CVC LIMITED
ACN 002 700 361

Commentary on Results and Future Expectations and Interim Dividend Announcement

Commentary on Results & Future Expectations:

The Directors of CVC Limited and its controlled entities ("the Group") are delighted to report a record first half result for the period to 31 December 2003: a profit after tax attributable to members of over $9 million (up 549% from 31 December 2002). Key positive drivers of the result are the sale of shares in Sunland Group Limited ("Sunland"), the contribution of Pro-Pac Group Limited, profits from the Renaissance Shopping Centre and mezzanine financing; whilst on the negative side there have been significant provisions made against the carrying value of investments related to Vita Life Sciences Limited ("Vita").

Sunland:

The result includes $7 million profit from the sale of shares in Sunland. This profit reflected an almost 80% appreciation in the value of Sunland shares since the end of the 2003 financial year.

It should be noted that:

- at 31 December 2003, the Group retains a holding of approximately 20% of the share capital of Sunland;
- the Group result also includes $5.6 million of equity accounted profits from Sunland;
- the Group result does not include $1.3 million of dividends received from Sunland during the period;
- if the Group's investment in Sunland was revalued to market, it would increase the net assets of the Group by over $19 million before tax.

Vita:

The result for the half-year is after charging against profits over $5.5 million of provisions for non-recovery of loans and for the net decrease in the recoverable amount of investments. These provisions relate primarily to Vita.

The Group is a significant shareholder and convertible note holder in Vita. During the half-year Vita has continued to operate at a cash deficiency with operating cash flows from trading, negatively impacted by the time taken to recover from the Pan Pharmaceutical recall, being insufficient to fund ongoing litigation and research and development. This has further stretched the capital structure and resources of Vita. It will be recalled that Vita was already involved in litigation against the former Managing Director to recover losses from alleged serious fraud perpetrated on Vita. It is very unusual for a Company to experience two such major setbacks in such a short period of time.

In concluding the determination of the results for the half-year, the Group has considered the recoverability of the Group's shares and notes in Vita and made the decision to write them down to what is considered a conservatively estimated recoverable amount. This has resulted in the Group reporting a lower profit than was previously anticipated. The provisions have included providing 100% against the ordinary shares and 50% against the value of the convertible notes. It should be noted that these write-downs are not realised and the Group is actively engaged with the management of Vita to maximise the value to the Group of its investments in Vita.

Other Investments:

In addition to the excellent result reported for the half year, the Group has continued to make significant progress on developing a platform for future growth. Key highlights during the period included:

- the Group completed the settlement of its long standing dispute in relation to land near Newcastle in New South Wales. This resulted in the signing of a joint venture agreement in relation to the land which is anticipated will generate significant profits for the Group for several years to come;
- the Pro-Pac Packaging business made substantial progress on growing revenues and earnings and contributed significantly to the half year result;
- Continued growth in value of the listed investment portfolio, including further growth in market value of Greens Foods ($3.7 M growth in unrealised value since June 30, 2003), and Stargames ($3.1 M growth in unrealised value since June 30, 2003).
- the development of a realisation strategy for the Group's joint venture interest in the Chevron Renaissance shopping centre with the expectation of a significant profit, and
- the Group finishing the period with a significant cash holding, in excess of $30 million, which provides significant scope for future investment opportunities.

General:

The Group continues to maintain its objective of building long term capital growth underpinned by a base of recurrent earnings. This objective necessarily involves the holding of investments for longer periods and the making of capital profit realisations that are not spread evenly across reporting periods. Results of the Group for this, and all future, accounting periods should be considered in this light.

Dividends:

As a result of the excellent result, and as foreshadowed in the 2003 Annual Report, the Directors are pleased to announce that for the first time in ten years the Group will be paying an interim dividend of 1.5 cents per share payable on March 25, 2004, with entitlements to be determined by reference to shareholdings on March 15, 2004.

Shareholders will be aware that for the first time, following the last annual general meeting of the Company, they have the option of taking advantage of a dividend reinvestment plan. All shareholders will soon receive documentation explaining the plan and a form to complete to elect to participate in the plan. Shareholders should note that to participate in the plan for the current dividend the election form must be returned by March 15, 2004.

