20 April 2016

SYMPHONY ENVIRONMENTAL TECHNOLOGIES PLC

("Symphony" or the "Group")

Preliminary Results for the year ended 31 December 2015

Symphony Environmental Technologies Plc (AIM: SYM and NASDAQ OTC: SEPTY), a global specialist in products and technologies that "make plastic smarter", announces its preliminary results for the year ended 31 December 2015.

Highlights

- Revenues of £6.37 million (2014: £6.35 million)
- Gross profit of £2.93 million (2014: £3.16 million)
- Operating loss before non-recurring costs of £0.97 million (2014: loss £0.27 million)
- Non-recurring costs £1.31 million (2014: £nil)
- Loss before tax of £2.31 million (2014: loss of £0.39 million)
- Loss after tax of £3.33 million (2014: loss £0.31 million)
- Basic loss per share of 2.26p (2014: loss per share 0.23p)
- Cash generated in operations of £0.03 million (2014: cash used in operations £0.10 million)
- Somerston placing of £500,000 at 10p per ordinary share
- Directors purchase of 501,000 shares during the year

Post year-end

- 1st quarter revenues 8% higher than same period last year
- Operating costs expected to reduce by approximately £750,000 for 2016
- Completion of new Recycling Study into oxo-biodegradable technology
- Launched new corporate website

Nirj Deva, Chairman of Symphony, said:

The year under review included some major investments in marketing and development costs, however, revenues remained disappointingly static, resulting in the operating loss before exceptional items increasing to £0.97 million (2015: £0.27 million).

As a result of the above, and following years of significant investment into our d2w oxo-biodegradable plastic masterbatch range, the Group's primary revenue generating technology, the Board has carried out a strategic review of its technologies and their operating position.

- For d2w, a number of successful commercial milestones have been achieved. As a result, the technology's main sustainability credentials namely, Eco-label, Recycling Studies, Bio-degradation and Eco-toxicity on land and in the sea have been enhanced. This is in addition to an earlier Life Cycle Analysis in support of oxo-biodegradable technology. Symphony has, and continues to achieve, positive political momentum in several overseas markets where Governments aim to resolve the plastic litter crisis without damaging the plastic industry. Accordingly, the Board has decided that it will substantially reduce, but not eliminate, its investment into product development and marketing as it is unlikely to have a short to medium term impact on the Group's revenue generation. The Board believes that the opportunities for d2w oxo-biodegradable plastic will remain at the same high levels, despite a reduced level of investment.

- For d2p, significant technological milestones have been achieved and although the Board is confident that material sales can result in the near future, there is an uncertainty in relation to timing. The Group has therefore realigned its focus, cost and investment into d2p “designed to protect” plastic additives and masterbatches. The Board has successfully developed a number of new formulations in the d2p range, including but not limited to the following; anti-microbial, flame retardant, and insecticides. Some of these technologies may require certification or regulatory clearance before commercial use and the Board is working hard to obtain these with our distributors. d2p has a number of synergies with our established markets and customers, and the Group has a high number of sales opportunities that could result in a material increase in revenue in the near term. Due to both technical and regulatory reasons, no certainty of success can be given, however the Board has received positive indications from potential customers for the new products.

The impact of the strategic review on its technologies affects Symphony in the following ways:

- The Group has been able to significantly reduce its ongoing operating and marketing costs, which are expected to show a reduction of approximately £750,000 in 2016.

- The Board have reduced their fixed remuneration.

- Management are more focused on delivering products and technologies which will create shorter term value for shareholders.

- The cost base is now better aligned with the Group’s current levels of revenue, with potential upside should sales increase.

- Given the uncertainty, a number of items being carried on the Group’s balance sheet have been impaired including development costs relating mainly to d2p of £1.28 million and the deferred tax asset of £1.14 million, as well as a prudent review of inventory and aged receivables provisions.

The Company has, and can foresee, no working capital constraints as a result of these changes.

The Board would like to thank its shareholders, management, distributors and staff for their steadfast commitment and dedication towards the commercial success of the business.

