

INCOME STATEMENT

For the Half Year Ended 31 December 2005

	Consolidated	
	31 Dec 2005	31 Dec 2004
	\$	\$
Revenue		
Dividends received	2,619,012	743,266
Interest income	2,470,883	774,276
Net gain on sales of equity investments	135,427	1,135,129
Reductions in impairment losses	682,438	-
Sales of goods	-	11,109,120
Sales of services	493,537	244,842
Other revenue	420,661	84,451
Total revenue	6,821,958	14,091,084
Equity accounted (losses)/profits		
Share of net (losses)/profits of associates	(540,329)	3,090,695
Share of net profits of joint ventures	36,019	14,853,386
Net equity accounted (losses)/profits	(504,310)	17,944,081
Expenses		
Audit fees	16,000	31,506
Amortisation of intangible assets	58,500	29,250
Borrowing costs	70,766	-
Cost of goods sold	-	6,350,287
Depreciation expense	23,358	79,903
Directors fees	25,000	25,000
Distribution, consumables & royalty costs	-	490,889
Employee costs (excluding equity based remuneration)	556,736	1,902,078
Equity based remuneration	56,223	17,744
Impairment losses	440,262	772,566
Legal and associated costs	632,245	112,781
Management & consultancy fees	592,849	1,105,575
Operating lease expense	175,146	353,153
Other expenses	424,073	932,833
Total expenses	3,071,158	12,203,565
Profit before income tax	3,246,490	19,831,600
Income tax expense	208,586	4,977,415
Net profit	3,037,904	14,854,185
Net profit attributable to minority interests	2	605,938
Net profit attributable to shareholders	3,037,902	14,248,247
Basic & diluted earnings per share (cents)	2.39	13.42
Dividends paid during period per share (cents)	3.00	1.50

STATEMENT OF CASH FLOWS

For the Half Year Ended 31 December 2005

	Consolidated	
	31 Dec 2005	31 Dec 2004
	\$	\$
CASH FLOWS RELATED TO OPERATING ACTIVITIES		
Cash receipts in the course of operations	412,825	11,800,744
Cash payments in the course of operations	(1,493,296)	(16,289,283)
Interest received	1,318,979	322,781
Dividends received	2,477,235	3,202,395
Interest paid	(57,300)	-
Income taxes paid	(710,513)	(998,743)
Net cash flows from operating activities	1,947,930	(1,962,106)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(1,007)	(366,553)
Payments for investment property	(2,833,994)	-
Proceeds from disposal of property, plant and equipment	-	20,455
Payments for equity investments	(19,436,045)	(7,352,258)
Payments for controlled entities net of cash acquired	(190,000)	(46,769)
Proceeds on disposal of equity investments	2,947,546	2,714,514
Payments for other financial assets	-	(61,306)
Proceeds on disposal of interests in controlled entities	-	1,678,000
Loans provided	(2,985,058)	(4,043,911)
Loans repaid	6,057,191	6,542,003
Net cash flows from investing activities	(16,441,367)	(915,825)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	2,100,000	-
Dividends paid to members of the parent entity	(2,957,018)	(1,660,155)
Payments for share buy-backs	(5,925,024)	(4,014,270)
Issue of shares by subsidiary to outside equity interests	-	-
Net cash flows from financing activities	(6,782,042)	(5,674,425)
Net decrease in cash held	(21,275,479)	(8,552,356)
Cash at the beginning of the period	41,277,130	12,269,691
Cash at the end of the period	20,001,651	3,717,335

