25 September 2015

SYMPHONY ENVIRONMENTAL TECHNOLOGIES PLC

(“Symphony”, “Group” or the “Company”)

Interim Results

Symphony Environmental Technologies Plc (AIM: SYM), global specialists in ‘making plastic smarter’, with d2w controlled-life, d2p anti-bacterial and d2t anti-counterfeiting technologies, today announces its interim financial statements for the six month period ended 30 June 2015.

Highlights

- Revenues of £3.42 million (2014 H1: £3.33 million)
- Gross profits of £1.76 million (2014 H1: £1.75 million)
- Gross profit margin of 52% (2014 H1: 52%)
- Group EBITDA loss of £0.11 million (2014 H1: profit of £0.12 million)
- Loss before tax of £0.18 million (2014 H1: profit of £0.01 million)
- Basic loss per share of 0.05 pence (2014 H1: profit per share of 0.07 pence)
- Balance sheet strengthened by £500,000 placing, while all unsecured loans have been repaid

Segmental

- Plastics Sales EBITDA profit of £0.22 million (2014 H1: £0.47 million)
- Plastics R&D EBITDA cost of £0.31 million (2014 H1: £0.25 million)

Commenting on the results Nirj Deva, Chairman of Symphony, said:

“*The Group’s sales performance was similar to the same period in 2014. Expenses increased in respect of research and development, and sales and marketing, in line with a policy to strengthen the product-range and broaden promotional activity. This is the primary reason for the EBITDA loss of £0.11 million (2014: profit £0.12 million). Revenue from the d2w range continues to fund exciting research and development opportunities with the d2p product range as displayed in the segmental results above.*

“Governments continue to legislate in favour of d2w type products in a number of territories outside Europe, although timing of enforcement and potential values remain difficult to predict.

“The widely published 5p shopping bag tax in England comes into effect on the 5 October, and Government is considering an exemption for biodegradable bags. Symphony believes that the UK Government should allow a d2w type product to be included in this exemption as it has been proven to meet all the main criteria, being recyclable, reusable and biodegradable when exposed to the elements on land and sea.

“Symphony commissioned a YouGov survey in July 2015 which revealed that 85 per cent of consumers think that ‘all plastic carrier bags should be recyclable and biodegradable in case they accidentally get into the open environment’ and 65 per cent said ‘carrier bags should be provided free of charge if they are both biodegradable and recyclable.’ Symphony’s products provide the UK government with an opportunity, and by endorsing this, the government could make a positive contribution to the global legislation process, and create a much larger oxo-biodegradable plastics industry earning foreign currency for Britain.

"With a growing pipeline of customer-led development projects together with a global need to resolve plastic pollution and everyday contamination from bacteria, infestation etc., the Group is well placed to benefit although, and as previously reported, we remain cautious with the timing of revenue growth".

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About Symphony Environmental Technologies plc

Symphony has developed a range of additives, concentrates and masterbatches marketed as d2p, which can be incorporated in a wide variety of plastic and non-plastic products so as to give them protection against many different types of bacteria, fungi, algae, mould and insects.

In addition Symphony has developed controlled-life plastic technology which turns ordinary plastic at the end of its service-life into biodegradable materials. It is then no longer a plastic and can be bioassimilated in the open environment in the same way as a leaf. The technology is branded d2w® and appears as a droplet logo on many thousands of tonnes of plastic packaging and other plastic products around the world. In eleven countries in Africa, Asia, and the Middle-East oxo-biodegradable plastic is mandatory.

For a video of d2w® plastic degrading see http://degradable.net/play-videos/4.

After a rigorous process an internationally-recognised Eco-label has been awarded to d2w by the Brazilian standards authority ABNT. No other oxo-biodegradable additive has won this award. This is in addition to a Life-cycle Assessment by Intertek in 2012 showing that oxo-biodegradable plastic has the best environmental credentials of all materials used for making shopping bags. Symphony is also certified to ISO9001 and ISO14001.