N Deva DL FRSA MEP
Chairman

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Chief Executive's review

The Group successfully completed an important phase in its long term d2w development plan and no longer requires the same level of investment, time and overhead cost to realise the full sales potential for this technology.

d2w® – Controlled-life Plastic Technology
Symphony d2w technology is known globally as an important technology and credible brand that is helping governments deal with the issue of plastic pollution and litter without the need to ban plastic products. d2w has been trialled and tested over a long period of time by a wide range of organisations. It is the only oxo-biodegradable technology that has a complete set of sustainable credentials, namely, Life Cycle Assessment "LCA", Eco-label, Millennium Product, Eco-Toxicity, Bio-degradation, Recycling and membership to the important trade body, The Oxo-biodegradable Plastic Association "OPA".

Consistent with previous years, the range of d2w masterbatches and products represented the majority of the Group's revenues in 2015. Towards the year end it became clear that costs and investments could be reduced or even eliminated as the business had achieved one of its primary objectives, namely to create demand through positive Corporate Social Responsibility "CSR" credentials and legislative drivers. It was also clear that sales should grow from the many on-going and established relationships and projects. The main drivers for d2w technology have been; organisations that need a low cost, easy to change, pragmatic solution to improve their CSR and environmental credentials, and governments that urgently needed to resolve the many issues created by plastic litter on land and in the oceans, and without materially increasing the cost of packaging or risk to food and health. The legislative drive in support of our d2w biodegradable type technology is continuing albeit mostly outside of Europe and the USA where recycling and litter collection are well-developed and where they do not have the same level of issues created by litter that impact the less developed nations. The Board has started to see slow, but gradual enforcement of laws aimed at encouraging or enforcing the use of oxo-biodegradable plastic in a number of developing nations.

d2p™ - Technology that is designed to protect
Symphony's product diversification and expansion strategy is being driven under the umbrella of the d2p brand which is gaining momentum in many applications within the global distribution network.

Symphony continues its investment into creating intellectual property for the growing number of d2p products. Some of these technologies require certification or regulatory clearance before commercial use, and some do not. Customer trials have been on-going for a number of years and some have been initiated in the period under review. From these, a number of trials have completed successfully with initial modest sales being achieve. Moving forward, given the stage of development now reached for the d2p range of technologies, the level of investment required on an on-going operating basis is expected to be less than in previous periods.

Due to confidentiality, details cannot be provided at this stage other than to say that these projects cover several countries and industry sectors. In particular, the business has one major project at contract negotiation phase after the completion of successful trials over the past 18 months.

Trading results

Group revenues were marginally higher at £6.37 million (2014: £6.35 million) albeit with a reduced gross profit margin at 46.0% from 49.8% in 2014. The contribution from gross profit was also reduced at £2.93 million versus £3.16 million in FY14. The fall in gross margin was driven by a less profitable sales mix during the back end of the year and a year-end stock impairment provision of £0.08 million.

Recurring administrative expenses increased by 12.9% to £3.68 million (2014: £3.26 million) due to an increase in R&D and marketing costs together with an increase in the receivables impairment provision of £0.12 million. Non-recurring administrative expense of £1.31 million were incurred in 2015 (2014: £nil) which included a £1.28 million impairment charge relating to development cost within intangible fixed assets, and £0.03 million relating to staff adjustments, following the strategic review.

Including non-recurring items, the Group made an operating loss of £2.29 million in 2015 compared to an operating loss of £0.27 million in 2014. This resulted in a loss before tax of £2.30 million in 2015 (2014: loss £0.39 million).

Excluding non-recurring items, the Group made an EBITDA loss of £0.84 million in 2015 (2014: loss £0.14 million) with an operating loss of £0.97 million (2014: loss £0.27 million). The increase in loss was due to marketing and R&D cost increases, together with the impairment provisions against receivables and stock as detailed above.

Included within the taxation charge of £1.03 million (2014: tax credit £0.09 million) is a deferred tax asset impairment of £1.14 million (2014: £nil) following the strategic review, together with an R&D tax credit of £0.11 million (2014: £0.09 million).

The Group therefore reports a loss for the year of £3.33 million (2014: loss £0.31 million) with basic loss per share of 2.26 pence (2014: loss per share 0.23 pence).

The Group's primary selling currency is the US Dollar. The Group had no contractual hedging instruments at the end of 2015 and 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 2015 the Group had a net balance of US Dollar assets totalling $0.82 million (2014: $0.64 million). A majority of the Group's revenue is in US Dollars and accordingly, a strong dollar is beneficial for the Group.

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 loss of £0.35 million (2014: profit £0.49 million). This loss compared to the previous year was the result of significantly increased marketing spend, together with the asset provisions detailed above. Plastics R&D incurred an EBITDA loss of £0.52 million (2014: £0.41 million).

