

Prime People plc  
Capital Reorganisation

9 June 2009

Prime People plc (AIM:PRP) (the "Company") today announces a reorganisation of its share capital which will reduce the significant number of small shareholders that exist in the Company and provide the opportunity for those shareholders to dispose of their shares without incurring disproportionately high dealing costs.

The Company has approximately 600 shareholders, over 50 per cent of whom hold fewer than 500 ordinary shares ("Ordinary Shares"). By consolidating and subsequently subdividing its ordinary share capital, the Company believes that certain of the costs inherent in maintaining a register of this size will be reduced and an exit will be provided to small shareholders. The Board of Directors therefore considers that it is in the interests of the Company and its shareholders to reorganise the Company's share capital in such a way as to provide a cash payment per Ordinary Share, free of dealing charges, for their entire shareholding to all holders of 500 or fewer Ordinary Shares.

The Board of Directors has, therefore, made arrangements to give the holders of small shareholdings cash in consideration for their Ordinary Shares without those shareholders incurring dealing charges.

As a result of the proposed reorganisation all shareholders will receive cash to the extent that their shareholding is not exactly divisible by 500.

Structure of the proposals

The Company proposes to consolidate every 500 Ordinary Shares into one consolidated ordinary share. Following the Consolidation, resulting fractions of the Consolidated Ordinary Shares will be aggregated and sold by the Board of Directors of the Company with the proceeds being remitted to the relevant shareholders. Cash payments of less than GBP3.00 will not be distributed to holders of Ordinary Shares but will instead be aggregated and held for the benefit of the Company. Following the consolidation and the sale of the fractional entitlements, it is proposed that every Consolidated Ordinary Share be subdivided into 500 new ordinary shares of 10p par value. The subdivision shall take effect on 8 July 2009, being the first business day immediately after the Record Date.

The effect of the proposed capital reorganisation is that shareholders holding 500 or fewer Ordinary Shares on 7 July 2009 (the "Record Date") will receive a cash payment equivalent to the market value of their shares, as represented by the closing middle market price (derived from the Official List of the UK Listing Authority) on AIM on 8 June 2009 of 21 pence for each Ordinary Share which they held.

Holders of more than 500 Ordinary Shares on the Record Date will likewise receive a cash payment equivalent to the closing middle market price on AIM on 8 June 2009 for the number of their Ordinary Shares as become a fraction of a Consolidated Ordinary Share when their holding is divided by 500. These shareholders will retain the balance of their shareholding. For example, a holder of 1,050

Ordinary Shares would receive a cash payment of £10.50 in consideration for 50 Ordinary Shares and would, following the Subdivision, retain 1,000 Ordinary Shares. The subdivision will occur immediately after close of trading on AIM on the Record Date. Holders of Ordinary Shares will continue to be entitled to acquire or dispose of Ordinary Shares until the Record Date (and if such holders thereby come to hold in excess of 500 Ordinary Shares on the Record Date such holders will receive new Ordinary Shares as referred to above).

The Directors anticipate that the capital reorganisation will reduce the number of shareholders from the present level of approximately 600 to approximately 250. This will reduce the Company's costs on an ongoing basis. The Directors do not anticipate any suspension on AIM of the trading of the Company's Ordinary Shares or any delay in the commencement of the trading of new Ordinary Shares as a result of the capital reorganisation. Cheques due to shareholders in respect of cash payments and share certificates in respect of the new Ordinary Shares will be despatched on or around 15 July 2009. As of 8am on 8 July 2009 the Company's ISIN will change to GB00B4ZG0R74.

A circular explaining the proposals has been posted to the Company's shareholders and is available on the Company's website. Shareholder's will be asked to vote on the proposals at an Extraordinary General Meeting of the Company to be held on 7 July 2009 immediately after the Company's Annual General Meeting.

For further information, please contact the Company on:

Prime People	020 73181785
Robert Macdonald, Executive Chairman	
Chris Heayberd, Finance Director	

Cenkos	
Elizabeth Bowman	020 73978900