

**Share capital and net asset value of the company per June 30, 2011 (unaudited)**

	30.06.2011 CHF	31.12.2010 CHF
Cash and cash equivalents	935'624	1'062'075
Receivables and prepayments	688'346	3'213
Marketable securities	180'918	87'511
Private equity investments	8'451'058	10'698'837
Total assets	<u>10'255'946</u>	<u>11'851'636</u>
Total liabilities	<u>-119'800</u>	<u>-87'962</u>
<b>Net asset value of the company</b>	<b>10'136'146</b>	<b>11'763'674</b>
Total issued shares at nominal value CHF 50	702'500	702'500
Total outstanding shares at nominal value CHF 50	702'500	702'500
<b>Net asset value per issued share</b>	<b>14.43</b>	<b>16.75</b>
<b>Market price</b>	<b>7.30</b>	<b>8.60</b>

**Chairman's Statement**

The Board of Directors and Management have again reviewed the structure of ProgressNow and examined various possibilities for the future development of the company. In the current difficult environment for investment companies, the aim is to find solutions that strengthen the trust of investors and thus help to reduce the discount between the share price and the net asset value of the company.

We were surprised to note that, following a charge brought by the shareholders' group Rüetschi Zehnder AG, Frick, criminal proceedings were started against Rolf Kälin, a board member. Management and the Board of Directors distance themselves entirely from these accusations, and are convinced that no actions or omissions have occurred that have been against the interests of the company or even of a criminal nature. Quite apart from this I find it incomprehensible that our efforts to bring about an improvement in the situation of ProgressNow are hindered, practically foiled, by a group of shareholders who themselves should have an interest in the success of our company.

**Review**

The share price fell from CHF 8.60 to CHF 7.30 during the first half year 2011, on an average daily volume of 122 shares. The Net Asset Value (NAV) also declined

during the period, mainly as a result of the weakening of the US Dollar against the Swiss Franc. In addition, the purchase of Cadent Holding by Align Technology in Q2 was at a price under the year end 2010 valuation as a result of ProgressNow's less favourable liquidation preferences.

At Velico the Spray Dried Plasma development work continues according to plan and, despite limited financial resources, the Refrigerated Platelets research work was advanced. At the present time there are various discussions in progress to secure further financing for these projects. Enablearning continues to battle for turnover in the High School and K12 College sector. It is pleasing to note that the founder shareholders continue to support the company financially. After low sales in 2010, Hansen Medical was able to report a significant increase in turnover in Q1/2011 which was reflected in an increase in the share price. At Oceanlinx, the engineering team has improved system performance and the operation of the company's proprietary engine. Various wave energy projects are in development or in the early planning phase.

**Outlook**

We are confident that both Velico Medical and Oceanlinx will obtain the necessary funding to be able

to advance their promising products. In addition the Board of Directors is continuously evaluating opportunities to be able to offer the shareholders of Progress-Now! invest AG a more positive future.

A detailed description of developments at each portfolio company can be found as usual in the following pages of this semi-annual report.

Dr. Robert Straub, Chairman of the Board

## Portfolio

	Investment type	Currency	30.06.2011			31.12.2010		
			Number	Valuation	Total Fair Value in CHF	Number	Valuation	Total Fair Value in CHF
<b>Marketable securities</b>								
<b>Healthcare</b>								
Hansen Medical, Inc	Shares	USD	63'011	3.41	180'918	63'011	1.49	87'511
<b>Total per balance sheet</b>					180'918			87'511
<b>Private equity investments</b>								
<b>Healthcare</b>								
Cadent Holdings, Inc	Shares	USD	0	0.00	0	336'372	4.29	1'346'122
	Options	USD	0	0.00	0	637	3.97	2'359
Velico Medical, Inc	Shares	USD	9'906'585	1.00	8'341'345	9'906'585	1.00	9'233'928
<b>Energy</b>								
Oceanlinx Ltd	Shares	AUD	348'179	0.35	109'713	348'179	0.35	116'428
<b>Education</b>								
Enablearning, Inc	Shares	USD	1'452'905	0.00	0	1'452'905	0.00	0
<b>Total per balance sheet</b>					8'451'058			10'698'837
<b>Total portfolio</b>					<b>8'631'976</b>			<b>10'786'348</b>