SRT has no revenues to date and incurred a small amount of maintenance expenditure in 2015. In 2014 SRT had incurred costs of £0.22 million. The Board's strategy is to commercialise SRT with an appropriate partner when identified.

Cashflow

The Group generated cash of £0.03 million from operations (2014: cash used £0.10 million). The Group has a £1 million trade finance facility with HSBC Bank plc of which £0.16 million was drawn down as at 31 December 2015 (2014: £0.15 million).

The Group had net cash in the bank of £0.17 million at the year-end (2014: £0.59 million), with trade receivables of £0.72 million (2014: £1.27 million) and continues to work comfortably within its banking facilities.

Outlook

The results for 2015 reflect the continued investment phases for both our d2w and d2p technologies, and we have now set a much lower operating cost basis for the business going forward. The business is transitioning away from product development activities that required capital for long-term returns and is now moving towards a stronger focus on shorter-term commercialisation and sales opportunities.

Sales for the first quarter of 2016 are 8% higher than for the same period last year, and on a conservative basis for the full year the Board expects to achieve moderate sales growth whilst maintaining gross margins. In addition, the Board expects operating costs for the full year 2016 to be approximately £750,000 lower than 2015.

The Board considers the longer term sales prospects for both d2p and d2w as being positive as a result of the new d2p technologies being capable of commercialisation, and for d2w, where there is enforcement of legislative changes.

The Group has been working for some time on a number of high-profile projects for both its technologies and the Board believe these are progressing well, although it should be noted that no certainty of success can be provided at this stage.

I am pleased to confirm that the Group has sufficient working capital to execute its strategy and to complete its short to medium term objectives. As an operationally geared business, now running with a significantly lower cost base, the Board looks forward to a financially more successful year in 2016.

Michael Laurier, Chief Executive

Consolidated statement of comprehensive income
for the year ended 31 December 2015

		2015		2014	
	Note	**£'000**	**£'000**	£'000	£'000
Revenue			**6,365**		6,352
Cost of sales			**(3,437)**		(3,191)
Gross profit			**2,928**		3,161
Distribution costs			**(221)**		(165)
Administrative expenses – recurring		**(3,679)**		(3,261)	
Administrative expenses – non-recurring		**(1,313)**		-	
Administrative expenses			**(4,992)**		(3,261)
Operating loss – before non-recurring items		**(972)**		(265)	
Operating loss – non-recurring		**(1,313)**		-	
Operating loss			**(2,285)**		(265)
Finance income			**-**		1
Finance costs			**(16)**		(126)
Loss for the year before tax			**(2,301)**		(390)
Taxation			**(1,031)**		85
Loss for the year			**(3,332)**		(305)
Total comprehensive income for the year			**(3,332)**		(305)
Basic loss per share	3		**(2.26)p**		(0.23)p
Diluted loss per share	3		**(2.26)p**		(0.23)p

Consolidated statement of financial position
as at 31 December 2015

	2015 £'000	2014 £'000
Assets		
Non-current		
Property, plant and equipment	**397**	372
Intangible assets	**73**	1,169
Deferred income tax asset	**-**	1,142
	470	2,683
Current		
Inventories	**477**	576
Trade and other receivables	**852**	1,425
Cash and cash equivalents	**122**	938
	1,451	2,939
Total assets	**1,921**	5,622
Equity		
Equity attributable to shareholders of Symphony Environmental Technologies plc		
Ordinary shares	**1,499**	1,446
Share premium	**3,533**	3,077
Retained earnings	**(4,139)**	(807)
Total equity	**893**	3,716
Liabilities		
Non-current		
Interest bearing loans and borrowings	**6**	-
	6	-
Current		
Interest bearing loans and borrowings	**170**	1,153
Trade and other payables	**852**	753
	1,022	1,906
Total liabilities	**1,028**	1,906
Total equity and liabilities	**1,921**	5,622

Consolidated statement of changes in equity
for the year ended 31 December 2015

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 2015				
Balance at 1 January 2015	1,446	3,077	(807)	3,716
Issue of share capital	53	456	-	509
Transactions with owners	53	456	-	509
Loss and total comprehensive income for the year	-	-	(3,332)	(3,332)
Balance at 31 December 2015	**1,499**	**3,533**	**(4,139)**	**893**
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**

The accompanying notes form an integral part of these financial statements.