In addition Symphony has developed the d2Detector®, a portable device which analyses plastics and detects counterfeit products. Symphony's d2t tagging and tracer technology is also available for further security. See www.d2t.net

Symphony has a diverse and growing customer-base and has established itself as an international business with 74 distributors around the world, many of whom will be coming to England at the end of September for Symphony's global Distributor conference. Products made with Symphony's plastic technologies are now available in 97 countries and in many different products.

Symphony is a member of The Oxo-biodegradable Plastics Association (www.biodeg.org) (OPA), the Society for the Chemical Industry (UK), and the Pacific Basin Environmental Council. Symphony actively participates in the Committee work of the British Standards Institute (BSI), the American Standards Organisation (ASTM), the European Standards Organisation (CEN), and the International Standards Organisation (ISO).

Further information on the Symphony Group can be found at www.symphonyenvironmental.com.

Chief Executive's review

The Group now has a much wider product base which offers existing customers and markets more choice. The new product range is designed to create value throughout the supply chain and this expansion of our technologies comes at a time when market forces outside Europe are showing positive momentum for our d2w brand.

Our research and development team continue to undertake significant development work on the d2p 'designed to protect' range of products. Expansion of the d2p technologies includes products such as masterbatches, powders, liquids and finished-products. These technologies have been designed to provide important protection benefits, such as anti-microbial, anti-fungal, anti-mould, anti-algae, anti-odour, insecticide and flame retardant amongst others. We currently have more than 75 evaluation projects in progress, with customers who want to use our technologies commercially, in more than 20 countries.

Our development programme has so far has been very product-specific and reactive to demand, with most applications having a sizable demand if trials and regulatory processes are successfully completed. Sales of d2p products currently remain at modest levels.

Sales revenue is at present mainly derived from d2w products, and is consistent with 2014. The legislative environment outside Europe continues to strengthen, however, enforcement of legislation is an uncertain and slow process which is outside the control of the Group. New territories are starting to place orders which demonstrates that growth is merely a matter of time.

Trading results

Revenue for the period was similar to last year at £3.42 million (2014 H1: £3.33 million).

Gross profits were also similar at £1.76 million (2014 H1: £1.75 million), with gross profit margins maintained at 52 per cent (2014 H1: 52 per cent).

Costs increased by 15 per cent to £1.81 million (2014 H1: £1.58 million). The increase was deliberately focussed in the areas of R&D, sales and marketing.

The Group's operating loss for the period was £0.17 million (2014 H1: profit of £0.06 million) and net loss before tax was £0.18 million (2014 H1: profit of £0.01 million). The Group has received an R&D tax credit of £0.11 million relating to the full year 2014. (2014 H1: £0.09 million). The resulting loss after tax was £0.07 million (2014 H1: profit £0.09 million).

The loss per share for the period was 0.05 pence (2014 H1: earnings per share 0.07 pence).

Balance sheet and cash-flow

Cash of £0.38 million was consumed by operations during the period (2014 H1: cash generated of £0.10 million) due to an increase in the working capital cycle which fluctuates depending on sales-mix and production allocations.

A further equity placing with Somerston in June of 5,000,000 ordinary 1p shares at a price of 10p raised net proceeds of £500,000.

The Group uses invoice-discounting facilities to assist with funding outstanding debtors when required and has no other debt. Some customers pay on a cash basis and others by letter of credit. The Group also has good credit facilities with its major suppliers. With gross margins at current levels and taking into account the working capital cycle and the invoice discounting facility of £1 million; the Group has the ability to grow revenues significantly.

Segmental

d2w Sales, which generate revenues from plastic additives, masterbatches and finished products, recorded an EBITDA profit of £0.22 million for the first half of 2015 (2014 H1:£0.47 million).