STATEMENT OF CHANGES IN EQUITY

For the Half Year Ended 31 December 2005

	Consolidated	
	31 Dec 2005	31 Dec 2004
	\$	\$
Income and expenses recognised directly in equity		
<i>Available for sale investments:</i>		
- Increase in fair values recognised in other reserves	11,474,262	4,151,657
- Amounts transferred from other reserves to the income statement on sale	187,323	(13,455)
- Income tax on fair value movements taken to or from other reserves	(3,498,476)	(1,241,461)
Value of equity based remuneration recognised in other reserves	55,223	17,744
Value of associates equity based remuneration recognised in other reserves	-	30,710
Net income reflected directly in equity	8,218,332	2,945,195
Profit for the period	3,037,904	14,854,185
Total recognised income and expense for the period	11,256,236	17,799,380
Attributable to:		
Shareholders	11,256,234	17,193,442
Minority interests	2	605,938
	11,256,236	17,799,380
Transactions with shareholders in their capacity as shareholders		
Shares issued during the period:		
- through the dividend reinvestment plan	782,417	(6,270)
- acquisition of CVC Managers Pty Limited	-	8,500,000
- under the executive and non executive long term incentive plan	262,000	3,220,000
- under the employee share acquisition plan	1,000	-
Payments for share buy-backs	(5,925,024)	(4,008,000)
Dividends paid to shareholders	(3,823,435)	(1,660,155)
Total transactions with shareholders in their capacity as shareholders	(8,703,042)	6,045,575
Other equity movements		
Increase in minority interest from sale of part of controlled entity	-	2,961,342
Net increase in equity for the period	2,553,194	26,806,297
Equity at the beginning of the period	158,438,516	94,377,369
Equity at the end of the period	160,991,710	121,183,666

Commentary on Results & Dividend Announcement

Half Year Result

The Directors of CVC Limited ("CVC") wish to report a net profit after tax of \$3 M (2.3 cents per share) for the six months to 31 December 2005.

Whilst the profit is a decrease from that realised in the six months to 31 December 2004, the prior year profit was almost entirely attributable to the sale of the Chevron Renaissance Shopping Centre. Importantly the current period profit announced today does not include any sizeable capital realisations, and is instead almost entirely attributable to earnings of a recurrent nature. The development of recurring income streams has been a key focus of CVC over the past two years.

Clearly the half year result does not include the recently announced profit of in excess of \$16.5 M from the sale of CVC's shares in Stargames Limited. The sale was completed since the end of the half year and will instead form part of the full year result.

Reported net assets have continued to increase and as at 31 December 2005 amounted to \$1.30 per share. Following recent changes to accounting standards, reported net assets now reflect the market values of listed shares, net of a provision for applicable income tax. However they continue to ignore uplifts in the value of unlisted investments and property interests. In particular, there is no uplift in value reflected for our joint venture land holding at Fern Bay or for any of our unlisted investments.

Developments

The Directors are pleased to report the following progress and developments in the key business segments:

Listed Investments:

CVC's long term investment in Stargames Limited was realised in January 2006 for a profit in excess of \$16.5 M. CVC is justifiably proud of this result. CVC is delighted to have been a shareholder from the original acquisition of the Stargames business in 1999 through to its sale to Shuffle Master Inc in 2006, and is grateful to the Board and management of Stargames for their dedication during that period. CVC's confidence in the Stargames business was further demonstrated in May and June 2005 with the

investment of an additional \$5 M, and we are delighted to report that this was vindicated with the sale profit increasing by \$2.4 M as a result.

The core portfolio of Sunland, Pro-Pac and Greens Foods have all performed in line with expectations during the half year and continue to form a base for dividend income and longer term capital growth. CVC has also added to the portfolio during the six months with substantial holdings being acquired in Cellnet Limited and SMC Gold.

Private Equity:

Investments in Probiotec and Ron Finemore Transport continued to progress during the six month period. Probiotec is finalising its preparations for an expected initial public offering prior to June. Ron Finemore Transport is continuing to build its customer base and further drive efficiencies through its fleet, though high fuel prices continue to hamper profitability.

During the period CVC acquired a minority stake in Sunleisure, which has acquired a number of properties and management letting rights and is 49% owned by Sunland.

With a strong ungeared balance sheet CVC is well positioned for further private equity opportunities and continues to review a substantial number of opportunities on an annual basis.

