Interim Financial Statements 2007

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Symphony Environmental Technologies plc
Interim Financial Statements 2007

Symphony Environmental Technologies plc ("Symphony" or "Group") the degradable plastics and waste-to-energy Group, announces its interim financial statements for the six months ended 30 June 2007.

Highlights

- Sales £1.7 million (2006 H1: £2.35 million)
- Gross profit margins increase to 26% (2006 H1: 22%)
- Loss before tax of £1.06million (2006 H1: loss £0.87m)
- **d_2w**® sales increase by 9% to £1.26million (2006 H1: £1.16million)

After period end

- Cost reductions, improved margins and working capital cycle
- Major supplier converts debt to shares
- Distribution network increases
- Prof G Scott appointment as Chief Scientific Advisor
- Restructuring completed and improved outlook

Chairman's Statement

The restructuring process reported on in our earlier communications completed at the end of the period and much has been achieved in that time by refocusing the Group's business. The change has removed a large part of the low margin, high volume commodity carrier and refuse bags business and has positioned Symphony as a high-margin lower-cost additive technology provider.

Recent changes to the management structure and operating personnel are having a positive effect on operations.

The waste to energy side of the business is moving along at a satisfactory rate and we have nearly completed the feasibility study into converting waste tyres into useful products. We will apply for a second UK Government grant this Autumn for the construction of a commercial scale microwave pyrolysis plant combined with a system for reducing scrap tyres to rubber-crumb and clean steel.

I look forward to the future with confidence.

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Further information on the Symphony Environmental Technologies Group of companies

SYMPHONY ENVIRONMENTAL LTD is a world leader in oxo-biodegradable plastic technology. The technology is recognisable by the d2w® droplet logo that now appears on thousands of tonnes of oxo-biodegradable plastic products worldwide. Symphony develops and supplies environmentally-responsible d2w® pro-degradant additives as well as d2w® oxo-biodegradable plastic film, and rigid packaging products.

SYMPHONY ENERGY LTD is developing innovative waste-to-energy technology and is exploring many opportunities where there is a demand to convert plastics, tyres and other waste streams into valuable products by cost effective processes.

SYMPHONY PLASTICS LTD has for many years supplied a popular range of conventional plastic bags and other plastic packaging products.

THE SYMPHONY GROUP 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, Australia, Brazil, Canada & USA, the Caribbean, Chile, Colombia, France, India, Mexico, New Zealand, Peru, Portugal, South Africa, Saudi Arabia, Uruguay and Qatar and other areas. Its d2w® products can already be found in more than 50 countries.

Chief Executive's Review

The period under review brought to an end the restructuring program that changed the Group from a high-volume low-margin commodity business to a much leaner higher margin environmental technology business. These results reflect the final period of high costs for the business. We have continued to expand our distribution network in line with the new strategy and in particular, further distributors have been appointed in Europe, Africa, the Far East and South America. Investment in product testing and development has been maintained together with further research and development programs within the waste to energy business.

Trading Results

Revenue reduced by 28% to £1.70 million (2006 H1 £2.35 million) as a result of the implementation of the strategy changes leading to lower non-degradable product revenue. Gross profits decreased to £0.44 million (2005 H1: £0.53 million) but gross margins have increased to 26% reflecting the gradual change in sales mix away from commodity products to technology. Operating losses increased to £1.06 million from £0.87 million.

The loss per share has decreased to 1.33 pence (2006 H1: loss per share of 1.36 pence).

Cashflow

Since April 2007 a cost reduction plan has been implemented which impacts on the second half of the year. The Group's improved working capital cycle based on higher margin additive sales will also show its effect in the second half.

To further assist working capital going forward the Group has completed the following:

- Convertible Loan

The £500,000 HeadStart convertible loan facility announced on 15 December 2006 has been amended. The remaining £200,000 will be drawn down and repayment has been extended from 15 December 2007 to 27 September 2008 with the interest rate increased to 10% from 8%.

