

29 April 2010

## **SYMPHONY ENVIRONMENTAL TECHNOLOGIES PLC**

### **Proposed Reorganisation and notice of AGM**

Symphony Environmental Technologies plc ("Symphony" or the "Company") announces that it is today sending a circular to its shareholders giving details of a proposal to restructure the Company's balance sheet and the balance sheets of a number of the Company's subsidiaries by way of intra-group debt waivers and capital reduction schemes (the "Reorganisation"). In addition, the circular also contains a notice convening the Annual General Meeting of the Company to be held at 6 Elstree Gate, Elstree Way, Borehamwood, Hertfordshire WD6 1JD on 28 May 2010 at 10.00 am (the "Notice"). The circular, along with the Annual Report and Accounts, will today be posted to shareholders and is available on the Company's website ([www.symphonyplastics.com](http://www.symphonyplastics.com)).

The Reorganisation, which will consist of four main phases, is being undertaken in order to simplify the structure of the Company's group and to eliminate the carried-forward losses within the Company's and a number of its subsidiaries' balance sheets by way of intra-group debt waivers and capital reduction schemes. Following completion of the Reorganisation, any future profits earned by the Company may be made available for distribution, should the Directors, in the future, deem it appropriate to declare and pay dividends. The Directors are also seeking authority from the Company's shareholders to permit the Company to purchase and hold treasury shares (subject to compliance with the Companies Act 2006 (the "Act") at the time of such a purchase).

The first phase of the Reorganisation involves the Company cancelling the amount standing to the credit of the share premium account of the Company, which, as at 28 April 2009, was £13,252,829. This capital reduction will not involve any reduction in the Company's issued share capital but the Company's shareholders will be required to approve it. It will then be necessary for the Company to obtain the confirmation of the High Court (the "Court") to the Capital Reduction. This confirmation is expected to be given on 30 June 2010.

### **Background to, and reasons for, the proposed Reorganisation**

The accumulated losses within the Company's group as a whole are preventing the Company and other members of the Company's group from paying dividends. Any company which has negative distributable reserves is prohibited under the Act from making distributions to its shareholders

(including the payment of dividends). In order to facilitate the payment of dividends in the future, the Directors are therefore proposing to implement the Reorganisation to:

- (i) strengthen the individual balance sheets of the companies within the Group where appropriate;
- (ii) create distributable reserves within the Group where appropriate; and
- (iii) cancel the amount standing to the credit of the Company's share premium account (the "Capital Reduction").

The reserve arising will be applied in eliminating the accumulated deficit on the Company's profit and loss account and (subject to the protection of creditors) the surplus arising may in the future become available to be treated as a distributable reserve.

At the same time, the Directors are also seeking authority from the Company's shareholders to permit the Company to purchase and hold treasury shares (subject to compliance with the Act and the Company's Articles of Association at the time of such a purchase).

Should the Court confirm the Capital Reduction, future profits of the Company earned after completion of the Capital Reduction (the date that the Court Order confirming the Capital Reduction is registered by the Registrar of Companies) would be available to use for paying dividends in the future should the Directors deem it appropriate.

The proposals relating to the Reorganisation are conditional upon the passing of the resolution relating to the Capital Reduction as set out in the notice of Annual General Meeting and the confirmation of the Court.

In addition, two of the Company's trading subsidiaries, namely Symphony Plastics Limited and Symphony Environmental Limited, will combine their business under the name of Symphony Environmental Limited (to be effected by way of a hive-up) in order to simplify the Company's group structure. This will result in the Company having direct ownership of two operating subsidiaries, Symphony Environmental Limited and Symphony Energy Limited.

## **Contacts**

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**Further information on the Symphony Environmental Technologies Group of companies:**

SYMPHONY ENVIRONMENTAL TECHNOLOGIES PLC considers itself a world leader in Controlled-life plastic technology and products - a system that works by a process called oxo-biodegradation. The technology is branded d2w® and appears as a droplet logo on many thousands of tonnes of plastic packaging and other plastic products.

Symphony has a diverse and growing customer-base and has established itself successfully as an international business. Products made with d2w plastic technology can now be found in more than 90 countries around the world and in many different product applications. Symphony is a member of the Oxo-biodegradable Plastics Association ([www.biodeg.org](http://www.biodeg.org)), the Society for the Chemical Industry (UK), and the American Standards Organisation (ASTM). Symphony is also a member of The US Save the Plastic Bag Coalition (<http://www.savetheplasticbag.com/>) and the British Brands Group. Symphony actively participates in the work of the British Standards Institute (BSI) and the European Standards Organisation (CEN).

Symphony also owns the trademark d2p for an anti-microbial technology that is used in most type of plastic product applications to help protect those products against bacteria and fungal growth. Symphony is also developing innovative and cost-effective waste-to-value technology to convert plastics, tyres and other waste-streams into valuable products.

Further information on the Symphony Group can be found at [www.d2w.net](http://www.d2w.net).