



Commentary on Results

Half-Year Result:

The directors of CVC are pleased to report a net profit after tax to shareholders of \$9.3 million (2011: profit of \$9.1 million) for the half-year ended 31 December 2012.

The results and in particular the significant increase in sales revenue have been impacted by the requirement of the accounting standards to consolidate a number of investments which have not been previously. In particular the requirement to consolidate has resulted in \$44 million in sales revenue attributable to Cellnet Group Limited and Battery Energy Power Solutions Pty Limited being included in the result.

Commentary on the Half Year, Capital Management, Future Expectations and Profit Outlook:

The highlights during the half year are as follows:

Property

Property contributed \$3.1 million (2011: \$5.7 million) to comprehensive income. This included interest related income generated from the provision of mezzanine finance facilities of \$3.0 million and net rental income after interest related expense of \$0.9 million. In addition impairments in relation to directly held properties amounted to (\$0.8) million. CVC continues to take advantage of current tighter lending conditions imposed by the major lenders and as such it is expected that property will continue to contribute a significant amount of income to CVC over the short to medium term.

Listed Investments

The overall contribution to comprehensive income was \$2.1 million (2011: \$7.0 million). The prior period performance was skewed by the profit on sell down of a major investee, Pro-Pac Packaging Limited, whilst the current period has been affected by the subdued share market conditions in which CVC is focused with profits generated from the sale of various investments during the period \$1.3 million, distributions of \$0.5 million and net positive adjustments to the carrying value of investments of \$0.7 million after revaluations and impairments.

The contribution also includes CVC's share of the operating results of ASX listed Villa World Limited and adjustment to reflect the current share price, amounting to \$0.4 million.

Private Equity

The contribution to comprehensive income of \$6.3 million (2011: \$3.3 million) is largely attributed to the reversal of an impairment on the holding in Greens Foods arising from the exit by the largest shareholder during the period. The exit provided a market valuation of the holding and also provided the catalyst for CVC to increase its holding to 43.5%. Greens Foods is a strong performing food business focused on a strategic growth plan. Subsequent to 31 December Greens acquired the operations of Waterwheel, a manufacturer of premium baked snack food products under the Waterthins, Waterwheel and Roccas brands.

In addition to the result generated from Greens Foods, Ron Finemore Transport Pty Limited continues to generate robust results in the face of a tougher economic environment.

Fund Management

The contribution to comprehensive income of this segment was \$1.1 million (2011: \$1.4 million) which includes an impairment reversal in relation to the carrying value of a loan amounting to \$0.9 million. Over the longer term Concise Asset Management Limited (Mid Cap Australian Equities Specialist) is expected to provide a significant contribution as it continues to grow funds under management with in excess of \$1 billion currently under management.



Consolidated Trading Operations

In accordance with accounting standards both Cellnet Group Limited and Battery Energy Power Solutions Pty Limited are required to be consolidated in the accounts of CVC providing a contribution to comprehensive income of \$2.4 million. Both companies have been experiencing growth in sales in their core markets while at the same time both have been rationalising costs to ensure that their respective operations have the appropriate cost structure for the industries in which they operate. CVC expects that both companies will continue to be a source of returns for CVC over the longer term.

2013 Outlook

The half year results includes a number of one-off adjustments including the \$6.6 million accounting adjustment to the Greens Foods investment and the impairment recovery of a loan provided to one of the funds management investments amounting to \$0.9 million. The impact of accounting adjustments to the operating profit and the consolidation of investee companies financials into CVC make it difficult to meaningfully forecast a 2013 full year profit as there are various uncertainties that will impact the outcome of the result.

CVC will continue to focus on delivering investment returns with a pre-tax Internal Rate of Return in excess of 15% per annum over time.

Capital Management

Since 1 July 2012, 468,393 shares have been bought back on market at an average price of \$0.90 per share.

A fully franked dividend of 3 cents per share was paid to shareholders on 7 September 2012 for the year ended 30 June 2012. On 18 February 2013 the directors resolved to pay an interim dividend of 2 cents per share payable on 7 March 2013 to shareholders registered on 27 February 2013.

