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SYMPHONY PLASTIC TECHNOLOGIES PLC

PRELIMINARY RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2003

Symphony Plastic Technologies plc ("Symphony" or "the Company"), a company specialising in fully degradable plastics and other environmentally responsible products, is pleased to announce its results for the year ended 31st December 2003.

HIGHLIGHTS

- Turnover up 89% to £7.63m (2002: £4.04m)
- Operating loss after exceptional costs up 80% to £2.92m (2002: £1.62m)
- Operating loss before exceptional costs down 25% to £1.22m (2002: £1.62m)
- Second half operating loss after exceptional costs down 69% to £0.70m (2003 H1: £2.22m)
- Second half operating loss before exceptional costs down 37% to £0.47m (2003 H1: £0.75m)
- Achieving cash flow break even for 2004
- Expansion and diversification into International markets

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

During the year Symphony has made major changes which have radically altered the shape of the business. From being a licensee seller of a limited range of products into restricted geographical territories, Symphony now owns its own technology and is developing and marketing products and additives in worldwide markets.

Despite the substantial efforts and cash that these changes have demanded, Symphony has managed to establish new markets in Brazil, New Zealand and South Africa. Sales progress in the UK has however been slower than anticipated.

The Company is now in a cash-flow breakeven position and this, together with the growing public awareness of environmental issues, places Symphony in a better position.

I am pleased that we are now in a cash-flow breakeven position and I now believe that the time is right to resign as non executive Chairman and director with immediate effect. A further announcement will be made once a new Chairman has been appointed. I wish the Company success for the future".

For further information, please contact:

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Bobby Morse / Rebecca Skye Dietrich

Attached: Chief Executives' review; Consolidated Profit and Loss Account; Consolidated Balance Sheet; Consolidated Cash Flow Statement; Notes to the Preliminary Statement.

CHIEF EXECUTIVE'S REVIEW

This year has seen a much better financial performance with sales volumes up from those of the previous years and operating margins increasing during the second half. Substantial provisions in relation to the EPI license and associated cost, together with a policy of amortising R&D as it is incurred, are all taken into account in this years results.

Symphony has successfully launched its own degradable technology and as a result has opened many new markets and opportunities in terms of product sales and technology licensing contracts. The business is currently generating better operating margins as a result of these changes. In addition, strict cost control together with product and market diversification is the main business model for going forward.

TRADING RESULTS

Symphony achieved a 133% increase in sales of d2w™ products from £2.39m to £5.57m. Sales of non-degradable products increased by 25% from £1.65m to £2.06m. Total group sales increased by 89% from £4.04m to £7.63m. The Group continued to allocate most of its marketing and sales efforts to the further development of d2w™ product sales, whilst maintaining and increasing the level of non-degradable business where possible.

The operating loss was £2.92m in 2003, which is up from the 2002 results of £1.62m, due to £1.70m of exceptional costs in respect to the termination of the EPI licence, of which £1.26m included the write off of intangibles. Administrative expenses before exceptional costs were £2.32m in 2003, which is 6% up from the 2002 figure of £2.19m, primarily as a result of increased staff and management costs.

Group gross profit before exceptional costs was £1.38m (2002: £0.74m), which represents an increase of 86%. Gross profit after exceptional costs was £1.19m for 2003.

The loss per share increased to 7.09 pence from 5.32 pence.

Compared to 2002, the second half of the year saw like for like sales up 138% and gross profit up 153%. The operating loss before exceptional costs reduced 56% to £0.47m (2002 H2: £1.06m). The operating loss after exceptional costs reduced by 34% to £0.70m (2002 H2: £1.06m).

Compared to the first half of 2003 the second half year sales increased by 6%, gross profit before exceptional costs was up by 7%, with administrative expenses before exceptional costs down by 19%. The operating loss before exceptional costs reduced 38% from £0.75m to £0.47m. After exceptional costs, gross profit increased by 29% from £0.52m to £0.70m and the operating loss decreased by 69% from £2.22m to £0.70m

Dispute between Symphony and EPI

As notified on 3rd March 2004, EPI issued proceedings against Symphony for breach of contract passing off and misuse of confidential information. As stated at the time, we were confident that the claim is wholly unmeritorious. As a result of more recent advice our position remains unchanged.

Further to the exceptional costs reported at the interim stage an additional £0.23m has been provided due to the legal action undertaken by EPI.

International Markets

Symphony has been rapidly expanding its international sales activities with an ever increasing product range. The d2w™ degradable products and additives are now being distributed in Brazil, the Caribbean, Middle East, New Zealand and South Africa. In addition other new overseas markets have started to buy our products and additives. Negotiations are on going in several new territories and we are optimistic that additional distribution agreements will be signed over the next few months thus expanding the Company's global presence yet further.

It is our belief that the international markets will show the fastest growth rate for the Company in the coming months and years as we are effectively duplicating the UK sales structure several times over without having to directly pay the cost for doing this.

UK Sales

We have continued to market and promote our products into a wide variety of sectors, primarily retail, governmental, healthcare and packaging. Degradable refuse sacks, disposable aprons and mailing film sales increased during the second half of 2003. Sales of d2w™ carrier bags and consumer products continue into the Somerfield Group and d2w™ carrier bags into Co-operative Retail.

