13 April 2015

SYMPHONY ENVIRONMENTAL TECHNOLOGIES PLC

(“Symphony” or the “Group”)

Preliminary Results for the year ended 31 December 2014

Symphony Environmental Technologies Plc (AIM: SYM and NASDAQ OTC: SEPTY), a global specialist in products and technologies that are ñmaking plastic smarterò, is pleased to announce its preliminary results for the year ended 31 December 2014.

Highlights

- Revenues decreased 12% to £6.35 million (2013: £7.19 million)
- Gross profit decreased 11% to £3.16 million (2013: £3.55 million)
- Operating loss reduced by 63% to £0.27 million (2013: loss £0.73 million, including £0.57 million non-recurring expenditure)
- Loss after tax reduced by 56% to £0.31 million (2013: loss £0.71 million)
- R&D costs included in loss, £0.41 million (2013: £0.55 million)
- Plastics Sales and R&D division EBITDA profit £0.08 million (2013: profit £0.22 million)
- Recycling Technologies division EBITDA loss £0.20 million (2013: loss £0.81 million)
- Basic loss per share reduced by 58% to 0.23p (2013: loss per share 0.55p)
- Cash used in operations reduced by 88% to £0.10 million (2013: £0.81 million)
- Directorsô shareholding increased to 24.9% (2013: 19.5%)
- £1.58 million raised in equity placing on 17 November 2014
- Awarded ABNT Ecolabel in January 2015

Chairman’s Statement

I am pleased to report a 63% reduction in the operating loss from £0.73 million in 2013 to £0.27 million in 2014. The loss in 2013 included £0.57 million of non-recurring expenditure (2014: £nil). Cash used in operations reduced by 88% to just £0.10 million in 2014 from £0.81 million in 2013. The balance sheet was strengthened in the final quarter after an equity placing raised £1.58 million in November 2014.

Group revenues reduced by 12% from £7.19 million in 2013 to £6.35 million in 2014. Revenues are mainly derived from d2w masterbatch sales, and these had been affected by timing issues in a number of markets. As previously reported, legislative momentum in favour of d2w type products continues in several countries. Whilst there have been delays in implementation and enforcement of the legislation in certain jurisdictions, our local distributors have recently noticed material progress in this area. However, the Board remains cautious over the timing of sales in these locations.

Oxo-biodegradables are now seriously debated in the worldôs largest markets including the European Union where they are trying to resolve the problems of waste minimisation and reducing plastic litter. The need for change is more apparent than before and oxo-biodegradables are in the right space at the right time. We were pleased that in March 2015, Symphonyôs Chief Executive, Michael Laurier, was a speaker at the International Conference on the marine environment at the United Nations.

We remain optimistic about our product positioning and are particularly pleased with certain external recognitions thereof, such as the recent award to Symphony of the prestigious ABNT Ecolabel. ABNT is accredited by INMETRO for certification of products, and INMETRO is a member of the International

Accreditation Forum. The criteria for awarding an Ecolabel are to preserve environment quality and minimise pollution caused by production, use and disposal of products and services.

Significant development work was undertaken during the year for both of our two main technologies, such costs totalling £0.41 million in the year (2013: £0.55 million). In addition, a new high-tech R&D facility was opened in May 2014 by our local mayor at our head office in Borehamwood, UK. We choose to make these significant investments in R&D as we see potential future demand for a broadened technology range.

Our d2p ñdesigned to protectò range has now increased to six product lines encompassing many different formulations including anti-microbial, odour adsorbing and insect repellent.

Trials continue in many countries on end-products including toys, cutting boards, water pipes, tooth brushes, bags-for-life and gloves amongst many others. Some of these developments are with global multi-billion pound organisations.

Trials and evaluations for both d2w and d2p products can take many years, especially with larger organisations. These are sometimes complex processes involving many departments and many personnel within the end-user including purchasing, marketing, technical, and product development. We have a large pipeline which ages from over two years to current covering many types of organisation in countries throughout our whole global distribution network, with a number of trials close to decision time. However, due to the number of complexities involved in the final decision, whilst the projects are progressing well, the Board again remains cautious on timing of any sales from such trials and evaluations.

In December 2014 Shaun Robinson was appointed to the Board of Symphony, and we are already grateful for his contribution to date. The Board is also pleased to have such strong commitment and support from Somerston Group who participated in the placing in November 2014. This commitment to the business was reciprocated by Michael Laurier, with his purchase of an additional 750,000 shares at the time of the placing. With Shaun Robinson as a Board Director, the Directorsõ have a beneficial interest in 24.9% of the Companyõs ordinary shares (2013: 19.5%).

