

CASH FLOW STATEMENT

For the Half Year Ended 31 December 2005

	31 Dec 2005 \$	31 Dec 2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts in the course of operations	3,023	-
Cash payments in the course of operations	(122,715)	(113,989)
Interest received	86,105	69,063
Dividend received	-	11,437
Tax paid	(1,266)	-
Net cash used in operating activities	(34,853)	(33,489)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	218,431	208,950
Loans provided	(499,800)	(400,000)
Loans repaid	499,800	-
Payments for other investments	(500,000)	(500,000)
Net cash used in investing activities	(281,569)	(691,050)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	-	(120,987)
Proceeds from issues of shares	3,337,250	-
Costs of share issues	(10,431)	-
Net cash provided by/ (used in) financing activities	3,326,819	(120,987)
Net increase/(decrease) in cash held	3,010,397	(845,526)
Cash at the beginning of the financial period	2,824,740	2,597,862
Cash at the end of the financial period	5,835,137	1,752,336

STATEMENT OF CHANGES IN EQUITY

For the Half Year Ended 31 December 2005

	31 Dec 2005 \$	31 Dec 2004 \$
Income and expenses recognised directly in equity		
Movements in fair values of available for sale financial assets recognised directly in equity	400,125	(63,500)
Prior period movements in fair values of available for sale financial assets transferred to the income statement on realisation	(24,147)	-
Non equity costs of shares issued	(206,282)	-
Income tax on items taken directly to or from equity	(42,424)	15,876
Total income and expense recognised directly in equity	127,272	(47,624)
Profit for the period	38,043	93,577
Total recognised income and expense for the period	165,315	45,953
Transactions with shareholders in their capacity as shareholders		
Shares issued during the period	3,337,250	-
Dividends paid to shareholders	-	(120,988)
Total transactions with shareholders in their capacity as shareholders	3,337,250	(120,988)
Net increase in equity for the period	3,502,565	(75,035)
Equity at the beginning of the period	5,739,664	4,762,883
Equity at the end of the period	9,242,229	4,687,848

Dear Shareholder,

On behalf of the Directors, I am pleased to present the interim report for CVC Sustainable Investments Limited ("the Company"). I would also like to extend a welcome to those new shareholders who participated in the recent capital raising.

For the half year ended 31 December 2005, your Company reported a net profit of \$38,043 (\$93,577 for the previous corresponding period in 2004). It is important to note that the Company's profit depends on realisations of its investment portfolio. A more relevant measure is the value of the underlying portfolio which increased by \$375,978 during the period.

During the half year to 31 December 2005, the Company expanded its investment portfolio with a \$0.5m equity investment in Biodiesel Producers Limited. The Company also realised profits from the further sale of shares in Geodynamics Limited.

The Company was successful in raising \$3.32 million and attracting an additional 155 new shareholders. As a result of the capital raising the Company now has available in excess of \$5.8 million cash for investment purposes and we are actively seeking new investment opportunities in the environmental sector.

Thank you for your continued support of CVC Sustainable Investments which remains dedicated to producing good returns by investing in environmental sustainability.

Vanda Gould
Chairman

CVC Sustainable Investments Limited

BALANCE SHEET

As at 31 December 2005

	31 Dec 2005 \$	30 Jun 2005 \$
CURRENT ASSETS		
Cash and cash equivalents	5,835,137	2,824,740
Receivables	15,202	21,783
Total current assets	5,850,339	2,846,523
NON CURRENT ASSETS		
Loan receivables	395,035	367,687
Equity investments	3,361,004	2,652,401
Deferred tax assets	-	31,242
Total non current assets	3,756,039	3,051,330
Total assets	9,606,378	5,897,853
CURRENT LIABILITIES		
Trade and other payables	212,910	29,548
Current tax liability	129,384	128,641
Total current liabilities	342,294	158,189
NON CURRENT LIABILITIES		
Deferred tax liability	21,855	-
Total non current liabilities	21,855	-
Total liabilities	364,149	158,189
Net assets	9,242,229	5,739,664
EQUITY		
Contributed equity	8,146,326	5,127,814
Retained profits	700,897	662,854
Other reserves	395,006	(51,004)
Total equity	9,242,229	5,739,664

CVC Sustainable Investments Limited

INCOME STATEMENT

For the Half Year Ended 31 December 2005

	31 Dec 2005 \$	31 Dec 2004 \$
Revenue:		
Interest income	117,196	74,996
Realised profit on investments	51,056	138,450
Dividends received	-	11,437
Other income	3,022	-
Total revenue	171,274	224,883
Expenses:		
Audit fees	3,600	1,100
Directors' fees	12,000	12,000
Management & consulting	71,280	70,447
Printing	5,827	8,697
Share registry costs	6,301	3,392
Other expenses	21,541	11,976
Profit before income tax expense	50,725	117,271
Income tax expense	12,682	23,694
Profit after income tax expense	38,043	93,577
	Cents	Cents
Earnings per share		
Basic on profit for the half year	0.14	0.39
Diluted on profit for the half year	0.14	0.37
Dividends paid per share	-	0.5