As announced on 19th November 2003 we were awarded a contract for the supply of non-degradable bags for supply to the Welsh Purchasing Organisation. Deliveries started in January 2004 and the contract is expected to exceed its initial target of 30 million non-degradable bags or £900,000 over the two year contract life.

In recent months we have also been engaged in the development of other environmentally responsible plastic solutions. These new products are expected to provide a substantial contribution to the revenue stream over the coming months.

Financing

In April 2003 we raised £2 million to strengthen the balance sheet as well as for cash-flow purposes in order to support the expected increase in sales. I am pleased to report that for 2004 we are now operating on a cash-flow break even basis. The net cash position as at 31 December 2003 including bank discounted debt was (£94,000).

Board Changes

It is with regret that our Chairman, Christopher Littmoden is resigning from the Board effective from today. We are grateful for his past support and wish him well for the future. Further announcements will be made in due course in respect to the appointment of a new chairman as well as a further non executive director in order to strengthen the Board.

Outlook

There is no doubt that the market opportunity for a highly competitive environmentally responsible plastic products is better now than it has ever been. We remain in a unique position of being able to supply a very broad range of solutions from additives to finished products in ever expanding market sectors. Legislation would be a major boost and governments are contemplating solutions to the problems associated with plastic pollution. Recent changes have been made to the EU Packaging Directive that encourages environmentally responsible products and we are hopeful that the legislative environment will continue to change in favour of our technology.

We remain optimistic and confident for the future growth of the business.

Michael Laurier
Chief Executive

GROUP PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2003

	Year ended 31 December 2003		Year ended 31 December 2002	
	£'000	**£'000**	£'000	£'000
Turnover		**7,628**		4,035
Cost of sales - other	**(6,243)**		(3,292)	
Cost of sales - Exceptional item	**(196)**		-	
Cost of sales		**(6,439)**		(3,292)
Gross profit		**1,189**		743
Distribution costs		**(281)**		(179)
Administrative expenses - other	**(2,325)**		(2,187)	
Administrative expenses - Exceptional item	**(1,501)**		-	
Administrative expenses		**(3,826)**		(2,187)
Operating loss		**(2,918)**		(1,623)
Net interest		**(91)**		(56)
Loss on ordinary activities before taxation		**(3,009)**		(1,679)
Tax on loss on ordinary activities		-		-
Loss for the financial year transferred from reserves		**(3,009)**		(1,679)
Basic and diluted earnings per share in pence		**(7.09)p**		(5.32)p

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

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2003

	2003 £'000	2002 £'000
Fixed assets		
Intangible assets	**1**	1,401
Tangible assets	**209**	187
Investments	**16**	16
	226	1,604
Current assets		
Stocks	**593**	738
Debtors	**2,111**	1,241
Cash at bank and in hand	**170**	107
	2,874	2,086
Creditors: amounts falling due within one year	**(1,828)**	(1,228)
Net current assets	**1,046**	858
Total assets less current liabilities	**1,272**	2,462
Creditors: amounts falling due after more than one year	**(25)**	(13)
	1,247	2,449
Capital and reserves		
Called up share capital	**453**	342
Share premium account	**8,593**	6,896
Other reserves	**822**	823
Profit and loss account	**(8,621)**	(5,612)
Shareholders' funds	**1,247**	1 2,449

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2003

	2003	2002
	£	£
Net cash outflow from operating activities	**(1,435)**	(1,343)
Returns on investments and servicing of finance		
Interest received	**4**	2
Interest paid	**(91)**	(53)
Interest element of finance leases and hire purchase	**(4)**	(5)
Net cash outflow from returns on investments and servicing of finance	**(91)**	(56)
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	**(57)**	(23)
Receipts from sale of fixed assets	**18**	-
Net cash outflow from capital expenditure and financial investment	**(39)**	(23)
Cash outflow before financing	**(1,565)**	(1,422)
Financing		
Issue of equity share capital	**111**	34
Share premium on issue of equity share capital	**1,697**	820
Capital element of finance leases and hire purchase	**(58)**	(51)
Net cash inflow from financing	**1,750**	803
Increase/(Decrease) in cash	**185**	(619)

NOTES TO THE PRELIMINARY STATEMENT

Preliminary Results for year ended 31 December 2003

1 BASIS OF PREPARATION

The preliminary announcement has been prepared on the basis of accounting policies consistent with the audited financial statements for the year ended 31 December 2003.

2 LOSS PER SHARE

The calculation of basic loss per share is based on a loss for the year of £3,009,000 (2002: £1,679,000) divided by the weighted average number of shares in issue during the year of 42,421,388 (2002: 31,578,768).

3 PUBLICATION OF NON-STATUTORY ACCOUNTS

The financial information set out in this preliminary announcement does not constitute statutory accounts as defined in section 240 of the Companies Act 1985.

The balance sheet at 31 December 2003 and the profit and loss account for the year then ended have been extracted from the Group's financial statements upon which the auditors opinion is unqualified.

The 2002 financial statements have been filed with the Registrar of Companies, but the 2003 financial statements are not yet filed.