Investment category informationen	Investment activity 2011		Realised		Unrealised	
	Additions CHF	Disposals CHF	Gain CHF	Loss CHF	Gain CHF	Loss CHF
<b>Marketable securities</b>						
Healthcare in USD	0	0	0	0	93'407	0
	0	0	0	0	93'407	0
<b>Private equity investments</b>						
Healthcare in USD	0	704'732	0	643'749	0	892'583
Energy in AUD	0	0	0	0	0	6'715
Education in USD	0	0	0	0	0	0
	0	704'732	0	643'749	0	899'298
<b>Total</b>	0	704'732	0	643'749	93'407	899'298

## Development of the private equity investments since January 2011

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<i>Company</i> <b>Cadent Holdings, Inc</b> Carlstadt NJ, USA	In January Cadent announced an agreement with Straumann under which the latter became an official distributor of the Cadent iTero Digital impression system in North America. Straumann began marketing the system on February 1 <sup>st</sup> .
<i>Sector</i> Healthcare	Cadent entered into a collaboration with Biomet 3i in February to offer digital intraoral impressions through Biomet 3i's patented Encode Impression System and Cadent's iTero System.
<i>Activity</i> Orthodontic digital models	Following a joint development agreement in January between Align Technology and Cadent, it was announced in March that Align had signed a definitive agreement to acquire Cadent Holdings, and the transaction was completed in the second quarter of 2011.  ProgressNow will receive an estimated amount of USD 813'590, which is less than the latest valuation. This is the result of the more favourable liquidation preferences of financing rounds subsequent to ProgressNow's main investment. Payment follows in various instalments over an estimated 12 months.

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<i>Company</i> <b>Enablearning, Inc</b> Cambridge MA, USA	Enablearning continues to struggle, and was not able to significantly increase its numbers of traditional college and K-12 classroom customers. Although prices have been increased, and costs continue to be cut, breakeven has not been achieved. The company believes that without significant new marketing and sales investment it cannot effectively penetrate these classroom markets.
<i>Sector</i> Education	In the last six months the company has been seeking to develop two new after-school supplemental programs. Tamarind Learning provides the EnableMath program through individual learning coaches who are licensed by Enablearning to offer the program to individual students. The company receives a fixed amount per student per month. Six coaches have been recruited who have begun marketing the program this summer.
<i>Activity</i> Educational software platform	In addition, a non profit group was founded called Sustainablearning. The aim of the organisation is to provide enableMATH to underachieving students with the help of volunteer coaches. Sustainablearning is being funded through grants, individual contributions, and contracts with schools and other organisations.
<i>Investment stage</i> Early stage	The valuation remains unchanged at nil.
<i>Voting rights: 26.6%</i>	<i>The company continues to be creative in exploring ways of reaching students, teachers and parents with its programs. However it remains totally dependent on loans from the founding shareholders for survival.</i>

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<i>Company</i> <b>Hansen Medical, Inc</b> Mountain View CA, USA	Final 2010 results showed a 25% drop in revenue to USD 16.6 million, compared to 2009. This included 12 Sensei system units (2009=26) and 2'356 Artisan catheter units (2009=2'243).
<i>Sector</i> Healthcare	Revenues improved to total USD 5.3 million in the first quarter 2011, compared with USD 2.7 million in the same period in 2010. This included 5 Sensei units and 693 Artisan catheter units.
<i>Activity</i> Computer assisted catheter control	In February Hansen entered into patent and technology licence, sub-licence and purchase agreements with Philips to enable the latter to develop and commercialise the non-robotic applications of Hansen's Fiber Optic Shape Sensing and Localisation (FOSSL) technology. Under the terms of the agreements, Philips has the exclusive right to develop and commercialise the FOSSL technology in the non-robotic vascular, endoluminal and orthopaedic fields. Hansen received up-front payments of USD 29 million and will be eligible to receive an additional USD 78 million in future payments associated with the successful commercialisation by Philips.
<i>Investment stage</i> Quoted on Nasdaq, New York	
<i>Voting rights: &lt;1%</i>	

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In April Hansen submitted a 510 (k) pre-market notification application with the FDA for its new Vascular Robotic System and Catheter. This new system includes a number of key enhancements from the Sensei System to optimise its use in vascular anatomy.

