25 March 2014

SYMPHONY ENVIRONMENTAL TECHNOLOGIES PLC

("Symphony" or the "Group")

Preliminary Results for the year ended 31 December 2013

Symphony Environmental Technologies Plc (AIM: SYM and NASDAQ OTC: SEPTY), is pleased to announce its preliminary results for the year ended 31 December 2013.

The Group has two operating divisions, the Plastics Division (Symphony Environmental Limited or "SEL"), and the Recycling Technologies Division (Symphony Recycling Technologies Limited or "SRT"). SEL focuses on "making plastic smarter" technologies, and continued to advance sales revenue so far solely through the d2w brand. SRT is, and has always been, an R&D division for tyre recycling technologies and systems, and has not yet reached the stage of becoming revenue generative.

SEL highlights

- Revenues increased 46% to £7.19 million (2012: £4.94 million)
- Gross profit increased 65% to £3.55 million (2012: £2.15 million)
- EBITDA profit of £0.22 million (2012: loss £1.75 million)

Group highlights after non-recurring costs

- Revenues increased 46% to £7.19 million (2012: £4.94 million)
- Gross profit increased 65% to £3.55 million (2012: £2.15 million)
- SRT commercialisation strategy and one-off impairment of £0.49 million (2012: £nil)
- Operating loss reduced by 67% to £0.73 million (2012: loss £2.18 million)
- Loss after tax reduced by 68% to £0.71 million (2012: loss £2.22 million)
- Basic loss per share reduced by 68% to 0.55p (2012: loss per share 1.74p)
- Agreement with Janssens Pharmaceutica (a subsidiary of Johnson &Johnson)
- Directors increase shareholding to 19.5% (2012: 14.2%)

Group highlights before non-recurring costs

- Plastics division EBITDA profit of £0.22 million (2012: loss £1.75 million)
- Group EBITDA loss of £0.01 million (2012: 2.02 million)
- Operating loss £0.16 million (2012: loss £2.18 million)
- Basic loss per share of 0.11p (2012: loss per share 1.74p)

Post year end events

- Trading has started well
- New contract win
- Legislation enforcement process accelerating
- Commencement of commercialisation process for SRT

Chairman's Statement

I am pleased to report a significant uplift in all areas of the SEL business with revenues increasing by 46% to £7.19 million (2012: £4.94 million) with an operating loss before non-recurring items of just £159,000. This compares to an operating loss of £2.18 million in 2012. Our EBITDA loss before non-recurring items was £10,000 compared to an EBITDA loss of £2.02 million in 2012.

The SEL business performed well with an EBITDA profit of £0.22 million compared to a loss of £1.75 million in 2012. All of our major markets performed well compared to 2012, and more importantly, a number of very significant prospects continued to develop during the year.

In 2013 sales of our d2w controlled-life plastic technology (which makes plastic oxo-biodegradable) grew by 46%. The main growth-drivers include legislation and Corporate Social Responsibility ("CSR"). We announced during the year that Pakistan had mandated the use of oxo-biodegradable technology for disposable plastic products. As seen elsewhere, sales have started slowly while grace periods are allowed and enforcement becomes effective. This has been seen in the UAE and parts of Africa where similar legislation is in place, and sales are now increasing.

Sales of d2w were made to our Distributors in 51 territories during the year and many of these sell through to other territories within their distribution agreements. Most territories do not yet have a legal requirement to use oxo-bio and sales are driven by CSR. Brand owners and manufacturers do not want to see their plastic products lying on the beach or in the open environment decades from now. The number of signed agreements with distributors increased from 72 to 76 during the year.

For our d2p anti-microbial product range, an exciting development during the year was the completion of a two year collaboration with Janssen Pharmaceutica (a subsidiary of Johnson &Johnson) and signature of an agreement with them, to bring an entirely new product to the market. d2p is included in plastic at the manufacturing stage and gives it anti-microbial and anti-fungal properties. This development is significant for Symphony as it opens up major revenue possibilities where protection from bacteria and fungi is required.

