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“Sigma continues to make very strong progress and trading results reflect this, with earnings more than doubling over the first half of the year.

I am particularly pleased to highlight the calibre of investors we have attracted in the launch of our second sustainable energy venture capital fund, the Sigma Sustainable Energy Fund II. This fund, which will invest in sustainable energy technologies in the UK and Europe, is Sigma’s fourth venture capital fund and brings total venture capital funds under management to £74m, an increase of 155% since the year-end.

Looking ahead, we continue to view prospects for the Group very positively, with significant opportunities for growth across all three of our business activities.”

Brian Hadfield
Chairman

Chairman's Statement

Overview

2006 was a landmark year for Sigma and I am pleased to report that, as expected, the Group continues to make very strong progress. Most especially, towards the end of the first half year, in June, we launched a new venture capital fund, the Sigma Sustainable Energy Fund II, which, to date, has attracted a total of £45m of investment. This fund is Sigma's second sustainable energy fund and its fourth venture capital fund. It has been established to invest in sustainable energy technologies throughout the UK and Europe. We are particularly pleased that Scottish and Southern Energy plc, Bank of Scotland, and the investment vehicles of Sir Tom Hunter and Vincent Tchenguiz are participating as strategic partners and have invested in this fund.

After the first half year, in July, Sir Tom Hunter and Vincent Tchenguiz chose to make direct investments in Sigma and we completed placings with Sir Tom's investment partnership, West Coast Capital, and Elsinia Limited, a vehicle advised by Vincent Tchenguiz's Consensus Business Group, raising in aggregate £3.4m. We are delighted with this development and view it as a real endorsement of the business.

I am also very pleased to highlight the changes we have made to the composition and structure of the Board, which I outline in more detail below. These changes, including the appointment of three new directors, reflect the progress the business has made and provide additional robustness to the Board as we continue to grow.

Results

Total revenue for the first half year increased by 41% to £4.9m (2006: £3.5m) and resulted in profit from operations increasing by 64% to £1.5m (2006: £0.9m). Profit before tax rose by 76% to £1.6m from £0.9m last year and profit

after tax rose by 87% to £1.1m (2006: £0.6m). Earnings per share grew by 122% to 1.40p from 0.63p in the first six months of last year and exceed the earnings per share for the whole of 2006 (1.05p).

The improved cash balances, together with the repayment of the interest bearing preference shares in the property subsidiary, resulted in net finance income in the half year compared with a net finance cost in the prior period. The Group's cash balances improved to £4.0m as at 30 June 2007 (2006: £2.2m) and the placings of new shares in July, which raised £3.4m, has additionally strengthened the Group's net cash position and improved our ability to co-invest.

Operational Review

The Group's activities fall into three areas, venture capital fund management, university IP commercialisation and property investment.

Venture Capital Fund Management

Sigma now manages and is an investor in four funds, the Sigma Technology Venture Fund, ("the Venture Fund"), the Sigma Innovation Fund (East of Scotland) ("the Innovation Fund"), the Sigma Sustainable Energies Fund and the Sigma Sustainable Energy Fund II.

Sigma's fourth fund, the Sigma Sustainable Energy Fund II, was launched in June and its success in attracting very high calibre partners has been tremendous. A second closing in July saw the total investment in this fund rise to £45m and we secured limited partner contributions from: Scottish and Southern Energy plc ("SSE") at £10m, Bank of Scotland Corporate at £12.5m, Sir Tom Hunter's West Coast Capital at £10m, Elsinia Limited (a vehicle advised by Vincent Tchenguiz's Consensus Business Group) at £10m and Sigma Technology Investments Limited, at £2.5m.

Chairman's Statement (continued)

This takes the total venture capital funds under management to £74m, an increase of 155% from the end of the last financial year. This fund will remain open to further investors until June 2008 and has a target of £100m. All fees for any additional investment in the fund are backdated to the first closing date (14 June 2007), with a corresponding positive impact in this year. As with Sigma's other funds, this is a 10-year fund on which Sigma earns gross fees of 2% of committed funds.