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 2003**	31 December 2002

Results

Revenues from Ordinary Activities	Up	2,093 %	to	$30,174,952
Profit from Ordinary Activities after Tax attributable to Members	Up	549 %	to	$9,003,818
Net Profit for the Period attributable to Members	Up	549 %	to	$9,003,818

Dividends (distributions)

	Amount per security	Franked amount per security
Interim Dividend	1.5 ¢	1.5 ¢
Previous Corresponding Period Dividend	Nil ¢	Nil ¢

Information on Dividends:

A final dividend of 2 cents per share in respect of the financial year ended 30 June 2003 was declared on 2 September 2003 and paid on 4 December 2003.

The directors today announce that they have determined to pay an interim dividend of 1.5 cents per share to be paid on 25 March 2004.

Record date for determining entitlements to the dividend	15 March 2004
Last date for receipt of election notices for participation in Dividend reinvestment plan	15 March 2004

Commentary

Brief explanation of any of the figures reported above:

Please refer to the attached commentary for a detailed review.

CVC LIMITED

AND ITS CONTROLLED ENTITIES

HALF YEAR FINANCIAL REPORT

For the half-year ended
31 December 2003

ACN 002 700 361

COMPANY PARTICULARS

CVC LIMITED
ACN 002 700 361

DIRECTORS
Vanda R Gould
John S Leaver
John D Read
Alexander D H Beard
John T Riedl

SECRETARIES
Alexander D H Beard
Michael J Bower

MANAGEMENT TEAM
Alexander D H Beard
Michael J Bower
Vanda R Gould
Andrew D Harris
William J Highland
Elliott G Kaplan
Tara S Knott
John S Leaver

PRINCIPAL AND REGISTERED OFFICE
Level 42, AAP Centre, 259 George Street
SYDNEY, NSW 2000, AUSTRALIA
Telephone: (02) 9087 8000
Facsimile: (02) 9087 8088

SHARE REGISTRY
Gould Ralph Services Pty Limited
Share Registry Division
Level 42, AAP Centre, 259 George Street
SYDNEY, NSW 2000, AUSTRALIA
Telephone: (02) 9032 3000
Facsimile: (02) 9032 3088

AUDITORS
HLB Mann Judd (NSW Partnership)
Chartered Accountants
Level 19, 207 Kent Street
SYDNEY, NSW 2000, AUSTRALIA

BANKERS
Westpac Banking Corporation Limited
Suncorp-Metway Limited
National Australia Bank Limited

HOME STOCK EXCHANGE
Sydney

CVC LIMITED & CONTROLLED ENTITIES
DIRECTORS' REPORT

The Directors present their report together with the consolidated financial report for the half-year ended 31st December 2003 and the auditors' review thereon.

Directors

The Directors of the Company during or since the end of the half-year are:

Vanda Russell Gould (Chairman)
B. Comm. (Uni. of NSW), M. Comm. (Uni. of NSW)
Board member since 1996. Fellow of the Institute of Chartered Accountants in Australia. Director of numerous private and public companies including educational establishments.

John Scott Leaver (Non Executive Director)
B.Ec. (Uni. of Sydney)
Licensed Securities Dealer. Board member since 1984. Chairman of Sunland Group Limited.

John Douglas Read (Non Executive Director)
B.Sc. (Hons.) (Cant.), M.B.A. (A.G.S.M.).
Board member since 1989 and Chairman of the Environmental Group Limited. Mr Read is a Fellow of the Australian Institute of Company Directors.

Alexander Damien Harry Beard (Non Executive Director and Company Secretary)
B. Comm. (Uni. of NSW).
Associate of the Institute of Chartered Accountants in Australia. Director of Greens Foods Limited and numerous private and public companies.

John Thomas Riedl (Non Executive Director)
B. Sc, B.E. (Elect),(Hons.) (Sydney)
Director of numerous public and private companies.

Review of Operations

During the six months ended 31st December 2003, the Company continued its existing venture capital operations.

Operating Results

The net profit of the consolidated entity for the period attributable to shareholders amounted to $9,003,818.

Dividends

Dividends of $2,184,935 were paid during the period. The directors have determined to pay a 1.5 cents per share interim dividend payable on 25 March 2004.

Indemnification and Insurance of Officers and Auditors

The Company has not, during or since the end of the financial period, in respect of any person who is or has been an auditor of the Company or a related body corporate:

(i.) Indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
(ii.) Paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses of defending legal proceedings.

