

Feedback plc

Proposed CVA, Proposed Share Capital Reorganisation, Proposed Cancellation of Share Premium Account and Reduction of Capital, Proposed increase in authorities to issue and allot New Ordinary Shares

Placing of 46,666,667 New Ordinary Shares

Highlights

- The Group is proposing to enter into a CVA which will enable the Companies to, *inter alia*, compromise a loan owed to a former director and its Pension Scheme Liabilities which have a deficit on an FRS17 basis of £8.08 million, as at 28 February 2007.
- Feedback to pay, in aggregate, £1.2 million to the Pension Scheme and allocate 14,846,411 New Ordinary Shares, representing 18 per cent. of the Enlarged Issued Share Capital to the Trustees of the Pension Scheme
- Charles Stanley Securities has, on behalf of the Company, placed 46,666,667 New Ordinary Shares at 3 pence, with institutional and other investors, to raise £1.4 million, before expenses
- The restructuring of the Group and its operations continues
- The Group's current order book is at an encouraging level
- The Group's year end is being changed to 31 May and the audited results for the 14 months to 31 May 2007 are expected to be released in September

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5 June 2007

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Introduction

The Board is pleased to announce that Feedback, FDL and FIL are proposing to enter into Company Voluntary Arrangements with their creditors which, provided the terms and conditions are completed, will enable the Companies to compromise, *inter alia*, the Former Director's Loan and its Pension Scheme liabilities, which have a deficit, as at 28 February 2007, of £8.08 million.

The Company has also announced the Placing, via Charles Stanley Securities to raise £1.4 million, in order to enable the Company to satisfy one of the conditions of the CVA.

The Company is today posting the Circular to Shareholders regarding the Proposals.

In order for the Placing to be completed, the share capital of the Company will need to be substantially restructured. The restructuring will require the Extraordinary General Meeting as well as a separate meeting of Shareholders, to be held and for the various Resolutions to be passed. These meetings will be in addition to the CVA Shareholders' Meeting to be held prior to the EGM on the 2 July 2007, which is purely to consider and vote on the CVA.

The Proposals require, *inter alia*, the approval of the creditors of the Company and the Shareholders. In the opinion of the Directors the Proposals are the best option for the Group. The Board therefore unanimously and strongly recommends that the Shareholders vote in favour of the Resolutions to approve all of the Proposals.

Approval of the resolutions to be proposed at the EGM and the Ordinary Class Meeting is essential if the Proposals are to succeed. The Directors consider the Proposals are the only viable option for the Group and provide benefit for all stakeholders. If the Proposals are not approved by both the Shareholders and the creditors of the Company, the Directors will need to take alternative action to address the financial position of the Group. This is likely to require the Group to enter into different insolvency procedures that will be likely to result in a total loss for Shareholders.

Accordingly, the Directors, who have been so advised by Charles Stanley, consider the Proposals described above to be in the best interests of the Company and its Shareholders as a whole. If approved, they will give the Directors the opportunity to pursue strategic business initiatives designed to create profitable operations and give value to the Company's shares.

Therefore, the Board unanimously and strongly recommends that Shareholders vote in favour of the resolutions to be proposed at the CVA Shareholders' Meeting, the EGM and the Ordinary Class Meeting as they intend to do in respect of their own beneficial holdings of the Company's existing Ordinary Shares.

Background to the Proposals and related Resolutions

Feedback historically operated a defined benefit, or final salary, pension scheme for its employees. As a result of changes in, inter alia, actuarial assumptions and life expectancy, the Pension Scheme was closed to new members with effect from April 2004 and to future benefits accrual for existing members in August 2004.

The Directors had also concluded that the Group would have difficulty in meeting the anticipated ongoing contributions to the Pension Scheme. This reflected the then financial performance of the Group.

In recent years, steps have been taken by the Directors to restructure the Group's operations primarily to improve profitability and to provide a more stable financial position. Whilst this restructuring, which is ongoing, has shown positive benefits, the Board has not seen an improvement in the Company's financial performance which would allow the contributions to the Pension Scheme, referred to in more detail below, to be funded from ongoing profitability.

In the interim results of the Group for the period to 30 September 2006, which were published on 19 December 2006, the Group was required to show the financial position under the Pension Scheme, in accordance with the requirements of Accounting Standard FRS 17 - Retirement Benefits. Accordingly, the balance sheet disclosed that the deficit under the Pension Scheme, as at 30 September 2006, amounted to £8.26 million. As at 28 February 2007, the deficit stands at £8.08 million on the same basis.

