

FUND OVERVIEW

Following completion of a combined 1:2 rights issue and a public offer of new shares, on 31 December 2005 net assets stood at \$9.24 million, or \$0.2151 per share. This compares favourably with the \$0.20 issue price of the recent capital raising and follows a revaluation of the Company's 20% stake in Wind Corporation Australia whose early stage investment Babcock & Brown Wind Partners (BBWP) has appreciated significantly since BBWP listed on ASX in October 2005.

As at 31 December, the revised value of the Company's investment portfolio was \$3.361 million while \$5.825 million was held in cash.

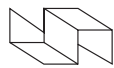
CVCSI currently holds six investments: Pro-Pac Group Limited; Wind Corporation Australia Limited; Traffic Technologies Limited; Soilwise Pty Limited; Plantic Technologies Limited; and Biodiesel Producers Limited.

RESULTS OF THE 2005 CAPITAL RAISING

A total of \$3.3 million was raised from the combined rights issue and public offer which closed on 31 December 2005. As a result of the successful capital raising, the Company welcomes an additional 155 new shareholders. In all there are now 385 owners.

This capital raising will assist the Company to pursue larger scale investment opportunities which have emerged in recent months.

CURRENT INVESTMENTS



PRO-PAC Packaging Limited

PRO-PAC continues to pursue its strategy of consolidating the fragmented Australian packaging distribution market. The company's performance for financial year 2005 was pleasing with revenue increasing to \$21.3m and profit before tax up 4.1% to \$2.55m, however a combination of cost and margin pressures in the first quarter of financial year 2006 combined to cause profit before tax to be \$550,000 below pro-rata prospectus forecasts.



Wind Corporation Australia Ltd

Wind Corporation Australia (WCA) has entered into a co-development agreement to develop the Black Springs wind farm with Energreen Pty Ltd. Energreen brings significant wind farm development and technical expertise to the project.

WCA also owns approximately 4 million shares in Babcock & Brown Wind Partners (ASX:BBW). The 30% appreciation in BBW since listing has resulted in CVCSI increasing the carrying value of its investment in WCA from cost of \$1m to \$1.3m.



Soilwise

Business progress has been hampered by engineering problems with the composting pad that was completed in the middle of last year. The result is that the quality of compost produced to date has been below standard and directors preferred not to sell the inferior product to commercial users, although some has now been sold in a blended product. Since the last update, Leeton Shire Council (LSC) has confirmed that it will provide up to \$700,000 to Soilwise to double the size of the existing composting pad and to construct a liquid composting plant at Leeton.

Coffey Geosciences has been engaged to develop a specification for the pad extension and remediation work and provide project management services. Construction of the pad extension commenced during February. Construction of the liquid composting plant will start during March.



Traffic Technologies' aggressive acquisition programme concluded in October 2005 with the purchase of Adelaide-based Line Marking Services for \$2.0m (a 2x EBIT multiple). Recently the wholly owned traffic management subsidiaries, Traffic Services Australia and ABLE Traffic Management, were selected by Theiss John Holland as part of a panel of four suppliers on the \$2.5 billion Mitcham-Frankston road project. For the 6 months to 31 December 2005, the company has announced revenue of \$23.8m with EBITDA of \$0.6m.



Plantic's sales performance for financial year 2005 was disappointing. Sale revenue was just \$400,000, with the lead times to establish sales in Europe still proving to be longer than expected. Since the end of the financial year, however, the company has begun to supply Nestle in the United Kingdom for two of its leading confectionary products (Dairy Box and Black Magic) and has announced an alliance with Amcor Australia to develop a new biodegradable material.

NEW INVESTMENT

Biodiesel Producers Limited

In November 2005 CVCSI invested \$0.5m in Biodiesel Producers Limited (BPL), a biodiesel producer which is in the process of constructing its first facility near Wangaratta, Victoria. BPL has secured a federal government grant for \$9.6m and last year ANZ Infrastructure Services (ANZIS) committed to provide a further \$30m as equity. The terms of CVCSI's investment were pari passu with those of ANZIS.

The Wangaratta plant will produce 60 million litres biodiesel per annum, 4,000 tonnes of glycerol and 1,200 tonnes of potassium sulphate. Secure feed stock and off-take agreements for over 50% of the production capacity are in place.

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