

RESULTS ANNOUNCEMENT FOR THE 6 MONTHS ENDED 31 DECEMBER 2013

INTRODUCTION

CVC Limited (ASX:CVC) [the Company] today reported a statutory net profit after tax attributable to shareholders of \$11.3 million (2012: profit of \$9.3 million) for the six months ended 31 December 2013, an improvement of 21.3% over the previous corresponding period. Total comprehensive income for the six month period was \$31.9 million an improvement of \$20.4 million (179.0%) over the previous corresponding period. Reflective of the significant improvement in comprehensive income, total shareholder returns for the period, as measured by Net Tangible Assets per share (NTA), increased by 23 cents per share in the six month period (2012: 6 cents) after providing for the payment of a dividend of 3 cents per share in September 2013. This represented a return on NTA of 18% (2012: 7%) for the six month period.

COMMENTARY

Highlights during the half year were:

Balance Sheet Strength

Shareholders' equity increased by \$27.3 million to \$199.3 million over the six month period, after dividend payments during the period of \$3.6 million. Closing cash balances grew by \$11.9 million to \$39.5 million as at 31 December 2013.

Listed Investments

The contribution from listed investments to comprehensive income for the six month period was \$27.4 million (2012: \$2.1 million). This contribution comprised \$6.6 million from realised profits and ASX listed investment revaluations of \$20.8 million.

The current period was significantly influenced by a partial realisation of CVC's shareholding in Villa World Limited (ASX:VLW) and Vita Life Sciences Limited (ASX:VSC). These two companies contributed \$5.3 million to comprehensive income during the six month period.

The market value of listed investments increased by \$20.8 million (2012: \$2.0 million), with significant contributions from holdings in Bionomics Limited (ASX:BNO), Villa World Limited, Buru Energy Limited (ASX:BRU) and Vita Life Sciences Limited amounting to \$19.1 million.

Property

Property investments contributed \$2.6 million (2012: \$3.1 million) to comprehensive income. This included interest related income generated from the provision of mezzanine finance facilities of \$2.8 million and net rental income, after interest related expenses, of \$1.0 million. In addition, impairments in relation to directly held properties totalled \$1.0 million.

During the period under review the residential joint venture project at Rockhampton, QLD, comprising 171 lots, commenced settlement of Stages 1 and 2. Development of Stage 3 commenced prior to the end of the period. Further, the property located at Richards Road, Riverstone, NSW, with a total land area of approximately 153 hectares, made significant progress towards being released for residential development.

Private Equity

The contribution to comprehensive income for the period was \$2.2 million (2012: \$6.3 million). Both Greens Foods Holdings Pty Limited and Ron Finemore Transport Pty Limited continued to deliver positive results.

Funds Management

The contribution to comprehensive income of \$1.0 million (2012: \$1.1 million) was consistent with the prior period.

Consolidated Trading Operations

Cellnet Group Limited (ASX:CLT) and Battery Energy Power Solutions Pty Limited provided a combined contribution to comprehensive income of \$2.2 million (2012: \$2.4 million) for the six month period. Both companies continued to focus on operational improvements and working capital management.

2014 OUTLOOK

The growth in Net Tangible Assets during the period was underpinned in large part from increases in the value of key listed investments, including share price appreciation of Bionomics Limited, Villa World Limited, Buru Energy Limited and Vita Life Sciences Limited.

The volatility of listed equity markets and the influence of the consolidated trading results of investee companies makes it difficult for the Company to meaningfully forecast CVC's 2014 full financial year result.

CVC continues to focus on delivering pre-tax investment returns in excess of 15% per annum over the investment cycle.

CAPITAL MANAGEMENT

Since 1 July 2013, CVC has bought back on market 380,877 shares at an average price of \$1.08 per share.

A fully franked dividend of 3 cents per share was paid to shareholders on 17 September 2013 for the year ended 30 June 2013. On 14 February 2014, the Directors resolved to pay an interim dividend of 2 cents per share and, following a review of the capital structure, the Directors resolved to pay a further special dividend of 5 cents per fully paid ordinary share both payable on 5 March 2014.

ADH Beard
Director
28 February 2014

Appendix 4D

Half-Yearly Report

Results for announcement to the market

CVC Limited		
ABN	Half-Year ended (‘Reporting Period’)	Previous Half-Year ended (‘Corresponding period’)
34 002 700 361	31 December 2013	31 December 2012

Results

Revenue from ordinary activities	up	25.6%	to	77,082,944
Profit/(loss) before tax	up	9.9%	to	12,430,630
Profit/(loss) after tax attributable to members	up	21.3%	to	11,290,436
Net profit/(loss) attributable to members	up	21.3%	to	11,290,436

The preliminary half-yearly report is based on accounts which have been reviewed.