The provisional results of an actuarial valuation, as at 31 March 2006, show a deficit £17.07 million on a buy out basis. The Directors have been advised that funding this deficit would require annual contributions of approximately £1.3 million, increasing in line with inflation, over a period of 10 years. In addition, a levy due to the PPF of around £120,000 per annum will be payable from 2007/08.

Financial projections produced by the Directors, and reviewed by the Company's advisors, demonstrated that the Company could not generate sufficient funds to support this level of annual contributions. The Directors therefore held discussions with the Trustees, the PPF and the Pensions Regulator.

As a consequence, subject to the Pension Scheme being eligible for PPF entry, the PPF has agreed to the terms of the CVA which will result in the Company's liabilities to the Pension Scheme being compromised, subject to the approval of the CVA by the creditors of the Company and the Shareholders. It should be noted that the Pension Scheme's eligibility for entry into the PPF, and the expectation that the PPF's powers will become exercisable, has been assumed for the rest of this announcement.

Agreement with the PPF

As one of the conditions of the Settlement Agreement, the Company is required to pay the net sum of £1.2 million in cash to the Pension Scheme and to allocate to the Trustees of the Pension Scheme such number of New Ordinary Shares as equal 18.0 per cent. of the Enlarged Share Capital, each in accordance with the CVA.

The Board considers that following approval and subsequent completion of the CVAs, the Company, FDL and FIL will be able to pay, in full, all creditors of the Company other than the liabilities currently owed to the Pension Scheme and certain of the Group's inter-company debts.

A US\$1 million loan provided by a former director (and significant shareholder) will also be written down by 80 per cent. and the balance will be satisfied by the Company allotting 3,355,141 New Ordinary Shares, at the Placing Price.

The Placing

The purpose of the Placing is to raise the necessary money, net of costs, to assist the Company to comply with certain of its obligations pursuant to the Settlement Agreement and to provide working capital for the Company going forward.

The raising of funds, which the Company expects to achieve by the Placing, is a condition of the CVA being completed. Accordingly, the Placing will assist the Company with restructuring its business and will allow the Directors' business plan for returning the Group to profitability to continue to be implemented.

There are conditions which have to be satisfied before the Placing is completed. These conditions include the passing of all resolutions at the CVA Meetings, the passing and coming into effect of all the Resolutions to be proposed at the EGM and the Settlement Agreement becoming unconditional in all respects (save as to the payment of the net sum of £0.7 million by the Company to the Trustees which would happen immediately thereafter and the payment of a further £0.5 million which will happen following the completion of the sale of the Company's Crowborough premises).

Charles Stanley has agreed to use its reasonable endeavours to place 46,666,667 New Ordinary Shares on behalf of the Company, representing a total of 56.58 per cent. of the total issued share capital of the Company, (following the Proposals). The Placing is conditional, *inter alia*, upon Admission.

The Placing is intended to raise approximately £1.4 million, before expenses. Application will be made for the Placing Shares to be admitted to trading on AIM and it is anticipated that Admission will become effective and that dealings will commence on 3 July 2007.

The Placing is not a rights issue or open offer and New Ordinary Shares will not be offered generally to Shareholders, whether on a pre-emptive basis or otherwise. The Directors believe that the considerable extra cost and delay involved in a rights issue or open offer would not be in the best interests of the Company in the circumstances.

Certain of the Directors of the Company have participated in the Placing. David Sawyer, Jed Bushell and the wife of John Westcott have agreed to acquire 500,000 New Ordinary Shares, 250,000 New Ordinary Shares and 3,333,333 New Ordinary Shares respectively.

The participation by Mrs Westcott is regarded as a related party transaction for the purposes of the AIM Rules. In the opinion of the Directors, having consulted with Charles Stanley, the Company's Nominated Adviser, the subscription by Mrs Westcott is fair and reasonable insofar as Shareholders are concerned.

Strategy to be implemented following completion of the Proposals

The Directors have formulated a coherent plan intended to ensure the Group's future growth and profitability once the Pension Schemes liabilities have been addressed.

In recent years considerable cost reductions have been achieved and will continue to be sought together alongside efforts to improve margins and increase turnover by introducing new products.