A further 600,000 warrants have been issued at a strike price of 4 pence.

- Share capital

One of the Group's major suppliers has converted part of its trading debt into shares at 6 pence per share. 1.6 million shares have been issued equating to £96,000 of the debt. This is a major vote of confidence in the future of Symphony from a trading partner who knows the business well.

Management

Since my last report I am pleased to welcome to the Board Michael Stephen as Deputy Chairman. The board now consists of three Executive Directors and two Non Executive Directors.

In line with our continuing focus on expanding the Research and Development capabilities of the Group, I am pleased to advise that Professor Gerald Scott has become our Chief Scientific Advisor for degradable polymers. Professor Scott (DSc (Oxon), C.Chem, FRIC, FIMMM) is Emeritus Professor of Chemistry and Polymer Science of Aston University, UK and is one of the world's leading polymer scientists. He was elected Fellow of the Royal Institute of Chemistry (now the Royal Society of Chemistry) in 1973 and Fellow of the Institute of Materials in 1978.

He was awarded a Doctorate of Science by the University of Oxford in 1984 for his dissertation “Antioxidants, their Mechanisms and Role in Polymer Stabilisation” based on peer reviewed published papers. He was elected Fellow of the “Society of Creators” of the USSR Academy of Sciences, in 1976 for the invention of biodegradable commodity plastics, and was elected Fellow of the “Materials Life Society” of Japan in 1984.

He established an internationally recognised Centre for the study of Polymer Degradation and Stabilisation at Aston University in 1967. Over 500 technical papers have been published by Professor Scott with members of staff, research fellows and students of this Group, initially in the field of polymer stabilisation and antioxidant mechanisms but increasingly from 1980 onwards in the controlled biodegradation of commercial polymers.

He is a member of the British Standards Institute’s Packaging and the Environment Committee (PKW/0) concerned with the biodegradation of polymers in the environment. He is the author of a new draft British Standard (BS 8472) dealing with the biodegradation and composting of oxo-biodegradable plastics. He is also a member of PRI/82 Thermoplastic Materials Committee of BSI, and represents BSI on TC 261/SC4/WG2 Degradability and Organic Recovery of Packaging and Packaging Wastes Working Group and on TC 249/WG9 Characterisation of Degradability Working Group of the European Standards organisation (CEN).

Outlook

The restructuring program has been completed and the Group is now moving into a period of lower operating cost and higher gross profit. The Group will continue to invest in technology and marketing advancements in all areas of the business.

Our d2w® distribution network continues to grow, providing a much broader and cost effective method of expanding the sales reach without having to materially increase direct cost. d2w® additive technology can be found in thousands of tons of finished products and in more than 50 countries.

Further high profile brands are continuing to adopt d2w® degradable plastics including the Disney Organisation, but due to commercial confidentiality we have not been able to release all the names in this report.

In France, AFNOR has this year published XP T 54-980-1 which is the first standard to recognise criteria for oxo-biodegradable additives in applications for agriculture and horticulture.

The waste to energy business is moving along well and we are just finalising the final part of works relating to the grant that was awarded earlier in the year. As detailed in my report on 28 June, once we have completed the first stage of the grant we will apply for a design and construction grant to develop a commercial scale Pyrolysis plant. Costs attributable to the waste to energy division for H1 were £100,000. Revenues are not expected before H2 2008.

We look forward to the coming months with greater confidence.

Michael Laurier
Chief Executive

Consolidated interim income statement

	6 months to 30 June 2007 Unaudited £'000	6 months to 30 June 2006 Unaudited £'000	12 months to 31 December 2006 Unaudited £'000
Revenue	**1,700**	**2,347**	**4,200**
Cost of sales	(1,257)	(1,821)	(3,362)
Gross profit	**443**	**526**	**838**
Distribution costs	(184)	(68)	(143)
Administrative expenses	(1,283)	(1,302)	(3,038)
Operating result	**(1,024)**	**(844)**	**(2,343)**
Finance costs	(36)	(24)	(37)
Result for the period before tax	**(1,060)**	**(868)**	**(2,380)**
Income tax credit	-	-	37
Loss for the period	**(1,060)**	**(868)**	**(2,343)**
Basic and diluted earnings per share	(1.33)p	(1.36)p	(3.62)p