Consolidated cash flow statement
for the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
Operating activities			
Net cash used in operations	4	**(80)**	(180)
Tax received – R&D tax credits		**111**	85
Net cash generated/(used) in operating activities		**31**	(95)
Investing activities			
Additions to property, plant and equipment		**(141)**	(77)
Additions to intangible assets		**(212)**	(261)
Net cash used in investing activities		**(353)**	(338)
Financing activities			
Repayments of borrowings		**(650)**	-
Movement in working capital facility		**15**	(432)
Movement in finance lease liability		**7**	(9)
Proceeds from share issue		**509**	1,592
Interest paid		**(16)**	(126)
Net cash generated from financing activities		**(135)**	1,025
Net change in cash and cash equivalents		**(457)**	592
Cash and cash equivalents, beginning of year		**585**	29
Foreign exchange losses		**(11)**	(36)
Cash and cash equivalents, end of year		**117**	585

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

	2015 £'000	2014 £'000
Loans and receivables:		
Cash at bank and in hand	**122**	938
Financial liabilities measured at amortised cost:		
Bank overdraft	**(5)**	(353)
Cash and cash equivalents, end of year	**117**	585

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 2015.

The financial information set out in this report does not constitute the Company's statutory accounts for the years ended 31 December 2015 or 2014 but is derived from the 2015 accounts. Statutory accounts for 2014 have been delivered to the Registrar of Companies and those for 2015 will be delivered in due course. The auditor has reported on the financial statements for the year ended 31 December 2015; 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 2015 are as follows:

Business segments	**Plastics Sales**	**Plastics R&D**	**Recycling Tech.**	**Group**
Twelve months to 31 December 2015	**£'000**	**£'000**	**£'000**	**£'000**
Segment revenues	6,365	-	-	6,365
Apportioned costs	(6,715)	(521)	(5)	(7,241)
EBITDA	**(350)**	**(521)**	**(5)**	**(876)**
Depreciation and amortisation	(86)	(44)	-	(130)
Impairment of intangible assets	-	(1,234)	(45)	(1,279)
Interest	(16)	-	-	(16)
Taxation	(1,142)	111	-	(1,031)
Profit/(loss) for the year	**(1,594)**	**(1,688)**	**(50)**	**(3,332)**

The segmental results for the year ended 31 December 2014 are as follows:

Business segments	**Plastics**	**Plastics R&D**	**Recycling Tech.**	**Group**
12 months to 31 December 2014	**£'000**	**£'000**	**£'000**	**£'000**
Segment revenues	6,352	-	-	6,352
Apportioned costs	(5,874)	(406)	(219)	(6,499)
EBITDA	**478**	**(406)**	**(219)**	**(147)**
Depreciation and amortisation	(93)	(25)	-	(118)
Interest	(125)	-	-	(125)
Taxation	-	69	16	85
Profit/(loss) for the year	**260**	**(362)**	**(203)**	**(305)**

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	**2015**	2014
Loss attributable to equity holders of the Company	**£(3,332,000)**	£(305,000)
Weighted average number of ordinary shares in issue	147,616,172	130,255,952
Basic loss per share	**(2.26) pence**	(0.23) pence
Dilutive effect of weighted average options	-	-
Total of weighted average shares together with dilutive effect of weighted options	147,616,172	130,255,952
Diluted loss per share	**(2.26) pence**	(0.23) pence

No dividends were paid for the year ended 31 December 2015 (2014: £nil). The effect of options in 2015 and 2014 are anti-dilutive.

24,756,500 options were outstanding at the end of the year which may become dilutive in future years.

The loss before non-recurring items is £2,019,000 (2014: £305,000) and the basic and diluted loss per share using the weighted average number of ordinary shares of 147,616,172 (2014: 130,255,952) is 1.37 pence (2014: loss 0.23 pence).

4 Net cash used from operations

	2015 £'000	2014 £'000
Loss after tax	**(3,332)**	(305)
Adjustments for:		
Depreciation	**101**	89
Amortisation	**29**	29
Impairment of intangible assets	**1,279**	-
Loss on disposal of tangible assets	**14**	10
Tax credit	**(111)**	(85)
Impairment of deferred tax asset	**1,142**	-
Interest expense	**16**	126
Changes in working capital:		
Inventories	**99**	(47)
Trade and other receivables	**584**	(24)
Trade and other payables	**99**	27
Cash used in operations	**(80)**	(180)

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, mould 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.

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 74 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.