



24 September 2014

SYMPHONY ENVIRONMENTAL TECHNOLOGIES PLC

("Symphony", "Group" or the "Company")

Interim Results

Symphony Environmental Technologies Plc (AIM: SYM), global specialists in "making plastic smarter", with d2w controlled-life, d2p anti-bacterial and d2t anti-counterfeiting technologies, is pleased to announce its interim financial statements for the six month period ended 30 June 2014.

Highlights

Financial

- Revenues £3.33 million (2013 H1: £3.59 million)
- Gross profits £1.75 million (2013 H1: £1.78 million)
- Gross profit margin 52% (2013 H1: 49%)
- Group EBITDA profit £0.12 million (2013 H1: loss £0.14 million)
- Profit before tax £0.08 million (2013 H1: loss £0.22 million)
- Basic profit per share 0.07 pence (2013 H1: loss per share of 0.06 pence)
- Net cash generated in operations £0.10 million (2013 H1: cash consumed £0.26 million)

Segmental

- Plastics Sales EBITDA profit £0.47 million (2013 H1: £0.28 million)
- Plastics R&D EBITDA cost £0.25 million (2013 H1: cost £0.31 million)
- Recycling technologies EBITDA loss £0.09 million (2013 H1: loss £0.10 million)

Significant developments

d2w Controlled-life Plastic Technology

- Major fertilizer company in Pakistan adopts d2w in all polythene bag liner applications
- Entered into a paid-for biodegradable development project with an \$80 billion global consumer products corporation on one of their key product lines
- Progress is being made with enforcement in countries that have legislated in favour of d2w type technology

d2p Anti-microbial Plastic Technology

- Agreement signed for trials in fruit and vegetable applications, following a successful evaluation process, with a world leader in post-harvest solutions
- FDA food contact approval in place in the USA for repeated use treated articles such as chopping boards and food containers
- Entered into a development agreement with an \$50 billion global polymer corporation
- End-users launch new finished products incorporating d2p including air-conditioning pipes and filters, lavatory seats, garbage & clinical waste bags
- Achieved first sales in 2 out of 5 of the d2p product lines
- Non-food applications approved for use in some EU countries and expected shortly in the USA

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

"I am pleased to report continuing progress in all areas of the business with a return to profitability for the Group as a whole in the first half of 2014.

Expenses have reduced significantly after the cost reduction programme in 2013, falling by 17% to £1.58 million in the first half of the year compared to £1.91 million for the first half of 2013.

Plastics Sales, which generate and maintain revenues relating to plastic additives, masterbatches and finished products, recorded an EBITDA profit of £0.47 million for the first half of 2014, - a 68% increase from the first half of 2013 which was £0.28 million.

Significant investment continues to be made in R&D, and we are excited with the many developments. A summary of some of the most significant areas is set out in the highlights above.

I am also pleased to report cash generated during the period of £0.10 million after receipt of an £85,000 R&D tax credit. This compares to cash consumed of £0.26 million for the same period last year.

We continue to work on a commercialisation strategy for the tyre recycling business and will provide updates at the appropriate times.

Our operational strategy continues to develop, and as previously communicated; the product range is being expanded. The focus is to increase the value of sales into existing customers, and to have a wider product range to offer to new market opportunities.

We are excited by the opportunities and markets that have been opened so far, and anticipate second half performance to at least match that of the first half with many opportunities expected to come to fruition during 2015."

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NOTES TO EDITORS:

About Symphony Environmental Technologies plc

Symphony has developed a technology that can control the life of ordinary plastics, through a process known as oxo-biodegradation. This technology turns ordinary plastic at the end of its service-life into materials 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 16 countries, with a combined population of several hundred million, oxo-biodegradable plastic is mandatory. For a video of d2w® plastic degrading see <http://degradable.net/play-videos/4>.

Symphony also supplies d2p antimicrobial technology that can be used in most types of plastic products and some non-plastic applications. The d2p range of technologies can help reduce contamination and deterioration by harmful bacteria and fungi. See video at <http://www.youtube.com/watch?v=61WdX-Jjmw>.

