



CONTINENTAL VENTURE CAPITAL LIMITED

HALF YEARLY REPORT FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2001

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, 2001.

As foreshadowed at the annual general meeting, the result represents a 28% decrease from the previous corresponding half year due to the nature of our venture capital portfolio and a dependency on realisations to contribute to operating profit.

The operating profit of \$2.89 million for the period represents our 18th consecutive half year profit. Contributing to the result is the continued realisation of venture transactions and adjustments to our listed portfolio.

Earnings per share were 2.6 cents for the six month period and net tangible assets increased to 65.2 cents per share. Shareholders will appreciate that we are conservative in accounting procedures. If we valued the listed securities we are holding at their market value at balance date our net tangible asset backing would be around 90 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 2001, CVC continued to focus on the development of the venture capital portfolio and investment in key growth sectors.

We have maintained our investments in CVC REEF and CVC Biz Vision. The CVC REEF investee company Wind Corporation now has a fully operational wind farm which has generated in excess of 960 MWh of clean energy to date. The company is now in the process of wind monitoring at a variety of other sites that exhibit potential for continued development of wind as a power source. Our objective is to grow Wind Corporation Limited to become a listed public company in its own right. We are pleased to have received various Governmental awards for what is the first commercial wind farm in NSW.

Our investment in the listed Sunland Group is continuing to generate strong returns and revenue for Q1 2002 has exceeded forecasts. We have recently realised 3.9 million shares from our holding in the group and this will contribute to our 30 June 2002 profit results. Amongst current developments for the Sunland Group is construction and pre sales for the world's tallest residential tower "Q" on the Gold Coast. In addition, Sunland continues its expansion into other geographic centres of Australia and has realised strong returns from the sale of residential developments in Melbourne and is planning major developments in Brisbane over the coming year.

Strengthening our property portfolio is the acquisition of a further 25% of the Chevron Renaissance shopping complex on the Gold Coast. CVC now owns 50% of the complex which we expect to provide a solid base for future earnings. With appropriate gearing we will receive an excellent return on our funds employed.

We have recently announced the sale of our 100% owned entity Clinical Waste Australia, a medical waste processing business based in NSW. This sale completed on March 22, 2002 and is expected to result in a profit in the range of \$4.5 million dollars to the group. CVC invested around \$4 million in the company in 2000.

The Period Ahead

Venture capital and private equity investing whilst potentially very rewarding has also its difficulties as you are dealing with companies that often do not have, because of their size, rigorous controls in place to prevent dishonesty and fraud by the entrepreneurs involved. The great commercial value of the CVC team was apparent over the Christmas period when we were required to use most of our managers for a period at CVC Biz Vision investee company, Telefix, until restructuring and new management could be in place. I am very proud to be part of that team of men and women, who are committed to the success of our company.

We expect that opportunities will arise from the tougher times ahead when a number of the newer private equity managers exit the industry. As CVC's 17 year history shows, Venture capital and private equity can be very lucrative, but the industry is much harder than many new entrants anticipate. CVC however, looks forward with confidence to the future.

We have recently taken a 9% stake in Greens Foods Limited and CVC Director Sandy Beard has been appointed to the Board of that company. We expect to take an active role in a strategic review of Green's operations, with a view to adding value and generating return potential for all shareholders.

We expect the value of our investment in the CVC REEF and Biz Vision fund to grow along with the maturation of their investee companies. We look forward to reporting back to you on their progress, along with the other companies comprising our venture capital portfolio in our 2002 Annual Report to shareholders.

We appreciate the support of our shareholders and look forward to exceeding your expectations for your investment in CVC.

Yours faithfully,

Vanda Gould
Chairman

CONSOLIDATED STATEMENT OF
FINANCIAL PERFORMANCE
FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2001

CONTINENTAL VENTURE CAPITAL LIMITED

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	Six Months Ended 31 December 2001 \$'000	Six Months Ended 31 December 2000 \$'000
Revenue		
Sales Revenue	3,400	4,615
Other Revenue	5,542	4,640
Total Revenue	8,942	9,255
Operating Profit after Tax but before Outside Equity Interests	2,984	5,540
Outside Equity Interests in Profit after Tax	(91)	(46)
Operating Profit after Tax Attributable to Members of the Company	2,893	5,494