Hansen announced the shipment of its 100<sup>th</sup> Sensei Robotic Catheter system in May, just 4 years after receiving FDA clearance.

Peter Mariani was appointed CFO in June, replacing Peter Osborne who had served as interim CFO since February 2010. He has held a variety of financial leadership positions, including 12 years with Guidant Corporation, a leader in the development and sale of medical devices for the treatment of cardiovascular disease.

Opening the year at USD 1.49 the Hansen Medical share price showed a gradual increase to USD 2.21 during the first quarter. In April it rose sharply to USD 3.76 before falling below USD 3.00 again in May. The investment is valued at the closing price at the balance sheet date of USD 3.41.

*Details of the business outlook of the company can be found on its website [www.hansenmedical.com](http://www.hansenmedical.com).*

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*Company*  
**Oceanlinx Ltd**  
Macquaire Pk NSW, Australia  
*Sector*  
Renewable energy  
*Activity*  
Wave energy  
*Investment stage*  
Start-up  
*Voting rights:* <1%

The Oceanlinx engineering team have continued to improve system performance and operation of all the Oceanlinx products.

In January the company unveiled the latest version of its proprietary turbine – the airWAVE turbine, improving upon the original Dennis-Auld turbine. The airWAVE turbine has fewer moving parts and a conversion efficiency that is higher than both the Dennis-Auld and other comparable turbines.

Enhanced engineering work has also been carried out to further mature the existing blueWAVE (deep water) and greenWAVE (shallow water) wave energy converters. In addition an ogWAVE wave energy converter has been developed to support the application of an OWC (Oscillating Water Column) to provide renewable electricity to offshore oil and gas installations.

Various projects in Mexico, Hawaii, Portugal and Australia are in the development or pre-development phase. Progress in Mexico and Hawaii continues to be very slow due to the bureaucracy of the systems. In Portugal Oceanlinx has developed relationships with a number of industrial partners in progressing an ogWAVE demonstration project intended for the Portuguese Pilot Zone. An application to the Portuguese government has been lodged to support project costs. At the same time pre-development work has begun on a greenWAVE demonstration project in South Australia, and discussions have been on-going with the Federal and Tasmanian governments in regard to a greenWAVE project on the west coast of King island.

The valuation of the shares remains unchanged at AUD 0.35.

*The company's focus is now on capital raising activities across the globe with the help of external advisors. Given the current financial climate, the company feels that it is attracting considerable interest from large power, utility, oil and gas companies as well as financial institutes.*

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*Company*  
**Velico Medical, Inc**  
Beverly MA, USA  
*Sector*  
Healthcare  
*Activity*  
Blood products  
*Investment stage*  
Early stage  
*Voting rights:* 38.8%

Spray Dried Plasma

Velico completed a detailed development plan, comprising approximately 1'200 steps, from design concept to clinical trials and product launch in Europe and the US. This was compiled with the help of "focus groups" organised by Blood Centers of America, a major customer buying group, and enabled the company to hold initial talks with the FDA to set out the company's plans for US clinical trials. Work on the Spray Dried Plasma device advanced. Two additional engineers were hired and work started on the disposables, prototypes of the proprietary Spray Dryer.

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New patent applications were filed, and the CE mark approval process in Europe was started.

#### Refrigerated Platelets

Despite limited financial resources, the company continued to advance development of its refrigerated platelet technology in conjunction with Brigham & Women's Hospital. Discoveries were made that enhance the effectiveness of the company's proprietary treatment method to enable the refrigerated storage of platelets. New patent applications were made, and the Phase II Clinical Trial can be conducted as soon as the necessary funding is available.

#### Financing

Velico expects its existing cash to suffice until the end of 2011, and is pursuing new funding from various sources. The company has continued to meet with a variety of agencies of the US government, including within the Department of Defense. These include Combat Casualty Care, Special Operations Command, and officers of the Massachusetts Congressional delegation, specifically Senators Kerry and Brown.