During the year we reduced our cost base by improving operational efficiencies, and a one-off charge of £76,000 was incurred during this process. Excluding non-recurring items, our cost base reduced from £4.21 million in 2012 to £3.53 million in 2013.

As previously stated, the Board's strategy is to commercialise SRT. Having carefully considered the options, the initial steps will be to establish a separately funded entity with dedicated resources that is autonomous from the Group. As this will no longer form an integral part of the business, a full impairment charge of £494,000 has been made against all capitalised development costs in SRT. SRT has a novel process for efficiently recycling scrap tyres, and a patent has been applied for. The main drivers for this are legislation that requires more recycling, and prevents disposal of tyres in landfill or by burning in the open environment. The SRT process delivers high-value recycled raw materials which can be used again in quality manufacturing processes. Although the recycling business will no longer be an integral part of Symphony's business, the Group will retain an interest in the new entity as a minority shareholder and as IP Licensor, from which it is expected that the Group will benefit going forward.

Our business strategy has been consistently in line with the UK Government's policy of creating foreign exchange earnings through an export-driven economy. The Group has developed a growing number of licensed and independent Distributors to market and sell its products. The business is not reliant on any one market or event, and the downside risk is therefore limited, but the upside is potentially unlimited. Over the years the Management have successfully expanded Symphony's network, markets and products, and having laid these firm foundations we expect good levels of growth going forward.

I would like to thank the Board, the staff, and our Distributors for all their creative work in 2013, and we look forward to a very successful 2014.

N Deva DL FRSA MEP
Chairman

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Chief Executive's Review

I am pleased to report that in the year under review we successfully achieved many important changes for the business, in several fundamental areas. Our long term business strategy is working, and the foundations established for a more rapid and stronger performance going forward.

The business has continued to diversify into synergistic products, technical services and applications. For d2w our main revenue generating brand, a robust investment program has been maintained which is helping to drive the business forward with expanding opportunities, markets and sales. Overall, product cost reduced and volumes increased.

Our d2p and d2t technologies are still in their infancy albeit some sales have resulted for d2p. We have maintained our investment program which is based on several J/V project with prospective end user customers. SEL has absorbed the cost for creating new IP formulations as well for work with independent laboratories and universities. These two technologies are synergistic with d2w as they can be supplied to the same customer base through the same distribution network, and therefore commercialisation is expected to be more rapid.

The results for 2013 show an improved financial performance, with increasing revenues, higher margins and a lower overhead cost base. In addition, the main business drivers continued to improve, such as legislation, distributor-performance and product expansion and improvement. A growing number of important opportunities, negotiations and product trials have commenced or continued in the period under review.

These opportunities extend across much of our global distribution network, and include the d2p, d2t and d2w product ranges.

Investment continued into the tyre recycling division, and opportunities for the commercial development phase moved further forward.

Our business model has been about investing for the future, and aiming for more than ordinary performance.

Trading results

Total Group revenues were higher at £7.19 million (2012: £4.94 million), and Group gross profit margins increased from 44% to 49%. These factors resulted in a 65% increase in the contribution from gross profit from £2.15 million in 2012 to £3.55 million in 2013. Gross margins were increased due to efficiencies and cost reductions in the supply chain.

Sales to the Americas increased from £2.11 million in 2012 to £3.41 million in 2013 and represented 47% of 2013 revenues (2012: 43%). Sales to UK and Europe increased from £1.38 million in 2012 to £1.50 million in 2013 and represented 21% of 2013 revenues (2012: 28%). Sales to the Rest of the World increased from £1.45 million in 2012 to £2.29 million in 2013 and represented 32% of 2013 revenues (2012: 29%).