	Six Months Ended 31 December 2001	Six Months Ended 31 December 2000
Earnings per Share (Basic)	2.64 cents	5.0 cents
Net Tangible Assets per Share	65.2 cents	60.1 cents

INDUSTRIAL SEGMENTS	WASTE PROCESSING \$'000	PROPERTY DEVELOPMENT \$'000	VENTURE CAPITAL & INVESTMENT \$'000	TOTAL \$'000
Sales Outside the Group	3,439		1,305	4,744
Associates Net Profits		3,250		3,250
Other Revenue	39		4,159	4,198
Total Revenue	3,478	3,250	5,464	12,192
Segment Result	314	3,250	(671)	2,893
Segment Assets	7,244	31,392	35,835	74,471

CONSOLIDATED STATEMENT OF
FINANCIAL POSITION
AS AT 31 DECEMBER 2001

CONTINENTAL VENTURE CAPITAL LIMITED

ACN 002 700 361

	31 December 2001 \$	31 June 2000 \$
CURRENT ASSETS		
Cash Assets	1,388,454	6,292,097
Receivables	18,791,416	11,856,687
Inventories	61,662	85,969
Other Financial Assets	3,381,255	2,917,139
Current tax Assets	393,991	-
Other Assets	20,053	66,599
Total Current Assets	24,036,831	21,218,491
NON-CURRENT ASSETS		
Receivables	13,614,817	16,297,568
Inventories	-	11,331,943
Other Financial Assets	31,175,232	38,755,266
Property, Plant and Equipment	4,932,160	3,154,932
Deferred Tax Assets	711,580	370,750
Total Non-Current Assets	50,433,789	69,910,459
TOTAL ASSETS	74,470,620	91,128,950
CURRENT LIABILITIES		
Payables	2,435,322	1,780,808
Current Tax Liabilities	-	-
Interest Bearing Liabilities	408,474	1,182,400
Provisions		371,982
Total Current Liabilities	2,843,796	3,335,190
NON-CURRENT LIABILITIES		
Interest Bearing Liabilities	100,000	17,742,367
Provisions	10,500	73,525
Total Non-Current Liabilities	110,500	17,815,892
TOTAL LIABILITIES	2,954,296	21,151,082
NET ASSETS	71,516,324	69,977,868
EQUITY		
Contributed Equity	26,633,636	26,633,636
Reserves		74,222
Retained profits or (Accumulated Losses)	44,328,624	42,807,596
Total Parent Equity Interest	70,962,260	69,515,454
Outside Equity Interest	554,064	462,414
TOTAL EQUITY	71,516,324	69,977,868

CONSOLIDATED STATEMENT OF
CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2001

CONTINENTAL VENTURE CAPITAL LIMITED

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	Six Months Ended 31 December 2001 \$	Six Months Ended 31 December 2000 \$
CASH RELATING TO OPERATING ACTIVITIES		
Cash Receipts in the Course of Operations	2,912,176	1,458,215
Cash Payments in the Course of Operations	(3,824,950)	(2,206,492)
Interest Received	882,415	481,444
Dividends Received	505,984	960,781
Interest Paid	(174,217)	(429,448)
Income Taxes Paid	(821,851)	(1,284,873)
Other	45,593	(18,761)
Net Cash (Used in)/ Provided by Operating Activities	(474,850)	(1,039,134)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for Property, Plant & Equipment	(1,144,469)	(29,250)
Payments for Equity Investments	(1,895,065)	(5,832,054)
Payment for Controlled Entity		
Proceeds on Disposal of Equity Investments	13,496,085	3,052,382
Loans Provided	(5,329,190)	(4,438,331)
Loans Repaid	1,265,500	8,884,598
Other	-	-
Net Cash Provided by/(Used in) Investing Activities	6,392,861	1,637,345
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Borrowings		13,147,400
Repayment of Borrowings	(9,450,000)	(8,229,475)
Share Buy Back		-
Dividends Paid	(1,371,700)	(1,371,700)
Other		(10,594)
Cash Provided by/(Used in) Financing Activities	(10,821,700)	3,535,631
Net Increase/(Decrease) in Cash Held	(4,903,689)	4,133,842
Cash at the Beginning of the Period	6,292,148	2,115,384
CASH AT THE END OF THE FINANCIAL YEAR	1,388,459	6,249,226