Symphony can also offer tracing technologies to guard against counterfeiting of products, and has developed the d2Detector®, a portable device which analyses plastics and detects counterfeit products. Symphony's d2t tagging technology is also available for greater 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 Oxo-biodegradable Plastics Association (www.biodeg.org) (OPA), the Society for the Chemical Industry (UK), and the Pacific Basin Economic 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).

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](http://www.bankofnewyork.com), 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.

Chief Executive's review

I am pleased to report a profit for the first six months of 2014 with cash generation in line with profitability.

Recent legislation changes and improvements to enforcement should positively impact on d2w revenues. Our technical team continues to work hard with the growing range of applications, standards and governmental bodies as the need for more sustainable solutions continues to attract attention.

The Group continued to invest into broadening the product range for the three main sectors of our business, environmental (d2w), health and hygiene (d2p), and anti-counterfeiting (d2t). With our distribution network covering over 90 countries we are well placed to exploit the opportunities which we have created.

Our pipeline of projects for all d2technologies continues to expand. Some of these are with large multi-national organisations with some product applications extending beyond plastics.

Trading results

Revenue for the period was similar to last year at £3.33 million (2013 H1: £3.59 million).

Gross profits were also similar at £1.75 million (2013 H1: £1.78 million), but gross profit margins increased to 52% (2013 H1: 49%).

Administrative expenses decreased by 17% to £1.58 million (2013 H1: £1.91 million), due to further efficiencies implemented last year and now taking full effect without affecting performance.

The Group's operating profit for the period was £0.06 million (2013 H1: loss £0.22 million) and net profit before tax was £0.01 million (2013 H1: loss £0.22 million). The turnaround to profit was due to the reduction in costs. The Group received an R&D tax credit of £0.09 million (2013 H1: £0.15 million) resulting in a profit after tax of £0.09 million (2013 H1: loss £0.08 million).

Earnings per share for the period were 0.07 pence (2013 H1: loss 0.06 pence).

Balance sheet and cashflow

Cash of £0.10 million was generated by operations during the period (2013 H1: cash consumed £0.26 million) due to the profit achieved and relatively small net movement in working capital items.

The Group uses invoice-discounting facilities to assist with funding of invoices when required. In addition, some customers pay on a cash basis and others by letter of credit. The Group also has good credit facilities with its major suppliers. With gross margins at current levels and taking into account the working capital cycle and the invoice discounting facility of £1 million; the Group has the ability to grow revenues significantly.

Segmental

The segmental profile for the Group has been adjusted to show a fairer position for the revenue generating side of the business and the investments in R&D.

Plastics Sales, which generate and maintain revenues relating to plastic additives, masterbatches and finished products, recorded an EBITDA profit of £0.47 million for the first half of 2014, a 68% increase from the first half of 2013 which was £0.28 million.

Plastics R&D EBITDA costs, which include all new product development and research expenditure, was £0.25 million, a slight reduction from 2013 first half costs of £0.31 million.

The EBITDA loss for the Recycling technologies business was £0.09 million compared to £0.10 million for the first half of 2013.

Recycling technologies

We are still working on an exciting commercial opportunity for this project and will announce further developments in due course.

Outlook

Significant opportunities continue to be developed for our products and markets and our outlook continues to strengthen.

This is underpinned by the depth and breadth of trials and activities being undertaken all around the World, many with large blue-chip organisations. In addition, we are seeing the impact from legislation changes which have been a slow up to now but progressing.

With continuing investment in these important developments we believe that there are significant revenue growth opportunities over the periods to come.