It is intended that over the coming months all the Group's operations will be consolidated into a new single site which will help to greatly improve communications and efficiency. The Directors believe that the Group's in house manufacturing capabilities are essential given that the Group's extensive product range is generally of a very specialised nature and volume sales of individual products can be small. In addition, demand, which is frequently dependent upon the funding of large overseas aid projects, can be variable.

It is imperative that the Group competes internationally in terms of cost and therefore to improve competitiveness 'lean' techniques are being introduced to manufacturing and other departments across the company. The Directors believe that these techniques will help reduce cost and waste whilst improving quality and design by involving all employees in the supply process.

The Group will also be installing an ERP system based on the Microsoft Dynamics NAV solution. Once fully implemented this will provide the reliable and timely management information which will prove fundamental to the company's future success.

The Directors also intend to focus efforts to improve routes to market and to continue to introduce innovative new designs. In addition, attention will be focused on increasing revenues arising from support and maintenance of products as the Directors consider this to be a superior income stream.

To help attract and retain key personnel a flexible benefits package will be introduced together with ongoing staff training and development. Despite the close links with universities and colleges throughout the UK it has proved difficult to locate suitable engineers for development in some of the more specialist areas. The development team located in Poland has proved a great success and will be maintained to complement the effort in the UK. The first joint venture project is due to be launched in July.

The Directors intend to concentrate on efforts to grow the Group's business organically although they are of the opinion that opportunities also exist for growth via acquisitions, whether of a bolt on nature that should improve turnover without a substantial increase in cost, or in areas that are complementary to the existing operations

Once the current restructuring is completed, and the improvements above are implemented, the Directors are confident that the Group has a very successful future.

Current Trading

Further to the update on trading provided on 1 March 2007, the Board continues to be pleased with the progress made at each of the Group's subsidiaries and the current order book remains at an encouraging level. There have been recent signs of an improvement in output following the partial relocation of all manufacturing facilities to one site.

The Group continues to prepare for a move to a new site and although a site has been identified no agreement has yet been finalised in this respect.

The Company intends to change its accounting reference date from 31 March to 31 May, with effect from the current financial year and therefore the audited results for the 14 months ended 31 May 2007 are expected to be published in September.

Proposed Company Voluntary Arrangements

Copies of the CVA Proposals and the Nominee's Report are being sent to Shareholders, together with a notice of the CVA Shareholders' Meeting, and associated form of proxy, at which the CVA Proposals will be considered and voted upon by Shareholders.

Copies of the CVA Proposal and the Nominee's Report are being lodged with the High Court of Justice in accordance with the provisions of the Insolvency Act 1986.

The lodging of the CVA Proposals and Nominee's Report at the High Court of Justice constitute a qualifying insolvency event and triggers the PPF's assessment period under the Pensions Act 2004. At that point the rights and powers of the Trustees in relation to any debt due to them by the employers are exercisable by the PPF to the exclusion of the Trustees. This includes the right to vote on the CVA at the CVA Creditors' Meeting.

The CVA Proposals will be approved if more than one half of Shareholders present in person, or by proxy and voting, vote in favour whereupon the CVA will come into effect. If the CVA proposal is subsequently approved by the Companies creditors, but not by Shareholders the Companies' creditors' decision will prevail and stand approved subject to any Shareholder applying to the court within 28 days of the CVA Shareholders' Meeting and successfully challenging the approval.

In order for the CVA to be implemented, the CVA Proposals must be approved by a majority of more than three quarters in value of the creditors present in person, or by proxy, voting in favour.

Many standard agreements have a clause entitling a party to terminate a contract if the other party enters into a CVA. Therefore some of the Group's suppliers and / or customers may have the ability to terminate their contract with the Company, FDL or FIL as a result of those companies entering into a CVA.

The Board strongly and unanimously recommends that Shareholders vote in favour of the CVA Proposals as they believe that this offers the only realistic option of preserving some value for existing Shareholders, as well as enabling the Directors' plan for ensuring the long term future of the Group to continue to be implemented.