Plastics research and development costs, which include all new product development and research expenditure on d2w and d2p, was a cost of £0.31 million (2014 H1 £0.25 million).

There was a small EBITDA loss for the Recycling Technologies business of £0.02 million (2014 H1 EBITDA loss £0.09 million). We are still working on commercial opportunities for this technology and will announce further developments in due course.

Outlook

Our global distributor conference is being held in the UK at the end of this month. In accordance with our distributors' demand, the conference will mainly focus on the d2p range of technologies. More than 20 countries will be represented at the event, and new products will be presented to the distributor network.

We will continue to add further momentum to our growth prospects over the following period. The Company's directors have shown their support to the business through a significant increase in their own shareholdings during the six month period.

Michael Laurier
Chief Executive

Condensed consolidated interim statement of comprehensive income

	6 months to 30 June 2015 Unaudited £'000	6 months to 30 June 2014 Unaudited £'000	12 months to 31 December 2014 Audited £'000
Revenue	**3,420**	**3,328**	**6,352**
Cost of sales	(1,656)	(1,581)	(3,191)
Gross profit	**1,764**	**1,747**	**3,161**
Distribution costs	(124)	(109)	(165)
Administrative expenses	(1,809)	(1,578)	(3,261)
Operating (loss)/profit	**(169)**	**60**	**(265)**
Finance costs	(12)	(52)	(125)
(Loss)/profit for the period before tax	**(181)**	**8**	**(390)**
Tax credit	110	85	85
(Loss)/profit for the period	**(71)**	**93**	**(305)**
Total comprehensive income for the period	**(71)**	**93**	**(305)**
Earnings per share:			
Basic	(0.05p)	0.07p	(0.23p)
Diluted	(0.05p)	0.06p	(0.23p)

All results are attributable to the owners of the parent.
There were no discontinuing operations for any of the above periods.

Condensed consolidated interim statement of financial position (balance sheet)

	At 30 June 2015 Unaudited £'000	At 30 June 2014 Unaudited £'000	At 31 December 2014 Audited £'000
Assets			
Non-current			
Property, plant and equipment	378	410	372
Intangible assets	1,183	949	1,169
Deferred income tax assets	1,142	1,142	1,142
	2,703	**2,501**	**2,683**
Current			
Inventories	686	463	576
Trade and other receivables	1,535	1,666	1,425
Cash at bank and in hand	353	24	938
	2,574	**2,153**	**2,939**
Total assets	**5,277**	**4,654**	**5,622**
Equity			
Equity attributable to owners of Symphony Environmental Technologies plc			
Share capital	1,499	1,288	1,446
Share premium account	3,533	1,660	3,077
Retained earnings	(878)	(409)	(807)
Total equity	**4,154**	**2,539**	**3,716**
Liabilities			
Non-current			
Interest bearing loans and borrowings	8	3	-
	8	**3**	**-**
Current			
Interest bearing loans and borrowings	500	1,256	1,153
Trade and other payables	615	856	753
	1,115	**2,112**	**1,906**
Total liabilities	**1,123**	**2,115**	**1,906**
Total equity and liabilities	**5,277**	**4,654**	**5,622**

Condensed consolidated interim statement of changes in equity

Equity attributable to the owners of Symphony Environmental Technologies plc:

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
For the six months to 30 June 2015				
Balance at 1 January 2015	1,446	3,077	(807)	3,716
Issue of share capital	53	456	-	509
Transactions with owners	53	456	-	509
Total comprehensive income for the period	-	-	(71)	(71)
Balance at 30 June 2015	**1,499**	**3,533**	**(878)**	**4,154**
For the six months to 30 June 2014				
Balance at 1 January 2014	1,281	1,650	(502)	2,429
Issue of share capital	7	10	-	17
Transactions with owners	7	10	-	17
Total comprehensive income for the period	-	-	93	93
Balance at 30 June 2014	**1,288**	**1,660**	**(409)**	**2,539**
For the year to 31 December 2014				
Balance at 1 January 2014	1,281	1,650	(502)	2,429
Issue of share capital	165	1,427	-	1,592
Transactions with owners	165	1,427	-	1,592
Total comprehensive income for the year	-	-	(305)	(305)
Balance at 31 December 2014	**1,446**	**3,077**	**(807)**	**3,716**