I would like to thank the Board, the staff, and our Distributors for all their work in 2014, and we look forward to 2015 with confidence.

N Deva DL FRSA MEP
Chairman

Contacts

Symphony Environmental Technologies Plc
Michael Laurier, CEO — **Tel: +44 (0) 20 8207 5900**
Ian Bristow, FD

Cantor Fitzgerald Europe
David Foreman/Michael Reynolds (Corporate Finance) — **Tel: +44 (0) 20 7894 7000**
David Banks/Tessa Sillars (Corporate Broking)

Blytheweigh
Halimah Hussain — **Tel: +44 (0) 20 7138 3204**
Andrea Benton

Chief Executive's Review

Much has been achieved in 2014 in the further development of our technologies, and product range. New IP formulations have been created, and major trials following signed agreements continue with some of the worldõs largest companies. The commercial objectives have been clearly defined within each project and trial. The potential value, if only some of these trials succeed, is considerable. As a result, we have continued to invest resources into each project.

Commercially for d2w, we have seen several countries either taking steps to enforce legislation or to pass new legislation in favour of oxo-biodegradable plastic technology. This is an unknown process so it has been difficult to predict timing or value, and as such, no material financial effect occurred in the year under review.

For d2p, there is strong commercial interest to buy our technology, and small orders are now starting to be placed. We have continued to develop and process new formulations, conduct trials, and seek regulatory approvals in the countries and products that require these approvals. The d2p development has been significant since our formulations have expanded beyond polymer master-batch into active powders and liquids.

The Group's pre-tax loss for the year reduced to £0.39 million from £0.78 million in 2013. Within these losses, R&D expenditure of £0.41 million (2013: £0.55 million) was expensed in the statement of comprehensive income.

Trading results

Group revenue decreased by 12% to £6.35 million (2013: £7.19 million), but Group gross profit margins increased slightly to 49.8% from 49.3% in 2013. The contribution from gross profit was £3.16 million (2013: £3.55 million).

Recurring administrative expenses decreased by 8% to £3.26 million (2013: £3.53 million) due to the effect of savings implemented during 2013. Non-recurring administrative expense of £0.57 million were incurred in 2013 but there were no non-recurring items in 2014.

Including non-recurring items, the Group made an operating loss of £0.27 million in 2014 compared to an operating loss of £0.73 million in 2013. This resulted in loss before tax of £0.39 million in 2014 (2013: loss £0.78 million).

Excluding non-recurring items, the Group made an EBITDA loss of £0.14 million in 2014 (2013: loss £0.01 million) with an operating loss of £0.27 million (2013: loss £0.16 million).

The Group reports a loss for the year of £0.31 million (2013: loss £0.71 million) with basic loss per share of 0.23 pence (2013: loss per share 0.55 pence).

Development costs of £0.26 million were capitalised in 2014 (2013: £0.12 million), and the net book value of capitalised development costs at the end of the year amounted to £1.13 million. Further development expenditure of £0.41 million (2013: £0.55 million) was expensed directly to the statement of comprehensive income. Capitalised development costs represent 8% of expenses as detailed above. Within the total amount of £1.13 million capitalised to date less amortisation and impairment, £0.16 million relates to d_2w products which have been developed and are being sold, while the balance of £0.97 million, relates to further environmental plastic applications still in development and where we believe significant revenues will be generated in the foreseeable future.

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 2014 the Group had a net balance of US Dollar assets totalling $0.64 million (2013: $0.56 million).

Segmental analysis

The Group operates two business divisions being the Plastics Division (Symphony Environmental Limited or “SEL”) and the Recycling Technologies division (Symphony Recycling Limited or “SRT”). Within SEL there are two operating segments; “Plastics Sales” which generate and maintain revenues relating to plastic additives, masterbatches and finished products, and “Plastics R&D” which includes all new product development and research expenditure.

Plastics Sales, which represent all Group sales, generated an EBITDA profit £0.49 million (2013: £0.78 million). Plastics R&D incurred an EBITDA loss of £0.41 million (2013: £0.55 million).

SRT has no revenues to date and incurred expenditure of £0.22 million in the year, resulting in an EBITDA loss of the same amount (2013 expenditure and EBITDA loss: £0.81 million). As previously stated, the Board's strategy is to commercialise SRT. We have reduced costs and are still investigating areas where this can be achieved.