Arrangements with Tom Charlton

In November 2003, Tom Charlton, at that time a non-executive director of the Company, agreed to provide the Former Director's Loan of US\$1 million to Feedback. The US denominated loan was provided on an unsecured basis at an interest rate of 0.1 per cent per month, accruing on a daily basis. The loan was originally provided for a term of one year and five months (with repayment scheduled on 30 April 2005). Mr Charlton agreed to extend the term of the loan from 1 May 2005 until 30 September 2009, at a revised rate of interest of 0.575 per cent per month, accruing on a daily basis. As at 23 May 2007, the amount of the loan stands at US\$1 million or £503,271.26, based on a US\$:£ exchange rate of 1.987 as at 23 May 2007.

Mr Charlton has agreed to accept a write down of the loan to £100,654.25 (being an 80 per cent. reduction) which will be satisfied by the issue of 3,355,141 New Ordinary Shares, at the Placing Price, being the Director's Share Issue.

In addition to the Director's Share Issue, Mr Charlton has also agreed to participate in the placing for 6,666,667 New Ordinary Shares. Following the Proposals, Mr Charlton will own 11,400,302 New Ordinary Shares, representing 13.82 per cent. of the Company's Enlarged Issued Share Capital.

Proposed Share Capital Reorganisation

Under the Placing, Charles Stanley has placed 46,666,667 New Ordinary Shares at a price per New Ordinary Share of 3 pence. Under Section 100 of the Companies Act, it is only possible to issue shares at a value greater than or equal to their nominal value. Accordingly, in order for Feedback to issue shares at 3 pence per share it is necessary to create shares with a nominal value of 3 pence or less.

It is proposed to effect a capital re-organisation of the Ordinary Share capital by means of a subdivision of the Ordinary Shares. This requires the passing of certain resolutions by Shareholders at the EGM and separately the approval of Ordinary Shareholders at the Ordinary Class Meeting. As at the Record Date, Feedback had 17,611,841 Ordinary Shares in issue. It is proposed to reduce the nominal value of the issued Ordinary Share capital of the Company such that:

1. each of the existing 17,611,841 Ordinary Shares of 10 pence in the capital of the Company would be subdivided into one New Ordinary Share of 0.25 pence and one Deferred Share of 9.75 pence;
2. each of the remaining authorised but unissued Ordinary Shares of 10 pence each will be subdivided into 495,526,360 New Ordinary Shares of 0.25 pence each.

Deferred Shares

It is intended that the Deferred Shares to be created from the Ordinary Shares, having the rights referred to in resolution 3 to be proposed by the EGM, will effectively be valueless in the hands of the holders. However, in the Company's books, the capital paid up on the Deferred Shares will represent a capital reserve of £1,713,520.20. That reserve can be applied for limited purposes. However, with the sanction of a special resolution of shareholders and the confirmation of the High Court, the reserve may be cancelled and (*inter alia*) set against the deficit on the Company's profit and loss account, thus reducing the deficit and bringing forward the time at which the Company may pay dividends in the future should its profits permit it to do so. Accordingly, it is proposed that the Deferred Shares will be cancelled. Resolution 3 to be proposed at the EGM is required to enable this.

Capital Reduction

Subject to the approval of Shareholders at the EGM and the confirmation of the Court, the Company also intends to cancel the share premium account of the Company.

Under the Act, a company's ability to use its share premium account is very limited. However, with the consent of the Court and the approval of Shareholders, it is possible for the Company to cancel its share premium account and apply the sum which results from such cancellation to partially eliminate the accumulated deficit on the Company's profit and loss account. Although the Company has no present intention to start paying dividends to Shareholders, the Directors believe that the cancellation of the share premium account and the related reduction of the accumulated deficit on the Company's profit and loss account will bring forward the time when the Company may be in a position to pay dividends and doing so will bring the Company's balance sheet and share capital more in line with its available assets.

The cancellation of the share premium account also requires the passing of a special resolution by Shareholders at the EGM.

The last audited balance sheet of the Company is at 31 March 2006. This discloses that, as at 31 March, there was an amount of £409,900 in the share premium account of the Company.

The agreement with the PPF referred to above is anticipated to give rise to a further amount of £408,276 on the share premium account by the allotting of 14,846,411 New Ordinary Shares for £0.03 each at a premium of £0.0275 per New Ordinary Share.

The Placing referred to above is anticipated to give rise to the further amount of £1,283,333 on the share premium account by the allotting of 46,666,667 New Ordinary Shares for £0.03 each at a premium of £0.0275 per New Ordinary Share.

