7 June 2006

Prime People plc
(the "Company")

Issue of Equity

Issue and allotment of the Deferred Consideration Shares to the Vendors of Macdonald & Company Group Limited ("Macdonald")

Further to the announcement made by the Company on 9 December 2005 regarding the acquisition of Macdonald, Prime People plc ("Prime People" or the "Company") today announces that Macdonald has reported an operating profit for the year ended 31 March 2006 which exceeds the minimum of £1.95m necessary to support the maximum deferred consideration payment of £1m that becomes payable following the announcement of Prime People's results for the 15 months ended 31 March 2006.

Pursuant to the Acquisition Agreement dated 9 December 2005, the Company will be issuing and allotting 1,188,637 new ordinary shares of 10p each in the capital of the Company ("New Ordinary Shares") to the vendors of Macdonald on Wednesday 7 June 2006 at an issue price of 84.13p per share. Application will be made for the New Ordinary Shares to be admitted to trading on AIM and dealings are expected to commence on 13 June 2006. The New Ordinary Shares will rank pari passu in all respects with the ordinary shares of 10p each in the capital of the Company ("Ordinary Shares") currently in issue.

Directors Shareholdings

Following the issue of the New Ordinary Shares, the following changes to the shareholdings of directors of the Company will take place:

Robert Macdonald, Chairman, will receive 353,295 New Ordinary Shares increasing his total shareholding to 2,480,127 Ordinary Shares, representing approximately 20.62% of the enlarged issued share capital of the Company.

Peter Moore, Managing Director, will receive 444,960 New Ordinary Shares increasing his total shareholding to 2,897,906 Ordinary Shares, representing approximately 24.09% of the enlarged issued share capital of the Company.

John Lewis, Non-executive director, will receive 111,198 New Ordinary Shares increasing his total shareholding to 855,849 Ordinary Shares, representing approximately 7.11% of the enlarged issued share capital of the Company.

For further information, please contact:

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