I am pleased to report that in addition to SSE's capital commitment, the company is supporting the Sigma Sustainable Energy Fund II by committing resource and expertise. This extends the excellent working relationship we have developed with SSE through collaboration on Sigma's first energy fund, the Sigma Sustainable Energies Fund.

Both our Venture Fund and Innovation Fund made follow on investments in the period and a summary of these investments is included in the notes accompanying this statement. A total of £7.8m was invested in these follow on rounds by third party investors alongside the £0.5m invested by the Sigma funds. In addition, the Venture Fund chose to exit its investment in Tenison Technology EDA Limited generating a small profit in the period.

Two of our funds have an investment in i-design group plc ("i-design"), the media business which has developed and sells an ATM advertising solution called ATM:ad which enables banks and building societies to run their own and third party advertising across their ATMs. i-design successfully floated on AIM in July 2007 raising £3.5m (gross) with a market capitalisation on admission of £9.5m. In addition, the Group has a direct investment in i-design arising from the exercise of an option granted to the Group in 2004.

In October, in support of its sustainable energy funds, Sigma is launching the Sigma Capital Cleantech Index. The Sigma Capital Cleantech Index will comprise companies quoted on AIM that, in Sigma's opinion, have a material involvement in the development or deployment of technologies relating to renewable energy, energy efficiency, emission reduction or conservation of natural resources.

University IP Commercialisation

We have two preferential, long-term university partnerships in place, with the Robert Gordon University ("RGU") and the University of Dundee ("Dundee") to help both universities identify and progress commercialisation opportunities. We are beginning to see the first benefits of our activities in this sector, with the first equity stake expected shortly and with further spinout opportunities in the pipeline. We are making good progress in raising support for venture capital funds for this activity and, if successful, these will add further to our contracted funds under management.

Property Investment

The Group's investment management activity within the property sector is through its subsidiary, Strategic Investment Management Limited ("Si Management"), in which we have a 47.8% interest. Si Management completed one transaction in the first half of 2007, establishing its sixth limited partnership to acquire a 5-star hotel in Glasgow operated by Radisson, the global hotel company. The partnership was capitalised at £68m and the transaction generated total fees of £4.0m. Sigma's property team is currently working on its seventh and eighth limited partnerships. While the timing of completion of these deals is not entirely within our control, it represents continuing significant progress in this area of our business.

Board appointments

During the first half we restructured the Board with the aim of establishing a stronger operating framework and adding further experience and depth of resource. Joint Managing Directors, Graham Barnet and Neil Crabb, respectively assumed the positions of Chief Executive Officer and Chief Investment Officer. We appointed an additional executive Director, Mark Hogarth, who joined the Board in March as Investment Director. Mark has been with Sigma for five years and has served on the board of one of its operating subsidiaries for two years.

We also appointed two non-executive directors, David Sigsworth and James Wallace, respectively in June and July. David spent over ten years as a main board director of FTSE 100 utility companies, most recently on the board of SSE. David is actively involved in the sustainable energy sector and holds several associated non-executive directorships and has been appointed Chairman of the Scottish Environmental Agency. He is also Chairman of our Sigma Sustainable Energy Fund II. James Wallace is Chairman of Bodycote International plc, the world's leading supplier of specialist testing and thermal processing services and also is a non-executive director of a number of other listed companies.

I am also announcing that I am stepping down as non-executive Chairman of Sigma with effect from today but will remain on the Board as a non-executive director and chairman of the audit committee. I am pleased to advise that James Wallace succeeds me as non-executive Chairman and I have every confidence that he will build on the strong foundations we have laid which underpin the Group's next phase of development.

