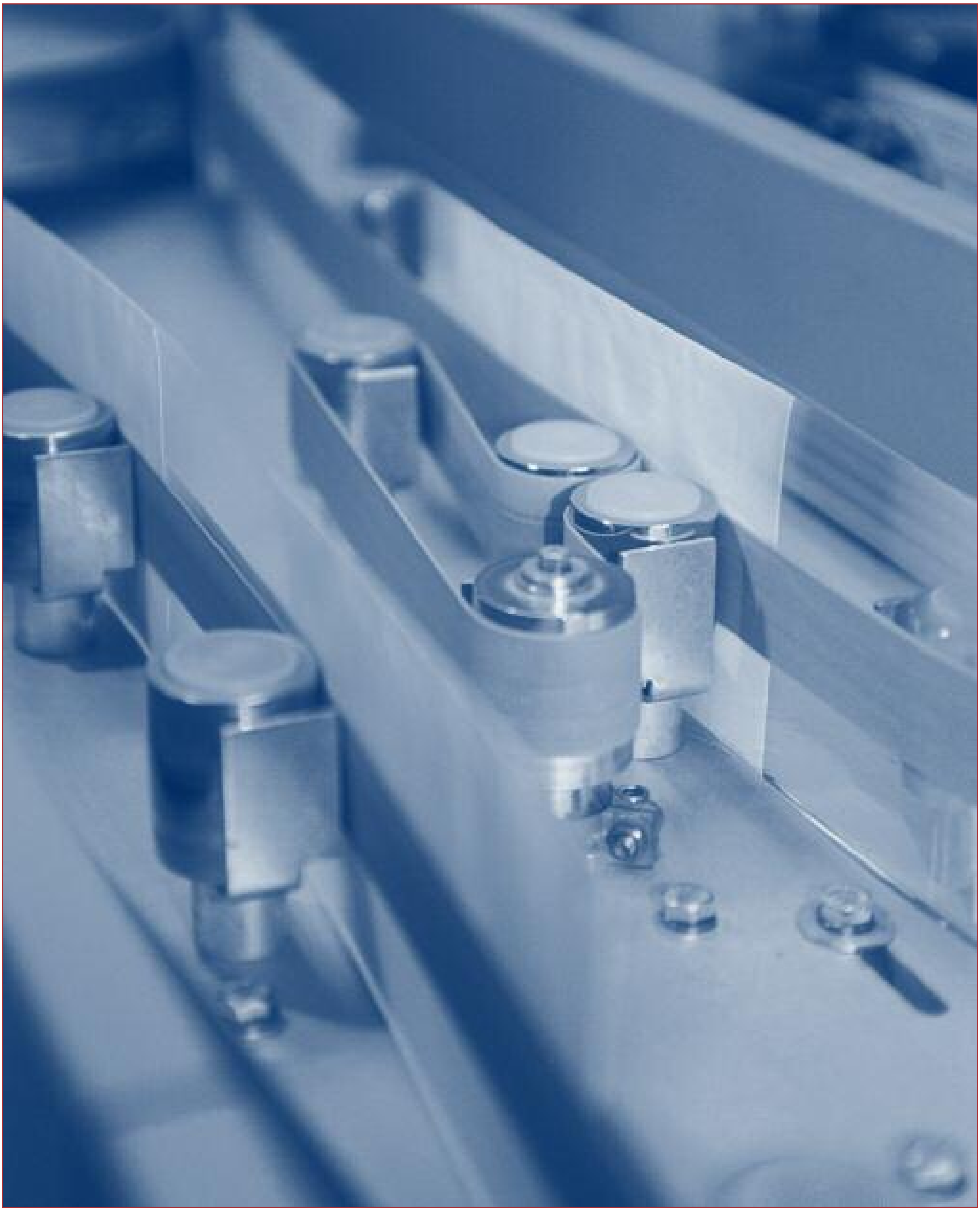
Advance AIM Value Realisation Company Limited
Half-yearly financial report 2009



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Investment objective

To realise value from a portfolio of AIM securities and progressively return cash to shareholders.

