

## Statement of Financial Position

As at 31 December 2004

	Consolidated	
	31 Dec 2004 \$'000	30 Jun 2004 \$'000
<b>CURRENT ASSETS</b>		
Cash Assets	3,717	12,270
Receivables	11,404	7,615
Inventories	1,533	1,132
Other Financial Assets	6,230	4,922
Current Tax Assets	44	40
Other Assets	373	239
<b>Total Current Assets</b>	<b>23,301</b>	<b>26,218</b>
<b>NON-CURRENT ASSETS</b>		
Receivables	5,293	2,890
Investments Accounted for using the Equity Method	64,520	49,524
Other Financial Assets	14,053	11,861
Property, Plant and Equipment	960	671
Deferred Tax Assets	794	140
Intangible Assets	15,472	5,158
<b>Total Non-Current Assets</b>	<b>101,092</b>	<b>70,244</b>
<b>TOTAL ASSETS</b>	<b>124,393</b>	<b>96,462</b>
<b>CURRENT LIABILITIES</b>		
Payables	13,457	11,714
Provisions	472	209
Current Tax Liabilities	1,098	992
<b>Total Current Liabilities</b>	<b>15,027</b>	<b>12,915</b>
<b>NON-CURRENT LIABILITIES</b>		
Provisions	40	143
Deferred Tax Liabilities	-	178
<b>Total Non-Current Liabilities</b>	<b>40</b>	<b>321</b>
<b>TOTAL LIABILITIES</b>	<b>15,067</b>	<b>13,236</b>
<b>NET ASSETS</b>	<b>109,326</b>	<b>83,226</b>
<b>EQUITY</b>		
Contributed Equity	27,943	20,238
Retained Profits	75,464	60,530
Total Parent Entity Interest	103,407	80,768
Outside Equity Interest	5,919	2,458
<b>TOTAL EQUITY</b>	<b>109,326</b>	<b>83,226</b>

## Statement of Cash Flows

For the Half Year Ended 31 December 2004

	Consolidated	
	31 Dec 2004 \$'000	30 Jun 2004 \$'000
<b>CASH FLOWS RELATED TO OPERATING ACTIVITIES</b>		
Cash Receipts in the Course of Operations	11,801	9,468
Cash Payments in the Course of Operations	(16,289)	(10,309)
Interest Received	323	406
Dividends Received	3,202	1,793
Interest Paid	-	(206)
Income Taxes (Paid)/Repaid	(999)	4
<b>Net Cash (Used in)/Provided by Operating Activities</b>	<b>(1,962)</b>	<b>1,156</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for Property, Plant & Equipment	(367)	(110)
Proceeds from Disposal of Property, Plant and Equipment	20	-
Payments for Equity Investments	(7,352)	(6,217)
Payments for Controlled Entities net of Cash Acquired	(47)	(1,743)
Proceeds on Disposal of Equity Investments	2,715	18,679
Payments for Other Financial Assets	(61)	-
Proceeds on Disposal of Interests in Controlled Entities	1,678	-
Loans Provided	(4,044)	(3,673)
Loans Repaid	6,542	22,921
<b>Net Cash (Used in)/Provided by Investing Activities</b>	<b>(916)</b>	<b>29,857</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends Paid to Members of the Parent Entity	(1,660)	(2,185)
Payments for share buy-backs	(4,015)	(828)
Issue of Shares by Subsidiary to Outside Equity Interests	-	63
<b>Cash Used in Financing Activities</b>	<b>(5,675)</b>	<b>(2,950)</b>
<b>Net (Decrease)/Increase in Cash Held</b>	<b>(8,553)</b>	<b>28,063</b>
<b>Cash at the Beginning of the Period</b>	<b>12,270</b>	<b>2,477</b>
<b>CASH AT THE END OF THE PERIOD</b>	<b>3,717</b>	<b>30,540</b>



## Half Yearly Report

For the Half Year Ended 31 December 2004

## COMMENTARY ON RESULTS, DEVELOPMENTS AND FUTURE EXPECTATIONS

**Record Half Year Profit**

The Directors of CVC Limited ("CVC") wish to report a record net profit of \$16.6 million (15.6 cents per share) for the 6 months to 31 December 2004. The profit is an increase of 84% from 31 December 2003, which itself was a record result. The Directors have also recently declared an interim dividend of 2 cents per share, a 33% increase on the 2004 interim dividend.