The arrangements with Tom Charlton referred to above are anticipated to increase the value of the share premium account by an additional £92,266 by allotting 3,355,141 New Ordinary Shares for £0.03 each at a premium of £0.0275 per New Ordinary Share.

The conversion of Preference Shares gave rise to the further amount of £522,967 on the share premium account by:

- the voluntary conversion of 405,719 Preference Shares with a nominal paid up value of £543,405 to Ordinary Shares with a value of £271,702.50; and
- the compulsory conversion of 365,065 Preference Shares with a nominal paid up value of £502,527.93 to Ordinary Shares with a value of £251,264.50.

It is anticipated that the aggregate on the share premium account will be the total of £409,900, £408,276, £1,283,333, £92,266 and £522,967 being £2,716,742.

Accordingly, the Company is seeking Shareholder approval and the confirmation of the Court for the share premium account, anticipated to be £2,716,742 to be cancelled.

The Court Application

The cancellation of the Deferred Shares and cancellation of the Company's share premium account will only take effect if sanctioned by the shareholders at the Extraordinary General Meeting and confirmed by the Court and upon the appropriate documents being lodged with the Registrar of Companies.

Assuming the passing of the Reduction Resolution, application will be made to the Court as soon as practicable.

The Directors have been advised that, having regard to the circumstances at the date of this announcement the Court should confirm the Capital Reduction. The Directors are not, however, able to guarantee the Court's confirmation of the Reduction.

The Directors have also been advised that the Court is likely to require that the Company give undertakings for the protection of the Company's existing creditors and in particular that it will require an undertaking by the Company not to make any distribution until all creditors outstanding at the date that the reduction of capital becomes effective consent or are paid or there is in place replacement share premium or share capital. The Company will give such further undertakings to the Court for the protection of creditors as it may be advised are appropriate to be given.

The application to the Court will be made as soon as practicable after the passing of the Reduction Resolution and the procedure is expected to be completed within six to eight weeks. The Company hopes that the hearing of the Petition will take place by the end of August 2007. However, this date is subject to postponement, depending on the Court timetable and the Board cannot guarantee that the hearing will in fact take place on that date.

The Court Order confirming the Reduction will then need to be registered at Companies House and advertised in the National press, which is likely to be completed two to three weeks after the date of the hearing.

Share Capital following completion of the Proposals

Immediately following the Proposals becoming unconditional and being completed in accordance with their respective terms and conditions:

- the authorised share capital of the Company will be £1,445,016.05 divided into 578,006,420 New Ordinary Shares of 0.25 pence each; and
- the issued share capital will comprise 82,480,060 New Ordinary Shares which will be held as follows:

<i>Name</i>	<i>No. of New Ordinary Shares held</i>	<i>%</i>
Placees*	50,021,808	60.65
Trustees	14,846,411	18.0
Existing Ordinary Shareholders	17,611,841	21.35
TOTAL	<u>82,480,060</u>	<u>100</u>

*This includes the New Ordinary Shares being issued to Tom Charlton as detailed in above.

Immediately following the Proposals becoming unconditional and completed in accordance with their respective terms and conditions the interests of the Directors and their families will be as follows:-

Director	Beneficial	% of Enlarged Share Capital	Non- beneficial	% of Enlarged Share Capital
D. H. Harding	Nil	-	4,067,461	4.93
D. J. Sawyer	510,000	0.62	Nil	-
J. H. Westcott	3,674,836	4.46	4,067,461	4.93
G. B. M. Bushell	250,000	0.30	Nil	-

Share Option Schemes

The Directors intend to adopt the Share Option Schemes and a proposal to approve this will be put to Shareholders at the EGM.

In the opinion of the Directors, the ability to make grants of options is essential in the retention, recruitment and incentivisation of the Group's employees.

It is intended that grants of options pursuant to the Share Option Schemes will be made following the EGM, assuming the Proposals are approved. The Directors intend to limit the number of options granted pursuant to the Share Option Schemes to approximately 10 per cent. of the Enlarged Share Capital.

Summary of the Placing Agreement

The Company has today entered into the Placing Agreement with Charles Stanley. The obligations of Charles Stanley under the Placing Agreement are conditional upon certain conditions having being fulfilled (or waived), including, *inter alia*, the passing of the Resolutions and Admission. The agreement contains certain representations and warranties by the Company as to the accuracy of the information contained in the Circular and other matters relating to the Company and its business which are usual for an agreement of this nature.