Outlook

We continue to make progress across all our areas of activity, venture capital, university IP commercialisation and property investment, but we are particularly pleased with the significant increase in contracted venture capital funds under management. We expect our contracted revenue from venture capital and advisory activities for 2007 to increase to 89% of revenue generated by these activities from 83% as at the end of last year primarily due to the second closing of the Sigma Sustainable Energy Fund II. There are clear opportunities for us to increase funds under management further and we have a target of £100m for our Sigma Sustainable Energy Fund II, with fees for any additional investment in the fund back-dated to the first closing date of 14 June 2007. This, combined with high activity and a greater range of opportunities arising from our new strategic relationships, gives us confidence as we look ahead at growth prospects for the Group. We continue to remain very positive over the outcome for the current financial year and while the timing of certain transactions will determine the final outcome for the year, we continue to grow and, most importantly, strengthen our business model.

Brian Hadfield

Chairman

27 September 2007

Consolidated Income Statement

For the six months ended 30 June 2007

Notes	Six months ended 30 June 2007 (unaudited) £'000	Six months ended 30 June 2006 (unaudited) £'000	Year ended 31 December 2006 (audited) £'000
	Revenue		
	4,716	3,407	7,979
	Other operating income		
	-	(1)	3
	165	9	(8)
	-	5	7
	55	74	150
	4,936	3,494	8,131
	(2,145)	(1,513)	(4,214)
	2,791	1,981	3,917
	(1,293)	(1,067)	(2,172)
	1,498	914	1,745
	91	41	97
	(17)	(63)	(121)
	1,572	892	1,721
3	(466)	(300)	(590)
	1,106	592	1,131
	Attributable to:		
	536	242	402
	570	350	729
	1,106	592	1,131
	Basic earnings per share		
4	1.40	0.63	1.05
	Diluted earnings per share		
4	1.38	0.63	1.04

All of the operations of the Group are continuing.

Consolidated Balance Sheet

At 30 June 2007

	Notes	As at 30 June 2007 (unaudited) £'000	As at 30 June 2006 (unaudited) £'000	As at 31 December 2006 (audited) £'000
Assets				
Non-current assets				
Goodwill		44	60	60
Property and equipment		59	52	63
Available for sale investments	5	2,555	2,105	2,312
Deferred tax asset		10	148	10
		2,668	2,365	2,445
Current assets				
Trade receivables		252	499	698
Other current assets		757	908	852
Trading investments		65	525	73
Cash and cash equivalents		3,963	1,961	2,388
Deposits		-	207	-
		5,037	4,100	4,011
Total assets		7,705	6,465	6,456
Liabilities				
Current liabilities				
Minority interests - non-equity		-	1,255	502
Trade and other payable		980	586	783
Current tax payable		765	329	300
		1,745	2,170	1,585
Non-current liabilities				
Preference share capital		750	750	750
Total liabilities		2,495	2,920	2,335
Net assets		5,210	3,545	4,121
Equity				
Equity attributable to equity holders of the parent				
Called-up share capital		385	383	384
Share premium account		14,114	14,076	14,104
Merger reserve		(249)	(249)	(249)
Share based payment reserve		61	35	43
Capital reserve		(7)	(7)	(7)
Retained earnings		(10,300)	(10,995)	(10,836)
		4,004	3,243	3,439
Minority interest - equity		1,206	302	682
Total equity	6	5,210	3,545	4,121

Consolidated Cash Flow Statement

For the six months ended 30 June 2007

	Six months ended 30 June 2007 (unaudited) £'000	Six months ended 30 June 2006 (unaudited) £'000	Year ended 31 December 2006 (audited) £'000
Net cash inflow from profit from operations	2,081	273	1,212
Return on investments and servicing of finance	74	41	51
Corporation tax paid	-	-	(178)
Capital expenditure and financial investment	(89)	(190)	(319)
Cash inflow before financing and management of liquid resources	2,066	124	766
Management of liquid resources	-	14	345
Financing - issue of equity	11	35	35
Financing - redemption of preference shares in subsidiary	(502)	-	(753)
Increase in cash in the period	1,575	173	393
Reconciliation of profit from operations to operating cash flows			
Profit from operations	1,498	914	1,745
Share based payments	18	8	16
Depreciation charges	22	19	40
Decrease/(increase) in debtors	511	(688)	(803)
Increase in creditors	197	28	209
Loss/(profit) on disposal of trading investments	-	1	(3)
Write (back)/write off of investments	(165)	(9)	8
Net cash inflow from operating activities	2,081	273	1,212