Dividends (distributions)

	Amount per security	Franked amount per security
Interim dividend	2.0 cents	2.0 cents
Special dividend	5.0 cents	5.0 cents
Prior year interim dividend	2.0 cents	2.0 cents
Prior year final dividend	3.0 cents	3.0 cents
<p>Information on dividends:</p> <p>On 14 February 2014 the directors resolved to pay an interim dividend of 2 cents per share and following a review of the capital structure directors decided to resolve the pay a further special dividend of 5 cents per fully paid ordinary share both payable on 5 March 2014.</p> <p>As previously advised the Dividend Reinvestment Plan has been suspended until such time as there is a better correlation between the share price and the underlying net asset value of CVC Limited. As a result, the Dividend Reinvestment Plan will not be in operation.</p>		
Ex-Dividend date for the purpose of receiving the dividend	19 February 2014	
Record date for determining entitlements to the dividend	25 February 2014	
Payment Date	5 March 2014	

Commentary

<p>Brief explanation of any of the figures reported above:</p> <p>Please refer to the attached commentary for a detailed review.</p>
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CVC LIMITED
AND ITS CONTROLLED ENTITIES

HALF-YEAR FINANCIAL REPORT

For the half-year ended
31 December 2013

COMPANY PARTICULARS

CVC LIMITED

ACN 002 700 361

DIRECTORS

Vanda R Gould (resigned as Chairman 21 October 2013 and resigned as Director 29 November 2013)

John S Leaver (resigned 29 November 2013)

John D Read (appointed as Chairman 25 November 2013)

Alexander D H Beard

Jason Ters (appointed 29 November 2013)

SECRETARIES

Alexander D H Beard

John A Hunter

MANAGEMENT TEAM

Mark A N Avery

Alexander D H Beard

Michael J Bower

William J Highland

Joanne Hume

John A Hunter

Elliott G Kaplan

Charles Williams

PRINCIPAL AND REGISTERED OFFICE

Level 42, 259 George Street

SYDNEY NSW 2000 AUSTRALIA

Telephone: (02) 9087 8000

Facsimile: (02) 9087 8088

SHARE REGISTRY

Gould Ralph Pty Limited

Level 42, 259 George Street

SYDNEY NSW 2000 AUSTRALIA

Telephone: (02) 9032 3000

Facsimile: (02) 9032 3088

AUDITORS

HLB Mann Judd

Chartered Accountants

Level 19, 207 Kent Street

SYDNEY NSW 2000 AUSTRALIA

BANKERS

Westpac Banking Corporation Limited

Suncorp-Metway Limited

Bank of Western Australia Limited

National Australia Bank Limited

Deutsche Bank Australia Limited

STOCK EXCHANGE LISTING

Australian Securities Exchange Limited

CVC LIMITED & CONTROLLED ENTITIES DIRECTORS' REPORT

The directors present their report together with the consolidated financial report for CVC Limited and its controlled entities ("CVC") for the half-year ended 31 December 2013 and the independent review report thereon.

Directors

The directors of CVC throughout and since the end of the half-year are:

Vanda Russell Gould (resigned as Chairman 21 October 2013 and resigned as Director 29 November 2013)

John Scott Leaver (Non Executive Director) (resigned 29 November 2013)

John Douglas Read (Chairman and Non Executive Director) (appointed as Chairman 25 November 2013)

Alexander Damien Harry Beard (Director and Company Secretary)

Jason Ters (Non Executive Director) (appointed 29 November 2013)

There are a number of changes to the membership of Board of Directors. Messer Vanda Gould and John Leaver retired as directors and Mr Jason Ters was appointed as director on 29 November 2013. The information on Mr Ters is as following:

Jason Ters

B.Bus (UTS), MAppFin (Macquarie Uni.)

Mr Ters has over 18 years' experience in the finance industry, predominantly in capital markets and investment management. He has held directorships in a number of Australian companies, both public and private.

Most recently, Mr Ters held the role of Investment Manager at Guinness Peat Group (Australia) (GPG). During his 13 years at GPG, Mr Ters was responsible for identifying suitable investments and developing and executing strategies to create or unlock value for investee companies. Mr Ters was also a core member of the management team responsible for implementing GPG's strategic plan to divest its investment portfolio valued at over \$1 billion.

Over the years Mr Ters has served as a director of Farm Pride Foods Limited, CPI Group Limited, Australian Wealth Management Limited (Alternate Director), Gosford Quarry Holdings Pty Limited and Green's General Foods Pty Limited.

Operating Results

The net profit after tax attributable to shareholders for the six months ended 31 December 2013 of CVC amounted to \$11.3 million (2012: profit \$9.3 million).

All segments of CVC continue to positively contribute to operating performance. The significant growth in Net Tangible Assets during the period can be attributed in large part to the share price appreciation of key listed investments, including Bionomics Limited, Villa World Limited, Buru Energy Limited and Vita Life Sciences Limited.

As always the results of CVC are significantly impacted by the timing of major investment realisations. The Board remains cognisant of the need to continue the development and attraction of investees so as to provide regular realisation opportunities. However, in pursuing this strategy the Board remains steadfastly committed to developing longer term value for shareholders rather than on timing realisations for accounting outcomes. During the period CVC has continued to be focused on the development of its core investments, assisting management to restructure and strengthen operations in the face of the current economic climate and to take advantage of opportunities presented to build the companies.

A more detailed review of operations and developments is included in the commentary that accompanies the ASX release of these results.

Dividends

Since the end of the period, the directors have determined to pay an interim dividend in respect of the year ended 30 June 2014 of 2 cents per share, and a special dividend of 5 cents per share, fully franked, payable on 5 March 2014. During the period, directors paid a final fully franked dividend in respect of the year ended 30 June 2013 of 3 cents per share on 17 September 2013.