However, because of budgetary restrictions, the company cannot rely entirely on the receipts of government grants and awards, and has engaged an investment bank to assist in the search for equity funding.

The valuation remains unchanged at USD 1.00 per share.

*The company's focus is currently on the raising of capital. In addition the implementation of the development plan for Spray Dried Plasma is a top priority.*

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Consolidated interim financial statements 2011 (unaudited)

Consolidated balance sheet as of (in Swiss francs)	30.06.2011 CHF	%	31.12.2010 CHF	%
<b>ASSETS</b>				
Cash and cash equivalents	935'624	9.12	1'062'075	8.96
Receivables and prepayments	688'346	6.71	3'213	0.03
Marketable securities	180'918	1.77	87'511	0.74
Private equity investments	8'451'058	82.40	10'698'837	90.27
<b>Total assets</b>	<b>10'255'946</b>	<b>100.00</b>	<b>11'851'636</b>	<b>100.00</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
Accruals	119'800	1.17	87'962	0.74
<b>Total liabilities</b>	<b>119'800</b>	<b>1.17</b>	<b>87'962</b>	<b>0.74</b>
Share capital	35'125'000	342.49	35'125'000	296.37
Share premium	31'008'152	302.34	31'008'152	261.64
Loss carried forward	-55'997'006	-546.00	-54'369'478	-458.75
<b>Total shareholders' equity</b>	<b>10'136'146</b>	<b>98.83</b>	<b>11'763'674</b>	<b>99.26</b>
<b>Total liabilities and shareholders' equity</b>	<b>10'255'946</b>	<b>100.00</b>	<b>11'851'636</b>	<b>100.00</b>
<b>Consolidated statement of comprehensive income for the period (in Swiss francs)</b>	<b>01.01.2011- 30.06.2011 CHF</b>		<b>01.01.2010- 30.06.2010 CHF</b>	
<b>Operating income/loss</b>				
Interest income	493		654	
Unrealised gain/loss from marketable securities	93'407		-52'621	
Realised loss from private equity investments	-643'749		0	
Unrealised gain from private equity investments	0		507'492	
Unrealised loss from private equity investments	-899'298		-2'693	
Foreign exchange loss	-20'207		-556	
Other finance costs	-836		-544	
<b>Total operating loss/income</b>	<b>-1'470'190</b>		<b>451'732</b>	
<b>Operating expenses</b>				
Portfolio management expenses	-75'000		-75'000	
Other administrative expenses	-81'347		-87'975	
Capital tax	-991		-330	
<b>Total operating expenses</b>	<b>-157'338</b>		<b>-163'305</b>	
<b>Verlust/Gewinn</b>	<b>-1'627'528</b>		<b>288'427</b>	
Other comprehensive income	0		0	
<b>Total comprehensive loss/profit</b>	<b>-1'627'528</b>		<b>288'427</b>	
<b>Loss/Profit per outstanding share:</b>	<b>-2.32</b>		<b>0.41</b>	
Average number of shares outstanding:	702'500		702'500	
<b>Loss/Profit per issued share:</b>	<b>-2.32</b>		<b>0.41</b>	
Total issued shares:	702'500		702'500	

<b>Consolidated statement of cash flows for the period (in Swiss francs)</b>	<b>01.01.2011- 30.06.2011 CHF</b>	<b>01.01.2010- 30.06.2010 CHF</b>
Sale of private equity investments *	0	0
Interest received	501	644
Interest and bank charges	-836	-544
Administrative expenses	-124'607	-135'841
Capital taxes	-991	-330
<b>Cash flow from operating activities</b>	<b>-125'933</b>	<b>-136'071</b>
<b>Cash flow from financing activities</b>	<b>0</b>	<b>0</b>
<b>Decrease in cash and cash equivalents</b>	<b>-125'933</b>	<b>-136'071</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>1'062'075</b>	<b>1'388'688</b>
<b>Foreign exchange loss on cash and cash equivalents</b>	<b>-518</b>	<b>-556</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>935'624</b>	<b>1'252'061</b>

\* In Q2/2011 the sale of Cadent Holdings, Inc to Align Technology, Inc was completed.