ADH Beard
Director
28 February 2013

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 2012	31 December 2011

Results

Revenue from ordinary activities	up	133.7%	to	\$61,348,278
Profit/(loss) before tax	down	6.12%	to	11,313,139
Profit/(loss) after tax attributable to members	up	1.96%	to	9,310,112
Net profit/(loss) attributable to members	up	1.96%	to	9,310,112

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
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 18 February 2012 the directors resolved to pay a fully franked interim dividend of 2 cents per share payable on 7 March 2013 to shareholders registered on 27 February 2013.</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	21 February 2012	
Record date for determining entitlements to the dividend	27 February 2012	
Payment Date	7 March 2012	

Commentary

<p>Brief explanation of any of the figures reported above:</p> <p>Please refer to the attached commentary for a detailed review.</p>



CVC LIMITED
AND ITS CONTROLLED ENTITIES

HALF-YEAR FINANCIAL REPORT

For the half-year ended
31 December 2012



COMPANY PARTICULARS

CVC LIMITED

ACN 002 700 361

DIRECTORS

Vanda R Gould
John S Leaver
John D Read
Alexander D H Beard

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

PRINCIPAL AND REGISTERED OFFICE

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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 2012 and the independent review report thereon.

Directors

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

Vanda Russell Gould (Chairman)
John Scott Leaver (Non Executive Director)
John Douglas Read (Non Executive Director)
Alexander Damien Harry Beard (Director and Company Secretary)

Operating Results

The net profit after tax attributable to shareholders for the six months ended 31 December 2012 of CVC amounted to \$9.3 million (2011: profit \$9.1 million).

The current period results has largely attributed to the reversal of an impairment on the holding in Greens Foods arising from the exit by the largest shareholder during the period. The exit provided a market valuation of the holding and also provided the catalyst for CVC to increase its holding to 43.5%.

Property continues to provide positive returns while the listed investment portfolio, whilst generating a positive return, has been affected by the subdued share market conditions.

The results have been impacted by the requirement of the accounting standards to consolidate the operations of Cellnet Group Limited and Battery Energy Power Solutions Pty Limited which have been previously. This has resulted in a contribution to profit of \$2.4 million.

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 2013 of 2 cents per share, fully franked, payable on 7 March 2013. During the period, directors paid a final fully franked dividend in respect of the year ended 30 June 2012 of 3 cents per share on 7 September 2012.

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 2013 of 2 cents per share, fully franked, payable on 7 March 2013.

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 20.

Signed and Dated Sydney this 28th day of February 2013 in accordance with a resolution of directors.



VANDA R. GOULD
Director



ALEXANDER D. H. BEARD
Director

CVC LIMITED & CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Notes	31 Dec 2012	31 Dec 2011
		\$	\$
INCOME			
Revenue from services		1,075,624	181,087
Rental income		1,601,625	2,732,758
Outgoings recovered		297,613	610,439
Net gain on sale of equity investments		373,505	6,849,070
Net change in fair value of investment properties		-	582,952
Interest income		4,737,560	5,280,483
Dividends received		632,163	1,885,616
Discount on acquisition		-	2,274,344
Recovery of investments in associated entities		5,668,685	2,519,961
Recovery of investments in related entities		1,755,617	-
Recovery of investments in unrelated entities		212,719	-
Recovery of loans in associated entities		947,941	40,000
Recovery of loans in related entities		-	204,767
Sale of goods		44,655,743	-
Net realised foreign exchange gain		240,170	-
Other income		259,329	237,800
Total income		<u>62,458,294</u>	<u>23,399,277</u>
Equity accounted profits			
Share of net (loss)/profits of associates	7	(1,110,016)	2,856,153
EXPENSES			
Net change in fair value of investment properties	10	266,748	-
Cost of goods sold	12	34,035,940	-
Audit fees		164,420	44,300
Depreciation expense		242,619	5,932
Directors fees		370,055	317,000
Employee costs		6,179,293	1,209,528
Finance costs		1,288,813	1,863,199
Impairment of listed investments		437,508	2,177,927
Impairment of unlisted investments		-	158,692
Impairment of investments in associated entities		249,254	2,005,188
Impairment of investments in related entities		857,530	-
Impairment of loans to associated entities		548,383	390,596
Impairment of loans to related entities		-	4,350,109
Insurance		196,768	85,357
Legal costs		74,084	151,480
Management and consultancy fees		293,970	450,973
Operating lease expense		683,588	217,798
Travel and accommodation		119,602	29,847
Other expenses		4,026,564	746,484
Total expenses		<u>50,035,139</u>	<u>14,204,410</u>
Profit before related income tax expense		<u>11,313,139</u>	<u>12,051,020</u>
Income tax expense	2	711,311	2,112,069
Net profit for the half-year		<u>10,601,828</u>	<u>9,938,951</u>
Net profit attributable to:			
Members of the parent entity	17	9,310,112	9,131,259
Non-controlling interest		1,291,716	807,692
Net profit for the half-year		<u>10,601,828</u>	<u>9,938,951</u>
Basic and diluted earnings per share (cents)	4	<u>7.62</u>	<u>7.37</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 2012