**CVC LIMITED & CONTROLLED ENTITIES
DIRECTORS' REPORT**

Events subsequent to balance date

Since the end of the period, the directors have determined to pay an interim dividend in respect of the year ended 30 June 2014 of 2 cents per share, and a special dividend of 5 cents per share, fully franked, payable on 5 March 2014.

There are no other matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the operations of CVC, the results of those operations or the state of affairs of CVC in the financial period subsequent to 31 December 2013.

Auditor's Independence Declaration

A copy of the Independence Declaration given to the directors by the auditor for the review undertaken by HLB Mann Judd Chartered Accountants is included on page 22.

Signed and Dated Sydney this 28th day of February 2014 in accordance with a resolution of directors.

JOHN D. READ
Chairman

ALEXANDER D. H. BEARD
Director

CVC LIMITED & CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Notes	31 Dec 2013	31 Dec 2012
		\$	\$
INCOME			
Revenue from services		991,395	1,075,624
Rental income		1,634,223	1,601,625
Outgoings recovered		277,190	297,613
Net gain on sale of equity investments		2,052,726	373,505
Interest income		3,522,989	4,737,560
Dividends received		206,062	632,163
Recovery of investments in associated entities		1,104,907	5,668,685
Recovery of investments in related entities		384,838	1,755,617
Recovery of investments in unrelated entities		5,096,207	212,719
Recovery of loans in associated entities		-	947,941
Recovery of loans in unrelated entities		168,302	-
Sale of goods		59,317,228	44,655,743
Net realised foreign exchange gain		58,065	240,170
Other income		190,086	259,329
Total income		<u>75,004,218</u>	<u>62,458,294</u>
Equity accounted profits			
Share of net profit/(loss) of associates	7	2,078,726	(1,110,016)
EXPENSES			
Net change in fair value of investment properties	10	1,036,596	266,748
Cost of goods sold	12	48,584,204	34,035,940
Audit fees		155,253	164,420
Depreciation expense		274,136	242,619
Directors fees		321,994	370,055
Employee costs		5,883,135	6,179,293
Finance costs		1,516,396	1,288,813
Impairment of listed investments		1,579,480	437,508
Impairment of investments in associated entities		779	249,254
Impairment of investments in related entities		-	857,530
Impairment of loans to associated entities		-	548,383
Insurance		201,644	196,768
Legal costs		45,451	74,084
Management and consultancy fees		176,463	293,970
Operating lease expense		817,656	683,588
Travel and accommodation		199,415	119,602
Other expenses		3,859,712	4,026,564
Total expenses		<u>64,652,314</u>	<u>50,035,139</u>
Profit before related income tax expense		<u>12,430,630</u>	<u>11,313,139</u>
Income tax (benefit)/expense	2	(109,300)	711,311
Net profit for the half-year		<u>12,539,930</u>	<u>10,601,828</u>
Net profit attributable to:			
Members of the parent entity	18	11,290,436	9,310,112
Non-controlling interest		1,249,494	1,291,716
Net profit for the half-year		<u>12,539,930</u>	<u>10,601,828</u>
Basic and diluted earnings per share (cents)	4	<u>9.31</u>	<u>7.62</u>

The above statement of financial performance should be read in conjunction with the accompanying notes to the Half-Year Report.

CVC LIMITED & CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Notes	31 Dec 2013	31 Dec 2012
		\$	\$
Profit for the half-year		<u>12,539,930</u>	<u>10,601,828</u>
Other comprehensive income			
Items that may be reclassified to profit or loss			
- "Available-for-sale" investments:			
- Increase in fair values recognised in other reserves		24,104,729	1,884,071
- Amounts transferred from other reserves to the income statement on sale		(3,319,815)	84,686
- Value of associates asset revaluation reserve recognised in other reserves		-	(9,301)
Other comprehensive income for the half-year, net of tax		<u>20,784,914</u>	<u>1,959,456</u>
Total comprehensive income for the half-year		<u><u>33,324,844</u></u>	<u><u>12,561,284</u></u>
Total comprehensive income for the half-year is attributable to:			
Members of the parent entity		31,869,621	11,421,580
Non-controlling interest		1,455,223	1,139,704
		<u><u>33,324,844</u></u>	<u><u>12,561,284</u></u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes to the Half-Year Report.