Financial highlights

£0.8 million returned to shareholders in the period.

Number of holdings reduced to 11 at 31 May 2009 from 27 at 30 November 2008.

Cash balances of £1.3 million at 10 July 2009 and number of holdings reduced to 9.

	At 31 May 2009	*At 30 November 2008*
Net asset value per participating redeemable preference share ("Share")	32.2p	*36.3p*
Weighted average net asset value per Share*	54.5p	*56.1p*

$$* \frac{\text{net assets and cash returned to shareholders}}{\text{Shares issued in placing}}$$

Chairman's statement

Your Company continues to make good progress towards achieving its key objective of realising value and providing liquidity from its portfolio that was created at the Company's launch in December 2006. As at the 31 May 2009, the Company has returned a total of £16.8 million to its shareholders and 62% of the Shares issued have been redeemed. Given the ongoing difficult market conditions it is encouraging to report that further substantial progress has been made since the period end.

Uncertainty in the global economy, which was referred to in the 2008 Annual Report, has continued, but the pace of economic decline is reported to have decelerated. In general, trading for smaller UK companies continues to be difficult. There are few signs of "green shoots" from the management teams of AIMVARC's investee companies. In addition, the banking crisis is having serious repercussions for companies that are either struggling to repay debt or having to renew debt facilities. This has not improved underlying marketability of shares in smaller UK companies.

However, I am pleased to report that your Company has continued to make progress in achieving liquidity with the number of holdings being reduced from 27 to 11 over the period.

The Company returned £0.8 million in the May 2009 redemption of Shares. The net asset value ("NAV") per share has reduced by 11% from 36.3p to 32.2p in the six months ended 31 May 2009 which, given the ongoing economic background and the Company's objective, your Board considers to be a satisfactory performance. Further details on disposals and stock performance are provided in the Manager's report.

The NAV per Share at 10 July 2009 was 31.9p and the number of holdings had reduced to 9. At that date the Company had cash balances of £1.3 million out of total net assets of £3.8 million.

The quality of the remaining large investments in the portfolio remains good. The largest, FFastFill, had increased in value at 10 July 2009 by 20% over original acquisition cost at the time of the Company's launch. More than half this holding has been sold since the period end. The Board is pleased that, from an initial portfolio of 86 holdings, the Manager has focussed its efforts on weeding out the more financially stretched investments.

The weighted average NAV per Share, as previously defined, at 31 May 2009 was 54.5p, a decline of 44% since launch. In that period the AIM index fell 49%.

The Manager continues to demonstrate its commitment to meet the timetable in the Admission Document of initiating the wind up of the Company before the end of the first quarter of 2010.

Alexander Fleming
16 July 2009

Manager's report

Since the Company's year end (30 November 2008) the number of holdings has continued to fall with a further 16 sold, taking the total remaining number of stocks down from 27 to 11. In addition, the opportunity was taken to top slice two of the remaining investments, including TEG Group, our second largest investment.

After several years of almost continually falling, the AIM All Share Index has shown a strong rally since the end of November, albeit with a period of profit taking during January and February. Whilst this has not benefitted a number of our holdings, largely we believe due to sectoral factors, it has made it slightly easier to find liquidity and as a result we have continued to make progress towards our twin goals of achieving value and liquidity. We have tended to focus on selling the holdings in the smaller and more financially stretched businesses. This has inevitably led to greater portfolio concentration as the number of holdings declines. At 31 May 2009 the top 5 holdings accounted for over 93% of the total portfolio value, up from 72% at the end of November 2008. At 10 July 2009 the top five holdings accounted for 97% of the portfolio.

It is because of this concentration issue that a lot of time has been spent on clarifying the financial position of the largest holdings. Public information on the top 5 holdings suggests that those companies are in relatively strong financial health and that they appear unlikely to need to either re-arrange banking facilities or raise fresh equity, other than for expansionary purposes. In the difficult economic and banking environment, this is a very important consideration.