Condensed consolidated interim statement of cash flows

	6 months to 30 June 2015 Unaudited £'000	6 months to 30 June 2014 Unaudited £'000	12 months to 31 December 2014 Audited £'000
Operating activities:			
Results for the period after tax	**(71)**	**93**	**(305)**
Depreciation	44	48	89
Amortisation	15	15	29
Loss on disposal	14	-	10
Tax credit	(110)	(85)	(85)
Interest expense	12	52	126
Change in inventories	(110)	66	(47)
Change in trade and other receivables	(147)	(300)	(24)
Change in trade and other payables	(138)	128	27
Cash generated/(consumed) in operations	**(491)**	**17**	**(180)**
Tax received	110	85	85
Net cash generated/(consumed) in operations	**(381)**	**102**	**(95)**
Investing activities:			
Additions to property, plant and equipment	(64)	(64)	(77)
Proceeds from disposals of property, plant and equipment	-	-	-
Additions of intangible assets	(29)	(26)	(261)
Cash consumed in investing activities	**(93)**	**(90)**	**(338)**
Financing activities:			
Repayment of loans	(650)	-	-
Movement in working capital facility	287	(18)	(432)
New finance leases	12	-	-
Discharge of finance lease liability	(3)	(4)	(9)
Proceeds from share issue	509	17	1,592
Interest paid	(12)	(52)	(126)
Cash (consumed)/generated in financing activities	**143**	**(57)**	**1,025**
Net change in cash and cash equivalents	**(331)**	**(45)**	**592**
Cash and cash equivalents, beginning of period	585	29	29
Exchange loss/(gain)	37	-	(36)
Cash and cash equivalents, end of period	**291**	**(16)**	**585**

Bank overdraft of £62,000 (30 June 2014: £40,000) (31 December 2014: £353,000) is included in cash and cash equivalents.

Notes to the interim financial statements

1 Nature of operations and general information

Symphony Environmental Technologies plc (the "Company") and subsidiaries' (together the "Group") principal activities include the development and supply of plastic additives and products, and the development of waste to value systems.

Symphony Environmental Technologies plc, a public limited company, is the Group's parent company. It is incorporated and domiciled in England. The address of its registered office is 6 Elstree Gate, Elstree Way, Borehamwood, Hertfordshire, WD6 1JD, England. The Company's shares are listed on the AIM market of the London Stock Exchange and as a level 1 American Depositary Receipt.

These condensed interim consolidated financial statements ("interim financial statements" or "interim report") are for the six months ended 30 June 2015. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2014.

The financial information set out in this interim report does not constitute statutory accounts. The Group's statutory financial statements for the year ended 31 December 2014 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 498(2) or 498(3) of the Companies Act 2006. These interim condensed consolidated financial statements have not been audited.

These interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting", and are presented in Sterling (£), which is the functional currency of the parent company. They have been prepared under the historical cost convention. They have also been prepared on the basis of the recognition and measurement requirements of International Financial Reporting Standards that are adopted by the European Union, and the policies and measurements are consistent with those stated in the financial statements for the year ended 31 December 2014.

These interim financial statements were approved by the board on 24 September 2015.

2 Significant accounting policies

These interim financial statements have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year ended 31 December 2014. There have been no changes in the period.

3 Seasonal fluctuations

The Group operates in many countries and in many different markets. There are therefore no formal or considered seasonal fluctuations affecting the operations of the Group.

4 Segmental analysis

The chief operating decision maker of the Group is the Board of Directors and they review the business in three main segments, the supply of plastic products, the development of plastic products, and the development of recycling technologies.