Property:

Sales activity commenced at Fern Bay during the half year and as at the date of this report approximately 48 lots have sold for a total of \$12.5 M - an encouraging result for a new development in a flat property market. Substantial effort has been put into progressing approvals for a master plan which if approved will result in a total of approximately 950 residential lots. We are hopeful of a resolution of the master plan application prior to June.

The Belrose Bulky Goods Property advanced its development application during the period. We are optimistic regarding the prospects for a determination of the approval prior to June and the potential to incorporate the site as the initial asset of a CVC Property Fund.

Funds Management:

Funds management activity during the period concentrated on the acquisition of a responsible entity, Taragon Management Limited, and on a capital raising for CVC Sustainable Investments Limited.

During the period, CVC acquired Taragon Management Limited, the responsible entity for the ASX listed Taragon Property Fund. Concurrently, CVC also acquired a 19.5% stake in the fund. CVC is excited about the prospects for building the fund into a sizeable listed property fund and at the same time become a future source of significant profitability for CVC through funds management, property development and capital appreciation.

CVC Sustainable Investments raised a further \$3.4 M of investment capital. Whilst the capital raising was modest, it confirmed CVC's view that there is strong demand for an investment product of this type. CVC will continue with its efforts to develop CVC Sustainable Investments into a meaningful investment fund in the environmental industry.

Corporate:

CVC bought back 4.7 M shares at a cost of \$1.25 per share during the period.

Commentary on Future Expectations

CVC is in an excellent position for the future:

- following the sale of its shareholding in Stargames Limited, CVC will hold approximately \$50 M in cash which places it in excellent position for potential investment opportunities;
- the current listed investments continue to perform and, there is great potential for long term growth in the value of both our listed and unlisted portfolio's;
- the Fern Bay and Belrose developments provide a strong base for future profitability;
- CVC continues to build its funds management business and launch new investment products; and
- at the date of this report it is anticipated that CVC's profit after tax for the year ending 30 June 2006 will approach \$25 M.

Dividend

In recognition of the continuing development and success of CVC, CVC is delighted to today announce a record interim dividend of 3 cents per share, a 50% increase on the 2005 interim dividend. The dividend will be paid on 17 March 2006 to all shareholders registered at 10 March 2006.

ADH Beard
Director
24 February 2006

CVC Limited & Controlled Entities

BALANCE SHEET

As at 31 December 2005

	Consolidated	
	31 Dec 2005	30 Jun 2005
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	20,001,651	41,277,130
Loans and other receivables	10,502,462	17,316,946
Equity investments	27,278,810	3,471,489
Current tax assets	72,301	1,007
Other assets	99,501	102,633
Total current assets	57,954,725	62,169,205
NON CURRENT ASSETS		
Loans and other receivables	11,595,467	6,735,142
Investments accounted for using the equity method	9,508,779	9,454,221
Other equity investments	91,436,960	85,269,379
Property, plant and equipment	16,052	22,292
Investment property	2,817,883	-
Intangibles	8,743,414	8,611,914
Total non current assets	124,118,555	110,092,948
Total assets	182,073,280	172,262,153
CURRENT LIABILITIES		
Trade and other payables	2,832,103	921,801
Provisions	302,111	135,789
Current tax liabilities	-	639,219
Total current liabilities	3,134,214	1,696,809
NON CURRENT LIABILITIES		
Interest bearing borrowings	2,113,466	-
Deferred income tax liabilities	15,833,890	12,126,828
Total non current liabilities	17,947,356	12,126,828
Total liabilities	21,081,570	13,823,637
Net assets	160,991,710	158,438,516
EQUITY		
Contributed equity	50,849,787	55,729,394
Retained profits	81,515,466	82,300,999
Other reserves	28,626,286	20,407,954
Attributable to shareholders	160,991,539	158,438,347
Minority interests	171	169
Total equity	160,991,710	158,438,516