The Company has paid insurance premiums in respect of Directors and Officers liability and legal expense insurance for Directors and Officers of the Company, its controlled entities and certain other directorships of associated companies. In accordance with sub section 300(9) of the Corporations Act 2001 further details have not been disclosed due to confidentiality provisions contained in the insurance contract.

Signed and Sydney this 23rd day of February 2004 in accordance with a Resolution of Directors.

VANDA R. GOULD	**ALEXANDER D. H. BEARD**
Director	**Director**

CVC LIMITED & CONTROLLED ENTITIES
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE HALF YEAR ENDED 31 DECEMBER 2003

	Notes	Consolidated 31 Dec 2003 $	31 Dec 2002 $
Revenue from Sale of Goods		9,360,494	-
Proceeds from Share Sales		18,680,424	59,670
Interest Income		1,606,975	1,220,505
Other Revenue from Ordinary Activities		527,059	95,884
Total Revenues From Ordinary Activities	2	30,174,952	1,376,059
Share of Net Profits of Associates Accounted for using the Equity Method	10	5,621,092	2,193,312
Share of Net Profits of Joint Ventures Accounted for using the Equity Method	10	1,516,389	1,370,878
Expenses			
Audit Fees		26,500	27,050
Amortisation of Goodwill		208,004	-
Borrowing Costs		(10,427)	-
Cost of Shares Sold		12,208,028	153,508
Cost of Goods Sold		5,035,255	-
Depreciation Expense		62,850	-
Directors Fees		24,999	14,583
Employee Expenses		1,668,310	-
Freight Costs		133,790	-
Insurance		55,228	950
Legal Costs		9,074	19,861
Loans Written-off		-	3,733,162
Increase/ (Reduction) in Loan Provisions for Non-Recovery		4,912,179	(3,040,245)
Management & Consultancy Fees		1,340,780	1,353,726
Operating Lease Payments		253,461	-
Royalty Costs		270,273	-
Unrealised Loss on Investments		797,965	820,388
Other Expenses from Ordinary Activities		660,185	90,283
Profit from Ordinary Activities Before Related Income Tax Expense		9,655,979	1,766,983
Income Tax Expense	3	337,380	353,385
Net Profit	15	9,318,599	1,413,598
Net Profit Attributable to Outside Equity Interests		314,781	26,932
Net Profit Attributable to Members of the Parent Entity		9,003,818	1,386,666
Other Changes in Equity Attributable to Members of the Parent Entity other than those arising from transactions with Owners as Owners			
Share of Decrease in Equity of Associate accounted for using the Equity Method		-	(805,093)
Total Changes in Equity Attributable to Members of the Parent Entity other than those arising from transactions with Owners as Owners		9,003,818	581,573
Basic & Diluted Earnings Per Share (Cents)	5	8.24	1.26

CVC LIMITED & CONTROLLED ENTITIES
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2003

	Notes	Consolidated	
		31 Dec 2003	30 Jun 2003
		$	$
CURRENT ASSETS			
Cash Assets	15	**30,540,167**	2,477,100
Receivables	6	**7,295,137**	13,165,058
Inventories	7	**961,328**	801,437
Other Financial Assets	8	**4,406,131**	4,669,488
Current Tax Assets		**54,200**	311,208
Other Assets		**153,323**	60,612
Total Current Assets		**43,410,286**	21,484,903
NON-CURRENT ASSETS			
Receivables	6	**5,954,174**	17,218,269
Investments Accounted for using the Equity Method	10	**31,212,753**	33,402,952
Other Financial Assets	8	**13,043,953**	10,328,167
Intangible Assets	9	**5,136,300**	5,257,104
Property, Plant and Equipment		**673,872**	617,178
Deferred Tax Assets		**98,365**	4,015
Total Non-Current Assets		**56,119,417**	66,827,685
TOTAL ASSETS		**99,529,703**	88,312,588
CURRENT LIABILITIES			
Payables	11	**9,578,158**	3,091,303
Interest Bearing Liabilities		**-**	215,000
Provisions	12	**339,811**	1,888,818
Current Tax Liabilities		**547,722**	368,817
Total Current Liabilities		**10,465,691**	5,563,938
NON-CURRENT LIABILITIES			
Interest Bearing Liabilities		**-**	-
Deferred Tax Liabilities		**-**	-
Total Non-Current Liabilities		**-**	-
TOTAL LIABILITIES		**10,465,691**	5,563,938
NET ASSETS		**89,064,012**	82,748,650
EQUITY			
Contributed Equity	13	**25,804,891**	26,633,636
Retained Profits	14	**61,021,201**	54,202,318
Total Parent Entity Interest		**86,826,092**	80,835,954
Outside Equity Interest		**2,237,920**	1,912,696
TOTAL EQUITY		**89,064,012**	82,748,650

