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SYMPHONY PLASTIC TECHNOLOGIES PLC

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2003

Symphony Plastic Technologies plc ("Symphony" or "the Group"), the AIM listed degradable plastics company, is pleased to announce its interim results for the six months ended 30th June 2003.

HIGHLIGHTS

- Sales of £3.71m (2002: £2.38m), equivalent to 92% of sales for the whole of 2002
- Gross profit up 40% to £0.67m (2002: £0.48m)
- Loss before tax of £2.23m (2002: £0.57m) including £1.47m exceptional costs and write offs in relation to the termination of the previous additive licence
- Full ownership of d_2w™ technology with unrestricted global and product potential
- On course to reach cash flow breakeven position on a monthly basis during H2

Commenting on the results, Christopher Littmoden, Chairman of Symphony, said:

"Our performance in the first half of the current financial year has been satisfactory, with an encouraging increase in sales. The legislative environment is further changing in our favour both internationally where specific countries are banning or restricting non-degradable products and via the European Parliament with gradual changes to their Packaging Waste Directive. The termination of our previous licence arrangement and development of our own technologies puts us into a strong position going forward where degradable plastics are now increasingly seen as the future."

For further information, please contact:

Symphony
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Attached: Chief Executive's review; Consolidated Profit and Loss Account; Consolidated Balance Sheet; Consolidated Cash Flow Statement; Notes to the Interim Accounts.

CHIEF EXECUTIVE'S REVIEW

The results for the first half of the year show an encouraging increase in sales compared to the same period last year, and are within 8% of the total sales for the whole of 2002. Contribution from gross profits, before exceptional costs, increased by 40% from £0.48m to £0.67m (90% of total gross profits for the whole of 2002).

Degradable sales for the period were up 62% on a like for like basis with non-degradable sales up 43%. Sales increased primarily due to the start up of the KwikSave, Somerfield and Co-op contracts. Gross margins, before exceptional costs, show a reduction from 20% to 18% which is primarily caused by the inclusion of significant carrier bag sales during the period but we expect an improvement to margins once the financial benefit of the inclusion of new d_2w™ additives takes effect during the second half of the year.

The loss for the period before the exceptional costs was £0.76m (2002 H1 £0.57m), which includes a higher rate of licence and development cost amortisation during the period when compared to 2002 of £85,000 due to the review of the assets' economic life in the last financial statements. Staff costs have increased compared to 2002 to manage primarily the retail and export areas of the business in addition to strengthening the Board and the supply chain.

The contract with Somerfield and Kwik Save has operated well albeit two months of their previous suppliers stock had to be cleared through the system during the period. The product range has increased during the period as deliveries of consumer products have also been made. The second half of the year should see full deliveries into all stores. Sales into Co-op have so far been to their large stores only.

Sales of degradable aprons and bin liners have for the first time been made in the healthcare sector. In addition, a variety of degradable packaging products have been sold to the mailing film and newspaper wrap markets. A number of large company reports were delivered in d_2w™ degradable film during the period.

Technology

Since November 2002 we had been free to use alternative technologies and have subsequently developed our own range of highly competitive degradable additives. Shortly after the end of the period under review our agreement with EPI terminated. As a result, Symphony is now able to sell a comprehensive product range without restrictions worldwide. Development costs of £62,000 incurred during the period were written off to the profit and loss account (2002: £nil).

The current d_2w™ product range now includes mailing wrap, stretch film, and packaging films, all of which is in addition to the established range of refuse and carrier bags. We are constantly reviewing additional products and markets.

Exceptional costs

The termination of the licence has resulted in a write-off of the associated intangibles of £1.26m plus attributable costs of £61,000 and, in line with our accounting policies, stock provisions of £0.15m have been made. These costs are exceptional and have been disclosed as such in the profit and loss account.

Outlook & Current Trading

With the forthcoming changes in legislation, and now having the flexibility of being able to meet the demands of our customers and potential customers, we are better placed than we have ever been.

International interest for d2w™ totally degradable products and technology continue at a high level with new orders being placed in Spain, South Africa and New Zealand since the end of June. New agreements have been finalised for the North American and South African markets, both of which we had been unable to address within our prior contract, for a range of degradable products.

The number and quality of serious opportunities under negotiation provides the Board with considerable optimism for the future. We have confidence that commercial success will follow and we are on course to monthly cash break-even during the second half of the year.