All results are attributable to the parent equity holders

Consolidated interim balance sheet

	At 30 June 2007 Unaudited £'000	At 30 June 2006 Unaudited £'000	At 31 December 2006 Unaudited £'000
Assets			
Non-current			
Property, plant and equipment	205	227	222
Available for sale financial assets	531	16	531
Intangible assets	123	17	70
	859	**260**	**823**
Current			
Inventories	347	169	545
Trade and other receivables	883	2,061	897
Cash and cash equivalents	51	91	215
	1,281	**2,321**	**1,657**
Total assets	**2,140**	**2,581**	**2,480**
Equity			
Equity attributable to shareholders of Symphony Environmental Technologies plc			
Share capital	839	634	697
Share premium account	12,392	10,824	11,392
Other reserves	822	822	822
Retained earnings	(13,945)	(11,459)	(12,885)
Total equity	**108**	**821**	**26**
Liabilities			
Non-current			
Other payables	460	-	447
Interest bearing loans and borrowings	44	71	62
	504	**71**	**509**
Current			
Interest bearing loans and borrowings	520	682	605
Current tax payable	-	-	-
Trade and other payables	1,008	1,007	1,340
	1,528	**1,689**	**1,945**
Total liabilities	**2,032**	**1,760**	**2,454**
Total equity and liabilities	**2,140**	**2,581**	**2,480**

Consolidated interim statement of changes in equity

Equity attributable to the equity holders of Symphony Environmental Technologies plc:

	Share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
For the six months to 30 June 2007					
Balance at 1 January 2007	697	11,392	822	(12,885)	26
Net result for the period ending				(1,060)	(1,060)
Share based payments				-	-
Shares issued	142	1,000			1,142
Balance at 30 June 2007	**839**	**12,392**	**822**	**(13,945)**	**108**
For the six months to 30 June 2006					
Balance at 1 January 2006	634	10,824	822	(10,617)	1,663
Net result for the period ending				(868)	(868)
Share based payments				26	26
Balance at 30 June 2006	**634**	**10,824**	**822**	**(11,459)**	**821**
For the year to 31 December 2006					
Balance at 1 January 2006	634	10,824	822	(10,617)	1,663
Net result for the year ending				(2,343)	(2,343)
Share based payments				75	75
Shares issued	63	568			631
Balance at 31 December 2006	**697**	**11,392**	**822**	**(12,885)**	**26**

Consolidated interim cash flow statement

	6 months to 30 June 2007 £'000	6 months to 30 June 2006 £'000	12 months to 31 December 2006 £'000
Operating activities			
Results for the period after tax	(1,060)	(868)	(2,342)
Equity settled share-based payment charge	-	26	75
Interest expense	36	24	37
Depreciation	18	22	45
Amortisation	5	1	12
Loss on disposal	3		
Change in inventories	198	135	(240)
Change in trade and other receivables	14	712	1,875
Change in trade and other payables	(121)	(44)	220
	(907)	**8**	**(318)**
Investing activities			
Additions to property, plant and equipment	17	-	(12)
Proceeds from disposals of property, plant and equipment	12	3	7
Additions of intangible assets	(58)	-	(64)
	(29)	**3**	**(69)**
Financing activities			
Proceeds from loans	-	-	254
Repayment of loans	(20)	-	-
Discharge of finance lease liability	(14)	(17)	(34)
Proceeds from share issue	1,142	-	630
Interest paid	(36)	(24)	(37)
	1,072	**(41)**	**813**
Net change in cash and cash equivalents	136	(30)	426
Cash and cash equivalents, beginning of period	(96)	(521)	(521)
Cash and cash equivalents, end of period	**40**	**(551)**	**(96)**

Notes to the interim financial statements

1 Nature of operations and general information

Symphony Environmental Technologies plc and subsidiaries' ('the Group') principal activities include the development and supply of plastic degradable additives and products, and the development of waste to energy systems.