Michael Laurier
Chief Executive

Condensed consolidated interim statement of comprehensive income

	6 months to 30 June 2014 Unaudited £'000	6 months to 30 June 2013 Unaudited £'000	12 months to 31 December 2013 Audited £'000
Revenue	3,328	3,588	7,190
Cost of sales	(1,581)	(1,813)	(3,644)
Gross profit	1,747	1,775	3,546
Distribution costs	(109)	(81)	(179)
Administrative expenses:			
- recurring	(1,578)	(1,831)	(3,526)
- non-recurring	-	(78)	(570)
Administrative expenses	(1,578)	(1,909)	(4,096)
Operating profit/(loss):			
- recurring	60	(137)	(159)
- non-recurring	-	(78)	(570)
Operating profit/(loss)	60	(215)	(729)
Finance costs	(52)	(9)	(49)
Profit/(loss) for the period before tax	8	(224)	(778)
Tax credit	85	145	71
Profit/(loss) for the period	93	(79)	(707)
Total comprehensive income for the period	93	(79)	(707)
Earnings per share:			
Basic	0.07p	(0.06p)	(0.55p)
Diluted	0.06p	(0.06p)	(0.55p)

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 2014 Unaudited £'000	At 30 June 2013 Unaudited £'000	At 31 December 2013 Audited £'000
Assets			
Non-current			
Property, plant and equipment	410	442	394
Intangible assets	949	1,357	937
Deferred income tax assets	1,142	1,216	1,142
	2,501	3,015	2,473
Current			
Inventories	463	508	528
Trade and other receivables	1,666	1,279	1,366
Cash at bank and in hand	24	33	130
	2,153	1,820	2,024
Total assets	4,654	4,835	4,497
Equity			
<i>Equity attributable to owners of Symphony Environmental Technologies plc</i>			
Share capital	1,288	1,280	1,281
Share premium account	1,660	1,648	1,650
Retained earnings	(409)	126	(502)
Total equity	2,539	3,054	2,429
Liabilities			
Non-current			
Interest bearing loans and borrowings	3	8	3
	3	8	3
Current			
Interest bearing loans and borrowings	1,256	532	1,339
Trade and other payables	856	1,241	726
	2,112	1,773	2,065
Total liabilities	2,115	1,781	2,068
Total equity and liabilities	4,654	4,835	4,497

Condensed consolidated interim statement of changes in equity

Equity attributable to the owners of Symphony Environmental Technologies plc:

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
For the six months to 30 June 2014				
Balance at 1 January 2014	1,281	1,650	(502)	2,429
Issue of share capital	7	10	-	17
Transactions with owners	7	10	-	17
Total comprehensive income for the period	-	-	93	93
Balance at 30 June 2014	1,288	1,660	(409)	2,539
For the six months to 30 June 2013				
Balance at 1 January 2013	1,280	1,648	205	3,133
Total comprehensive income for the period	-	-	(79)	(79)
Balance at 30 June 2013	1,280	1,648	126	3,054
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
Transactions with owners	1	2	-	3
Total comprehensive income for the year	-	-	(707)	(707)
Balance at 31 December 2013	1,281	1,650	(502)	2,429

Condensed consolidated interim statement of cash flows

	6 months to 30 June 2014 Unaudited £'000	6 months to 30 June 2013 Unaudited £'000	12 months to 31 December 2013 Audited £'000
Operating activities:			
Results for the period after tax	93	(79)	(707)
Depreciation	48	60	119
Amortisation	15	14	29
Loss on disposal	-	-	1
Impairment of intangible asset	-	-	494
Tax credit	(85)	(145)	(71)
Interest expense	52	12	54
Change in inventories	66	128	108
Change in trade and other receivables	(300)	(472)	(542)
Change in trade and other payables	128	75	(440)
Cash generated/(consumed) in operations	17	(407)	(955)
Tax received	85	145	145
Net cash generated/(consumed) in operations	102	(262)	(810)
Investing activities:			
Additions to property, plant and equipment	(64)	(2)	(21)
Proceeds from disposals of property, plant and equipment	-	-	7
Additions of intangible assets	(26)	(38)	(126)
Cash consumed in investing activities	(90)	(40)	(140)
Financing activities:			
New loans	-	-	650
Movement in working capital facility	(18)	162	359
Discharge of finance lease liability	(4)	(5)	(18)
Proceeds from share issue	17	-	3
Interest paid	(52)	(12)	(54)
Cash (consumed)/generated in financing activities	(57)	145	940
Net change in cash and cash equivalents	(45)	(157)	(10)
Cash and cash equivalents, beginning of period	29	57	57
Exchange loss/(gain)	-	-	(18)
Cash and cash equivalents, end of period	(16)	(100)	29

Bank overdraft of £40,000 (30 June 2013: £133,000) (31 December 2013: £101,000) 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 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 and as a level 1 American Depositary Receipt.