CVC LIMITED & CONTROLLED ENTITIES
STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2003

	Notes	Consolidated	
		31 Dec 2003	31 Dec 2002
		$	$
CASH FLOWS RELATED TO OPERATING ACTIVITIES			
Cash Receipts in the Course of Operations		**9,467,541**	-
Cash Payments in the Course of Operations		**(10,309,342)**	(1,366,489)
Interest Received		**405,832**	251,928
Dividends Received		**1,792,685**	1,222,741
Interest Paid		**(204,573)**	-
Income Taxes Repaid/(Paid)		**4,269**	1,187,526
Other		**-**	8,734
Net Cash Provided by Operating Activities	15	**1,156,412**	1,304,440
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant and Equipment		**(109,545)**	-
Payments for Equity Investments		**(6,217,279)**	(1,827,987)
Payments for Controlled Entity net of Cash Acquired		**(1,743,261)**	-
Proceeds on Disposal of Equity Investments		**18,679,224**	56,880
Loans Provided		**(3,673,315)**	(7,008,649)
Loans Repaid		**22,921,237**	6,145,816
Other		**-**	56,250
Net Cash (Used in)/ Provided by Investing Activities		**29,857,061**	(2,577,690)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends Paid to Members of the Parent Entity		**(2,184,935)**	(1,646,041)
Payments for share buy-backs		**(828,745)**	-
Issue of Shares by Subsidiary to Outside Equity Interests		**63,274**	-
Cash Used in Financing Activities		**(2,950,406)**	(1,646,041)
Net Increase/ (Decrease) in Cash Held		**28,063,067**	(2,919,291)
Cash at the Beginning of the Period		**2,477,100**	4,438,772
CASH AT THE END OF THE PERIOD	15	**30,540,167**	1,519,481

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE HALF YEARLY REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2003

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation

This general purpose financial report for the interim half-year reporting period ended 31 December 2003 has been prepared in accordance with Australian Accounting Standard AASB 1029 Interim Financial Reporting, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views), other authoritative pronouncements of the Australian Accounting Standards Board 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 is to be read in conjunction with the annual report for the year ended 30 June 2003 and any public announcements made by the Company 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.

	Consolidated	
	31 Dec 2003	31 Dec 2002
	$	$
NOTE 2: REVENUES FROM ORDINARY ACTIVITIES		
Revenue from Sale of Goods	**9,360,494**	-
Proceeds from Share Sales	**18,680,424**	59,670
Other Revenues from Operating Activities:		
Dividends:		
Other Parties	**505,200**	2,909
Interest:		
Related Parties	**168,945**	227,718
Other Parties	**1,438,030**	992,787
Other Revenue	**21,859**	92,975
	30,174,952	1,376,059

NOTE 3: TAXATION

Income Tax Expense:		
Prima facie Income Tax Expense calculated at 30% (2002: 30%) on the Profit from Ordinary Activities	**2,896,793**	530,095
Increase in Income Tax Expense due to:		
Provision to reflect Recoverable Amount of Equity Accounted component of Investment carrying value	**82,182**	-
Sundry Items	**4,140**	6,000
Amortisation of Goodwill	**62,401**	-
Future Tax Assets Not Recognised	**2,390,512**	391,232
Decrease in income tax expense due to:		
Tax attributable to Equity Accounted Profits of Associates	**(1,686,328)**	(657,600)
Sundry Items	**-**	-
Tax Credits on Franked Dividends	**(109,497)**	(65,628)
Div 43 Building Allowances	**(177,240)**	(255,079)
Recovery of Tax Losses Not Previously Recognised	**(3,235,745)**	-
	227,218	(50,980)
Prior Year Under Provision	**110,162**	404,365
Income Tax Expense attributable to Profit from Ordinary Activities	**337,380**	353,385

