20 September 2011

SYMPHONY ENVIRONMENTAL TECHNOLOGIES PLC

Interim Results

Symphony Environmental Technologies plc ("Symphony", the "Company"), the specialist in advanced plastics technologies including controlled life and anti-microbial products, and waste-to-value group (the "Group"), is pleased to announce its interim financial statements for the six month period ended 30 June 2011.

Highlights
Financial

- Revenues of £3.89 million (2010 H1: £3.91 million)
- d2w additive revenues increase to £3.57 million (2010 H1: £3.39 million)
- Gross profits reduced to £2.18 million (2010 H1: £2.30 million)
- Gross profit margins reduced to 56% (2010 H1: 59%)
- Operating profit reduced by 41% to £0.28 million (2010 H1: £0.48 million)
- Profit before tax £0.21 million (2010 H1: £0.42 million)
- Basic earnings per share 0.17 pence (2010 H1: 0.36 pence)

Operating developments

- Number of distributors increased to 67 (2010 H1: 57)
- d2Detector launched
- British Standard (BS8472) on oxo-degradables published

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

"Symphony's trading is traditionally strongly weighted towards the second half of the financial year and our current trading and pipeline over the second half is again strong. The results for the first half reflect a period of modest growth for our additives business together with further reductions as planned in finished product sales.

Gross profit margins fell compared to the same period last year due to higher raw material costs during the first half of 2011. These costs have subsequently started to fall. In addition, the first half of the year saw the US Dollar (our main sales currency) weaker against Sterling compared to last year, which also put pressure on the revenue line and resultant gross profit.

We have continued to invest in plant and equipment to further improve our product development and analytical capabilities, as well as in PR and marketing activities in the USA and Europe.

As a result of the above gross margin reduction, and increase in marketing and development costs, the operating profit reduced by 41% during the period.

Investment continues in our waste to value division and the Government extended the RuPERT project to 30 June 2012.

The business continues to develop based on a need for change to more sustainable products together with legislative changes. The timing for converting prospective leads/new business into orders can often be lengthy, and difficult to determine, owing to the evaluation processes that normally take place. This has affected the level of new sales during this period and we should see some of these convert during the second half of the year.

With the continued and increasing momentum behind the need for environmental plastic solutions, as indicated by the various legislation changes that have taken place around the world, with our current pipeline and an anticipated decrease in raw material costs, we look forward with confidence."

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NOTES TO EDITORS:

About Symphony Environmental Technologies plc

SYMPHONY ENVIRONMENTAL TECHNOLOGIES PLC is a specialist 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's d2w® technology turns plastic at the end of its service-life into a material with a completely different molecular structure. At that stage it is no longer a plastic and can be bioassimilated in the open environment in the same way as a leaf.

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

Symphony has a diverse and growing customer-base and has established itself successfully as an international business with 67 distributors around the world. Products made with d2w® plastic technology can now be found in more than 90 countries and in many different product applications.

Symphony is a member of The British Plastics Federation (BPF), the Oxo-biodegradable Plastics Association (www.biodeg.org), and the Society for the Chemical Industry (UK). Symphony is also a member of the European Organisation for Packaging & the Environment (Europen), the Pacific Basin Environmental Council, and the British Brands Group. 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).

Symphony also supplies d2p anti-microbial technology that can be used in most types of plastic products to help protect against infection, and has developed d2Detector, a handheld device which analyses plastics and detects counterfeit products. Symphony is also developing innovative and cost-effective waste-to-value technology to convert scrap tyres and other waste-streams into valuable products.

Further information on the Symphony Group can be found at www.d2w.net.

Chief Executive's review

These results show an increase in d2w additive revenues of 5% with underlying volumes up 14%. Profitability fell as a result of higher raw material prices, together with increased investment in products, technical services and marketing.

Our distribution network has increased to 67 distributors (H1 2010: 57) and sales of the d2Detector commenced during the period.

Trading results

Revenues for the period were similar to last year at £3.89 million (2010 H1: £3.91 million). Within this, additive revenues increased to £3.57 million (2010 H1: £3.39 million). The majority of our revenues are in US Dollars, and the period saw an average 7% higher GBP/USD exchange rate compared to the first half of 2010. Additive volumes increased by 14% during the period compared to the first half of 2010 and additive revenues increased by 5% inspite of the detrimental exchange rate.

Finished product sales reduced by 40% to £0.28 million (2010 H1: £0.47 million). Sales of non-degradable products continued to fall from £0.05 million in H1 2010 to £0.02 million in H1 2011. We also sold our first d2Detector units during the period.