A brief background is provided below on the top 5 holdings held at 31 May 2009:

FFastFill continues, despite a difficult financial services backdrop, to demonstrate the benefits of software as a service and has made further progress towards profitability as recent acquisitions have been integrated. Importantly this holding, despite a very tough equity market since the fund launch, continues to trade above its book cost. Since the period end more than half of the holding was sold at a profit.

TEG Group operates in a market being driven by environmental and legislative changes although the banking crisis has negatively impacted the PFI and capital expenditure markets.

Rheochem owns a successful oil services company in Australia and has expanded into exploration and production assets primarily in the North Sea and the USA. We believe the market often applies too great a conglomerate discount to such businesses.

eServGlobal supplies software to the mobile phone industry, mainly in emerging markets.

The Ottoman Fund is a specialist property fund with assets in Turkey. Since the period end this holding has been sold.

Despite the recent rally in the AIM market, in the short term the economic outlook continues to be highly uncertain. Even if the UK economy is starting to turn it is clear that the scale of the UK's public sector debt is an issue which will have to be tackled at some stage, which would suggest that we are unlikely to see a V shape recovery. We continue to seek opportunities to create liquidity and value and we are confident that we will be able to realise the remaining holdings in the portfolio before the end of the first quarter of 2010.

Progressive AIM Realisation Limited

16 July 2009

Holdings

At 31 May 2009	By valuation £'000	Percentage of portfolio (%)
FFastFill	1,080	30.5
TEG Group	691	19.5
Rheochem	587	16.6
eServGlobal	557	15.7
The Ottoman Fund	381	10.8
Strathdon Investments	133	3.7
DCD Media	67	1.9
AT Communications Group	42	1.1
Sarantel Group	7	0.2
	3,545	**100.0**

All of the above are holdings in ordinary shares of companies quoted on AIM.

In addition to the above, the Company held two holdings which were suspended as at 31 May 2009 and have been valued at £nil.

Income statement

	6 months to 31 May 2009 Revenue £'000	6 months to 31 May 2009 Capital £'000	6 months to 31 May 2009 Total £'000	*6 months to 31 May 2008 Revenue £'000*	*6 months to 31 May 2008 Capital £'000*	*6 months to 31 May 2008 Total £'000*
Gains/(losses) on investments at fair value through profit and loss						
– realised	–	(4,811)	(4,811)	*–*	*(5,049)*	*(5,049)*
– unrealised	–	4,393	4,393	*–*	*(1,211)*	*(1,211)*
Net investment losses	–	(418)	(418)	*–*	*(6,260)*	*(6,260)*
Income from investments	–	–	–	*13*	*–*	*13*
Interest receivable	–	–	–	*48*	*–*	*48*
Investment management fees	(21)	(21)	(42)	*(106)*	*(106)*	*(212)*
Other expenses	(123)	–	(123)	*(136)*	*–*	*(136)*
Loss on ordinary activities	**(144)**	**(439)**	**(583)**	***(181)***	***(6,366)***	***(6,547)***
Earnings per Share	**(1.00)p**	**(3.06)p**	**(4.06)p**	***(0.67)p***	***(23.55)p***	***(24.22)p***

The total column of this statement represents the company's Income Statement, prepared under IFRS.

All capital and revenue items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period.

Balance sheet

	At 31 May 2009 £'000	*At 31 May 2008 £'000*	*At 30 November 2008 £'000*
Non-current assets			
Investments at fair value through profit and loss	**3,545**	***12,786***	***4,976***
Current assets			
Sales for future settlement	49	*336*	*–*
Other receivables	6	*23*	*7*
Cash and cash equivalents	273	*518*	*335*
	328	***877***	***342***
Total assets	**3,873**	***13,663***	***5,318***
Current liabilities			
Other payables	41	*113*	*103*
	41	***113***	***103***
Total assets less current liabilities	**3,832**	***13,550***	***5,215***
Capital and reserves attributable to equity holders			
Share premium	20,015	*23,515*	*20,815*
Realised capital reserve	(9,262)	*(1,773)*	*(4,430)*
Unrealised capital reserve	(6,243)	*(7,831)*	*(10,636)*
Revenue reserve	(678)	*(361)*	*(534)*
Total equity	**3,832**	***13,550***	***5,215***
Net asset value per Share	32.20p	*61.97p*	*36.31p*
No. of Shares in issue	11,900,062	*21,865,731*	*14,361,581*