Notes

1. Basis of presentation

The interim report has been prepared using accounting policies consistent with International Accounting Standard 34, 'Interim Financial Reporting' for the first time. The accounting policies adopted, reconciliation of net assets as at transition date of 1 January 2006, the income statement for the year ended 31 December 2006 and the net assets at that date have been provided in the announcement on 24 April 2007. The reconciliation of the six-month period ended 30 June 2006 and net assets at that date are provided in note 2.

These unaudited financial statements were approved and authorised for issue by a duly appointed and authorised committee of the Board of Directors on 26 September 2007.

The interim financial statements do not comprise statutory accounts for the purpose of s240 of the Companies Act 1985. The comparatives for the full year ended 31 December 2006 are not the Company's full statutory accounts for that year. A copy of the statutory accounts for the year, which were prepared under UK GAAP, has been delivered to the Registrar of Companies. The auditor's report on these accounts was unqualified and did not contain a statement under section 237(2) or 237(3) of the Companies Act 1985.

The interim financial statements have not been audited or reviewed by the Company's auditor.

Notes (continued)

2. Financial effect of transition to IFRS on 2006 interim results

As at 30 June 2006	Note	UK GAAP 30.06.06 £'000	Reclassifications £'000	Adjustments £'000	IFRS 30.06.06 £'000
Assets					
Non-current assets					
Intangible assets - goodwill	1	59		1	60
Property and equipment Available for sale		52			52
investments	2	2,057		48	2,105
Deferred tax asset	3		148		148
		2,168	148	49	2,365
Current assets					
Trade receivables		499			499
Other current assets		908			908
Deferred tax asset	3	148	(148)		
Trading investments	4	304		221	525
Cash and cash equivalents	5	2,168	(207)		1,961
Deposits	5		207		207
		4,027	(148)	221	4,100
Total assets		6,195		270	6,465
Liabilities					
Current liabilities					
Minority interests - non-equity		1,255			1,255
Trade and other payables		586			586
Current tax payable		329			329
		2,170			2,170
Non-current liabilities					
Preference share capital		750			750
Total liabilities		2,920			2,920
Net assets		3,275		270	3,545

2. Financial effect of transition to IFRS on 2006 interim results (continued)

As at 30 June 2006	Note	UK GAAP 30.06.06 £'000	Reclassifications £'000	Adjustments £'000	IFRS 30.06.06 £'000
Equity					
Equity attributable to equity holders of the parent					
Called up share capital		383			383
Share premium account		14,076			14,076
Merger reserve		(249)			(249)
Share based payment reserve		35			35
Capital reserve		(7)			(7)
Retained earnings	1,2,4	(11,265)		270	(10,995)
		2,973		270	3,243
Minority interest - equity interest		302			302
Total equity		3,275		270	3,545

Notes (continued)

2. Financial effect of transition to IFRS on 2006 interim results (continued)

For the six months ended 30 June 2006	Note	UK GAAP 30.06.06 £'000	Reclassifications £'000	Adjustments £'000	IFRS 30.06.06 £'000
Revenue					
Revenue from services		3,407			3,407
Other operating income					
Realised loss on disposal of equity investments		(1)			(1)
Unrealised (losses)/profits on the revaluation of investments	2,4		(97)	106	9
Dividend income		5			5
Rental income		74			74
Total revenue		3,485			3,494
Cost of sales		(1,513)			(1,513)
Gross profit		1,972	(97)	106	1,981
Administrative expenses	6	(1,164)	97		(1,067)
Profit from operations		808		106	914
Finance income		41			41
Finance costs		(63)			(63)
Profit before tax		786		106	892
Corporation tax		(300)			(300)
Profit after tax and profit for the period		486		106	592
Attributable to:					
Equity holders of the parent		136		106	242
Minority interest		350			350
		486		106	592