CVC LIMITED & CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Notes	31 Dec 2013	30 Jun 2013
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	5	39,515,100	27,601,321
Loans and other receivables	6	40,697,788	44,981,992
Financial assets - "available-for-sale"	8	3,606,974	-
Financial assets - "at fair value through profit or loss"	9	1,641,133	2,025,775
Inventories	12	29,289,543	21,181,608
Current tax assets		864,508	199,944
Other assets		967,111	903,368
		<u>116,582,157</u>	<u>96,894,008</u>
Assets classified as held for sale	13	<u>3,600,000</u>	-
Total current assets		<u>120,182,157</u>	<u>96,894,008</u>
NON-CURRENT ASSETS			
Loans and other receivables	6	7,695,660	9,421,060
Financial assets - "available-for-sale"	8	79,062,607	41,616,876
Investments accounted for using the equity method	7	18,670,953	45,893,290
Property, plant and equipment	11	3,516,062	3,688,297
Investment properties	10	55,071,189	52,588,212
Intangible assets		150,000	150,000
Deferred tax assets		33,732	33,259
		<u>164,200,203</u>	<u>153,390,994</u>
Total non-current assets		<u>164,200,203</u>	<u>153,390,994</u>
TOTAL ASSETS		<u>284,382,360</u>	<u>250,285,002</u>
CURRENT LIABILITIES			
Trade and other payables	14	18,397,166	18,300,205
Interest bearing loans and borrowings	15	8,271,991	5,042,868
Provisions	16	1,092,711	999,542
Current tax liabilities		17,357	17,366
		<u>27,779,225</u>	<u>24,359,981</u>
Total current liabilities		<u>27,779,225</u>	<u>24,359,981</u>
NON-CURRENT LIABILITIES			
Trade and other payables	14	231,903	231,903
Interest bearing loans and borrowings	15	35,039,995	34,568,515
Provisions	16	672,844	774,004
Deferred tax liabilities		267,175	323,886
		<u>36,211,917</u>	<u>35,898,308</u>
Total non-current liabilities		<u>36,211,917</u>	<u>35,898,308</u>
TOTAL LIABILITIES		<u>63,991,142</u>	<u>60,258,289</u>
NET ASSETS		<u>220,391,218</u>	<u>190,026,713</u>
EQUITY			
Contributed equity	17	105,523,147	105,935,045
Retained profits	18	62,517,106	54,864,508
Other reserves	19	31,267,081	11,164,585
		<u>199,307,334</u>	<u>171,964,138</u>
Parent entity interest		199,307,334	171,964,138
Non-controlling interest		21,083,884	18,062,575
		<u>220,391,218</u>	<u>190,026,713</u>
TOTAL EQUITY		<u>220,391,218</u>	<u>190,026,713</u>

The above statement of financial position should be read in conjunction with the accompanying notes to the Half-Year Report.

CVC LIMITED & CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Contributed equity \$	Retained earnings \$	Asset revaluation \$	Employee equity benefit \$	Foreign exchange translation \$	Owners of the parent \$	Non-controlling interest \$	Total \$
At 1 July 2013	<u>105,935,045</u>	<u>54,864,508</u>	<u>10,698,989</u>	<u>198,585</u>	<u>267,011</u>	<u>171,964,138</u>	<u>18,062,575</u>	<u>190,026,713</u>
Profit for the half-year	-	11,290,436	-	-	-	11,290,436	1,249,494	12,539,930
Other comprehensive income	-	-	20,440,841	-	138,344	20,579,185	205,729	20,784,914
Total comprehensive income for the half-year	-	<u>11,290,436</u>	<u>20,440,841</u>	-	<u>138,344</u>	<u>31,869,621</u>	<u>1,455,223</u>	<u>33,324,844</u>
Other movements in equity:								
Share of associates equity based remuneration recognised in other reserve	-	-	-	18,542	-	18,542	-	18,542
Transactions with shareholders:								
Acquisition of interest in controlled entities	-	-	(508,291)	-	-	(508,291)	1,237,533	729,242
Employee share options	-	-	-	13,060	-	13,060	(6,502)	6,558
Shares bought back	(412,529)	-	-	-	-	(412,529)	-	(412,529)
Tax Benefit of transaction costs	631	-	-	-	-	631	-	631
Transaction with non-controlling interests	-	-	-	-	-	-	335,055	335,055
Dividend paid	-	(3,637,838)	-	-	-	(3,637,838)	-	(3,637,838)
At 31 December 2013	<u>105,523,147</u>	<u>62,517,106</u>	<u>30,631,539</u>	<u>230,187</u>	<u>405,355</u>	<u>199,307,334</u>	<u>21,083,884</u>	<u>220,391,218</u>
At 1 July 2012	<u>106,813,787</u>	<u>51,680,929</u>	<u>(66,813)</u>	<u>320,402</u>	<u>(239)</u>	<u>158,748,066</u>	<u>14,630,843</u>	<u>173,378,909</u>
Profit for the half-year	-	9,310,112	-	-	-	9,310,112	1,291,716	10,601,828
Other comprehensive income	-	-	2,146,346	-	(34,878)	2,111,468	(152,012)	1,959,456
Total comprehensive income for the half-year	-	<u>9,310,112</u>	<u>2,146,346</u>	-	<u>(34,878)</u>	<u>11,421,580</u>	<u>1,139,704</u>	<u>12,561,284</u>
Other movements in equity:								
Share of associates equity based remuneration recognised in other reserve	-	-	-	(61,626)	-	(61,626)	-	(61,626)
Transactions with shareholders:								
Acquisition of interest in controlled entities	-	-	285,082	-	-	285,082	(191,968)	93,114
Employee share options	-	-	-	(90,528)	-	(90,528)	(112,819)	(203,347)
Shares bought back	(422,982)	-	-	-	-	(422,982)	-	(422,982)
Tax Benefit of transaction costs	648	-	-	-	-	648	-	648
Return of capital to non-controlling interest	-	-	-	-	-	-	(673,313)	(673,313)
Dividend paid	-	(3,669,197)	-	-	-	(3,669,197)	(248,294)	(3,917,491)
At 31 December 2012	<u>106,391,453</u>	<u>57,321,844</u>	<u>2,364,615</u>	<u>168,248</u>	<u>(35,117)</u>	<u>166,211,043</u>	<u>14,544,153</u>	<u>180,755,196</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes to the Half-Year Report.