The Company has agreed to indemnify Charles Stanley against all losses, costs, charges and expenses which Charles Stanley may suffer or incur as a result of carrying out its duties under the Placing Agreement, save to the extent the same arise by virtue of the fraud, negligence or wilful default of Charles Stanley.

Charles Stanley has certain rights, at any time prior to Admission, to terminate their obligations under the Placing Agreement in certain limited circumstances. Such circumstances include, *inter alia*, material breach by the Company of the terms of the Placing Agreement or any warranty therein being or becoming untrue, inaccurate or misleading in any material respect.

Irrevocable Undertakings

The Directors who own or are interested in 4,418,964 Ordinary Shares, representing approximately 25.09 per cent. of the Existing Ordinary Shares, have irrevocably undertaken to vote in favour of the

Resolutions to be proposed at the EGM and the Ordinary Class Meeting in respect of their total holdings.

The Company has also received an irrevocable undertaking to vote in favour of the Resolutions from the Westcott Family Trust in respect of 2,991,369 Ordinary Shares, representing approximately 16.98 per cent. of the Existing Ordinary Shares.

APPENDIX 1

DEFINITIONS

The following words and expressions apply in this announcement unless the context requires otherwise:

"Act" or "Companies Act"	the Companies Act 1985, as amended
"Admission"	admission of all the New Ordinary Shares to be issued pursuant to the Proposals, expected to be on 3 July 2007
"AIM"	the market of that name operated by the London Stock Exchange
"AIM Rules"	the AIM Rules for companies published by the London Stock Exchange
"Capita Registrars"	a trading name of Capita IRG plc
"Charles Stanley"	Charles Stanley Securities, Nominated Adviser and Broker to Feedback and a division of Charles Stanley & Co. Limited, regulated by the FSA
"Companies"	the Company, Feedback Instruments Limited, Feedback Data Limited, Feedback GmbH and Feedback Incorporated.
"CREST"	the electronic, paperless transfer and settlement mechanism for equity trades transacted on AIM administered by CRESTCo
"CRESTCo"	CRESTCo Limited
"CVA" or "Company Voluntary Arrangement"	the Company Voluntary Arrangements of each of the Company, FIL and FDL, in its present form containing the proposals, with any modification thereof approved by the directors, which is subject to the approval of the Shareholders and the creditors of the Company
"CVA Creditors' Meeting"	the meetings of the creditors of each of the Company, FDL and FIL to be held at 10.00 a.m. on 2 July 2007 to consider the CVA
"CVA Meetings"	the CVA Creditors' Meetings and the CVA Shareholders' Meeting
"CVA Proposals"	The Companies' directors proposals for a CVA in respect of the Companies filed at the High Court of Justice on 2 June 2007
"CVA Shareholders' Meeting"	a meeting of the Shareholders of the Company to be held at 10.15 a.m. on 2 July 2007 to consider the CVA of the

	Company
"Deferred Shares"	deferred shares of 9.75 pence each in the capital of the Company to be created pursuant to the Share Capital Reorganisation and then cancelled pursuant to the Reduction
"Directors" or "Board"	The directors of the Company
"Director's Share Issue"	the allotment of shares to Tom Charlton in consideration of the repayment of the Former Director's Loan
"Enlarged Share Capital"	the issued equity share capital of the Company as enlarged by the Placing, the PPF Allotment and the Director's Share Issue
"Existing Shareholder"	a holder of Existing Ordinary Shares
"Existing Ordinary Shares"	the 17,611,841 Ordinary Shares in issue at the date of this announcement
"Extraordinary General Meeting" or "EGM"	the extraordinary general meeting of the Company to be held at The Spa Hotel, Mount Ephraim, Tunbridge Wells, Kent, TN4 8XJ on 2 July 2007 at 10.30 a.m. and at which the Proposals will be considered and the Resolutions set out in the Notice of EGM will be proposed
"Feedback" or the "Company"	Feedback PLC
"FDL"	Feedback Data Limited
"FIL"	Feedback Instruments Limited
"Former Director's Loan"	the loan of US\$1million granted by Tom Charlton, a former non- executive director of the Company under a document dated 27 November 2003 as amended by a document dated 1 December 2004
"Form(s) of Proxy"	the form(s) of the proxy for use by Shareholders in relation to the EGM and the Ordinary Class Meeting
"Group"	Feedback and its subsidiaries from time to time
"London Stock Exchange"	London Stock Exchange plc
"New Ordinary Shares"	the new ordinary shares of 0.25 pence each to be created pursuant to the Share Capital Reorganisation
"Nominees"	David Crawshaw and Samantha Bewick of KPMG Licensed Insolvency Practitioners, 8 Salisbury Square, London EC4Y 8BB
"Notice of EGM"	the notice of the Extraordinary General Meeting of the Company set out in the Circular
"Ordinary Class Meeting"	the separate general meeting of the Ordinary Shareholders to be held at The Spa Hotel, Mount