Overheads before non-recurring items decreased by 16% to £3.53 million (2012: £4.21 million) which included a net write-back of provisions against receivables of £0.05 million (2012: provision of £0.39 million). Total staff costs were marginally lower at £2.01 million (2012: £2.16 million).

In addition to these expenses, the Group incurred non-recurring costs of £570,000 (2012: £nil). Of these costs £76,000 relate to expenditure to obtain ongoing cost efficiencies. This included closing down one of its UK facilities with the operation being transferred to Head Office. As mentioned above, £494,000 is an impairment provision against capitalised development costs for SRT and is detailed later in my review.

Including the non-recurring items, the Group made an operating loss of £0.73 million in 2013 compared to an operating loss of £2.18 million in 2012. This resulted in loss before tax of £0.78 million in 2013 compared with a loss before tax of £2.20 million in 2012.

Excluding the non-recurring items, the Group made an EBITDA loss of £10,000 (2012: loss £2.02 million) and an operating loss of £159,000 (2012: loss £2.18 million).

The Group reports a loss for the year of £0.71 million (2012: loss £2.22 million) with basic loss per share of 0.55 pence (2012: loss per share 1.74 pence).

The business invests in scientific and technical excellence, and I believe that Symphony is now not only the market-leader but also the technical leader of the industry. Development costs of £0.12 million were capitalised in 2013 (2012: £0.36 million), and the net book value of capitalised development costs at the end of the year amounted to £0.91 million. Further development expenditure of £0.38 million (2012: £0.32 million) was charged directly to profit and loss. Capitalised development costs represent 4% of expenses as detailed above. Within the total amount of £0.91 million capitalised to date, and less amortisation and impairment, are: £0.19 million relating to d_2w products which have been developed and are being sold; and the balance of £0.72 million, relating to further environmental plastic applications still in development and where we believe significant revenues will be generated in the foreseeable future. As stated earlier, £0.49 million of capitalised development costs relating to SRT was impaired.

The Group's primary selling currency is the US Dollar. The Group self-hedges where possible by purchasing in US Dollars and has banking facilities in place in order to secure rates going forward. As at 31 December 2013 the Group had a net balance of US Dollar assets totalling $0.56 million (2012: $0.32 million).

Segmental analysis

The Group operates two business divisions which are classified as segments in the financial report, being the Plastics Division (Symphony Environmental Limited or "SEL") and the Recycling Technologies division (Symphony Recycling Limited or "SRT").

SEL includes d2w, d2p, d2t, and the d2Detector, be they additives or finished products. SEL, which currently generates all the Group revenues, saw sales increase by 46% during the year with total revenues increasing to £7.19 million (2012: £4.94 million) due to growth in new and established markets. This, together with the rise in gross margins and the reduction in overheads, resulted in an EBITDA profit of £0.22 million in 2013 compared to a loss of £1.75 million in 2012. Within SEL no sales were made for d2t, but there were small initial sales for d2p.

SRT has no revenues to date and incurred expenditure of £0.81 million for the year, resulting in an EBITDA loss of the same amount (2012 expenditure and EBITDA loss: £0.27 million).

Cashflow

The Group consumed £0.81 million from operations (2012: cash generated £0.45 million). This was due to higher receivables at the 2013 year-end resulting from increased sales, and a reduction in payables. The Group has a £1 million trade finance facility with HSBC Bank plc of which £0.58 million was drawn down as at 31 December 2013 (£0.22 million as at 31 December 2012). The invoice-finance facility increased in line with receivables. In addition to these facilities, the Group borrowed a further £650,000 through unsecured loans.

The Group had cash in the bank of £130,000 at the year-end (2012: £336,000), plus trade receivables of £1.16 million (2012: £545,000) and continues to work comfortably within its facilities.