Cashflow

The Group used cash of £0.10 million from operations (2013: cash used £0.81 million). The Group has a £1 million trade finance facility with HSBC Bank plc of which £0.15 million was drawn down as at 31 December 2014 (2013: £0.58 million). The invoice-finance facility increased in line with receivables. In addition to these facilities, the Group had borrowed a further £0.65 million through unsecured loans. These loans were repaid in January 2015.

The Group had net cash in the bank of £0.59 million at the year-end (2013: £0.03 million), plus trade receivables of £1.27 million (2013: £1.16 million) and continues to work comfortably within its facilities.

Outlook

A positive trend clearly shows a strategy that is working across several key business drivers. The first being new legislation in support of oxo-biodegradable technology like d2w. The second is the enforcement and widening of the scope of existing legislation. The third is a gentle domino effect from the legislation together with a growing momentum of companies that want to upgrade their sustainability credentials without supply disruption or increased cost.

The Group has seen an increase in d2w activity in the current year where there is legislation in place and indications of a strengthening position later in the year.

There is a similar positive trend for the growing range of d2p products. Many of our global distributors have shown serious interest by requesting trials and product evaluations. As stated above, there have been some orders to date, the volumes so far being small as expected. The new d2p bag4life, medical products, toys, food and non-food containers, and industrial packaging applications, are all areas where we expect substantial sales activity in the medium term.

I am confident that our strategy will continue to work in a world that needs both of our main technologies d2w and d2p. Plastic pollution, health and food protection are, and will remain important concerns in today's society.

Our expectations for 2015 and beyond are to deliver positive and meaningful growth.

Michael Laurier
Chief Executive

Consolidated statement of comprehensive income
for the year ended 31 December 2014

		2014		2013	
	Note	**£'000**	**£'000**	£'000	£'000
Revenue			**6,352**		7,190
Cost of sales			**(3,191)**		(3,644)
Gross profit			**3,161**		3,546
Distribution costs			**(165)**		(179)
Administrative expenses – recurring		**(3,261)**		(3,526)	
Administrative expenses – non-recurring		**-**		(570)	
Administrative expenses			**(3,261)**		(4,096)
Operating loss – recurring		**(265)**		(159)	
Operating loss – non-recurring		**-**		(570)	
Operating loss			**(265)**		(729)
Finance income			**1**		5
Finance costs			**(126)**		(54)
Loss for the year before tax			**(390)**		(778)
Taxation			**85**		71
Loss for the year			**(305)**		(707)
Total comprehensive income for the year			**(305)**		(707)
Basic loss per share	3		**(0.23)p**		(0.55)p
Diluted loss per share	3		**(0.23)p**		(0.55)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 2014

Company number 3676824

	Note	**2014** **£'000**	2013 £'000
Assets			
Non-current			
Property, plant and equipment		**372**	394
Intangible assets		**1,169**	937
Deferred income tax asset		**1,142**	1,142
		2,683	2,473
Current			
Inventories		**576**	528
Trade and other receivables		**1,425**	1,366
Cash and cash equivalents		**938**	130
		2,939	2,024
Total assets		**5,622**	4,497
Equity			
Equity attributable to shareholders of Symphony Environmental Technologies plc			
Ordinary shares		**1,446**	1,281
Share premium		**3,077**	1,650
Retained earnings		**(807)**	(502)
Total equity		**3,716**	2,429
Liabilities			
Non-current			
Interest bearing loans and borrowings		**-**	3
		-	3
Current			
Interest bearing loans and borrowings		**1,153**	1,339
Trade and other payables		**753**	726
		1,906	2,065
Total liabilities		**1,906**	2,068
Total equity and liabilities		**5,622**	4,497

Consolidated statement of changes in equity
for the year ended 31 December 2014

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 2014				
Balance at 1 January 2014	1,281	1,650	(502)	2,429
Issue of share capital	165	1,427	-	1,592
Transactions with owners	165	1,427	-	1,592
Loss and total comprehensive income for the year	-	-	(305)	(305)
Balance at 31 December 2014	**1,446**	**3,077**	**(807)**	**3,716**
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
Loss and total comprehensive income for the year	-	-	(707)	(707)
Balance at 31 December 2013	**1,281**	**1,650**	**(502)**	**2,429**

