



Half-yearly Financial Report

CVC Private Equity Limited

for the half-year ended 31 December 2006

chairman's report

for the half-year ended 31 December 2006

Dear Shareholder

On behalf of the board of CVC Private Equity, I present the summary of the interim report for the six months to 31 December 2006.

While the company achieved an after-tax profit of approximately \$165,000 for the period, this did not include increases in market values of the company's listed investments. It is pleasing to note that subsequent to 31 December 2006 there have been further substantial increases in the value of the companies listed investments.

Substantial sums of money continued to be committed to private equity funds during the period under review resulting in continued stretched valuations and a difficult value investing climate. Your company does however have a pipeline of opportunities which it is continuing to assess but it will continue to adhere to and will not compromise its investment guidelines and valuation principles.

Since the June 2006 financial year-end, the company has undertaken the following investment activities:

- redeemed the convertible note investment in Azurn International Ltd with a resulting IRR of 15.7%;
- made a further \$300,000 investment in Ron Finemore Transport Pty Ltd to assist the company in purchasing its Wodonga operation site;
- acquired a further 776,000 shares in Pro-Pac Packaging;
- increased the company's shareholding in Blue Chip Financial Solutions to 4,566,000 shares;
- provided a short-term secured finance facility of \$3.7 million to a property group which has since been repaid resulting in an IRR of 25%;
- subject to due diligence, committed to a \$3 million equity investment in an exciting opportunity undertaking a roll up of professional services firms.

In recognition of the continuing development of the Company, an interim fully franked dividend of 0.5 cents per share was paid to shareholders on 23 March 2007. We look forward to reporting positive progress during the remaining course of the financial year as momentum continues to build.

Vanda Gould
Chairman

balance sheet

as at 31 December 2006

	31 Dec 2006 \$	30 Jun 2006 \$
CURRENT ASSETS		
Cash and cash equivalents	9,300,482	10,348,508
Trade and other receivables	85,165	38,234
Other investments	275,000	-
Total current assets	9,660,647	10,386,742
NON CURRENT ASSETS		
Equity investments	6,437,411	5,367,165
Loans and receivables	-	306,569
Other investments	501,526	503,485
Total non current assets	6,938,937	6,177,219
TOTAL ASSETS	16,599,584	16,563,961
CURRENT LIABILITIES		
Trade and other payables	101,664	102,743
Total current liabilities	101,664	102,743
TOTAL LIABILITIES	101,664	102,743
NET ASSETS	16,497,920	16,461,218
EQUITY		
Contributed equity	20,101,668	19,921,698
Accumulated losses	(3,339,226)	(3,037,593)
Other reserves	(264,522)	(422,887)
TOTAL EQUITY	16,497,920	16,461,218

income statement

for the half-year ended 31 December 2006

	31 Dec 2006 \$	31 Dec 2005 \$
INCOME		
Interest received	350,507	547,875
Fees for services rendered	-	505,182
Dividend revenue	160,626	-
Other income	19,700	82,500
Total income	530,833	1,135,557
EXPENSES		
Audit, legal and accountancy	16,235	18,701
Directors fees	13,478	27,500
Loan provisions	-	148,258
Management and consultancy	298,038	252,024
Other expenses	18,235	25,798
Profit before income tax	184,847	663,276
Income tax expense	19,857	-
Profit after income tax	164,990	663,276
Earnings per share		
- Basic and diluted earnings per share (cents)	0.7	2.9

cash flow statement

for the half-year ended 31 December 2006

	31 Dec 2006 \$	31 Dec 2005 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts in the course of operations	3,310	613,182
Cash payments in the course of operations	(358,940)	(334,368)
Interest received	329,494	263,173
Dividends received	140,769	-
Tax paid	-	(10)
Net cash provided by operating activities	114,633	541,977
CASH FLOWS FROM INVESTING ACTIVITIES		
Loans provided	(275,000)	(280,000)
Loans repaid	300,000	55,000
Payments for investments	(901,006)	(2,761,631)
Other	-	82,500
Net cash used in investing activities	(876,006)	(2,904,131)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issue of shares under the dividend reinvestment plan	179,970	-
Dividends paid	(466,623)	-
Net cash used in financing activities	(286,653)	-
Net decrease in cash held	(1,048,026)	(2,362,154)
Cash at the beginning of the half-year	10,348,508	8,935,752
CASH AT THE END OF THE HALF-YEAR	9,300,482	6,573,598

statement of changes in equity

for the half-year ended 31 December 2006

	31 Dec 2006 \$	31 Dec 2005 \$
Income and Expenses Recognised Directly in Equity		
Increase/(decrease) in the market value of investments classified as "available-for-sale"	178,065	(98,027)
Value of options expired	(19,700)	-
Total income and expense recognised directly in equity	158,365	(98,027)
Profit for the half-year	164,990	663,276
Total income and expense for the half-year	323,355	565,249
Transactions with Shareholders in their Capacity as Shareholders		
Shares issued during the period	179,970	-
Dividends paid	(466,623)	-
Total transactions with shareholders in their capacity as shareholders	(286,653)	-
Net increase in equity for the half-year	36,702	565,249
Equity at the beginning of the half-year	16,461,218	14,751,267
Equity at the end of the half-year	16,497,920	15,316,516



Level 42, Suncorp Place, 259 George Street, Sydney NSW 2000
 Telephone +612 9087 8000 Facsimile +612 9087 8088
 www.cvcpe.com.au ABN 11 059 092 198