Prime Active Capital plc ("PAC", the “PAC Group” or the "Company")
5 August 2008

Proposed Disposal of
The Plastic Card Company Limited and PCC Services Limited

and

Notice of Annual General Meeting

Prime Active Capital plc today announces the proposed sale of two of its subsidiaries (the “Disposal”), The Plastic Card Company Limited and PCC Services Limited (the “PCC Companies” or “PCC”), to CPI Card Group UK Holdings Limited and CPI Acquisition, Inc. (“CPI Card Group”) for an aggregate consideration of c. £11 million (€13.9 million), less the debt in the PCC Companies and other adjustments at completion. The net consideration received by PAC after debt and costs will be c. £9 million (€11.3 million). The PCC Companies together comprise the plastic cards design, production and distribution business unit of PAC Digimedia, a division of PAC.

Under the AIM rules and the IEX rules, the Disposal is classified as a disposal resulting in a fundamental change of business and is therefore conditional upon the approval of Shareholders in a general meeting. The approval of the Disposal will be considered in conjunction with the holding of the Annual General Meeting of PAC, expected to take place on 28 August 2008, details of which are outlined below.

Following the completion of the Disposal, PAC’s principal businesses will comprise:

- the remaining business units of PAC Digimedia, namely the books and journals business unit (encompassing Bell & Bain Limited, a specialist in the printing, binding and distribution of academic books and journals) and the on-demand digital print and finishing business unit (encompassing Top Copy Image Centres Limited, specialising in on-demand low volume print manufacturing, personalisation, enclosing and distribution);

- the business of the PAC Telemedia division, namely the telecommunications division of the PAC Group which currently comprises a majority stake in Cellular Center, LLC (a retail chain of mobile phones and accessories stores based in Georgia, USA). This business was started last year and has now opened or acquired some 40 stores in Georgia, Texas and Florida. PAC intends to continue investing in opening further stores and expanding the chain through acquisitions; and

- an associate holding (21.5%) in Media Square plc, an advertising, public relations, design and marketing, professional services group based in the UK. Media Square plc has some fine businesses and good operational management.

Commenting on the Disposal, Peter Lynch, Executive Chairman of PAC said:

“The Company continues to develop the strategy outlined to shareholders last year and invest in companies or acquire underperforming assets, in sectors where the Company and management have significant experience and that offer strong growth opportunities. Part of that strategy is to divest non-core businesses where that opportunity can be created, in order to recycle funds into the higher growth areas.

PCC is enjoying its best year in recent history, delivering excellent returns and this reflects the hugely successful integration of the PAC management approach and the talents and ambitions of the PCC team. However, PAC would have considerable difficulty driving growth in this sub-sector in the next few years without broadening the product range to include credit cards and higher security items, the investment and development costs of which would be very substantial. It is not considered likely that, looking at the investment path, the shareholders of PAC would accrue any cash or dividends for some years, or that the increasing profits, if they could be sustained, would deliver anything meaningful by way of growth in share price.

To that end, an opportunity has been developed where the PCC sub-group of our company can be placed with what we believe is the best partner that can be found for it, CPI Card Group. This is a very successful business in its own right with higher technical expertise, a wider and more sophisticated product range and a geographic and customer strategy that identified PCC as an outstanding strategic fit. This company, headquartered in Colorado, USA, is a world leader in the plastic card industry, and it strategically identified PCC as the ideal company to push forward its European expansion. We are confident that the PCC Companies are being acquired by a company that can develop them further, faster, and with greater success, than we could in PAC."

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Introduction
Prime Active Capital plc has today announced the proposed sale of two of its subsidiaries, The Plastic Card Company Limited and PCC Services Limited, to CPI Card Group UK Holdings Limited and CPI Acquisition, Inc. ("CPI Card Group") for an aggregate consideration of £11 million (€13.9 million), less the debt in the PCC Companies and other adjustments at completion. The net consideration received by PAC after debt and costs will be c. £9 million (€11.3 million). The PCC Companies together comprise the plastic cards design, production and distribution business unit of PAC Digimedia.

Under the AIM rules and the IEX rules, the Disposal is classified as a disposal resulting in a fundamental change of business and is therefore conditional upon the approval of Shareholders in a general meeting. The approval of the Disposal will be considered in conjunction with the holding of the Annual General Meeting of PAC, details of which are outlined below.