Gross profit was £2.18 million compared with £2.30 million in 2010, a decrease of 5%. Gross profit margins also decreased to 56% (2010 H1: 59%). This was due to increases in raw material prices together with the relative strength of Sterling versus the US Dollar. We have since seen raw material prices fall, albeit it is difficult to predict the medium and long term nature of prices going forward.

Distribution costs increased by 26% during the period owing to increases in the level of CIF traded business.

Since the period end, we have further opened up our manufacturing sources and have licensed product manufacture in North America. This should benefit us in respect to certain manufacturing and distribution costs for sales to the Americas.

Administrative expenses increased by 3% to £1.80 million (2010 H1: £1.74 million). Taking out last year's non-recurring costs of £0.12 million relating to the Group's reorganisation, the underlying administrative expenses increased by 11%. This was due to planned increases in marketing spend and product R&D costs incurred during the period.

The Group's operating profit for the period was £0.28 million (2010 H1: £0.48 million) and net profit before tax of £0.21 million (2010 H1: £0.42 million).

Earnings per share decreased to 0.17 pence (2010 H1: 0.36 pence).

Balance sheet and cashflow

During the period the Group placed 10,384,800 ordinary 1p shares to Quam Group Limited which raised £1.73 million net of expenses. These funds were used to repay interest bearing loans totalling £0.75 million, and also reduce the Company's reliance on trade finance facilities.

£0.17 million of tangible fixed assets were purchased during the period; primarily plant and equipment for the production of trial products and for general material testing and analysis.

Waste to value

The Government agreed to extend the RuPERT project to 30 June 2012. We continue to work towards commercialising aspects of this as soon as practicable.

Markets

Markets for oxo-biodegradable plastics ("OBP") as a whole are driven in the main by legislative forces, and/or the corporate social responsibilities of companies and organisations.

These drivers, and the potential changes to them in our favour, are medium to long term in nature, and we, together with our distributors, are at the forefront of the change which is taking place in jurisdictions around the world in favour of OBP. This has been achieved by working closely in each region at governmental and corporate levels, together with targeted PR.

We announced in April the start of a PR campaign in the USA together with a distribution agreement in the US. This is ongoing and we hope to start having positive results in 2012 following product evaluations that are currently taking place. We believe that the US market is one of the most important to develop, not only because of its size, but also the global reach that can be achieved from the multitude of global corporate that are based there. Further PR work has been carried out in the European Union.

We announced in June four important developments which took place during the first half of 2011 which will give a major boost OBP.

In summary:

- the UK Environmental Agency found that OBP bags have a better life-cycle analysis than paper or compostable plastics bags;
- the British Plastics Federation submitted a dossier endorsing the biodegradability, eco-toxicity and recyclability of OBP;
- the European Commission recognised the problem of plastic litter in the environment, the main aspect to which d2w is designed to address;
- the British Standards Institute approved BS8472 being the first and so far only standard in Europe for biodegradability of plastic in the environment. This is distinct from EN13432 which is for compostability in an industrial composting facility.

We are finding that the factors above are slowly filtering through to the appropriate channels, being corporate decision makers or state/country legislators. We need to continue our PR and marketing effort to ensure that they are properly understood by those parties.

Recent legislation in the UAE and Italy (both banning non-biodegradable bags) highlights that governments are taking the issue of plastics in the environment seriously. There is now much legislation around the world which is in part, or in full, similar to the positions in the UAE and Italy. We are finding again that the affects of these are at present also slowly filtering though and are working hard with our distributors to convert these opportunities to orders albeit timescales can sometimes be difficult to predict.

We have yet to develop meaningful sales of our d2p anti-microbial technology and have concentrated on fine tuning its development and some special marketing applications with prospective end users.

Outlook

There is positive change in favour of d2w type OBP, and our global network is working with governments and large corporations to use and embrace the technology. Through our growing distribution network we are well positioned to capitalise on this change in most of our markets across the globe.

The market itself is a long way from maturity, and as such we believe there are large potential revenues in this sector.

Symphony’s trading is traditionally strongly weighted towards the second half of the financial year and our current trading and pipeline over the second half is indicating a similar pattern. Sales forecasting in the short term can be difficult to predict due to the lengthy evaluation process for a new user to make the change or for legislation to take effect.