Michael Laurier
Chief Executive

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the six months ended 30 June 2003

	Six months to 30 June 2003		Year ended 31 December 2002		**Six months to 30 June 2002**	
	£'000	**£'000**	£'000	£'000	**£'000**	**£'000**
Turnover		**3,706**		4,035		**2,384**
Cost of sales - other	**(3,037)**		(3,292)		**(1,906)**	
Cost of sales - Exceptional item	**(150)**		-		-	
Cost of sales		**(3,187)**		(3,292)		**(1,906)**
Gross profit		**519**		743		**478**
Distribution costs		**(139)**		(179)		**(77)**
Administrative expenses - other	**(1,283)**		(2,187)		**(967)**	
Administrative expenses - Exceptional item	**(1,320)**		-		-	
Administrative expenses		**(2,603)**		(2,187)		**(967)**
Operating loss		**(2,223)**		(1,623)		**(566)**
Net interest		**(11)**		(56)		**(8)**
Loss on ordinary activities before taxation		**(2,234)**		(1,679)		**(574)**
Tax on loss on ordinary activities		-		-		-
Loss for the financial year transferred from reserves		**(2,234)**		(1,679)		**(574)**
Basic and diluted earnings per share in pence		**(5.65)p**		(5.32)p		**(1.86)p**

There were no recognised gains or losses other than the loss for the period.

The exceptional items relate to the write off of the licence fee, associated capitalised development costs and other costs in respect to the termination of the EPI licence.

CONSOLIDATED BALANCE SHEET

As at 30 June 2003

	30 June 2003	31 December 2002	**30 June 2002**
	£'000	£'000	**£'000**
Fixed assets			
Intangible assets	**2**	1,401	**1,621**
Tangible assets	**207**	187	**188**
Investments	**16**	16	**16**
	225	1,604	**1,825**
Current assets			
Stock	**641**	738	**477**
Debtors	**2,305**	1,241	**1,331**
Cash at bank and in hand	**479**	107	**106**
	3,425	2,086	**1,914**
Creditors: amounts falling due within one year	**(1,613)**	(1,228)	**(1,013)**
Net current assets	**1,812**	858	**901**
Total assets less current liabilities	**2,037**	2,462	**2,726**
Creditors: amounts falling due after more than one year	**(15)**	(13)	**(20)**
	2,022	2,449	**2,706**
Capital and reserves			
Called up share capital	**453**	342	**308**
Share premium account	**8,593**	6,896	**6,082**
Other reserves	**823**	823	**823**
Profit and loss account	**(7,847)**	(5,612)	**(4,507)**
	2,022	2,449	**2,706**

CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2003

	Six months to 30 June 2003	Year ended 31 December 2002	Six months to 30 June 2002
	£'000	£'000	£'000
Net cash outflow from operating activities (see below)	**(1,086)**	(1,344)	(441)
Returns on investments and servicing of finance			
Interest received	**3**	2	1
Interest paid	**(11)**	(53)	(3)
Finance lease interest paid	**(3)**	(5)	(6)
Net cash outflow from returns on investments and servicing of finance	**(11)**	(56)	(8)
Capital expenditure and financial investment			
Purchase of tangible fixed assets	**(42)**	(23)	(20)
Net cash outflow from capital expenditure and financial investment	**(42)**	(23)	(20)
Financing			
Issues of shares	**2,000**	1,022	7
Capital element of finance lease rentals	**(14)**	(51)	(21)
Expenses paid in connection with issue of shares	**(192)**	(167)	-
Net cash (outflow)/inflow from financing	**1,793**	804	(14)
(Decrease)/increase in cash	**654**	(618)	(483)

Net cash outflow from operating activities

	£'000	£'000	**£'000**
Operating loss	**(2,223)**	(1,623)	**(566)**
Depreciation and amortisation	**1,421**	319	**77**
Decrease/(increase) in stocks	**97**	(100)	**160**
(Increase)/decrease in debtors	**(1,031)**	(98)	**(180)**
Increase/(decrease) in creditors	**650**	160	**68**
Net cash outflow from operating activities	**(1,086)**	(1,344)	**(441)**

NOTES TO THE INTERIM ACCOUNTS

1. BASIS OF PREPARATION

The interim financial statements have been prepared on the basis of the accounting policies set out on pages 9 and 10 of the 2002 Annual Report, and are unaudited. The comparative figures for the year ended 31 December 2002 have been extracted from the group's latest published accounts which contain an unqualified audit report and which have been filed with the Registrar of Companies.

2. LOSS PER SHARE

The calculation of basic loss per share is based on a loss for the period divided by the weighted average number of shares in issue during the period of 39,512,467 (2002 FY 31,578,768; 2002 H1: 30,773,691).