Symphony Environmental Technologies plc, a limited liability corporation, is the Group's ultimate parent company. It is incorporated and domiciled in England. The address of its registered office is Elstree House, Elstree Way, Borehamwood, Hertfordshire, WD6 1LE, England. Symphony Environmental Technologies' shares are listed on the AiM market of the London Stock Exchange and the PLUS market in London.

These interim condensed consolidated financial statements are for the six months ended 30 June 2007. 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 2006.

These interim condensed consolidated financial statements are presented in Sterling (£), which is the functional currency of the parent company.

The financial information set out in this interim report does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. The group's statutory financial statements for the year ended 31 December 2006, prepared under UK GAAP, 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 237 (2) of the Companies Act 1985.

2 Accounting policies and changes thereto

These consolidated interim financial statements are for the first period that the Group has applied International Financial Reporting Standards ('IFRS') as adopted by the EU and are effective at 31 December 2007 or are expected to be adopted and effective at 31 December 2007, our first annual reporting date at which we are required to use IFRS accounting standards adopted by the EU. The changes to accounting policies in respect to applying IFRS have no retrospective effect on the results and equity of the Group. Consequently, these interim financial statements do not include reconciliations of equity and the income statements from UK GAAP to IFRS as at the date of transition (1 January 2006) and 31 December 2006 as there were no material items to report.

The balance sheet has however been restated to show investments in other undertakings as available for sale financial assets. The material asset within this category was fair valued on acquisition in the period to 31 December 2006 and there has been no further material change to this fair value as at 30 June 2007.

These financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial instruments.

The group has taken advantage of the following exemptions from full retrospective application of IFRS:

(a) Business combinations exemption
The group has not restated business combinations which took place prior to the transition date.

Accordingly the classification of the combination remains unchanged from that used under UK GAAP. The assets, liabilities and other reserve are recognised at date of transition if they would be recognised under IFRS, and are measured using their UK GAAP carrying amount.

(b) Estimates

Estimates at the date of transition are consistent with estimates made under UK GAAP as there is no objective evidence that those estimates were in error.

As this report is for the first period of IFRS adoption, the full accounting policies of the Group under IFRS are shown below.

The Group is not subject to material seasonal fluctuations.

Business combinations completed prior to date of transition to IFRS

The group financial statements consolidate the financial statements of the company and all subsidiary undertakings.

The company was entitled to merger relief offered by section 131 of the Companies Act 1985 in respect of consideration received in excess of the nominal value of the equity shares issued in connection with the acquisition of Symphony Plastics Limited on 9 December 1999. This was accounted for under merger accounting under UK GAAP and has been treated in this manner under IFRS as the business combination exemption has been adopted in these interim financial statements. The merger accounting method requires assets and liabilities to not be adjusted to fair value and the results of the subsidiary to be included as if it had always been part of the group. Therefore the results of the group included both the results pre and post-acquisition. The other reserve was established as a result of this accounting method.

Revenue
Revenue is stated at the fair value of the consideration receivable and excludes VAT and trade discounts.

Revenue is recognised when the significant risks and benefits of ownership of the product have transferred to the buyer, which may be based on shipment or delivery depending upon the specific contract terms.

Revenue from services provided by the company is recognised when the company has performed its obligations and in exchange obtained the right to consideration.

Intangible assets

- Research and development costs
Expenditure on research (or the research phase of an internal project) is recognised as an expense in the period in which it is incurred.