2. Financial effect of transition to IFRS on 2006 interim results (continued)

Notes

- Under IFRS, goodwill is reviewed for impairment annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed. The value of goodwill was not found to be impaired at 30 June 2006. Under UK GAAP, goodwill is amortised over its useful economic life. The adjustment is the write back of amortisation charged under UK GAAP during the six months ended 30 June 2006.
- Under IFRS, unquoted investment assets are valued at fair value. Under UK GAAP these had been valued at the lower of fair value and cost less any impairment.
- Under IFRS, deferred tax is classified as a non-current asset.
- Under IFRS, quoted investment assets are valued at bid price. Under UK GAAP these had been valued at the lower of cost and mid-market price.
- Under IFRS, any longer term cash deposit balances are included in 'Deposits'.
- Under IFRS, unrealised losses on the revaluation of investments are shown under Other operating revenue. Under UK GAAP, unrealised losses were included in Administrative expenses.

3. Corporation tax

	Six months ended 30 June 2007 (unaudited) £'000	Six months ended 30 June 2006 (unaudited) £'000	Year ended 31 December 2006 (audited) £'000
Current tax	466	150	600
Deferred tax	-	150	(10)
	466	300	590

The taxation charge has been based on the estimated effective tax rate for the full year.

4. Earnings per share

The calculation of earnings per share is based on the profit attributable to equity holders of Sigma Capital Group plc for the six months ended 30 June 2007 of £536,000 (2006: £242,000) and on the weighted average number of ordinary shares outstanding during the six months ended 30 June 2007 of 38,412,886 (2006: 38,140,216). The calculation of diluted earnings per share is based on the same profit figures and on the weighted average diluted number of ordinary shares outstanding during the six months ended 30 June 2007 of 38,978,504 (2006:38,351,842).

Notes (continued)

5. Investments

The investments made by two of the venture funds, the Sigma Technology Venture Fund and the Sigma Innovation Fund (East of Scotland), in the six months ended 30 June 2007 are set out below. The Sigma Sustainable Energies Fund did not make any investments in the period.

	Total amount invested £'000	% holding (fully diluted) %
Sigma Technology Venture Fund		
<i>DEM Solutions Limited</i>		
Developed a particle mechanics simulation tool to simulate and analyse the behaviour of particulate matter.		
Follow on investment £250,000.	792	20.7
<i>Managed Information Group Limited</i>		
Installation, maintenance, configuration and project management for IT hardware, in particular ATMs and EPOS machines.		
Follow on investment £51,000.	1,237	56.2
<i>Tenison Technology EDA Limited</i>		
Software tools to enable and facilitate the system level design, testing and verification of large, complex system on chip integrated circuits.		
Follow on investment of £60,000 was made to provide working capital for the company whilst negotiations for the sale of the entire share capital of the company were being concluded.		
	1,635	Sold
Sigma Innovation Fund (East of Scotland)		
<i>Pelamis Wave Power Limited</i> <i>(previously Ocean Power Delivery Limited)</i>		
Wave energy conversion.		
First investment by this fund of £156,000.		
Sigma Sustainable Energies Fund previously invested £500,000.	156	0.4%*

* the investment round in Pelamis Wave Power Ltd is not expected to close until October 2007. Latest available information from the company gives a fully diluted holding of 0.4%. This may reduce if further investors participate in this round.

6. Statement of changes in equity

	Six months ended 30 June 2007 (unaudited) £'000	Six months ended 30 June 2006 (unaudited) £'000	Year ended 31 December 2006 (audited) £'000
Total equity at the beginning of the period	4,121	2,910	2,910
Issue of equity	11	35	64
Share based payments	18	8	16
Retained profit for the period	1,106	592	1,131
Increased holding in subsidiary - reduction in minority interest	(46)	-	-
Total equity at the end of the period	5,210	3,545	4,121

7. Copies of the interim financial statements

Copies of the interim financial statements will be sent to shareholders and copies are available on request from the Company's office at 41 Charlotte Square, Edinburgh EH2 4HQ.



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