	Notes	31 Dec 2012	31 Dec 2011
		\$	\$
Profit for the half-year		10,601,828	9,938,951
Other comprehensive income			
- "Available-for-sale" investments:			
- Increase in fair values recognised in other reserves		1,884,071	6,059,292
- Amounts transferred from other reserves to the income statement on sale		84,686	(2,376,587)
- Value of associates asset revaluation reserve recognised in other reserves		(9,301)	(261,615)
Other comprehensive income for the half-year, net of tax		1,959,456	3,421,090
Total comprehensive income for the half-year		12,561,284	13,360,041
Total comprehensive income for the half-year is attributable to:			
Members of the parent entity		11,421,580	12,969,539
Non-controlling interest		1,139,704	390,502
		12,561,284	13,360,041

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 2012

	Notes	31 Dec 2012	30 Jun 2012
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	5	37,405,812	43,458,535
Loans and other receivables	6	57,787,849	53,097,676
Financial assets - "available-for-sale"	8	135,002	674,275
Financial assets - "at fair value through profit or loss"	9	3,924,537	4,927,964
Inventories	12	11,896,930	7,470,803
Current tax assets		129,039	82,924
Other assets		442,759	581,360
Total current assets		<u>111,721,928</u>	<u>110,293,537</u>
NON-CURRENT ASSETS			
Loans and other receivables	6	6,987,786	8,701,150
Financial assets - "available-for-sale"	8	31,784,699	28,732,281
Investments accounted for using the equity method	7	38,511,873	35,413,233
Property, plant and equipment	11	3,897,708	4,128,716
Investment properties	10	38,388,419	38,250,000
Deferred tax assets		34,254	35,955
Total non-current assets		<u>119,604,739</u>	<u>115,261,335</u>
TOTAL ASSETS		<u>231,326,667</u>	<u>225,554,872</u>
CURRENT LIABILITIES			
Trade and other payables	13	17,846,699	13,781,191
Interest bearing loans and borrowings	14	539,902	20,439,902
Provisions	15	1,079,731	1,163,295
Current tax liabilities		382,754	2,329,337
Total current liabilities		<u>19,849,086</u>	<u>37,713,725</u>
NON-CURRENT LIABILITIES			
Trade and other payables	13	231,903	4,356,903
Interest bearing loans and borrowings	14	29,564,488	9,196,653
Provisions	15	602,106	584,791
Deferred tax liabilities		323,888	323,891
Total non-current liabilities		<u>30,722,385</u>	<u>14,462,238</u>
TOTAL LIABILITIES		<u>50,571,471</u>	<u>52,175,963</u>
NET ASSETS		<u>180,755,196</u>	<u>173,378,909</u>
EQUITY			
Contributed equity	16	106,391,453	106,813,787
Retained profits	17	57,321,844	51,680,929
Other reserves	18	2,497,746	253,350
Parent entity interest		166,211,043	158,748,066
Non-controlling interest		14,544,153	14,630,843
TOTAL EQUITY		<u>180,755,196</u>	<u>173,378,909</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 2012