Development costs incurred on specific projects are capitalised when all the following conditions are satisfied:

- completion of the intangible asset is technically feasible so that it will be available for use or sale
- the group intends to complete the intangible asset and use or sell it
- the group has the ability to use or sell the intangible asset

- the intangible asset will generate probable future economic benefits. Among other things, this requires that there is a market for the output from the intangible asset or for the intangible asset itself, or, if it is to be used internally, the asset will be used in generating such benefits
- there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
- the expenditure attributable to the intangible asset during its development can be measured reliably

Development costs not meeting the criteria for capitalisation are expensed as incurred.

The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. The nature of the Group's activities in the field of development work renders some internally generated intangible assets unable to meet the above criteria at present.

Amortisation commences upon completion of the asset, and is shown within administrative expenses and is included at the following rate:

Development costs d2w - 5 years straight line

Careful judgement by the directors is applied when deciding whether the recognition requirements for development costs have been met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems at the time of recognition. Judgements are based on the information available at each balance sheet date.

- Trademarks

Trademarks represent the cost of registration and are carried at cost less amortisation.

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Trademarks - 10 years straight line

Property, plant and equipment

Property, plant and equipment are stated at cost, net of depreciation and any provision for impairment.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant and machinery	-	20% reducing balance
Fixtures and fittings	-	25% reducing balance
Motor vehicles	-	20% reducing balance
Office equipment	-	25% straight line

Impairment testing of intangible assets and property, plant and equipment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Intangible assets with an indefinite useful life, and those intangible assets not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Inventories
Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is determined on the basis of purchase value on a first-in first-out basis.

Leased assets
In accordance with IAS 17, the economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is recognised at the time of inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments plus incidental payments, if any, to be borne by the lessee. A corresponding amount is recognised as a finance leasing liability. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the income statement over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the income statement on a straight line basis over the lease term. Lease incentives are spread over the term of the lease.

Pension costs
The group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the group. The pension costs charged against profits are the contributions payable to the scheme in respect of the accounting period.

Taxation
Current tax is the tax currently payable based on taxable profit for the year.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. Tax losses available to be carried forward as well as other income tax credits to the group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

Foreign currencies
Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

Financial assets
Financial assets are divided into the following categories: loans and receivables; financial assets at fair value through profit or loss; available-for-sale financial assets; and held-to-

maturity investments. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which they were acquired. The designation of financial assets is re-evaluated at every reporting date at which a choice of classification or accounting treatment is available.

All financial assets are recognised when the group becomes a party to the contractual provisions of the instrument. Financial assets other than those categorised as at fair value through profit or loss are recognised at fair value plus transaction costs. Financial assets categorised as at fair value through profit or loss are recognised initially at fair value with transaction costs expensed through the income statement.

The Group currently has the following financial assets:

- Loans and receivables
Trade receivables are categorised as loans and receivables. Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables are measured subsequent to initial recognition at amortised cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the income statement.

Provision against trade receivables is made when there is objective evidence that the group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

- Available for sale financial assets
Available-for-sale financial assets include non-derivative financial assets that are either designated as such or do not qualify for inclusion in any of the other categories of financial assets. All financial assets within this category are measured subsequently at fair value, with changes in value recognised in equity, through the statement of changes in equity. Gains and losses arising from investments classified as available-for-sale are recognised in the income statement when they are sold or when the investment is impaired.

In the case of impairment of available-for-sale assets, any loss previously recognised in equity is transferred to the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. Impairment losses recognised previously on debt securities are reversed through the income statement when the increase can be related objectively to an event occurring after the impairment loss was recognised in the income statement.

An assessment for impairment is undertaken at least at each balance sheet date.

A financial asset is derecognised only where the contractual rights to the cash flows from the asset expire or the financial asset is transferred and that transfer qualifies for derecognition. A financial asset is transferred if the contractual rights to receive the cash flows of the asset have been transferred or the group retains the contractual rights to receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients. A financial asset that is transferred qualifies for derecognition if the group transfers substantially all the risks and rewards of ownership of the asset, or if the group neither retains nor transfers substantially all the risks and rewards if ownership but does transfer control of that asset.

