



# CONTINENTAL VENTURE CAPITAL LIMITED

HALF YEARLY REPORT FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2000

ACN 002 700 361

## Dear Shareholder,

On behalf of the Board of Directors of Continental Venture Capital Limited ("CVC"), I am pleased to present the interim report for the six months to December 31, 2000.

The operating profit of \$5.49 Million for the period is a 5.7% increase on the 1999 half year result and represents our 16th consecutive half year profit. Significant contributions to the operating profit were made from the realisation of a portion of our venture capital portfolio and from continued realisation of property financing transactions.

Earnings per share were 5.0 cents for the six month period and net tangible assets increased to 60.1 cents per share. Consistent with previous periods, the Directors have resolved not to declare an interim dividend.

## Commentary

During the six months ended 31 December 2000, CVC continued to concentrate on investment and development capital opportunities and in key areas we believe will underpin future growth. Investments into CVC Biz Vision Limited and CVC REEF Limited, provide portfolio exposure to an array of investment opportunities, in a tax advantaged structure.

CVC REEF Limited provides leverage off the Australian Government's endorsement and support of the renewable energy industry as a key area of growth for the next decade.

*"CVC's investment portfolio continues to provide a basis for future realisation of significant capital gains.."*

Over the past 6 months the management team of CVC has been expanded and strengthened with specialist skills in a number of key investment disciplines. We believe that the quality of CVC's management team and the effort being expended to further develop specialist skills will in time lead to an increased quality of deals and co-investment opportunities.

CVC's investment portfolio continues to provide a basis for future realisation of significant capital gains. Particular mention should be made of Vita Life Sciences (Vita) which as at December 31, 2000 had an unrealised profit of \$11.8 M on our investment of \$2.2 M. *(Investors are reminded that unrealised profits are not reflected in the net tangible asset backing noted above).*

Equally important, the acquisition of our former investee Tetley Medical Limited by Vita in a cash and shares offer has enabled all CVC shareholders to retain an interest in the continued realisation of Tetley's potential. With an expanded capital base to facilitate future research and development, and the demonstrated strengths of Vita's regulatory and marketing expertise, we are optimistic that the Tetley core technologies will underpin a significant world-class life sciences company.

## The Period Ahead

As foreshadowed in the 2000 Annual Report CVC will devote considerable effort to build a diversified base of quality investments with significant long term capital growth prospects. Whilst we envisage new investments contributing to short term operating profitability by way of dividends, in focusing on growth orientated assets it is envisaged that the desired return on capital employed will be realised over the longer term.

In the short term CVC will continue to look for opportunities to realise in part its investment portfolio where prevailing market conditions can deliver a return commensurate with the underlying value.

Yours faithfully

Vanda Gould  
Chairman

# CONSOLIDATED PROFIT AND LOSS REPORT

FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2000

CONTINENTAL VENTURE CAPITAL LIMITED

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	Six Months Ended 31 December 2000 \$'000	Six Months Ended 31 December 1999 \$'000
<b>Revenue</b>		
Sales Revenue	4,615	8,046
Other Revenue	4,640	4,089
<b>Total Revenue</b>	<b>9,255</b>	<b>12,135</b>
Operating Profit after Tax but before Outside Equity Interests	5,540	5,250
Outside Equity Interests in Profit after Tax	(46)	(53)
<b>Operating Profit after Tax Attributable to Members of the Company</b>	<b>5,494</b>	<b>5,197</b>

	Six Months Ended 31 December 2000	Six Months Ended 31 December 1999
<b>Earnings per Share (Basic)</b>	<b>5.0 cents</b>	<b>4.7 cents</b>
<b>Net Tangible Assets per Share</b>	<b>60.1 cents</b>	<b>51.4 cents</b>