Background and Reasons for the Disposal
Since 2007, the strategic focus of PAC has been to develop its business as a company that would work actively with its existing portfolio of investee companies in order to maximise value and identify new investment opportunities in the financial services, telecommunications, creative and digital media sectors.

While the PCC Companies have been successful in recent years, the Directors believe that these companies operate in an increasingly competitive environment that will require the deployment of substantial resources to develop new products and services in the medium term. In CPI Card Group, PAC has found a buyer which can bring that investment to PCC and is willing to recognise value in the PCC Companies that may be greater than that which can be realised by the PCC Companies remaining within the PAC Group. The Directors also consider that the proceeds of the Disposal will allow PAC to fund new investment opportunities both through further investment in its current portfolio and new acquisitions across a range of business sectors.

Against this backdrop, the Directors believe that shareholder value in PAC can be maximised through the Disposal and that the net consideration (after advisers' costs, taxes and transaction costs) of c. £9 million (€11.3 million) from an aggregate consideration of c. £11 million (€13.9 million) excluding debt, costs and other adjustments, reflects a successful exit at a fair price for PAC in respect of its investment in the PCC Companies.

PAC will continue to invest in developing its businesses and to support the management teams in its investee companies where it can add value.

The Business of the PCC Companies
The PCC Companies are providers of plastic card services, including the design, production, personalisation and distribution of cards for all applications including gifting, loyalty, stored value, membership and mobile phone e-top up. In addition, a 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 by the PCC Companies.

Financial Information on PAC and the PCC Companies
The following information on the PCC Companies and the remaining operations of PAC, assuming the disposal of the PCC Companies, has been extracted without material adjustment from the audited accounts of PAC for the twelve months ending 31 December 2005, the audited accounts for the twelve months ending 31 December 2006 and the audited accounts for the twelve months ending 31 December 2007.

	FY2005[(1)] **€'000**	**FY2006[(2)]** **€'000**	**FY2007[(3)]** **€'000**
Revenue			
PCC Companies	21,199	23,707	21,401
Remaining PAC operations[(4)]	11,648	12,270	13,231
	32,847	**35,977**	**34,632**
Gross Profit			
PCC Companies	4,957	4,858	4,656
Remaining PAC operations[(4)]	2,939	2,858	2,617
	7,896	**7,716**	**7,273**
EBITDA[(5)]			
PCC Companies	2,593	2,031	2,529
Remaining PAC operations[(4)]	659	1,076	614
	3,252	**3,107**	**3,143**
EBIT[(6)]			
PCC Companies	1,474	794	1,556
Remaining PAC operations[(4)]	(107)	(27)	(201)
	1,367	**767**	**1,355**
PBT[(7)]			
PCC Companies	942	253	1,108
Remaining PAC operations[(4)]	(134)	(150)	(339)
	808	**103**	**769**
Net Assets [(8)]			
PCC Companies	3,915	3,741	3,341
Remaining PAC operations[(4)]	4,018	4,640	19,233
	7,933	**8,381**	**22,574**

Notes:
(1) twelve months ending 31 December 2005, based on audited accounts
(2) twelve months ending 31 December 2006, based on audited accounts
(3) twelve months ending 31 December 2007, based on audited accounts
(4) operations of PAC, excluding the PCC Companies
(5) earnings before interest, tax, depreciation and amortisation and exceptional items and other gains
(6) earnings before interest, tax and exceptional items
(7) profit before tax and exceptional items
(8) total assets minus total liabilities

Use of the Proceeds of the Disposal and the Position of PAC Following the Disposal
The aggregate consideration of c. £11 million will be reduced by the debt in the PCC Companies at the date of completion of c. £1.8 million, as reduced by other negotiated adjustments of c. £0.5 million. As a result, the proceeds of the Disposal, before transaction costs, will be c. £9.7 million (€12.2 million). The Disposal should qualify for substantial shareholdings exemption in the UK and thus there should be no tax charge. The net proceeds of the Disposal, after advisers' fees, taxes and transaction costs, will be approximately £9 million (€11.3 million).

The proceeds of the Disposal will be used to fund new investment opportunities both through further investment in PAC's current portfolio and acquisitions across a range of business sectors.

