

Property Purchase

Feedback PLC
24 April 2008

Feedback plc (the "Company" or the "Group")

Acquisition of Freehold Property, Placing of New Ordinary Shares
("Placing")

and Update on Trading

The Company announces that yesterday it agreed to acquire the entire issued share capital of Brickshield Limited which also yesterday completed the purchase of the freehold premises in Crowborough, East Sussex, currently occupied by the Group, for a total consideration of £1.35 million, payable in cash (the "Acquisition").

The consideration for the Acquisition is being met from the Company's existing working capital resources and the proceeds of the Placing, as detailed below. The Placing is conditional upon the Company obtaining approval from Shareholders to allot the Placing Shares and to disapply statutory pre-emption rights which would otherwise apply. Accordingly, the Group will shortly be posting a circular to Shareholders that will contain a notice convening a General Meeting.

Background to the Acquisition

The light industrial premises at Park Road, Crowborough were previously sold by the Group in March 2005 for £955,000, conditional upon full residential planning permission for the re-development of the site, and was part of the restructuring proposals undertaken by the Group to address its historic pension fund liabilities. Planning permission was granted in February 2007 and at that time it was envisaged that the Group would vacate the premises by December 2007.

Although the Company subsequently obtained consent to remain at the premises until April 2008 the Board has been unable to identify suitable alternative premises for the Group within the local area. The Board considered that this was not in the interests of the Company and Shareholders and accordingly

resolved to remain at the current premises, at least in the medium term. This was only possible via the repurchase of the Crowborough site.

The Directors believe that this situation will be resolved in due course, whereupon it is expected that the premises will be sold. Remaining at the Park Road premises will, in the Directors' opinion, provide for a further period of stability for the Group's operations, whilst allowing the continued ongoing review of costs that the Board regards as an integral part of Feedback's future success.

The Placing

As part of the funding for the Acquisition, the Group has placed 26,666,686 new ordinary shares ("Placing Shares") at a price of 2.625 pence per share with certain of the Directors and existing Shareholders.

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 Board believes 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.

As referred to above, the Placing is conditional upon the Company obtaining approval from Shareholders to allot the Placing Shares. The Company intends to convene a General Meeting to increase the Directors' authority to allot further Ordinary Shares, disapply pre-emption rights over such Ordinary Shares, and to adopt new Articles of Association.

Michael Burt, Executive Chairman, Peter Smith, Finance Director, David Barton and John Westcott, both Non-Executive Directors, have committed to subscribe for 8,952,550, 1,904,761, 8,857,000 and 761,900 Placing Shares respectively. In addition, Tom Charlton, who currently holds 13.82 per cent. of the Company's Ordinary Share, has committed to subscribe for 5,238,095 Placing Shares.

The placing of the Placing Shares with Mr Burt and Mr Barton is regarded as a related party transaction for the purposes of the AIM Rules. In the opinion of the Independent Directors (being Professor Westcott and Mr Smith), having consulted with Charles Stanley Securities, the Company's Nominated Adviser, the Placing is fair and reasonable insofar as the Company's shareholders are concerned.

The Directors also believe that it is in the Company's interests to adopt new Articles of Association to reflect current law and practice provisions, in particular changes required in relation to the Companies Act 2006.

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 the day following the General Meeting. Following this there will be 109,146,746 ordinary shares in issue.

Update on Trading

The Directors are pleased to announce that the strategy, implemented following the resolution reached regarding the Group's historic pension fund liabilities, continues to deliver the anticipated benefits. Trading across the Group's subsidiaries has, to date, been pleasing in the second half of the financial year ended 31 May 2008 and the Board is particularly encouraged with the Group's cash flow generation.

Combined with the recent board changes already announced, the Board believes that Feedback is now in a stronger position than it has been for some years and remains on track to becoming a leading participant in its chosen markets.

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