Symphony Recycling Technologies

As previously stated, the Board's strategy is to commercialise SRT. Having carefully considered the options, the initial steps will be to establish a newly incorporated company with a third party into which the Group with inject the business of SRT through a licence agreement. The newly incorporated company will seek additional third party financing and operate autonomously from the Group. As SRT will no longer form an integral part of the Group, a full impairment charge of £494,000 has been made which reflects the costs incurred to develop the recycling business to this stage. The Group will retain an interest as a minority shareholder in the new entity and as IP Licensor, from which it is expected that the Group will benefit going forward.

Outlook

This year has started well with several important product trials progressing and a number of high level negotiations for sales of all of our three main technologies; d2w, d2p and d2t. In particular we have been notified of a new contract award through one of our distributors for d2w from a major supermarket group. The volumes indicated, but not yet verified, are significant. The delivery program starts from April, with full roll-out before the 2014 year-end. This follows more than two years of development work which demonstrates the length of time it can take to close a major sale opportunity.

In addition to the above, several other trials for d2w are in their final phase, and further updates will be communicated to the market in due course.

Positive changes in legislation are driving momentum for d2w in several markets, albeit timing and volumes are still unknown, but what is known is that our sales outlets continue to expand in number and volume.

Trials and negotiations for d2p and d2t are showing favourable results on several fronts and we have high expectations of seeing initial revenues commence over the next year. d2t is a suite of tagging and tracing technologies which will assist brand-owners and governments to reduce counterfeiting of products.

We believe that 2014 will show a further strengthening of our operating performance, and we look forward to the year ahead with confidence.

Michael Laurier
Chief Executive

Consolidated statement of comprehensive income
for the year ended 31 December 2013

		2013		2012	
	Note	**£'000**	**£'000**	£'000	£'000
Revenue			**7,190**		4,938
Cost of sales			**(3,644)**		(2,785)
Gross profit			**3,546**		2,153
Distribution costs			**(179)**		(125)
Administrative expenses – recurring		**(3,526)**		(4,211)	
Administrative expenses – non-recurring		**(570)**		-	
Administrative expenses			**(4,096)**		(4,211)
Operating loss – recurring		**(159)**		(2,183)	
Operating loss – non-recurring		**(570)**		-	
Operating loss			**(729)**		(2,183)
Finance income			**5**		6
Finance costs			**(54)**		(20)
Loss for the year before tax			**(778)**		(2,197)
Taxation			**71**		(27)
Loss for the year			**(707)**		(2,224)
Total comprehensive income for the year			**(707)**		(2,224)
Basic loss per share	3		**(0.55)p**		(1.74)p
Diluted loss per share	3		**(0.55)p**		(1.74)p

All results are attributable to the parent Company equity holders. There were no discontinued operations for either of the above periods.

Consolidated statement of financial position
as at 31 December 2013

Company number 3676824

	2013 **£'000**	2012 £'000
Assets		
Non-current		
Property, plant and equipment	**394**	499
Intangible assets	**937**	1,334
Deferred income tax asset	**1,142**	1,216
	2,473	3,049
Current		
Inventories	**528**	637
Trade and other receivables	**1,366**	806
Cash and cash equivalents	**130**	336
	2,024	1,779
Total assets	**4,497**	4,828
Equity		
Equity attributable to shareholders of Symphony Environmental Technologies plc		
Ordinary shares	**1,281**	1,280
Share premium	**1,650**	1,648
Retained earnings	**(502)**	205
Total equity	**2,429**	3,133
Liabilities		
Non-current		
Interest bearing loans and borrowings	**3**	20
	3	20
Current		
Interest bearing loans and borrowings	**1,339**	509
Trade and other payables	**726**	1,166
	2,065	1,675
Total liabilities	**2,068**	1,695
Total equity and liabilities	**4,497**	4,828

Consolidated statement of changes in equity
for the year ended 31 December 2013
Equity attributable to the equity holders of Symphony Environmental Technologies plc:

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
For the year to 31 December 2013				
Balance at 1 January 2013	1,280	1,648	205	3,133
Issue of share capital	1	2	-	3
Share-based options	-	-	-	-
Transactions with owners	1	2	-	3
Loss and total comprehensive income for the year	-	-	(707)	(707)
Balance at 31 December 2013	**1,281**	**1,650**	**(502)**	**2,429**
For the year to 31 December 2012				
Balance at 1 January 2012	1,278	1,646	2,412	5,336
Issue of share capital	2	2	-	4
Share-based options	-	-	17	17
Transactions with owners	2	2	17	21
Loss and total comprehensive income for the year	-	-	(2,224)	(2,224)
Balance at 31 December 2012	**1,280**	**1,648**	**205**	**3,133**

Consolidated cash flow statement
for the year ended 31 December 2013

	Note	2013 £'000	2012 £'000
Operating activities			
Net cash (used)/generated from operations	4	**(955)**	414
Tax received		**145**	34
Net cash (used)/generated from operating activities		**(810)**	448
Investing activities			
Additions to property, plant and equipment		**(21)**	(59)
Proceeds from disposals of property, plant and equipment		**7**	14
Additions to intangible assets		**(126)**	(361)
Net cash used in investing activities		**(140)**	(406)
Financing activities			
New loans		**650**	-
Movement in working capital facility		**359**	(163)
Discharge of finance lease liability		**(18)**	(25)
Proceeds from share issue		**3**	4
Interest paid		**(54)**	(20)
Net cash generated/(used) in financial activities		**940**	(204)
Net change in cash and cash equivalents		**(10)**	(162)
Cash and cash equivalents, beginning of year		**57**	180
Exchange (loss)/gain		**(18)**	39
Cash and cash equivalents, end of year		**29**	57

The reconciliation to the cash and cash equivalents as reported in the statement of financial position is as follows:

	2013 £'000	2012 £'000
Loans and receivables:		
Cash at bank and in hand	**130**	336
Financial liabilities measured at amortised cost:		
Bank overdraft	**(101)**	(279)
Cash and cash equivalents, end of year	**29**	57

Notes to the Preliminary Statement

1 Basis of preparation

This preliminary statement has been prepared on the basis of accounting policies consistent with the audited financial statements for the year ended 31 December 2013.

The financial information set out in this report does not constitute the Company's statutory accounts for the years ended 31 December 2013 or 2012 but is derived from the 2013 accounts. Statutory accounts for 2012 have been delivered to the Registrar of Companies and those for 2013 will be delivered in due course. The auditor has reported on those accounts; its report was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report and (iii) did not contain a statement under section 498(2) or section 498(3) of the Companies Act 2006.

2 Segmental information

Management currently identifies the Group's two service lines as operating segments, "Plastics" and "Recycling Technologies (Recycling Tech)". The Plastics service line includes all activities in relation to the sale of plastic products and their associated items. This includes the sale of plastic degradable additives, finished goods, non-degradable products and d2detectors. The Recycling Technologies segment includes all activities involved in the development of tyre and rubber recycling systems.

The segmental results for the year ended 31 December 2013 are as follows:

Operating segments	**Plastics**	**Recycling Tech.**	**Group**
Twelve months to 31 December 2013	**£'000**	**£'000**	**£'000**
Segment revenues	7,190	-	7,190
Share-based payments	-	-	-
Apportioned costs	(6,966)	(805)	(7,771)
EBITDA	**224**	**(805)**	**(581)**
Depreciation and amortisation	(148)	-	(148)
Interest	(49)	-	(49)
Taxation	71	-	71
Profit/(loss) for the year	**98**	**(805)**	**(707)**

The segmental results for the year ended 31 December 2012 are as follows:

Operating segments	**Plastics**	**Recycling Tech.**	**Group**
Twelve months to 31 December 2012	**£'000**	**£'000**	**£'000**
Segment revenues	4,938	-	4,938
Share-based payments	(17)	-	(17)
Apportioned costs	(6,671)	(272)	(6,943)
EBITDA	**(1,750)**	**(272)**	**(2,022)**
Depreciation and amortisation	(161)	-	(161)
Interest	(14)	-	(14)
Taxation	(27)	-	(27)
Loss for the year	**(1,952)**	**(272)**	**(2,224)**

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

3 Loss per share and dividends

The calculation of basic earnings per share is based on the (loss) 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 all dilutive options and warrants.