	Contributed equity	Retained earnings	Asset revaluation	Employee equity benefit	Foreign exchange translation	Owners of the parent	Non-controlling interest	Total
	\$	\$	\$	\$	\$	\$	\$	\$
At 1 July 2012	106,813,787	51,680,929	(66,813)	320,402	(239)	158,748,066	14,630,843	173,378,909
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	-	9,310,112	2,146,346	-	(34,878)	11,421,580	1,139,704	12,561,284
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	106,391,453	57,321,844	2,364,615	168,248	(35,117)	166,211,043	14,544,153	180,755,196
At 1 July 2011	110,978,239	48,724,233	(44,371)	225,458	(53,456)	159,830,103	7,242,731	167,072,834
Profit for the half-year	-	9,131,259	-	-	-	9,131,259	807,692	9,938,951
Other comprehensive income	-	-	3,749,903	-	88,377	3,838,280	(417,190)	3,421,090
Total comprehensive income for the half-year	-	9,131,259	3,749,903	-	88,377	12,969,539	390,502	13,360,041
Other movements in equity:								
Share of associates equity based remuneration recognised in other reserve	-	-	-	12,292	-	12,292	-	12,292
Transactions with shareholders:								
Acquisition of interest in controlled entities	-	-	(827,231)	-	-	(827,231)	2,440,042	1,612,811
Non-controlling interest disposal of interest in controlled entities	-	-	-	-	-	-	(632,368)	(632,368)
Shares bought back	(3,469,297)	-	-	-	-	(3,469,297)	-	(3,469,297)
Tax Benefit of transaction costs	77,248	-	-	-	-	77,248	-	77,248
Dividend paid	-	(3,714,016)	-	-	-	(3,714,016)	(195,948)	(3,909,964)
At 31 December 2011	107,586,190	54,141,476	2,878,301	237,750	34,921	164,878,638	9,244,959	174,123,597

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 2012

	Notes	31 Dec 2012	31 Dec 2011
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		52,131,880	4,383,280
Cash payments in the course of operations		(55,169,515)	(5,851,751)
Proceeds on disposal of financial assets at fair value through profit or loss		1,172,461	-
Payment for financial assets at fair value through profit or loss		(59,000)	-
Interest received		6,301,556	1,703,225
Dividends received		573,171	1,935,427
Interest paid		(704,714)	(1,261,189)
Income taxes paid		(2,701,118)	(3,760,256)
Net cash flows provided by/(used in) operating activities	5(b)	1,544,721	(2,851,264)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital expenditure for investment properties		(501,872)	(860,722)
Payments for property, plant and equipment		(11,609)	(2,571)
Proceeds on disposal of investment property		-	31,500,000
Payments for equity investments		(19,394,556)	(14,953,126)
Proceeds on disposal of equity investments		16,996,226	24,566,478
Payments for acquisition of controlled entities, net of cash acquired		-	(3,714,025)
Proceeds on disposal of controlled entities, net of cash disposed		50	759,963
Loans provided		(11,576,170)	(11,631,190)
Loans repaid		11,120,405	20,365,519
Net cash flows (used in)/ provided by investing activities		(3,367,526)	46,030,326
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	(16,000,000)
Dividends paid		(4,019,495)	(4,073,862)
Payments for share buybacks		(450,593)	(3,425,372)
Net cash flows used in financing activities		(4,470,088)	(23,499,234)
Net (decrease)/ increase in cash held		(6,292,893)	19,679,828
Cash at the beginning of the half-year		43,458,535	17,974,188
Foreign exchange gain/(loss) on cash		240,170	(749)
CASH AT THE END OF THE HALF-YEAR	5(a)	37,405,812	37,653,267

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 2012

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 2012 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 2012	31 Dec 2011
	\$	\$
NOTE 2: INCOME TAX EXPENSE		
Income tax expense:		
Prima facie income tax expense at 30% on profit before income tax	3,393,942	3,615,306
Increase in income tax expense due to:		
Sundry items	32,733	31,194
Decrease in income tax expense due to:		
Franked dividends received	(111,936)	(772,454)
Deferred tax balances not recognised	(2,446,403)	(428,663)
Trust profit not assessable	(165,835)	(462,726)
	702,501	1,982,657
Adjustment in respect of current income tax of previous years	8,810	129,412
	711,311	2,112,069

NOTE 3: DIVIDENDS

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

On 18 February 2013, CVC declared an interim dividend of 2 cents per share to be paid on 7 March 2013 to shareholders registered on 27 February 2013.