CVC LIMITED & CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Notes	31 Dec 2013	31 Dec 2012
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		68,978,404	52,131,880
Cash payments in the course of operations		(69,644,164)	(55,169,515)
Cash payments for land held for resale		(3,137,657)	-
Proceeds on disposal of financial assets at fair value through profit or loss		336,468	1,172,461
Payment for financial assets at fair value through profit or loss		(255,267)	(59,000)
Interest received		5,919,444	6,301,556
Interest paid		(946,819)	(704,714)
Dividends received		216,644	573,171
Income taxes paid		(614,720)	(2,701,118)
Net cash flows provided by operating activities	5(b)	<u>852,333</u>	<u>1,544,721</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital expenditure for investment properties		(808,355)	(501,872)
Payments for property, plant and equipment		(101,901)	(11,609)
Payments for investment properties		(9,400,000)	-
Payments for equity investments		(9,347,870)	(19,394,556)
Proceeds on disposal of equity investments		26,942,254	16,996,226
Proceeds on disposal of controlled entities, net of cash disposed		1,000	50
Loans provided		(5,810,696)	(11,576,170)
Loans repaid		10,975,817	11,120,405
Net cash flows provided by/(used in) investing activities		<u>12,450,249</u>	<u>(3,367,526)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(2,448,587)	-
Proceeds from borrowings		5,427,710	-
Dividends paid		(3,637,838)	(4,019,495)
Payments for share buybacks		(788,153)	(450,593)
Net cash flows used in financing activities		<u>(1,446,868)</u>	<u>(4,470,088)</u>
Net increase/(decrease) in cash held		11,855,714	(6,292,893)
Foreign exchange gain on cash		58,065	240,170
Cash at the beginning of the half-year		<u>27,601,321</u>	<u>43,458,535</u>
CASH AT THE END OF THE HALF-YEAR	5(a)	<u><u>39,515,100</u></u>	<u><u>37,405,812</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes to the Half-Year Report.

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

NOTE 1: BASIS OF PREPARATION

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2013 and any public announcements made by CVC during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Certain comparatives balances have been changed in order to achieve consistency and comparability with the current period's amounts.

	31 Dec 2013	31 Dec 2012
	\$	\$
NOTE 2: INCOME TAX EXPENSE		
Income tax expense:		
Prima facie income tax expense at 30% on profit before income tax	3,729,189	3,393,942
Increase in income tax expense due to:		
Sundry items	34,381	32,733
Trust loss not deductible	45,297	-
Decrease in income tax expense due to:		
Franked dividends received	(20,970)	(111,936)
Trust profit not assessable	-	(165,835)
Sundry items	(58,932)	-
Tax losses recouped	(472,436)	-
Deferred tax balances not recognised	(3,300,504)	(2,446,403)
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	(43,975)	702,501
Adjustment in respect of current income tax of previous years	(65,325)	8,810
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Income tax (benefit)/expense for the half-year	(109,300)	711,311
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CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

NOTE 3: DIVIDENDS

Dividends proposed or paid and not provided for in previous periods by CVC are:

CVC paid a final dividend of 3 cents per share on 17 September 2013 in respect of the year ended 30 June 2013.

On 14 February 2014, CVC declared an interim dividend of 2 cents per share and a special dividend of 5 cents per share to be paid on 5 March 2014 to shareholders registered on 25 February 2014.

	31 Dec 2013	30 Jun 2013
Dividend franking account		
Franking credits available to shareholders for subsequent financial years	15,055,998	16,664,374

The franking account is stated on a tax paid basis. The balance comprises the franking account at year-end adjusted for:

- (a) franking credits that will arise from the payment of the amount of the provision for income tax
- (b) franking debits that will arise from the refund of overpaid tax instalments paid
- (c) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- (d) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date
- (e) franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.

	31 Dec 2013	31 Dec 2012
NOTE 4: EARNINGS PER SHARE		
	Cents	Cents
Basic earnings per share	9.31	7.62
Diluted earnings per share	9.31	7.62
Reconciliation of earnings used in calculation of earnings per share:		
	\$	\$
Net profit	12,539,930	10,601,828
Non-controlling interest	(1,249,494)	(1,291,716)
Earnings used in calculation of earnings per share	11,290,436	9,310,112
	Number of Shares	
Weighted average number of ordinary shares – Basic and Diluted	121,216,636	122,132,253
Number of shares on issue at the end of the half-year	121,040,608	121,867,975

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

NOTE 5: NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and at bank and short-term deposits at call. Cash as at the end of the interim reporting period is reconciled to the related items in the statement of financial position as follows:

	31 Dec 2013	30 Jun 2013
	\$	\$
Cash on deposit	39,186,533	24,251,321
Funds held by bank	328,567	3,350,000
	<hr/>	<hr/>
Cash and cash equivalents	<u>39,515,100</u>	<u>27,601,321</u>