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE HALF YEARLY REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2003 (CONTINUED)

NOTE 4: DIVIDENDS

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

- For the half year ended 31 December 2003: Final Dividend of $2,184,935, at 2 Cents Per Share, for the Year Ended 30 June 2003 Paid on 4 December 2003. Interim dividend of 1.5 cents per share declared payable 25 March 2004.
- For the half year ended 31 December 2002: Final Dividend of $1,646,041, at 1.5 cents Per Share, for the Year Ended 30 June 2002 Paid on 5 December 2002

	Consolidated	
	31 Dec 2003	31 Dec 2002
	$	$
NOTE 5: EARNINGS PER SHARE		
	Cents	Cents
Basic and Diluted Earnings Per Share	**8.24**	1.26
Reconciliation of Earnings used in calculation of Earnings Per Share:		
	$	$
Profit After Income Tax	**9,318,599**	1,413,598
Less: Outside Equity Interests	**(314,781)**	(26,932)
Earnings used in calculation of Earnings Per Share:	**9,003,818**	1,386,666
	Number of Shares	
Weighted Average Number of Ordinary Shares	**109,326,522**	109,736,032

	Consolidated	
	31 Dec 2003	30 Jun 2003
	$	$
NOTE 6: RECEIVABLES		
Current		
Trade Debtors	**3,483,409**	2,630,330
Other Debtors	**200,330**	79,460
Loans to Other Corporations	**5,293,527**	10,908,949
Provision for Non-Recovery of Loans to Other Corporations	**(1,682,129)**	(1,913,681)
Loans to Related Entities	**-**	1,460,000
Total Current Receivables	**7,295,137**	13,165,058
Non-Current		
Loans to Other Corporations	**6,240,647**	5,735,388
Provision for Non-Recovery of Loans to Other Corporations	**(3,562,820)**	(29,143)
Loans to Director Related Entities	**4,679,396**	3,162,256
Provision for Non-Recovery of Loans to Director Related Entities	**(1,610,054)**	-
Loans to Joint Ventures	**207,005**	8,349,768
Total Non-Current Receivables	**5,954,174**	17,218,269
NOTE 7: INVENTORIES		
Current		
Finished Goods – at Cost	**961,328**	801,437
Total Inventories	**961,328**	801,437

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE HALF YEARLY REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2003 (CONTINUED)

	Consolidated	
	31 Dec 2003	30 Jun 2003
	$	$
NOTE 8: OTHER FINANCIAL ASSETS		
Current		
Shares in Listed Corporations		
at Cost	**3,446,131**	3,609,776
at Market Value	**960,000**	1,059,712
	4,406,131	4,669,488
Non-Current		
Shares in listed corporations – at Cost or Realisable Value	**4,962,353**	5,578,817
Shares in Other investments at Cost or Realisable Value	**8,081,600**	4,749,350
	13,043,953	10,328,167
Market Value of Shares in Listed Corporations	**25,464,440**	19,569,274

NOTE 9: INTANGIBLE ASSETS

	31 Dec 2003	30 Jun 2003
Goodwill	**5,447,385**	5,360,185
Accumulated Amortisation	**(311,085)**	(103,081)
	5,136,300	5,257,104

NOTE 10: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	31 Dec 2003	30 Jun 2003
Equity Accounted Shares in Associated Entities (a)	**20,381,103**	24,087,691
Equity Accounted shares of Joint Ventures (b)	**10,831,650**	9,315,261
	31,212,753	33,402,952

a) Associated Entities

Details of material interests in associated entities are as follows:

	% Ownership at End of Period		Carrying Value		Contribution to Net Profit	
	31 Dec 2003	30 June 2003	31 Dec 2003	30 June 2003	31 Dec 2003	31 Dec 2002
			$	$	$	$
Sunland Group Limited	**19.8%**	28.6%	**19,631,355**	24,087,691	**5,621,092**	2,193,312
Winten (No 20) Pty Limited	**50.0%**	-	**749,748**	-	-	-
			20,381,103	24,087,691	**5,621,092**	2,193,312

b) Joint Venture Partnerships

Details of material interests in joint ventures are as follows:

Chevron Developments	**50%**	50%	**6,825,919**	6,079,564	**746,355**	985,984
Bel Air Real Estate	**50%**	50%	**514,510**	479,856	**34,654**	41,822
Skyline Investments Australia	**50%**	50%	**3,491,221**	2,755,841	**735,380**	343,072
			10,831,650	9,315,261	**1,516,389**	1,370,878

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE HALF YEARLY REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2003 (CONTINUED)

	Consolidated	
	31 Dec 2003	30 Jun 2003
	$	$
NOTE 11: PAYABLES		
Current		
Trade Creditors	**2,009,636**	1,538,958
Loans from Joint Venture Entities	**6,906,759**	756,875
Loans from Other Persons	**302**	-
Sundry Creditors and Accruals	**470,236**	613,259
GST Payable	**191,225**	182,211
Total Current Accounts Payable	**9,578,158**	3,091,303

NOTE 12: PROVISIONS		
Current		
Employee Entitlements	**339,811**	311,176
Deferred Consideration & Costs for Acquisition of Controlled Entity	**-**	1,577,642
Total Current Provisions	**339,811**	1,888,818

NOTE 13: CONTRIBUTED EQUITY

Issued and Paid-Up Share Capital

Fully Paid Ordinary Shares

	$	$
Balance at Beginning of Period	**26,633,636**	26,633,636
Shares Bought Back	**(828,745)**	-
Balance at End of Period	**25,804,891**	26,633,636
	Number	Number
Number at Beginning of Period	**109,736,032**	109,736,032
Shares Bought Back	**(869,752)**	-
Number at End of Period	**108,866,280**	109,736,032

All shares are quoted on the Australian Stock Exchange Limited

NOTE 14: RETAINED PROFITS

Retained Profits at the Beginning of the Period	**54,202,318**	51,589,177
Net Profit Attributable to Members of the Parent Company	**9,003,818**	5,043,060
Dividends	**(2,184,935)**	(1,646,041)
Transfer from Capital Profits Reserve	**-**	21,215
Share of Decrease in Reserves of Associate accounted for using the equity method	**-**	(805,093)
Retained Profits at the End of the Period	**61,021,201**	54,202,318

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE HALF YEARLY REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2003 (CONTINUED)

NOTE 15: NOTES TO THE STATEMENT OF CASH FLOWS

a) Reconciliation of Cash

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

	Consolidated	
	31 Dec 2003	30 Jun 2003
	$	$
Cash Assets	**30,540,167**	2,477,100

b) Reconciliation of Profit from Ordinary Activities after Income tax to the Net Cash Provided by Operating Activities:

	Consolidated	
	31 Dec 2003	31 Dec 2002
	$	$
Profit from Ordinary Activities after Income Tax	**9,318,599**	1,413,598
Add/(Less) Non-Cash Items:		
Share of Equity Accounted Profits	**(7,137,481)**	(3,564,190)
Dividends Received from Equity Accounted Investments	**1,287,485**	1,222,741
Depreciation and Amortisation of Property, Plant and Equipment	**62,850**	-
Amortisation of Goodwill	**208,004**	-
Unrealised Loss on Investments	**797,965**	820,388
Profit on Disposal of Investments	**(7,698,076)**	-
Loss on Disposal of Short-term Investments	**1,225,680**	88,262
Loans Written-Off	-	3,733,162
Movement in Loan Provisions	**4,912,179**	(3,040,245)
Interest Income Not Received	**(1,101,700)**	(999,476)
Movement in Income Tax Provision	**435,913**	1,819,309
Movement in Deferred Tax Assets & Liabilities	**(94,350)**	(278,398)
Changes in Assets and Liabilities:		
Receivables	**(973,949)**	46,730
Inventories	**(140,987)**	-
Payables	**121,676**	(116,569)
Provisions	**25,315**	-
Other Assets	**(92,711)**	159,128
Net Cash Provided By Operating Activities	**1,156,412**	1,304,440

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE HALF YEARLY REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2003 (CONTINUED)