Business segments	**Plastics Sales**	**Plastics R&D**	**Recycling tech.**	**Group**
6 months to 30 June 2015	**£'000**	**£'000**	**£'000**	**£'000**
Segment revenues	3,420	-	-	3,420
Apportioned costs	(3,202)	(313)	(15)	(3,530)
EBITDA	**218**	**(313)**	**(15)**	**(110)**
Depreciation and amortisation	(50)	(9)	-	(59)
Interest	(12)	-	-	(12)
Taxation	-	110	-	110
Profit/(loss) for the period	**156**	**(212)**	**(15)**	**(71)**

Business segments	**Plastics Sales**	**Plastics R&D**	**Recycling tech.**	**Group**
6 months to 30 June 2014	**£'000**	**£'000**	**£'000**	**£'000**
Segment revenues	3,328	-	-	3,328
Apportioned costs	(2,860)	(253)	(92)	(3,205)
EBITDA	**468**	**(253)**	**(92)**	**123**
Depreciation and amortisation	(54)	(9)	-	(63)
Interest	(52)	-	-	(52)
Taxation	-	69	16	85
Profit/(loss) for the period	**362**	**(193)**	**(76)**	**(93)**

Business segments	**Plastics**	**Plastics R&D**	**Recycling tech.**	**Group**
12 months to 31 December 2014	**£'000**	**£'000**	**£'000**	**£'000**
Segment revenues	6,352	-	-	6,352
Apportioned costs	(5,864)	(406)	(219)	(6,489)
EBITDA	**488**	**(406)**	**(219)**	**(138)**
Non – recurring costs				
Depreciation and amortisation	(103)	(25)	-	(128)
Interest	(125)	-	-	(125)
Taxation	-	69	16	85
Profit/(loss) for the year	**260**	**(362)**	**(203)**	**(305)**

Revenues stated are from external customers with no inter-segment revenues for the above periods.

There has been no change in total assets other than in the ordinary course of business.

5 Shares issued

Shares issued are summarised as follows:

Shares issued and fully paid	6 months to 30 June 2015	6 months to 30 June 2014	Year to 31 December 2014
- beginning of period	144,569,377	128,119,377	128,119,377
- issued during the period	5,370,000	700,000	16,450,000
Total equity shares issued and fully paid at end of period	**149,939,377**	**128,819,377**	**144,569,377**

6 Earnings per share and dividends

The calculation of earnings per share is based on the result attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares on the assumed conversion of dilutive options and warrants which were exercisable during the period.

Reconciliations of the results and weighted average numbers of shares used in the calculations are set out below:

Basic and diluted	6 months to 30 June 2015	6 months to 30 June 2014	Year to 31 December 2014
Loss attributable to owners of the company	**£(71,000)**	**£93,000**	**£(305,000)**
Weighted average number of ordinary shares in issue	130,595,678	128,292,828	130,255,952
Basic (loss)/earnings per share	**(0.05) pence**	**0.07 pence**	**(0.23) pence**
Dilutive effect of weighted average options and warrants (*)	-	17,626,500	-
Total of weighted average shares together with dilutive effect of weighted options and warrants	130,595,678	145,919,328	130,255,952
Diluted (loss)/earnings per share	**(0.05) pence**	**0.06 pence**	**(0.23) pence**

No dividends were paid for the year ended 31 December 2014.
(*)The effect of options for both periods ending 31 December 2014 and 30 June 2015 are anti-dilutive.

7 Availability of Interim Financial Statements

Paper copies of the Interim Financial Statements will be sent to shareholders upon request. Shareholders will be able to download a copy of the Interim Financial Statements from the Group's website www.d2w.net. Further copies of the Interim Financial Statements will be available from the Company's Registered Office at 6 Elstree Gate, Elstree Way, Borehamwood, Hertfordshire WD6 1JD.