(b) Reconciliation of profit after income tax to the net cash provided by/ (used in) operating activities:

	31 Dec 2013	31 Dec 2012
	\$	\$
Profit after income tax	12,539,930	10,601,828
Add/(less) non-cash items:		
Share of equity accounted (profits)/losses	(2,078,726)	1,110,016
Depreciation and amortisation of plant and equipment	274,136	242,619
Bad debts written off	-	5,150
Non-cash employee benefits expense-share based payments	3,179	(203,347)
Impairment expenses on financial instruments	1,580,259	2,092,675
Impairment recoveries	(6,754,254)	(8,584,962)
Net profit on disposal of investments	(2,052,726)	(373,505)
Net change in fair value of investment properties	1,036,596	266,748
Interest income not received	2,396,455	1,563,997
Interest expense not paid	542,317	586,420
Dividend income	10,582	(58,992)
Foreign exchange profit on cash	(58,065)	(240,170)
Movement in income tax provision	(664,573)	(1,992,699)
Movement in deferred tax assets and liabilities	(60,042)	2,336
Changes in assets and liabilities:		
Inventories	(5,127,934)	(4,426,128)
Financial assets at fair value through profit or loss	81,202	1,113,461
Trade and other receivables	(4,851,613)	(4,670,833)
Trade and other payables	4,556,599	4,437,760
Provisions	(7,991)	(66,249)
Other assets	(512,998)	138,596
	<hr/>	<hr/>
Net cash provided by operating activities	<u>852,333</u>	<u>1,544,721</u>

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

	31 Dec 2013	30 Jun 2013
	\$	\$
NOTE 6: LOANS AND OTHER RECEIVABLES		
Current		
Trade receivables	18,239,896	12,581,785
Allowance for impairment loss	(87,175)	(112,042)
Other receivables and prepayments	1,078,274	1,661,577
Loans to related entities	2,727,054	7,778,008
Impairment of loans to related entities	-	(2,541,992)
Loans to other corporations	18,739,739	25,614,656
	40,697,788	44,981,992
Non-Current		
Loans to related entities	2,037,598	3,301,666
Loans to associated entities	2,011,098	1,937,613
Loans to other corporations	3,707,835	4,258,470
Impairment of loans to other corporations	(60,871)	(76,689)
	7,695,660	9,421,060

NOTE 7: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Equity accounted shares in listed associated companies	-	19,968,174
Equity accounted shares in other associated companies	18,670,953	25,925,116
	18,670,953	45,893,290

Associated entities

Details of associated entities are as follows:

	% Ownership at		Carrying value		Contribution to	
	end of half-year				net profit/(loss)	
	31 Dec 13	30 Jun 13	31 Dec 13	30 Jun 13	31 Dec 13	31 Dec 12
			\$	\$	\$	\$
Concise Asset Management Limited	49.0	49.0	961,600	-	(143,307)	-
CVC Sustainable Investments Limited	n/a	23.5	-	569,100	-	1,631
CVC Wagga Wagga Unit Trust	n/a	50.0	-	-	-	-
GPG (No.7) Pty Limited	-	-	-	-	-	(868,532)
Green's Foods Holdings Pty Limited	43.5	43.5	3,058,931	11,576,609	836,940	(1,121,865)
JAK Investment Group Pty Ltd(a)	50.0	50.0	-	40,304	(40,305)	-
Ron Finemore Transport Pty Limited(a)	50.0	50.0	14,286,717	13,360,265	926,451	1,046,821
Everten Group Pty Limited(a)	50.0	50.0	363,705	378,838	(15,132)	58,253
Villa World Limited(b)	n/a	23.9	-	19,968,174	514,079	(226,324)
			18,670,953	45,893,290	2,078,726	(1,110,016)

- (a) JAK Investment Group Pty Ltd, Ron Finemore Transport Pty Limited and Everten Group Pty Limited are not considered to be controlled entities of CVC as management of the companies is controlled by the holders of the remaining 50%.
- (b) CVC's holding in Villa World Limited fell below 20% on 4 November 2013. CVC ceased equity accounting effective 4 November 2013.

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

	31 Dec 2013	30 Jun 2013
	\$	\$
NOTE 8: FINANCIAL ASSETS - "AVAILABLE-FOR-SALE"		
Current		
Other investments - at cost	3,606,974	-
Non-Current		
Shares in listed corporations – at market value	72,907,321	33,697,114
Other investments - at cost	7,048,247	8,949,079
Impairment of other investments – at cost	(2,078,294)	(2,035,581)
Public unlisted investments – at market value	1,185,333	1,006,264
Other investments – at market value	302,862	302,862
Impairment of other investments – at market value	(302,862)	(302,862)
	<u>79,062,607</u>	<u>41,616,876</u>
NOTE 9: FINANCIAL ASSETS - "AT FAIR VALUE THROUGH PROFIT OR LOSS"		
Current		
Shares in listed corporations – at market value	1,641,133	2,025,775
NOTE 10: INVESTMENT PROPERTIES		
Investment properties	55,071,189	52,588,212
Reconciliation:		
Investment properties at beginning of the half-year	52,588,212	38,250,000
Additions – acquisition of properties	4,900,000	13,820,154
Additions – capital expenditure	2,219,573	994,077
Reclassification to held for sale	(3,600,000)	-
Fair value adjustment	(1,036,596)	(476,019)
Total investment properties at the end of the half-year	<u>55,071,189</u>	<u>52,588,212</u>
NOTE 11: PROPERTY, PLANT AND EQUIPMENT		
Total property, plant and equipment	3,516,062	3,688,297
<i>Plant and equipment:</i>		
At cost	2,051,083	2,168,461
Accumulated depreciation	(629,980)	(575,123)
Total plant and equipment	<u>1,421,103</u>	<u>1,593,338</u>
<i>Properties:</i>		
At cost	94,959	94,959
At fair value	2,000,000	2,000,000
Total properties	<u>2,094,959</u>	<u>2,094,959</u>