NOTE 16: SEGMENT REPORTING

a) Primary Segments – Business Segments

	Private Equity & Venture Capital	Listed Investments	Property	Eliminations	Consolidated
Half Year Ended 31 December 2003:					
Revenues:					
Revenues from External Customers	10,649,548	19,185,624	339,780	-	30,174,952
Inter-Segment Revenue	-	-	-	-	-
Operating Revenues	10,649,548	19,185,624	339,780	-	30,174,952
Associates Equity Accounted Profits	-	5,621,092	-	-	5,621,092
Joint Ventures Equity Accounted Profits	-	-	1,516,389	-	1,516,389
Total Revenues	10,649,548	24,806,716	1,856,169	-	37,312,433
Results:					
Segment Result	(4,506,380)	13,765,180	1,856,169	-	11,114,969
Unallocated Corporate Expenses					(1,458,990)
Income Tax Expense					(337,380)
Profit After Taxation					9,318,599
Half Year Ended 31 December 2002:					
Revenues:					
Revenues from External Customers	1,155,789	90,006	550,264	(420,000)	1,376,059
Inter-Segment Revenues	(420,000)	-	-	420,000	-
Operating Revenues	735,789	90,006	550,264	-	1,376,059
Associates Equity Accounted Profits	-	2,193,312	-	-	2,193,312
Joint Ventures Equity Accounted Profits	-	-	1,370,878	-	1,370,878
Total Revenues	735,789	2,283,318	1,921,142	-	4,940,249
Results:					
Segment Result	812,034	(487,352)	2,951,455	-	3,276,137
Unallocated Corporate Expenses					(1,509,154)
Income Tax Expense					(353,385)
Profit After Taxation					1,413,598

b) Secondary Segments – Geographical Segments

The consolidated entity operates predominantly in Australia.

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE HALF YEARLY REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2003 (CONTINUED)

NOTE 17: ASSETS PER SECURITY

	Consolidated	
	31 Dec 2003	30 June 2003
	Cents	Cents
Net Assets Per Security	**79.76**	73.66
Market Value Adjusted Net Assets Per Security	**112.64**	88.59
Net Tangible Assets Per Security	**75.86**	69.95
Market Value Adjusted Net Tangible Assets Per Security	**108.74**	84.88

Market Value Adjusted assets per security figures reflect the difference between market value of listed investments and associates at balance date compared to their carrying value in the statement of financial position based on cost, recoverable amount or equity accounting.

NOTE 18: CONTROL GAINED OVER ENTITIES HAVING MATERIAL EFFECT

There were no new entities having material effect over which control was acquired during the current period.

During the current period Pro-Pac Group Limited, a group company, paid $1,624,093 as the balance of the consideration and costs for the acquisition of Pro-Pac Packaging (Aust) Pty Ltd and its controlled entities. Control of Pro-Pac Packaging (Aust) Pty Ltd was acquired in the previous financial year.

NOTE 19: CONTINGENT LIABILITIES

There were no changes to the nature of the contingent liabilities as disclosed in the 30th June 2003 financial report.

CVC LIMITED & CONTROLLED ENTITIES
HALF YEARLY REPORT

DIRECTORS' DECLARATION

The directors declare that:

(a) the financial statements and associated notes comply with Accounting Standard 1029: Interim Financial Reporting and the Corporations Act 2001;

(b) the financial statements and notes give a true and fair view of the financial position as at 31 December 2003 and performance as represented by the results of its operation and cash flows of the consolidated entity for the half-year then ended; and

(c) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as when they become due and payable.

This statement has been made in accordance with a resolution of directors.

Signed at Sydney this 23rd day of February 2004.

______________________	______________________
VANDA R. GOULD	**ALEXANDER D. H. BEARD**
Director	**Director**

CVC LIMITED & CONTROLLED ENTITIES
HALF YEARLY REPORT

INDEPENDENT REVIEW REPORT

To the members of CVC Limited (ACN 002 700 361)

Scope

We have reviewed the financial report of CVC Limited for the half-year ended 31 December 2003 as set out on pages 4 to 14. The financial report includes the consolidated financial statements of the consolidated entity comprising CVC Limited and the entities it controlled at the end of the half-year or from time to time during the half-year. The Company's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029: Interim Financial Reporting, other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the consolidated entity to lodge the financial report with the Australian Securities & Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the disclosing entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that causes us to believe that the half-year financial report of CVC Limited is not in accordance with:

(a) the Corporations Act 2001, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2003 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements in Australia.

HLB Mann Judd
(NSW Partnership)
Chartered Accountants

P B Meade
Partner

Sydney, 23rd February 2004