Statement of changes in equity

	6 months to 31 May 2009 £'000	*6 months to 31 May 2008 £'000*	*Year ended 30 November 2008 £'000*
Opening equity	5,215	*23,297*	*23,297*
Redemptions of Shares	(800)	*(3,200)*	*(5,900)*
Loss for the period	(583)	*(6,547)*	*(12,182)*
Closing equity	**3,832**	***13,550***	***5,215***

Cash flow statement

	6 months to 31 May 2009 £'000	*6 months to 31 May 2008 £'000*
Net cash flow from operating activities		
Cash inflow from investment income and interest	2	*64*
Cash outflow from management and other expenses	(228)	*(390)*
Cash inflow from disposal of investments	964	*2,445*
Net cash flow from operating activities	**738**	***2,119***
Net cash flow from financing activities		
Payments to purchase own Shares	(800)	*(3,200)*
Net cash flow from financing activities	**(800)**	***(3,200)***
Net decrease in cash	**(62)**	***(1,081)***
Opening balance	335	*1,599*
Cash outflow	(62)	*(1,081)*
Closing balance	**273**	***518***

Notes to the accounts

1 Status
The Company is a closed-ended investment company incorporated and resident in Guernsey.

2 Accounting policy
The Company presents its accounts in accordance with applicable International Financial Reporting Standards ("IFRS"). The Company has also taken the guidance of the Statement of Recommended Practice issued by the Association of Investment Companies into account to the extent that it is appropriate and compatible with IFRS.

3 Investments
Investments are listed on the London Stock Exchange or quoted on AIM. All investments have been classified as "fair value through profit and loss". At the period end all listed and quoted investments have been valued at market bid prices. Suspended securities at the period end have been valued at directors' best estimate of fair value.

4 Investment management fees
One half of the basic and capital return fees payable have been charged to capital.

5 Share capital
Upon incorporation, the Company issued 2 founders' shares of £1 nominal value each.

Pursuant to the Placing, the Company issued 37,836,344 participating redeemable preference shares ("Shares") of no par value in the Company. The Shares were issued at £1 each.

Following the redemptions since the Company's launch, detailed in note 6 below, the Company had 11,900,062 Shares in issue at the period end.

6 Redemptions of Shares
Pro-rata redemptions
(i) On 31 May 2007 the Company redeemed 5,700,414 Shares at an aggregate cost of £5,700,984.

(ii) On 30 November 2007 the Company redeemed 4,876,329 Shares at an aggregate cost of £4,199,982.

(iii) On 30 May 2008 the Company redeemed 5,168,770 Shares at an aggregate cost of £3,199,985.

(iv) On 28 November 2008 the Company redeemed 7,504,150 Shares at an aggregate cost of £2,699,993.

(v) On 29 May 2009 the Company redeemed 2,461,519 Shares at an aggregate cost of £799,994.

Re-purchase and redemption of Shares
During the period ended 30 November 2007, the Company re-purchased and redeemed 225,100 Shares at an aggregate cost of £207,592. There have been no further re-purchase and redemptions of Shares.

7 Earnings per Share
Earnings per Share is based on the weighted average number of 14,334,531 (2008: 27,034,501) Shares in issue during the period.

8 Net assets per Share
Net assets per Share figures are based on the number of Shares in issue at the end of the period.

9 Status of this report
These financial statements are not the Company's statutory accounts. They are unaudited. The half-yearly financial report will be sent to shareholders and copies will be made available to the public at the registered office of the Company and at the address of the UK Administration Agent. It will also be available on the Company's website at www.aimvarc.com.

The half-yearly financial report was approved by the Board of directors on 16 July 2009.

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