Following the completion of the Disposal, PAC's principal businesses will comprise:

- the remaining business units of PAC Digimedia, namely the books and journals business unit (encompassing Bell & Bain Limited, a specialist in the printing, binding and distribution of academic books and journals) and the on-demand digital print and finishing business unit (encompassing Top Copy Image Centres Limited, specialising in on-demand low volume print manufacturing, personalisation, enclosing and distribution);

- the business of the PAC Telemedia division, namely the telecommunications division of the PAC Group which currently comprises a majority stake in Cellular Center, LLC (a retail chain of mobile phones and accessories stores based in Georgia, USA). This business was started last year and has now opened or acquired some 40 stores in Georgia, Texas and Florida. PAC intends to continue investing in opening further stores and expanding the chain through acquisitions; and

- an associate holding (21.5%) in Media Square plc, an advertising, public relations, design and marketing, professional services group. The interest of PAC in this company is significant and intended to be for the long term. Media Square plc has some fine businesses and good operational management.

PAC will have net cash of approximately €12.5 million following the Disposal.

Information on CPI Card Group
CPI Card Group is a global supplier of plastic secure card products, such as credit, debit and ATM cards to major financial institutions and non-secure card products and services, such as retail gift cards, retail credit cards and entry access cards. CPI Card Group is a portfolio company of Tricor Pacific Capital, Inc., a private equity firm based in Lake Forest (Chicago), USA and Vancouver, Canada.

Principal Terms of the Disposal
If approved, the Disposal will be effected in accordance with the terms of the Share Purchase Agreement between Droyhurst Holdings Limited, a wholly owned subsidiary of PAC Digimedia, ("Droyhurst"), CPI Card Group and PAC signed on 5 August 2008. Under the terms of this agreement, on completion Droyhurst will transfer the entire issued share capital of the PCC Companies to CPI Card Group in consideration for the payment by CPI Card Group of £11 million (€13.9 million) in cash as reduced by the debt of the PCC Companies at the date of completion as reduced by other negotiated adjustments. The consideration will be paid on the assumption that the PCC Companies will have working capital at completion equal to the average working capital of the PCC Companies for the twelve month period prior to completion. A working capital balancing payment will be made after completion by CPI Card Group to Droyhurst if the working capital at completion is in excess of the average, and by Droyhurst to CPI Card Group if the working capital at completion is less than the average. It is expected that the working capital payment will be calculated and paid within three months of completion.

PAC and Droyhurst have granted CPI Card Group customary warranties and indemnities under the Share Purchase Agreement in relation to the business of the PCC Companies, including in relation to tax, customer contracts, intellectual property, employees, property title, environmental matters and the accuracy of the accounts and financial reports. PAC has guaranteed to CPI Card Group all of Droyhurst's obligations and liabilities under the Share Purchase Agreement.

The Share Purchase Agreement also imposes post-disposal restrictive covenants on the PAC Group. The PAC Group is restricted from entering the plastic card printing and distribution business in the four year period following completion. There is an exception to the restrictive covenant which permits PAC to acquire up to 5%, and in certain circumstances up to 30%, of publicly quoted companies which compete with the PCC Companies.

Inducement Fee Arrangements
PAC has agreed to pay to CPI Card Group a fee of £250,000 to reimburse it for its costs and expenses if the Disposal is not approved by PAC shareholders or if PAC materially breaches its obligations not to solicit further offers for the PCC Companies. A further payment of £250,000 from PAC to CPI Card Group would become due were PAC to successfully sell the PCC Companies to another third party within nine months of termination of the Share Purchase Agreement.

Completion of the Disposal / AGM Notice
The Disposal is conditional upon, among other things, the approval of shareholders at the Company's AGM to be held at the offices of A&L Goodbody, North Wall Quay, IFSC, Dublin 1, at 9am on Thursday, 28 August 2008. The Disposal is expected to complete on or around 29 August 2008. The net consideration for the Disposal of c. £9.7 million (€12.2 million) is payable in cash on completion.

Irrevocable undertakings
Peter Lynch, the Executive Chairman of the Company, has undertaken to CPI Card Group to vote in favour of the Disposal in respect of his holding of Ordinary Shares, comprising in aggregate 2,820,825 Ordinary Shares and representing in aggregate approximately 12.4 % of the issued share capital of PAC. This undertaking will fall away if the Share Purchase Agreement is terminated or if PAC ceases to recommend, or withdraws or adversely modifies its recommendation of, the Disposal. John Doris and Anne Keogh, the other Directors of PAC, have confirmed that they intend to vote their shares in PAC in favour of the Disposal.

Circular
The circular containing information of the Disposal and including details of the Company's forthcoming AGM will be posted to shareholders tomorrow (6 August 2008).