

## STATEMENT OF CASH FLOWS

For the Half Year Ended 31 December 2005

	31 Dec 2005 \$	31 Dec 2004 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts in the course of operations	613,182	-
Cash payments in the course of operations	(334,368)	(359,050)
Interest received	263,173	261,805
Tax paid	(10)	(2,046)
<b>Net cash provided from operating activities</b>	<b>541,977</b>	<b>(99,291)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Loans provided	(280,000)	-
Loans repaid	55,000	898,612
Payments for investments	(2,761,631)	(3,263,072)
Other	82,500	-
<b>Net cash from investing activities</b>	<b>(2,904,131)</b>	<b>(2,364,460)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Share issued	-	198,800
<b>Net cash from financing activities</b>	<b>-</b>	<b>198,800</b>
Net decrease in cash held	(2,362,154)	(2,264,951)
Cash at the beginning of the financial period	8,935,752	12,500,218
<b>Cash at the end of the financial period</b>	<b>6,573,598</b>	<b>10,235,267</b>

## STATEMENT OF CHANGES IN EQUITY

For the Half Year Ended 31 December 2005

	31 Dec 2005 \$	31 Dec 2004 \$
<b>Income and expenses recognised directly in equity</b>		
Decrease in the market value of investments classified as available for sale	(98,027)	-
Attributed value of options issued as equity based remuneration	-	19,700
<b>Total income and expense recognised directly in equity</b>	<b>(98,027)</b>	<b>19,700</b>
Profit/(loss) for the period	663,276	(760,795)
<b>Total income and expense for the period</b>	<b>565,249</b>	<b>(741,095)</b>
<b>Transactions with shareholders in their capacity as shareholders</b>		
Shares issued during the period	-	198,800
<b>Total transactions with shareholders in their capacity as shareholders</b>	<b>-</b>	<b>198,800</b>
<b>Net increase in equity for the period</b>	<b>565,249</b>	<b>(542,295)</b>
<b>Equity at the beginning of the period</b>	<b>14,751,267</b>	<b>16,958,064</b>
<b>Equity at the end of the period</b>	<b>15,316,516</b>	<b>16,415,769</b>



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## HALF YEARLY REPORT

For the Half Year Ended  
31 December 2005

Dear Shareholder

On behalf of the Board of CVC Private Equity, I present this summary of the interim report for the six months to December 2005.

It is pleasing to report that the company has generated a profit from operations for the half year of approximately \$663,000. As a result, the Directors have resolved to pay an interim fully franked dividend of 1.5 cents per share to shareholders registered on 10 March 2006. It is anticipated that the dividend will be paid towards the end of March.

The Directors have also resolved to introduce a Dividend Reinvestment Plan which will apply to this interim dividend. Shares issued under the Plan will be issued at a 2.5% discount to the net asset value per share as defined in the Plan rules.

During the period under review, the company also made a new investment in Blue Chip Financial Solutions Limited. Blue Chip is a company listed on the New Zealand stock exchange which is planning to also list on the Australian stock exchange prior to June 2006. Blue Chip is a financial services business which offers a structured approach to managing an individuals financial affairs mainly by way of positively geared residential real estate investments.

Our investment managers continue to provide assistance to investees in order to improve their profitability and valuations and we also continue to source and evaluate new business opportunities. However, it should be noted that over the past twelve months record amounts of money have been committed to private equity and a substantial portion of those funds remains uninvested which has resulted in a highly competitive environment with stretched valuations. In this environment it is important that we maintain a rational approach to investment based on our strict guidelines.

Neil Gamble  
Chairman

CVC Private Equity Limited

## BALANCE SHEET

As at 31 December 2005

	31 Dec 2005 \$	30 Jun 2005 \$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	6,573,598	8,935,752
Trade and other receivables	57,501	212,941
Current tax assets	2,036	2,036
<b>Total current assets</b>	<b>6,633,135</b>	<b>9,150,729</b>
<b>NON CURRENT ASSETS</b>		
Equity investments	5,072,992	2,409,388
Other investments	2,850,501	2,700,000
Loans and receivables	785,087	555,000
<b>Total non current assets</b>	<b>8,708,580</b>	<b>5,664,388</b>
<b>Total assets</b>	<b>15,341,715</b>	<b>14,815,117</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	25,148	63,789
Current tax liabilities	51	61
<b>Total current liabilities</b>	<b>25,199</b>	<b>63,850</b>
<b>Total liabilities</b>	<b>25,199</b>	<b>63,850</b>
<b>Net assets</b>	<b>15,316,516</b>	<b>14,751,267</b>
<b>EQUITY</b>		
Issued share capital	19,806,371	19,806,371
Accumulated losses	(4,272,828)	(4,936,104)
Other reserves	(217,027)	(119,000)
<b>Total equity</b>	<b>15,316,516</b>	<b>14,751,267</b>

CVC Private Equity Limited

## INCOME STATEMENT

For the Half Year Ended 31 December 2005

	31 Dec 2005 \$	31 Dec 2004 \$
<b>Revenue:</b>		
Interest receivable	547,875	408,944
Management fees	505,182	-
Other income	82,500	-
<b>Total revenue</b>	<b>1,135,557</b>	<b>408,944</b>
<b>Expenses:</b>		
Audit, legal & accountancy	18,701	22,995
Directors fees	27,500	26,667
Share based remuneration	-	19,700
Loan provisions	148,258	809,186
Management and consultancy	252,024	259,310
Other expenses from ordinary activities	25,798	31,881
<b>Profit/(loss) before income tax</b>	<b>663,276</b>	<b>(760,795)</b>
Income tax expense	-	-
<b>Profit/(loss) after income tax</b>	<b>663,276</b>	<b>(760,795)</b>
	<b>Cents</b>	<b>Cents</b>
<b>Earnings per share</b>		
Basic for profit/(loss) for the half year	2.9	(3.3)
Diluted for profit/(loss) for the half year	n/a	n/a