Consolidated cash flow statement
for the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Operating activities			
Net cash used in operations	4	**(180)**	(955)
Tax received		**85**	145
Net cash used in operating activities		**(95)**	(810)
Investing activities			
Additions to property, plant and equipment		**(77)**	(21)
Proceeds from disposals of property, plant and equipment		**-**	7
Additions to intangible assets		**(261)**	(126)
Net cash used in investing activities		**(338)**	(140)
Financing activities			
New loans		**-**	650
Movement in working capital facility		**(432)**	359
Discharge of finance lease liability		**(9)**	(18)
Proceeds from share issue		**1,592**	3
Interest paid		**(126)**	(54)
Net cash generated in financial activities		**1,025**	940
Net change in cash and cash equivalents		**592**	(10)
Cash and cash equivalents, beginning of year		**29**	57
Foreign exchange provision loss		**(36)**	(18)
Cash and cash equivalents, end of year		**585**	29

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

	2014 £'000	2013 £'000
Loans and receivables:		
Cash at bank and in hand	**938**	130
Financial liabilities measured at amortised cost:		
Bank overdraft	**(353)**	(101)
Cash and cash equivalents, end of year	**585**	29

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 2014.

The financial information set out in this report does not constitute the Company’s statutory accounts for the years ended 31 December 2014 or 2013 but is derived from the 2014 accounts. Statutory accounts for 2013 have been delivered to the Registrar of Companies and those for 2014 will be delivered in due course. The auditor has reported on the financial statements for the year ended 31 December 2014; 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 three service lines as operating segments, “Plastics Sales”, “Plastics R&D”, and “Recycling Technologies (Recycling Tech)”. “Plastics Sales” generate and maintain revenues relating to plastic additives, masterbatches and finished products. “Plastics R&D” which includes all new product development and research expenditure. 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 2014 are as follows:

Business segments	**Plastics Sales**	**Plastics R&D**	**Recycling Tech.**	**Group**
Year to 31 December 2014	**£’000**	**£’000**	**£’000**	**£’000**
Segment revenues	6,352	-	-	6,352
Apportioned costs	(5,864)	(406)	(219)	(6,489)
EBITDA	**488**	**(406)**	**(219)**	**(138)**
Depreciation and amortisation	(103)	(25)	-	(128)
Interest	(125)	-	-	(125)
Taxation	-	69	16	85
Profit/(loss) for the year	**260**	**(362)**	**(203)**	**(305)**

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

Business segments	**Plastics**	**Plastics R&D**	**Recycling Tech.**	**Group**
Year 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)**
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.

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

Basic and diluted	**2014**	2013
Loss profit attributable to equity holders of the Company	**£(305,000)**	£(707,000)
Weighted average number of ordinary shares in issue	130,255,952	128,010,884
Basic loss per share	**(0.23) pence**	(0.55) pence
Dilutive effect of weighted average options	-	-
Total of weighted average shares together with dilutive effect of weighted options	130,255,952	128,010,884
Diluted loss per share	**(0.23) pence**	(0.55) pence

No dividends were paid for the year ended 31 December 2014 (2013: £nil). The effect of options in 2014 and 2013 are anti-dilutive.

23,126,500 options were outstanding at the end of the year which may become dilutive in future years.

The loss before non-recurring items is £305,000 (2013: £137,000) and the basic and diluted loss per share using the weighted average number of ordinary shares of 130,255,952 (2013: 128,010,884) is 0.23 pence (2013: loss 0.55 pence).

4 Net cash used from operations

	2014 £'000	2013 £'000
Loss after tax	**(305)**	(707)
Adjustments for:		
Depreciation	**89**	119
Amortisation	**29**	29
Impairment of intangible asset	**-**	494
Loss on disposal	**10**	1
Tax credit	**(85)**	(71)
Interest expense	**126**	54
Changes in working capital:		
Inventories	**(47)**	108
Trade and other receivables	**(24)**	(542)
Trade and other payables	**27**	(440)
Cash used in operations	**(180)**	(955)

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 a range of additives, concentrates and master-batches marketed as d2p which can be incorporated in a wide variety of plastic and non-plastic products and applications so as to give them protection against many different types of bacteria, fungi, algae, mold and insects.

In addition Symphony has developed controlled-life plastic technology which turns ordinary plastic at the end of its service-life into biodegradable materials. 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.

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 77 distributors around the world. Products made with Symphony's plastic technologies are now available in 97countries and in many different product applications. Symphony is certified to ISO9001 and ISO14001.

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 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).

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