With the continued and increasing momentum behind the need for environmental plastic solutions, as indicated by the various legislation changes that have taken place around the world, with our current pipeline and an anticipated decrease in raw material costs, we look forward with confidence

Michael Laurier
Chief Executive

Condensed consolidated interim statement of comprehensive income

		6 months to 30 June 2011 Unaudited		6 months to 30 June 2010 Unaudited		12 months to 31 December 2010 Audited
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue		**3,886**		**3,906**		**8,482**
Cost of sales		(1,706)		(1,610)		(3,650)
Gross profit		**2,180**		**2,296**		**4,832**
Distribution costs		(101)		(80)		(174)
Administrative expenses:						
- recurring	(1,800)		(1,625)		(3,411)	
- non-recurring	-		(115)		(119)	
Administrative expenses		(1,800)		(1,740)		(3,530)
Operating profit/(loss):						
- recurring	279		591		1,247	
- non-recurring	-		(115)		(119)	
Operating profit		**279**		**476**		**1,128**
Finance costs		(74)		(58)		(123)
Profit for the period before tax		**205**		**418**		**1,005**
Tax credit		-		-		187
Profit for the period		**205**		**418**		**1,192**
Total comprehensive income for the period		**205**		**418**		**1,192**
Earnings per share:						
Basic		0.17p		0.36p		1.02p
Diluted		0.15p		0.32p		0.90p

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 2011 Unaudited £'000	At 30 June 2010 Unaudited £'000	At 31 December 2010 Audited £'000
Assets			
Non-current			
Property, plant and equipment	577	465	462
Intangible assets	799	543	784
Deferred income tax assets	1,180	993	1,180
Available for sale financial assets	15	15	15
	2,571	**2,016**	**2,441**
Current			
Inventories	356	217	281
Trade and other receivables	2,543	2,103	2,928
Cash and cash equivalents	890	42	85
	3,789	**2,362**	**3,294**
Total assets	**6,360**	**4,378**	**5,735**
Equity			
Equity attributable to owners of Symphony Environmental Technologies plc			
Share capital	1,278	1,167	1,173
Share premium account	1,646	13,261	17
Retained earnings	2,068	(12,207)	1,863
Total equity	**4,992**	**2,221**	**3,053**
Liabilities			
Non-current			
Interest bearing loans and borrowings	49	163	142
	49	**163**	**142**
Current			
Interest bearing loans and borrowings	233	1,092	1,176
Trade and other payables	1,086	902	1,364
	1,319	**1,994**	**2,540**
Total liabilities	**1,368**	**2,157**	**2,682**
Total equity and liabilities	**6,360**	**4,378**	**5,735**

Condensed consolidated interim statement of changes in equity

Equity attributable to the owners of Symphony Environmental Technologies plc:

	Share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
For the six months to 30 June 2011					
Balance at 1 January 2011	1,173	17	-	1,863	3,053
Issue of share capital	105	1,629	-	-	1,734
Transactions with owners	105	1,629	-	-	1,734
Total comprehensive income for the period	-	-	-	205	205
Balance at 30 June 2011	**1,278**	**1,646**	**-**	**2,068**	**4,992**
For the six months to 30 June 2010					
Balance at 1 January 2010	1,165	13,253	822	(13,447)	1,793
Elimination on reorganisation	-	-	(822)	822	-
Issue of share capital	2	8	-	-	10
Transactions with owners	2	8	(822)	822	10
Total comprehensive income for the period	-	-	-	418	418
Balance at 30 June 2010	**1,167**	**13,261**	**-**	**(12,207)**	**2,221**
For the year to 31 December 2010					
Balance at 1 January 2010	1,165	13,253	822	(13,447)	1,793
Issue of share capital	8	25	-	-	33
Capital reduction	-	(13,261)	(822)	14,083	-
Employee share based options	-	-	-	35	35
Transactions with owners	8	(13,236)	(822)	14,118	68
Total comprehensive income for the year	-	-	-	1,192	1,192
Balance at 31 December 2010	**1,173**	**17**	**-**	**1,863**	**3,053**

Condensed consolidated interim statement of cash flows

	6 months to 30 June 2011 £'000	6 months to 30 June 2010 £'000	12 months to 31 December 2010 £'000
Operating activities:			
Results for the period after tax	**205**	**418**	**1,192**
Depreciation	54	28	96
Amortisation	10	11	28
Loss on disposal	-	25	32
Share-based payments	-	-	35
Tax credit	-	-	(187)
Interest expense	74	58	123
Change in inventories	(75)	(5)	(69)
Change in trade and other receivables	385	(506)	(1,331)
Change in trade and other payables	(278)	146	608
Cash generated in operations	**375**	**175**	**527**
Tax received	-	-	-
Net cash generated in operations	**375**	**175**	**527**
Investing activities:			
Additions to property, plant and equipment	(169)	(295)	(389)
Proceeds from disposals of property, plant and equipment	-	8	16
Additions of intangible assets	(25)	(67)	(325)
Cash consumed in investing activities	**(194)**	**(354)**	**(698)**
Financing activities:			
Proceeds from loans	-	170	270
Repayment of loans	(749)	(45)	(329)
Movement in working capital facility	(17)	93	-
New finance leases	-	-	47
Discharge of finance lease liability	(3)	(11)	(20)
Proceeds from share issue	1,734	10	33
Interest paid	(74)	(58)	(123)
Cash generated/(consumed) in financing activities	**891**	**159**	**(122)**
Net change in cash and cash equivalents	**1,072**	**(20)**	**(293)**
Cash and cash equivalents, beginning of period	(361)	(68)	(68)
Cash and cash equivalents, end of period	**711**	**(88)**	**(361)**

Bank overdraft of £179,000 (30 June 2010: £130,000) (31 December 2010: £446,000) 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 **d_2w**® controlled-life 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. Symphony Environmental Technologies plc’s shares are listed on the AIM market of the London Stock Exchange, the PLUS market in London and as a level 2 American Depositary Receipt .