ProgressNow! will receive an estimated consideration of USD 813'590 in various installments over a 12 month period.

<b>Consolidated statement of changes in shareholders' equity as per June 30, 2011</b>					
<b>Shareholders' equity</b>		<b>Share capital CHF</b>	<b>Share premium CHF</b>	<b>Retained losses CHF</b>	<b>Total shareholders' equity CHF</b>
<b>Balance at beginning of period</b>	<b>1.1.2010</b>	<b>35'125'000</b>	<b>31'008'152</b>	<b>-52'786'700</b>	<b>13'346'452</b>
Profit for the period	30.6.2010			288'427	288'427
<b>Balance at end of period</b>	<b>30.6.2010</b>	<b>35'125'000</b>	<b>31'008'152</b>	<b>-52'498'273</b>	<b>13'634'879</b>
<b>Balance at beginning of period</b>	<b>1.1.2011</b>	<b>35'125'000</b>	<b>31'008'152</b>	<b>-54'369'478</b>	<b>11'763'674</b>
Loss for the period	30.6.2011			-1'627'528	-1'627'528
<b>Balance at end of period</b>	<b>30.6.2011</b>	<b>35'125'000</b>	<b>31'008'152</b>	<b>-55'997'006</b>	<b>10'136'146</b>

#### Statement of treasury shares as per June 30, 2011

At June 30, 2011 and June 30, 2010 the company held no treasury shares. No treasury shares were bought or sold in these periods.

## Notes to the consolidated financial statements

### 1. Accounting policies

The consolidated interim financial statements are prepared in accordance and comply with International Accounting Standard (IAS 34) „interim financial reporting“ and article 14 of the Directive on Financial Reporting (RLR) issued by the SIX Swiss Exchange. The accounting policies used in these interim statements are the same as those set out in the Annual Report 2010. The new standards, interpretations and amendments to existing standards in force as from January 1, 2011 are either not applicable to the group or have no material effect on the consolidated annual or semi-annual reports of the group.

The consolidated interim financial statements have been approved for issue by the board of directors on July 26, 2011.

### 2. Consolidated companies

The same companies have been consolidated as in the Annual Report 2010.

### 3. Seasonal character

The group's activities are not subject to seasonal or cyclical fluctuations.

### 4. Exchange rates

Closing rates used to translate monetary balance sheet items denominated in foreign currencies:

		<b>30.06.2011</b>	<b>31.12.2010</b>
US Dollar	USD	0.8420	0.9321
Australian Dollar	AUD	0.9003	0.9554

### 5. Contingent liabilities

There were no contingent liabilities at the balance sheet date. (31.12.2010: none)

### 6. Business development 1. Semester 2011

More than half of the loss of CHF 1'627'528 for the period results from the continued weakening of the US Dollar against the Swiss Franc. In addition, a loss of CHF 643'749 resulted from the takeover of Cadent Holdings, Inc by Align Technology, Inc.

ProgressNow! continued to concentrate its efforts on its existing portfolio companies. A detailed description of the developments since January 2011 and the valuations of all investments can be found earlier in this semi-annual report.

### 7. Post balance sheet events

There have been no post balance sheet events which have a bearing on the understanding of the interim financial statements.

## Forward-looking statements

In this report, statements concerning the development of the company and the portfolio companies (forward-looking statements) are made on various occasions. Shareholders and investors are cautioned that such forward-looking statements reflect the company's current assessments regarding market conditions and future events at the portfolio companies and are subject to certain risks, uncertainties and assumptions. Various circumstances may cause actual events to differ materially from those expressed or implied by such forward-looking statements. These include the environment in which individual portfolio companies operate in relation to the timing and importance of the introduction of new products, the introduction of competing products by other companies, lack of acceptance of new products and services by the target groups of the individual portfolio companies, changes in the political, social and legal environment within which individual portfolio companies operate or changes in economic and technological trends and conditions including currency fluctuations, inflation and consumer behaviour at the global, regional and national level as well as various other factors. The company accepts no obligation to update or revise such forward-looking statements.

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