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

Basic and diluted	**2013**	2012
Loss profit attributable to equity holders of the Company	**£(707,000)**	£(2,224,000)
Weighted average number of ordinary shares in issue	128,010,884	127,907,254
Basic loss per share	**(0.55) pence**	(1.74) pence
Dilutive effect of weighted average options	-	-
Total of weighted average shares together with dilutive effect of weighted options	128,010,884	127,907,954
Diluted loss per share	**(0.55) pence**	(1.74) pence

No dividends were paid for the year ended 31 December 2013 (2012: £nil).

The effect of options in 2013 and 2012 are anti-dilutive.

17,626,500 options were outstanding at the end of the year which may become dilutive in future years.

The loss before non-recurring items is £137,000 (2012: £2.22 million) and the basic and diluted loss per share using the weighted average number of ordinary shares of 128,010,884 (2012: 127,907,254) is 0.11 pence (2012: loss 1.74 pence).

4 Net cash (used)/generated from operations

	2013 £'000	2012 £'000
Loss after tax	**(707)**	(2,224)
Adjustments for:		
Depreciation	**119**	132
Amortisation	**29**	29
Impairment of intangible asset	**494**	-
Loss on disposal	**1**	-
Share-based payments	**-**	17
Impairment of financial asset	**-**	16
Tax (credit)/charge	**(71)**	27
Interest expense	**54**	20
Changes in working capital:		
Inventories	**108**	(238)
Trade and other receivables	**(542)**	2,936
Trade and other payables	**(440)**	(301)
Cash (used)/generated from operations	**(955)**	414

5 Availability of report and accounts

The Company will advise when copies of the Annual Report and Accounts will be sent to shareholders and be available from the Company's website www.d2w.net

NOTES TO EDITORS:

About Symphony Environmental Technologies plc

Symphony has developed oxo-biodegradable technology which turns plastic at the end of its service-life into a material with a completely different molecular structure. 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 some countries oxo-biodegradable plastic is mandatory. For a video of d2w® plastic degrading see http://degradable.net/play-videos/4.

Symphony also supplies d2p technology that can be used in most types of plastic products to help reduce contamination and deterioration by harmful bacteria and fungi. See video at http://www.youtube.com/watch?v=61WdX- Jjmw. 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 78 distributors around the world. Products made with Symphony's plastic technologies are now available in 97 countries and in many different product applications. Symphony is certified to ISO9001 and ISO14001 standards.

Symphony is a member of The British Plastics Federation (BPF), 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).

In addition, Symphony Recycling Technologies ("SRT") is developing innovative and cost-effective recycling systems to convert scrap tyres and other waste-streams into valuable products, and has recently announced its "SymTyre S300" (http://symphonyrecycling.net/technology/symtyres300/). This is a compact machine which can flat-pack a scrap tyre in under a minute, making huge savings in the space needed to store and transport scrap tyres, with resulting savings of cost, road-space, and harmful emissions, and reducing the unsightly and uneconomic use of thousands of acres of land for tyre-dumps. The machine also prevents scrap tyres being used on the road again, and protects against the spread of disease by mosquitoes breeding in rainwater which collects in the tyres. This is the first stage of an integrated tyre-recycling technology which SRT is developing.

Since 31 March 2008, Symphony Environmental Technologies plc has had a level 1 American Deposit Receipt (ADR) program, hosted by the Bank of New York Mellon, and traded on the NASDAQ Over-The-Counter (OTC) market under the symbol SETPY.

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