

FEEDBACK PLC
INTERIM REPORT

CHAIRMAN'S STATEMENT

Feedback plc ("Feedback" or the "Group")
Interim Report for the six months ended 30 November 2009

KEY POINTS

- Turnover £3.8m (2008 - £4.5m)
- Profit before tax £0.04m (2008 - £0.30m)
- Earnings per share 0.02p (2008 0.27p)
- Cash and Cash Equivalents £420k (2008 - £529k)

CHAIRMAN'S STATEMENT

The performance for the first half of the year was a considerable disappointment. The first quarter's trading showed some positive trends; however the second quarter witnessed a significant contraction in orders in both divisions which has continued to date.

The Instruments business was impacted both by a slowdown in orders from its overseas distributors coupled with deterioration in the UK market as school and universities slowed their spending. In addition the Data market also continued to soften as the market anticipated arrival of new terminals scheduled for March this year.

Despite these more challenging markets Feedback has maintained investment in new product development and a number of new product launches are planned for release during 2010 for both divisions. In addition significant spend has also been committed to a re-branding of the Company with the appointment of new corporate communication consultants. The initial results of this will be seen in March with the new look, logo and website scheduled for release that month. Continued additional spend is planned to support various new marketing initiatives.

Although current trading is showing some stability it is likely that the second half will prove as challenging as the first six months and, despite the board's positive expectation for new products, it is likely that the outcome for the full year will be behind that for the year ended May 2009.

Michael G Burt
Executive Chairman

24 February 2010

INDEPENDENT REVIEW REPORT TO FEEDBACK PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the interim financial report for the six months ended 30 November 2009 which comprises the Consolidated Income Statement, the Consolidated Statement of Total Recognised Income and Expense, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and the Notes to the Unaudited Interim Report. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report, including the conclusion, has been prepared for and only for the Company for the purpose of meeting the requirements of the AIM Rules for Companies and for no other purpose. We do not, therefore, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Directors' Responsibilities

The interim financial report, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing and presenting the interim financial report in accordance with the AIM Rules for Companies.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards and International Financial Reporting Interpretations Committee ("IFRIC") pronouncements as adopted by the European Union. The condensed set of financial statements included in this interim financial report has been prepared in accordance with the measurement and recognition criteria of International Financial Reporting Standards and International Financial Reporting Interpretations Committee ("IFRIC") pronouncements, as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim financial report for the six months ended 30 November 2009 is not prepared, in all material respects, in accordance with the measurement and recognition criteria of International Financial Reporting Standards and International Financial Reporting Interpretations Committee ("IFRIC") pronouncements as adopted by the European Union, and the AIM Rules for Companies.

haysmacintyre

Chartered Accountants
Fairfax House
15 Fulwood Place
London
WC1V 6AY

24 February 2010

FEEDBACK PLC**INTERIM REPORT****UNAUDITED CONSOLIDATED INCOME STATEMENT**

	6 months to 30 November 2009 £'000	6 months to 30 November 2008 £'000	Year to 31 May 2009 £'000
Revenue	3,833	4,464	8,163
Cost of sales	(2,119)	(2,475)	(4,568)
Gross profit	<u>1,714</u>	<u>1,989</u>	<u>3,595</u>
Other operating expenses	(1,682)	(1,716)	(2,992)
Operating profit	<u>32</u>	<u>273</u>	<u>603</u>
Profit on sale of fixed asset		27	27
	<u>32</u>	<u>300</u>	<u>630</u>
Finance costs	5	(2)	(1)
Profit before tax	<u>37</u>	<u>298</u>	<u>629</u>
Tax (expense)/credit	(12)	(2)	18
Profit for the period attributable to the equity shareholders of the parent	<u>25</u>	<u>296</u>	<u>647</u>
Other comprehensive income/(expense)			
Translation differences on overseas operations	-	24	(68)
Total comprehensive income for the period	<u>25</u>	<u>320</u>	<u>579</u>
Basic earnings per share	2	0.02p	0.27p
Diluted earnings per share	2	0.02p	0.27p

All amounts relate to continuing operations.

