENDED 31 DECEMBER 2007

	2007	2006
	€000	€000
Actuarial (loss)/gain on defined benefit pension plan	**(3)**	179
Exchange movement	**(1,307)**	130
Net (loss)/income recognised directly within equity	**(1,310)**	309
(Loss)/profit for the year	**(2,201)**	139
Total recognised (expense)/income for the year	**(3,511)**	448
Attributable to:		
Equity holders of the Company	**(3,480)**	448
Minority interest	**(31)**	-
	(3,511)	448

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007

	2007	2006
	€000	€000
Operating activities		
Cash generated from operations	**753**	3,394
Tax paid	**(11)**	(17)
Net cash inflow from operating activities	**742**	3,377
Investing activities		
Purchase of property, plant and equipment	**(1,537)**	(901)
Proceeds from sale of property, plant and equipment	**154**	54
Interest received	**381**	202
Acquisition of subsidiary, net of cash acquired	**(3,423)**	-
Net cash outflow from investing activities	**(4,425)**	(645)
Financing activities		
Proceeds from issue of shares	**16,190**	-
Repayments of borrowings	**(2,220)**	(1,855)
Capital element of asset finance payments	**(1,345)**	(1,475)
Interest paid	**(395)**	(515)
Finance lease interest	**(280)**	(353)
Net cash inflow/(outflow) from financing activities	**11,950**	(4,198)
Net increase/(decrease) in cash and cash equivalents	**8,267**	(1,466)
Cash and cash equivalents at 1 January	**5,661**	7,048
Effect of exchange rate changes	**(737)**	79
Cash and cash equivalents at 31 December	**13,191**	5,661

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation

The information included in the preliminary statement has been prepared in conformity with International Financial Reporting Standards and IFRIC interpretations as adopted by the European Union (EU) and with those parts of the Companies Acts, 1963 to 2006 applicable to companies reporting under IFRS.

The financial information set out herein does not constitute the Company's statutory report and accounts for the year ended 31 December 2007 or 2006 but is derived from same

The 2007 and 2006 financial statements have been audited and received unqualified audit reports. The 2007 financial statements were approved by the Board of Directors on 19 June 2007.

2. Segment information

At 31 December 2007, the Group was organised into two business divisions: PAC Digimedia and PAC Telemedia.

The segment results for the years ended 31 December 2007 and 31 December 2006 are as follows:

Year ended 31 December 2007	**PAC Digimedia**	**PAC Telemedia[(1)]**	**Unallocated[(2)]**	**Group**
	€000	**€000**	**€000**	**€000**
Revenue	**34,488**	**144**	**-**	**34,632**
Operating profit/(loss) before other gains and other operating expenses	**2,575**	**(158)**	**(3,567)**	**(1,150)**
Other operating expenses			**(1,134)**	**(1,134)**
Other gains			**216**	**216**
Operating profit/(loss)	**2,575**	**(158)**	**(4,485)**	**(2,068)**
Share of loss of joint venture	**-**	**(308)**	**-**	**(308)**
Net finance (costs)/income	**(664)**	**2**	**384**	**(278)**
Profit/(loss) before tax	**1,911**	**(464)**	**(4,101)**	**(2,654)**
Income tax credit				**453**
Loss for the year				**(2,201)**

Year ended 31 December 2006	PAC Digimedia [(3)]	PAC Telemedia	Unallocated	Group
	€000	€000	€000	€000
Revenue	35,977	-	-	35,977
Operating profit	2,024	-	(1,257)	767
Other operating expenses	-	-	-	-
Operating profit/(loss)	2,024	-	(1,257)	767
Finance costs	(868)	-	(53)	(921)
Finance income	9	-	248	257
Profit/(loss) before tax	1,165	-	(1,062)	103
Income tax credit				36
Profit for the year				139

(1) the acquisition of the company in this division took place on 21 December 2007, as such the results disclosed represent the 11 day period from this date until year end
(2) unallocated costs represent corporate costs of the Group including exceptional items
(3) prior year comparatives for PAC Digimedia are based on combining the results of the managed services and books & journals divisions

Segment assets and liabilities at 31 December 2007 and other segment items in 2007 are as follows:

	PAC Digimedia	**PAC Telemedia**	**Unallocated**	**Group**
	€000	**€000**	**€000**	**€000**
Segment assets	**21,387**	**5,973**	**10,754**	**38,114**
Segment liabilities	**(12,423)**	**(2,355)**	**(762)**	**(15,540)**
Other segment items				
Depreciation	**1,994**	**2**	**8**	**2,004**
Capital expenditure	**1,492**	**-**	**45**	**1,537**
Bad debts	**16**	**-**	**-**	**16**
Inventory provision	**58**	**19**	**-**	**77**

Segment assets and liabilities at 31 December 2006 and other segment items in 2006 are as follows:

	PAC Digimedia	PAC Telemedia	Unallocated	Group
	€000	€000	€000	€000
Segment assets	20,797	-	5,687	26,484
Segment liabilities	(16,077)	-	(2,026)	(18,103)
Other segment items				
Depreciation	2,325	-	15	2,340
Capital expenditure	1,846	-	-	1,846
Bad debts	57	-	-	57
Inventory provision	119	-	-	119

3. Exceptional items

	2007	2006
	€000	€000
Redundancy payments	**1,134**	-
Professional and other fees	**31**	-
Warrants	**2,258**	-
	3,423	-

Non-recurring reorganisation costs of €1.165 million were incurred by the Group arising out of a corporate restructure which took place in May 2007. The charge of €2.258 million represents the fair value of the warrants as calculated by independent valuers.

4. Income tax expense

	2007	2006
	€000	€000
Current tax	**(43)**	3
Adjustments in respect of previous years(1)	**538**	(135)
	495	(132)
Deferred tax		
Temporary differences	**24**	(63)
Adjustments in respect of previous years(1)	**(66)**	231
	(42)	168
Taxation	**453**	36

(1) a review of prior year current and deferred tax provisions was performed during the year, and as a consequence a number of these were released to the income statement, as they were no longer required

5. (Loss)/earnings per share

Basic earnings per share is calculated by dividing the (loss)/earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of shares in issue to assume conversion of all potential dilutive ordinary shares. The Group has one category of potentially dilutive ordinary shares: warrants. The calculation is performed for the warrants to determine the number of shares that could have been acquired at fair value, determined as the average annual market share price of the Group's shares based on the monetary value of the subscription rights attached to outstanding warrants. The weighted average number of ordinary shares is compared with the number of shares that would have been issued assuming the exercise of warrants to give the number of shares deemed to be issued at nil consideration.

The basic loss per share and the diluted loss per share are the same, as the effect of the outstanding warrants is anti-dilutive.

Reconciliations of the earnings and the weighted average number of shares used in the calculations are set out below. The basic and diluted earnings per share as disclosed in the 2006 annual report have been adjusted to take account of the one for five share consolidation approved by the shareholders at the extraordinary general meeting on 25 July 2007.

(Loss)/earnings	**2007**	2006
	€000	€000
(Loss)/profit for the year	**(2,170)**	139
Exceptional costs	**3,423**	-
Print closure related costs	**-**	334
Adjusted profit for the year	**1,253**	473

Basic and diluted (loss)/earnings per share	**2007**	2006
	cent	cent
(Loss)/earnings per share for the year	**(12.89)**	1.23
Print - closure related costs	**-**	2.96
Exceptional costs	**20.34**	-
Adjusted earnings per share for the year	**7.45**	4.19

Weighted average number of shares ('000)	**16,831**	11,288