

15 December 2006



**Symphony Plastic Technologies plc  
Trading Update and Convertible Redeemable Loan Facility**

Symphony Plastic Technologies Plc (“Symphony” or the “Group”), the degradable plastics and waste-to-energy company, is pleased to announce that, following the recent Trading Update on 13 October, trading is in line with management expectations of moving into profitability from quarter four of this year. Sales and gross profit margins continue to increase.

As reported in September’s Interim Results, this margin improvement follows the change in strategic direction of the Group and the re-focus from a high volume low-margin commodity business to a much leaner higher-margin environmental technology business. This transition has allowed the Group to expand into new markets and products and to take advantage of the significant opportunities provided.

The Board have concluded its review of the CARICOM business (Caribbean Community and Common Market) and is making a final provision of £500,000 against the bad debt of a former distributor. It is anticipated to recover this investment through new licence fee income over the next three years and materially enhanced sales in the region.

As part of this on-going strategic review Symphony has recently reviewed its North American investment in Degradable Polymer Products Inc. It is the Group’s view that the medium term value of this investment, based on current events, could be materially higher than the PUT Option price contained within the Distribution Agreement. As a result, the Group will no longer be exercising the PUT Option which had expected to be completed before the end of December 2006.

Any impact that this would have had on the business will be covered by a new £500,000 convertible redeemable loan facility with the Headstart Funds leaving the business in a cash neutral position. It is anticipated that the Group will not require the full facility which will be used to bridge the short-fall in cash-flow due to the Board’s decision not to exercise the PUT Option but wait for higher returns in the future.

This will be available for conversion into 1p ordinary shares after 120 days unless redeemed. Conversion into 1p ordinary shares is calculated at 95% of the lowest bid price during the 15 trading days prior to the conversion date. In addition 500,000 warrants have been issued at a subscription price of 15p per 1p ordinary share, 200,000 of which may be deferred up to one year. Interest on the loan is 8% per annum. The cost of redemption if made will be either 110% of the loan if repaid within 180 days, or 105% after 180 days.

Michael Laurier, Chief Executive of Symphony, said:

“The recent strategic review and the subsequent evolution of the business has been an extremely beneficial exercise for us both in terms of improving our revenues and enhancing our margins

Symphony continues to develop the many opportunities available in a wide range of applications and markets.

The restructuring of the CARICOM region has impacted the balance sheet but is positive in terms of maximising profitability and cash flow going forward. We are now in full control of the development in the region.

We continue to work towards the profitability of the business and look forward to the future with confidence.”

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Further information on Symphony Plastic Technologies plc:

Symphony develops and supplies environmentally responsible pro-degradant additives as well as plastic packaging products. The Group's main technology, marketed under the d2w® registered trademark, causes plastic to degrade, leaving only water, a minimal amount of carbon dioxide and trace amounts of non-toxic biomass over a short time period. The d2w® product range includes pro-degradant additives developed for an increasing variety of applications as well as a range of finished flexible plastic products.

Symphony has a diverse and growing customer base in the UK and has successfully established itself as an international business after signing distribution agreements with companies in Argentina, Brazil, Canada & USA, Chile, Colombia, India, Mexico, New Zealand, Peru, Portugal, South Africa, the Caribbean, Saudi Arabia, and Qatar. d2w® products can already be found in more than 40 countries.

Symphony is now marketing and developing innovative waste-to-energy technology processing plants and is exploring various opportunities where there is a demand to increase recycling of waste plastics, tyres and other waste streams by cost effective processes.

Further information on Symphony can be found at [www.symphonyplastics.com](http://www.symphonyplastics.com) and [www.degradable.net](http://www.degradable.net).