	Ephraim, Tunbridge Wells, Kent, TN4 8XJ on 2 July 2007 at 11.00 a.m. (or as soon thereafter as the EGM has concluded or adjourned), at which the Resolutions set out in the notice of class meeting in the Circular
"Ordinary Shares"	the existing ordinary shares of 10 pence each in the capital of the Company
"Pension Scheme"	the Feedback Pension Scheme
"Pensions Regulator"	the Pensions Regulator as defined by the Pensions Act 2004
"Placing"	the placing of the Placing Shares at the Placing Price with institutional and other investors by Charles Stanley on behalf of the Company
"Placing Agreement"	the conditional agreement dated 5 June 2007 between the Company and Charles Stanley in connection with the proposed Placing
"Placing Price"	3 pence per share
"Placing Shares"	the 46,666,667 new Ordinary Shares which are to be allotted and issued pursuant to the Placing Agreement
"PPF"	Pension Protection Fund
"PPF Allotment"	the allotment of shares to the PPF for 14,846,411 New Ordinary Shares at 3 pence per share pursuant to the Settlement Agreement
"Preference Shares"	the 10 per cent (net) convertible redeemable cumulative preference shares of £1 each formerly in the capital of the Company
"Proposals"	together, the terms and conditions of the CVA, the Placing, the PPF Allotment, the Director's Share Issue, the Share Capital Reorganisation and the Reduction or each of them, as the context may require
"Record Date"	close of business on 1 June 2007
"Reduction"	The proposed cancelling of the share premium account of the Company and of the Deferred Shares
"Reduction Resolution"	the proposed resolution to approve the Reduction
"Resolutions"	the resolutions variously set out in the Notice of EGM and the notice of the Ordinary Class Meeting in the Circular
Settlement Agreement	the terms of settlement agreed between the Companies and the PPF/Trustees, as detailed in the terms and conditions of the CVA, subject always to the PPF's powers becoming exercisable by the filing of the CVA documents at Court

"Share Capital Reorganisation"	the proposed share capital reorganisation in Feedback involving the Ordinary Shares
"Shareholders"	holders of issued Ordinary Shares on the Record Date
"Share Option Schemes"	the Enterprise Management Incentives Scheme and the Share Incentive Plan
"Trustees"	Capital Cranfied Pension Trustees Limited, the trustees of the Pension Scheme

APPENDIX 2
EXPECTED TIMETABLE OF EVENTS

Record Date	1 June 2007
Latest time for receipt of Forms of Proxy for the EGM	30 June 2007 no later than 48 hours prior to the meeting
Latest time for receipt of Forms of Proxy for the Ordinary Class Meeting	30 June 2007 no later than 48 hours prior to the meeting
CVA Creditors' Meeting to be held	10 a.m. on 2 July 2007
CVA Shareholders' Meeting to be held	* 10.15 a.m. on 2 July 2007
Extraordinary General Meeting	* 10.30 a.m. on 2 July 2007
Ordinary Class Meeting	* 11.00 a.m. on 2 July 2007
Commencement of dealings in New Ordinary Shares on AIM	8.00 a.m. on 3 July 2007
Court hearing of petition to confirm the Reduction	† August 2007
Date when the Reduction becomes effective	† September 2007

Notes:

(1) * Or as soon thereafter as the previous meeting is concluded or adjourned.

(2) †No specific dates have yet been agreed with the Court and therefore these dates are indicative only and are subject to postponement according to the Court timetable and cannot be guaranteed

(3) The dates set out in the Expected Timetable of Events above and mentioned throughout this announcement may be adjusted by the Company. In which event, details of the new dates will be notified to AIM and, where appropriate, to the Shareholders.