It should be noted that this result has been achieved without the sale of any of CVC's shares in Sunland Group Limited ("Sunland") and does not include any recognition of the unrealised increases in the market values of CVC's listed investments during the period (which increased by over \$40 million during the 6 months). A key driver of the result for the period was the sale of CVC's interest in the Chevron Renaissance Shopping Centre on the Gold Coast. This sale has contributed over \$9 million to the CVC half year result and with future conditional consideration the final realised profit could rise to over \$10 million.

**Commentary on Developments**

The Directors believe it is some of the developments that are not reflected in these results that represent the greatest advances during the period for CVC. These include: the unrealised increase in the value of the CVC portfolio of listed investments; the acquisition of the investment manager; the recent placement of 16.5 Million shares in the Company at \$1.70 per share; the new investment in Ron Finemore Transport Pty Ltd ("RFT"); and the development of investments in Pro-Pac Group Limited ("Pro-Pac"), Probiotec Group; the joint venture at Fern Bay, NSW and the joint venture acquisition of a commercial bulky goods development site at Belrose, NSW.

During the period, CVC acquired the funds management business of its investment manager, internalising the management function, eliminating future performance fee liabilities, reducing ongoing overheads and providing a new recurring revenue stream for CVC. Shareholders will recall that another key rationale of this restructure was to increase the appeal of CVC to the wider investment community. Accordingly, we believe the recent share placement, raising \$28 million for future investment activities, led by two major institutional investors, is a significant step towards achieving greater appeal for CVC.

The investment in Ron Finemore Transport (RFT) and the acquisition of the Lewington's transport companies

represents an exciting opportunity for CVC to get back into partnership with Ron Finemore who has an outstanding record in the transport industry. The acquisition of the Lewington's business is the first in what we believe will be a series of acquisitions to build RFT into a major regional logistics group.

The Pro-Pac business continues to grow, both organically and by acquisition, and is targeting a listing on the Australian Stock Exchange before the end of the current financial year.

Similarly, Probiotec Group continues to grow both organically and by acquisition and recently completed an acquisition of Milton Pharmaceuticals, continuing its development towards a proposed listing in late 2005.

The development of the land at Fern Bay is also progressing well. The site has development approval for approximately 200 lots, with sales expected to commence before the end of the year, and we remain optimistic that development approval for significant additional lots will be forthcoming.

**Commentary on Future Expectations**

Your Directors look forward to the future with great optimism. CVC is now in a strong position for the future:

- The current listed investments continue to perform and, there is great potential for short and long term growth in the value of Pro-Pac, Fern Bay and other unlisted investments including Ron Finemore Transport.
- Following the previously announced settlement of the sale of the Chevron Renaissance Shopping Centre, the sale of shares in Sunland, and the recent placement of shares, CVC will have approximately \$60 Million available for future investment and no debt.
- CVC will continue to build its funds management business with capital raisings commencing for CVC Sustainable Investments and other initiatives for further product development being evaluated. CVC sees the funds management business as a core platform for future growth. CVC's management team have expertise developed over 20 years across a broad range of disciplines, including asset management, corporate restructuring, corporate advisory, infrastructure and property development, acquisitions and divestment. CVC believes these skills will underpin CVC's future development.
- At the date of this report it is anticipated that CVC's full year profit after tax for the year ended June 30, 2005 will exceed \$25 Million.

	<b>Consolidated</b>	
	<b>31 Dec 2004</b>	<b>31 Dec 2003</b>
	<b>\$'000</b>	<b>\$'000</b>
Sales Revenue	<b>11,109</b>	9,360
Other Revenue	<b>6,468</b>	20,815
<b>Total Revenue from Ordinary Activities</b>	<b>17,577</b>	30,175
Net Profit after Tax but before Outside Equity Interests	<b>17,124</b>	9,319
Net Profit Attributable to Outside Equity Interests	<b>530</b>	315
<b>Net Profit Attributable to Members of the Parent Entity</b>	<b>16,594</b>	9,004
<b>Basic &amp; Diluted Earnings Per Shares (cents)</b>	<b>15.63</b>	8.24
<b>Dividend Declared in Respect of the Period (cents)</b>	<b>2.00</b>	1.50