These condensed interim consolidated financial statements ("interim financial statements" or "interim report") are for the six months ended 30 June 2014. 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 2013.

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 2013 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 2013.

These interim financial statements were approved by the board on 23 September 2014.

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 2013. 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.

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, the supply of plastic products, the development of plastic products, and the development of recycling technologies.

Business segments	Plastics Sales	Plastics R&D	Recycling tech.	Group
6 months to 30 June 2014	£'000	£'000	£'000	£'000
Segment revenues	3,328	-	-	3,328
Apportioned costs	(2,860)	(253)	(92)	(3,205)
EBITDA	468	(253)	(92)	123
Depreciation and amortisation	(54)	(9)	-	(63)
Interest	(52)	-	-	(52)
Taxation	-	69	16	85
Profit/(loss) for the period	362	(193)	(76)	93

Business segments	Plastics Sales	Plastics R&D	Recycling tech.	Group
6 months to 30 June 2013	£'000	£'000	£'000	£'000
Segment revenues	3,588	-	-	3,588
Apportioned costs	(3,312)	(311)	(103)	(3,726)
EBITDA	276	(311)	(103)	(138)
Depreciation and amortisation	(62)	(12)	-	(74)
Interest	(12)	-	-	(12)
Taxation	-	145	-	145
Profit/(loss) for the period	202	(178)	(103)	(79)

Business segments	Plastics	Plastics R&D	Recycling tech.	Group
12 months to 31 December 2013	£'000	£'000	£'000	£'000
Segment revenues	7,190	-	-	7,190
Apportioned costs	(6,413)	(553)	(805)	(7,771)
EBITDA	777	(553)	(805)	(581)
Non – recurring costs				
Depreciation and amortisation	(124)	(24)	-	(148)
Interest	(49)	-	-	(49)
Taxation	-	71	-	71
Profit/(loss) for the year	604	(506)	(805)	(707)

Revenues stated are from external customers.

There were no inter-segment revenues for the above periods.

The segmental profile for the Group has been adjusted to show a fairer position for the revenue generating side of the business and similarly the costs incurred in R&D. Plastics Sales generate and maintain revenues relating to plastic additives, masterbatches and finished products. Plastics R&D include all new product development and research expenditure.

There has been no change in total assets other than in the ordinary course of business.

5 Shares issued

There were no shares issued during the period under review. Shares issued over previous periods may be summarised as follows:

	6 months to 30 June 2014	6 months to 30 June 2013	Year to 31 December 2013
Shares issued and fully paid			
- beginning of period	128,119,377	127,994,377	127,994,377
- issued during the period	700,000	-	125,000
Total equity shares issued and fully paid at end of period	128,819,377	127,994,377	128,119,377

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 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 2014	6 months to 30 June 2013	Year to 31 December 2013
Loss attributable to owners of the company	£93,000	£(79,000)	£(707,000)
Weighted average number of ordinary shares in issue	128,292,828	127,994,377	128,010,884
Basic loss per share	0.07 pence	(0.06) pence	(0.55) pence
Dilutive effect of weighted average options (*)	17,626,500	-	-
Total of weighted average shares together with dilutive effect of weighted options and warrants	145,919,328	127,994,377	128,010,884
Diluted loss per share	0.06 pence	(0.06) pence	(0.55) pence

No dividends were paid for the year ended 31 December 2013.

(*)The effect of options for the 2013 periods are anti-dilutive.

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.