Financial liabilities
Financial liabilities are obligations to pay cash or other financial assets and are recognised when the group becomes a party to the contractual provisions of the instrument. There are no financial liabilities categorised as at fair value through profit and loss. All other financial liabilities are recorded initially at fair value, net of direct issue costs.

A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Equity settled share based payments
All share-based payment arrangements granted after 7 November 2002 that had not vested prior to 1 January 2006 are recognised in the financial statements.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employee services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of market vesting conditions. The fair value is charged to the profit and loss account between the date of issue and the date the share options vest with a corresponding credit taken to shareholders' funds.

Warrants granted to employees which relate to salary sacrifice arrangements are attributed a fair value by reference to the services provided. This fair value is charged to the profit and loss account when the service is provided with a corresponding credit taken to shareholders' funds.

Equity
Equity comprises the following:

- "Share capital" represents the nominal value of equity shares
- "Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue
- "Other reserve" is a reserve established following the adoption of merger accounting as described in the business combinations completed prior to date of transition to IFRS' policy above.

3 Segment analysis

The Group operates three main business segments, supply of degradable products, supply of non-degradable products and development of waste to energy systems.

Business segments	**Degradable**	**Non-degradable**	**Waste to energy**	**Group**
6 months to 30 June 2007	**£'000**	**£'000**	**£'000**	**£'000**
Revenue	1,260	440	-	1,700
Apportioned costs	2,000	660	100	2,760
Result for the period before tax	**(740)**	**(220)**	**(100)**	**(1,060)**
Taxation	-	-	-	-
Loss for the period	**(740)**	**(220)**	**(100)**	**(1,060)**

Business segments	**Degradable**	**Non-degradable**	**Waste to energy**	**Group**
6 months to 30 June 2006	**£'000**	**£'000**	**£'000**	**£'000**
Revenue	1,161	1,186	-	2,347
Apportioned costs	1,432	1,783	-	3,215
Result for the period before tax	**(271)**	**(597)**	**-**	**(868)**
Taxation	-	-	-	-
Loss for the period	**(271)**	**(597)**	**-**	**(868)**

Business segments	**Degradable**	**Non-degradable**	**Waste to energy**	**Group**
12 months to 31 December 2006	**£'000**	**£'000**	**£'000**	**£'000**
Revenue	2,237	1,963	-	4,200
Apportioned costs	3,628	2,952		6,580
Result for the period before tax	**(1,391)**	**(989)**	**-**	**(2,380)**
Taxation	37	-	-	37
Loss for the period	**(1,354)**	**(989)**	**-**	**(2,343)**

4 Shares issued

On 27 February 2007 the Group placed 10,085,000 ordinary 1p shares at 10p per share and 3,800,000 ordinary 1p shares at 3p per share. On 9 May 2007 320,000 ordinary 1p shares were issued at 6.25p per share in respect to part conversion of a convertible loan. This increased Symphony's ordinary shares issued and fully paid at the end of the period under review by 14,205,000. Shares issued for the period under review may be summarised as follows:

Shares issued and fully paid	6 months to 30 June 2007	6 months to 30 June 2006	Year to 31 December 2006
- beginning of period	69,679,547	63,379,547	63,379,547
- issued during the period	14,205,000	-	6,300,000
Total equity shares issued and fully paid at end of period	**83,884,547**	**63,379,547**	**69,679,547**

The shares issued yielded £1,122,500 in cash and reduced the capital element of the convertible loan by £20,000. In total equity was increased by £1,142,500. The weighted average share price at the dates of exercise was:

27 February 2007	8.00p
9 May 2007	6.25p

5 Earnings per share and dividends

Subsequent to the shares issued, the weighted average number of outstanding shares used for basic and diluted earnings per share have been adjusted as follows:

	At 31 December 2006	Adjustments	At 30 June 2007
Basic and diluted	**69,679,547**	**9,527,597**	**79,207,144**
Total operations – loss before taxation			£1,060,000
Basic and diluted loss per share			**1.33 pence**

No dividends were paid for the year ended 31 December 2006.