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

	31 Dec 2013	30 Jun 2013
	\$	\$
NOTE 11: PROPERTY, PLANT AND EQUIPMENT (CONT.)		
Reconciliation:		
<i>Plant and equipment:</i>		
Carrying amount at the beginning of the half-year	1,593,338	2,036,320
Additions	102,419	62,077
Disposals	(518)	(18,027)
Depreciation	(274,136)	(487,032)
	1,421,103	1,593,338
	1,421,103	1,593,338
 <i>Properties:</i>		
Carrying amount at the beginning of the half-year	2,094,959	2,092,396
Additions	-	2,563
	2,094,959	2,094,959
	2,094,959	2,094,959

NOTE 12: INVENTORIES

Current		
Stock on hand	22,588,213	13,733,060
Stock in transit	737,932	185,501
Provision for obsolescence	(2,286,074)	(2,636,588)
Land and development held for resale	8,249,472	9,899,635
	29,289,543	21,181,608
	29,289,543	21,181,608

Inventories recognised as an expense for the period ended 31 December 2013 totalled \$48,584,204 (2012: \$34,035,940). This expense has been included in the cost of goods sold in the Statement of Financial Performance.

NOTE 13: ASSETS HELD FOR SALE

(a) Description

Asset classified as held for sale comprise the property at 1 Narabang Way, Belrose. Subsequent to the end of the period, on 28 January 2014 an unconditional sale contract was signed with a settlement date of 28 February 2014.

(b) Carrying amounts of assets and liabilities

The only asset classified as held for sale at the balance date is:

	31 Dec 2013	30 Jun 2013
	\$	\$
Investment Property	3,600,000	-
	3,600,000	-

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

	31 Dec 2013	30 Jun 2013
	\$	\$
NOTE 14: TRADE AND OTHER PAYABLES		
Current		
Trade and other payables	12,827,621	8,964,066
Investment property settlement	-	4,702,500
Sundry creditors and accruals	5,569,545	4,633,639
	18,397,166	18,300,205
	18,397,166	18,300,205
Non-current		
Trade and other payables	231,903	231,903
	231,903	231,903
	231,903	231,903

NOTE 15: INTEREST-BEARING LOANS AND BORROWINGS

Current		
Unsecured loan	250,000	-
Secured bank loan	2,455,083	4,568,700
Trade finance facility	5,566,908	474,168
	8,271,991	5,042,868
	8,271,991	5,042,868
Non-current		
Secured bank loans	24,700,000	24,700,000
Unsecured loan from associated entity	10,339,995	9,868,515
	35,039,995	34,568,515
	35,039,995	34,568,515

NOTE 16: PROVISIONS

Current		
Maintenance warranties	40,000	40,000
Employee entitlements	1,052,711	959,542
	1,092,711	999,542
	1,092,711	999,542
Non-current		
Maintenance warranties	90,000	90,000
Employee entitlements	482,844	584,004
Contingent liability	100,000	100,000
	672,844	774,004
	672,844	774,004

	31 Dec 2013		31 Dec 2012	
	Number	\$	Number	\$
NOTE 17: CONTRIBUTED EQUITY				
Issued and paid-up ordinary share capital				
Balance at the beginning of the half-year	121,421,485	105,935,045	122,336,368	106,813,787
Shares bought back on market	(380,877)	(411,898)	(468,393)	(422,334)
	121,040,608	105,523,147	121,867,975	106,391,453
	121,040,608	105,523,147	121,867,975	106,391,453

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

	31 Dec 2013	31 Dec 2012
	\$	\$
NOTE 18: RETAINED PROFITS		
Balance at the beginning of the half-year	54,864,508	51,680,929
Net profit attributable to shareholders	11,290,436	9,310,112
Dividends	(3,637,838)	(3,669,197)
	62,517,106	57,321,844
	62,517,106	57,321,844