These condensed interim consolidated financial statements (“interim financial statements” or “interim report”) are for the six months ended 30 June 2011. 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 2010.

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 2010 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 2010 save items detailed in Note 2.

These interim financial statements were approved by the board on 19 September 2011.

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 2010. 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. Historically, trade has weighted more in the second half the year compared to the first. In 2010, H2 revenues were £4.58 million, compared to £3.91 million in H1 2010, an increase of 17%.

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, supply of degradable products, supply of non-degradable products and development of waste to value systems.

Business segments **6 months to 30 June 2011**	**Degradable $d_2w^{®}$ £'000**	**Non-degradable £'000**	**Waste to value £'000**	**Group** **£'000**
Segment revenues	3,866	20	-	3,886
Apportioned costs	(3,412)	(20)	(111)	(3,543)
EBITDA	**454**	**-**	**(111)**	**343**
Depreciation and amortisation	(64)	-	-	(64)
Interest	(74)	-	-	(74)
Taxation	-	-	-	-
Profit/(loss) for the period	**316**	**-**	**(111)**	**205**

Business segments **6 months to 30 June 2010**	**Degradable $d_2w^{®}$ £'000**	**Non-degradable £'000**	**Waste to value £'000**	**Group** **£'000**
Segment revenues	3,855	51	-	3,906
Apportioned costs	(3,205)	(80)	(112)	(3,397)
EBITDA	**650**	**(29)**	**(112)**	**509**
Depreciation and amortisation	(33)	-	-	(33)
Interest	(58)	-	-	(58)
Taxation	-	-	-	-
Profit/(loss) for the period	**559**	**(29)**	**(112)**	**418**

Business segments **12 months to 31 December 2010**	**Degradable $d_2w^{®}$ £'000**	**Non-degradable £'000**	**Waste to value £'000**	**Group** **£'000**
Segment revenues	8,456	26	-	8,482
Share based payments	(35)	-	-	(35)
Apportioned costs	(6,951)	(26)	(218)	(7,195)
EBITDA	**1,470**	**-**	**(218)**	**1,252**
Depreciation and amortisation	(124)	-	-	(124)
Interest	(123)	-	-	(123)
Taxation	187	-	-	187
Profit/(loss) for the year	**1,410**	**-**	**(218)**	**1,192**

Revenues stated are from external customers.

There were no inter-segment revenues for the above periods.
There has been no change to the basis of segmentation since the last annual financial statements.
There has been no change in total assets other than in the ordinary course of business.

5 Shares issued

The following shares were allotted during the period:

Date	Reason	Number of shares	Net cash to Company
1 February 2011	Exercise of staff option	50,000	£1,375
9 February 2011	Exercise of staff option	50,000	£1,375
8 April 2011	Exercise of staff option	25,000	£688
19 May 2011	Exercise of staff option	50,000	£1,375
20 May 2011	Placing	10,384,800	£1,729,164
		10,559,800	**£1,733,977**

Shares issued for the period under review may be summarised as follows:

Shares issued and fully paid	6 months to 30 June 2011	6 months to 30 June 2010	Year to 31 December 2010
- beginning of period	117,284,577	116,484,577	116,484,577
- issued during the period	10,559,800	250,000	800,000
Total equity shares issued and fully paid at end of period	**127,844,377**	**116,734,577**	**117,284,577**

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 2011	6 months to 30 June 2010	Year to 31 December 2010
Profit attributable to owners of the company	**£205,000**	**£418,000**	**£1,192,000**
Weighted average number of ordinary shares in issue	120,317,988	116,553,638	116,799,645
Basic earnings per share	**0.17 pence**	**0.36 pence**	**1.02 pence**
Dilutive effect of weighted average options and warrants	14,651,749	14,999,293	15,036,097
Total of weighted average shares together with dilutive effect of weighted options and warrants	134,969,737	131,552,931	131,835,742
Diluted earnings per share	**0.15 pence**	**0.32 pence**	**0.90 pence**

No dividends were paid for the year ended 31 December 2010.

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.