Industrial Segments	Electronics \$'000	Property Development \$'000	Venture Capital and Investment \$'000	Hotel \$'000	Total \$'000
Revenue outside group	-	-	3,071	1,544	4,615
Associates net profits	-	1,719	-	-	1,719
Other revenue	-	-	2,921	-	2,921
<b>Total revenue</b>	<b>-</b>	<b>1,719</b>	<b>5,992</b>	<b>1,544</b>	<b>9,255</b>
<b>Segment result</b>	<b>(5)</b>	<b>1,719</b>	<b>4,405</b>	<b>(625)</b>	<b>5,494</b>
<b>Segment assets</b>	<b>2</b>	<b>30,921</b>	<b>43,878</b>	<b>12,217</b>	<b>87,018</b>

# CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2000

CONTINENTAL VENTURE CAPITAL LIMITED

ACN 002 700 361

	31 December 2000 \$'000	31 December 1999 \$'000
<b>Current Assets</b>		
Cash	6,249	11,938
Receivables	25,181	11,364
Investments	16,119	5,729
Inventories	36	853
Other	40	756
<b>Total Current Assets</b>	<b>47,625</b>	<b>30,640</b>
<b>Non Current Assets</b>		
Receivables	-	5,846
Investments	27,460	23,073
Inventories	11,563	10,529
Property, Plant and Equipment	-	231
Other	370	65
<b>Total Non Current Assets</b>	<b>39,393</b>	<b>39,744</b>
<b>Total Assets</b>	<b>87,018</b>	<b>70,384</b>
<b>Current Liabilities</b>		
Accounts Payable	869	834
Borrowings	691	897
Provisions	1,794	1,077
<b>Total Current Liabilities</b>	<b>3,354</b>	<b>2,808</b>
<b>Non Current Liabilities</b>		
Borrowings	17,721	10,500
Provisions	-	27
<b>Total Non Current Liabilities</b>	<b>17,721</b>	<b>10,527</b>
<b>Total Liabilities</b>	<b>21,075</b>	<b>13,335</b>
<b>Net Assets</b>	<b>65,943</b>	<b>57,049</b>
<b>Shareholders' Equity</b>		
Capital	26,634	26,328
Reserves	74	117
Retained Profits	38,799	29,747
<b>Shareholders' Equity Attributable to Members of the Company</b>	<b>65,507</b>	<b>56,192</b>
Outside Equity Interest in Controlled Entities	436	857
<b>Total Shareholders' Equity</b>	<b>65,943</b>	<b>57,049</b>

**CONSOLIDATED STATEMENT OF CASH FLOW**  
FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2000

**CONTINENTAL VENTURE CAPITAL LIMITED**

ACN 002 700 361

	Six Months Ended 31 December 2000 \$'000	Six Months Ended 31 December 1999 \$'000
<b>Cash Flow Related to Operating Activities</b>		
Receipts from Customers	1,458	5,165
Interest Received	481	283
Payments to Suppliers	(2,206)	(3,681)
Dividends Received	960	1,019
Interest Paid	(429)	(551)
Income Tax Paid	(1,285)	(118)
Other	(18)	(33)
<b>Net Operating Cash Flows</b>	<b>(1,039)</b>	<b>2,084</b>
<b>Cash Flows Related to Investing Activities</b>		
Cash Paid for Purchase of Property, Plant and Equipment	(29)	(20)
Cash Proceeds from Sale of Property, Plant and Equipment	-	-
Cash Paid for Purchase of Equity Investments	(5,832)	(5,629)
Cash Proceeds from Sale of Equity Investments	3,052	5,606
Loans to Other Entities	(4,438)	(3,961)
Loans Repaid by Other Entities	8,884	7,348
<b>Net Investing Cash Flows</b>	<b>(1,637)</b>	<b>3,344</b>
<b>Cash Flows Related to Financing Activities</b>		
Borrowings	13,147	1,994
Repayment of Borrowings	(8,229)	49
Dividends Paid	(1,372)	(1,143)
Share Buy Back	(10)	(410)
Other	-	133
<b>Net Financing Cash Flows</b>	<b>3,536</b>	<b>623</b>
<b>Reconciliation of Cash</b>		
Net Increase/(Decrease) in Cash Held	4,134	6,051
Cash at Beginning of Period	2,115	5,887
<b>Cash at End of Period</b>	<b>6,249</b>	<b>11,938</b>