NOTE 19: OTHER RESERVES

	Asset Revaluation Reserve	Employee Equity Benefit Reserve	Foreign Exchange Reserve	Total
	\$	\$	\$	\$
<i>Half-year ended 31 December 2013:</i>				
Balance at the beginning of the half-year	10,698,989	198,585	267,011	11,164,585
Equity accounted share of associates reserves	-	18,542	-	18,542
Share based payments	-	13,060	-	13,060
Net unrealised gain/(loss) on "available-for-sale" investments	23,796,143	-	308,586	24,104,729
Net unrealised gain on "available-for-sale" investments – non-controlling interest	(104,187)	-	(102,349)	(206,536)
Acquisition of interest in controlled entities	(508,291)	-	-	(508,291)
Realised gain on "available-for-sale" investments reclassified to the income statement	(3,251,922)	-	(67,893)	(3,319,815)
Realised gain on "available-for-sale" investments reclassified to the income statement – non-controlling interest	807	-	-	807
	30,631,539	230,187	405,355	31,267,081
	30,631,539	230,187	405,355	31,267,081
<i>Half-year ended 31 December 2012:</i>				
Balance at the beginning of the half-year	(66,813)	320,402	(239)	253,350
Equity accounted share of associates reserves	(9,301)	(61,626)	-	(70,927)
Share based payments	-	(90,528)	-	(90,528)
Net unrealised gain/(loss) on "available-for-sale" investments	1,924,627	-	(40,556)	1,884,071
Net unrealised gain on "available-for-sale" investments – non-controlling interest	141,877	-	5,678	147,555
Acquisition of interest in controlled entities	285,082	-	-	285,082
Realised gain on "available-for-sale" investments reclassified to the income statement	84,686	-	-	84,686
Realised gain on "available-for-sale" investments reclassified to the income statement – non-controlling interest	4,457	-	-	4,457
	2,364,615	168,248	(35,117)	2,497,746
	2,364,615	168,248	(35,117)	2,497,746

	31 Dec 2013	31 Dec 2012
	\$	\$
NOTE 20: ASSETS PER SECURITY		
Net assets per share attributable to members of the parent entity	1.65	1.36
Net tangible assets per share attributable to members of the parent entity	1.65	1.36
	1.65	1.36

The figures above are calculated based on the consolidated financial position of CVC Limited.

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

NOTE 21: SEGMENT REPORTING

The revenues and results by business segments are as follows:

	Private Equity and Venture Capital \$	Listed Investments \$	Property \$	Funds Management \$	Consolidated Trading Operations \$	Controlled Eliminations \$	Consolidated \$
<i>Half-year ended 31 December 2013:</i>							
Revenues:							
Total revenue for reportable segments	402,426	7,698,182	10,722,910	1,164,118	54,579,791	-	74,567,427
Inter-segment revenue	-	-	2,549,088	4,242,031	-	(6,791,119)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Unallocated amounts: interest income							436,791
							<u> </u>
Consolidated revenue							75,004,218
							<u> </u>
Equity accounted income	1,748,259	514,079	-	(183,612)	-	-	2,078,726
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Results:							
Total profit for reportable segments	402,426	6,118,702	2,648,839	1,163,338	2,176,933	-	12,510,238
Share of profit/(loss) of equity accounted investees	1,748,259	514,079	-	(183,612)	-	-	2,078,726
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	2,150,685	6,632,781	2,648,839	979,726	2,176,933	-	14,588,964
							<u> </u>
Unallocated amounts: corporate expenses							(2,158,334)
							<u> </u>
Consolidated profit before tax							12,430,630
							<u> </u>

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

NOTE 21: SEGMENT REPORTING (CONT.)

	Private Equity and Venture Capital \$	Listed Investments \$	Property \$	Funds Management \$	Consolidated Trading Operations \$	Controlled Eliminations \$	Consolidated \$
<i>Half-year ended 31 December 2012:</i>							
Revenues:							
Total revenue for reportable segments	7,145,336	1,917,198	5,524,562	1,113,387	45,914,496	-	61,614,979
Inter-segment revenue	-	-	1,899,185	3,280,831	-	(5,180,016)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Unallocated amounts: interest income							843,315
							<u> </u>
Consolidated revenue							62,458,294
							<u> </u>
Equity accounted income	(885,323)	(226,324)	-	1,631	-	-	(1,110,016)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Results:							
Total profit for reportable segments	7,145,336	378,949	3,118,642	1,107,344	2,363,808	-	14,114,079
Share of profit/(loss) of equity accounted investees	(885,323)	(226,324)	-	1,631	-	-	(1,110,016)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	6,260,013	152,625	3,118,642	1,108,975	2,363,808	-	13,004,063
							<u> </u>
Unallocated amounts: corporate expenses							(1,690,924)
							<u> </u>
Consolidated profit before tax							11,313,139
							<u> </u>

Segment results are shown before related income tax expense.

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

NOTE 22: SUBSEQUENT EVENTS

Since the end of the period, the directors have determined to pay an interim dividend of 2 cents per share and a special dividend of 5 cents per share, fully franked, payable on 5 March 2014.

There are no other matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the operations of CVC, the results of those operations or the state of affairs of CVC in the financial period subsequent to 31 December 2013.

**CVC LIMITED & CONTROLLED ENTITIES
HALF YEARLY REPORT**

DIRECTORS' DECLARATION

In the opinion of the directors:

- (a) the interim financial statements and notes set out on pages 5 to 20, are in accordance with the *Corporations Act 2001* including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.
- (b) there are reasonable grounds to believe that CVC Limited will be able to pay its debts as when they become due and payable.

Dated at Sydney this 28th day of February 2014.

Signed in accordance with a resolution of the board of directors.

JOHN D. READ
Chairman

ALEXANDER D. H. BEARD
Director