FEEDBACK PLC**INTERIM REPORT****UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share capital	Share premium reserve	Capital redemption reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 31st May 2008	273	633	300	2,175	3,381
Total comprehensive income for the period	-	-	-	320	320
Balance at 30th November 2008	<u>273</u>	<u>633</u>	<u>300</u>	<u>2,495</u>	<u>3,701</u>
Total comprehensive income for the period	-	-	-	259	259
Balance at 31st May 2009	<u>273</u>	<u>633</u>	<u>300</u>	<u>2,754</u>	<u>3,960</u>
Total comprehensive income for the period	-	-	-	25	25
Balance at 30th November 2009	<u>273</u>	<u>633</u>	<u>300</u>	<u>2,779</u>	<u>3,985</u>

FEEDBACK PLC**INTERIM REPORT****UNAUDITED CONSOLIDATED BALANCE SHEET**

	30 November 2009 £'000	30 November 2008 £'000	31 May 2009 £'000
ASSETS			
Non-current assets			
Property, plant and equipment	1,566	1,555	1,577
Intangible assets	636	677	590
Deferred tax asset	313	316	313
	<u>2,515</u>	<u>2,548</u>	<u>2,480</u>
Current assets			
Inventories	1,212	1,130	1,334
Trade receivables	1,303	1,675	1,699
Other receivables	174	92	223
Cash and cash equivalents	420	529	269
	<u>3,109</u>	<u>3,426</u>	<u>3,525</u>
Total assets	<u><u>5,624</u></u>	<u><u>5,974</u></u>	<u><u>6,005</u></u>
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	178	189	165
	<u>178</u>	<u>189</u>	<u>165</u>
Current liabilities			
Trade payables	712	791	745
Other payables	749	1,293	1,135
	<u>1,461</u>	<u>2,084</u>	<u>1,880</u>
Total liabilities	<u>1,639</u>	<u>2,273</u>	<u>2,045</u>
Net assets	<u><u>3,985</u></u>	<u><u>3,701</u></u>	<u><u>3,960</u></u>
EQUITY			
Capital and reserves attributable to the Company's equity shareholders			
Called up share capital	273	273	273
Share premium account	633	633	633
Capital reserve	300	300	300
Retained earnings	2,779	2,495	2,754
	<u>3,985</u>	<u>3,701</u>	<u>3,960</u>
Total equity	<u><u>3,985</u></u>	<u><u>3,701</u></u>	<u><u>3,960</u></u>

FEEDBACK PLC**INTERIM REPORT****UNAUDITED CONSOLIDATED CASH FLOW STATEMENT**

	6 months to 30 November 2009 £'000	6 months to 30 November 2008 £'000	Year to 31 May 2009 £'000
Cash flows from operating activities			
Profit before tax	37	298	629
<i>Adjustments for:</i>			
Finance charges		-	
Depreciation and amortisation	212	248	511
Profit on disposal of tangible fixed assets	-	(27)	(27)
Foreign exchange difference		27	(68)
Decrease/(increase) in inventories	122	129	(75)
Decrease/(increase) in trade receivables	396	(268)	(291)
Decrease in other receivables	49	157	25
(Decrease)/increase in trade payables	(33)	186	140
Decrease in other payables	(386)	(455)	(613)
Net cash generated from operating activities	<u>397</u>	<u>295</u>	<u>231</u>
Cash flows from investing activities			
Interest received	-	-	-
Purchase of tangible fixed assets	(21)	(134)	(185)
Proceeds from sale of tangible fixed assets	-	32	40
Purchase of intangible assets	(225)	(227)	(379)
Net cash used in investing activities	<u>(246)</u>	<u>(329)</u>	<u>(524)</u>
Cash flows from financing activities			
Interest paid	-	-	(1)
Capital element of finance leases and rental payments	-	(4)	(4)
Net cash generated from financing activities	<u>-</u>	<u>(4)</u>	<u>(5)</u>
Net movement in cash and cash equivalents	151	(38)	(298)
Cash and cash equivalents at beginning of period	<u>269</u>	<u>567</u>	<u>567</u>
Cash and cash equivalents at end of period	<u><u>420</u></u>	<u><u>529</u></u>	<u><u>269</u></u>

FEEDBACK PLC

NOTES TO THE UNAUDITED INTERIM REPORT

1. BASES OF PREPARATION

The consolidated interim financial statements have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards as endorsed by the European Union (“IFRS”) and expected to be effective at the year end of 31 May 2010, which are mandatory for accounting periods beginning on or after 1 January 2009. The accounting policies are unchanged from the financial statements for the year ended 31 May 2009.

The information set out in this interim report for the six months ended 30 November 2009 does not comprise statutory accounts within the meaning of section 434 of The Companies Act 2006. The results for the period ended 31 May 2009 are based on the published accounts for that period on which the auditors gave a report which did not contain statements under section 498 of the Companies Act 2006. The accounts for the period ended 31 May 2009 have been filed with the Registrar of Companies.

This interim report was approved by the directors on 23 February 2010.

2. EARNINGS PER SHARE

The earnings per share for the six months ended 30 November 2009 is based on the Group profit on ordinary activities after taxation of £24,000 (2008: £296,000) attributed to Ordinary Shares of 109,146,746 (2008: 109,146,746), being the weighted average number of shares in issue throughout the year.