CVC paid a final dividend of 3 cents per share on 7 September 2012 in respect of the year ended 30 June 2012.

	31 Dec 2012	30 Jun 2012
Dividend franking account		
Franking credits available to shareholders for subsequent financial years	16,986,730	17,108,977
	16,986,730	17,108,977

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 year-end
- (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.

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

	31 Dec 2012	31 Dec 2011
NOTE 4: EARNINGS PER SHARE		
	Cents	Cents
Basic earnings per share	7.62	7.37
Diluted earnings per share	7.62	7.37
	<u> </u>	<u> </u>
Reconciliation of earnings used in calculation of earnings per share:	\$	\$
Net profit	10,601,828	9,938,951
Non-controlling interest	(1,291,716)	(807,692)
	<u> </u>	<u> </u>
Earnings used in calculation of earnings per share:	<u>9,310,112</u>	<u>9,131,259</u>
	<u> </u>	<u> </u>
	Number of Shares	
Weighted average number of ordinary shares – Basic and Diluted	122,132,253	123,855,687
Number of shares on issue at the end of the half-year	121,867,975	123,216,921
	<u> </u>	<u> </u>

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 2012	30 Jun 2012
	\$	\$
Cash on deposit	37,077,812	43,108,535
Funds held by bank	328,000	350,000
	<u> </u>	<u> </u>
Cash and cash equivalents	<u>37,405,812</u>	<u>43,458,535</u>

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

	31 Dec 2012	31 Dec 2011
	\$	\$
Profit after income tax	10,601,828	9,938,951
Add/(less) non-cash items:		
Share of equity accounted losses/(profits)	1,110,016	(2,856,153)
Depreciation and amortisation of plant and equipment	242,619	5,932
Bad debts written off	5,150	18,958
Employee benefits expense	(203,347)	-
Impairment expenses on assets	2,092,675	9,082,512
Impairment recoveries	(8,584,962)	(2,764,728)
Net discount on acquisition of shares	-	(2,274,344)
Net profit on disposal of investments	(373,505)	(6,849,070)
Net change in fair value of investment properties	266,748	(582,952)
Interest income not received	1,563,997	(3,577,257)
Interest expense not paid	586,420	591,262
Dividend income not received	(58,992)	49,811
Foreign exchange (profit)/loss on cash	(240,170)	749
Movement in income tax provision	(1,992,699)	(1,986,400)
Movement in deferred tax assets and liabilities	2,336	338,213
Changes in assets and liabilities:		
Inventories	(4,426,128)	-
Financial assets at fair value through profit or loss	1,113,461	-
Trade and other receivables	(4,670,833)	12,022
Trade and other payables	4,437,760	(2,333,144)
Provisions	(66,249)	46,128
Other assets	138,596	288,246
	<u> </u>	<u> </u>
Net cash provided by/(used in) operating activities	<u>1,544,721</u>	<u>(2,851,264)</u>

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

	31 Dec 2012	30 Jun 2012
	\$	\$
NOTE 6: LOANS AND OTHER RECEIVABLES		
Current		
Trade receivables	17,629,348	13,207,390
Provision for doubtful debts	(111,445)	(131,415)
Other receivables and prepayments	1,527,927	1,189,692
Loans to related entities	8,457,573	9,388,517
Impairment of loans to related entities	(2,553,963)	(2,005,581)
Loans to other corporations	32,838,409	31,449,073
	<u>57,787,849</u>	<u>53,097,676</u>
Non-Current		
Loans to associated entities	2,025,454	2,821,209
Impairment of loans to associated entities (a)	-	(947,941)
Loans to related entities	4,019,489	3,218,863
Loans to other corporations	1,019,532	3,685,708
Impairment of loans to other corporations	(76,689)	(76,689)
	<u>6,987,786</u>	<u>8,701,150</u>

(a) During the period, the loan to Concise Asset Management was considered to be recoverable and the impairment charge of \$947,941 was reversed.

NOTE 7: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Equity accounted shares in listed associated companies	12,972,899	11,978,263
Equity accounted shares in other associated companies	25,538,974	23,434,970
	<u>38,511,873</u>	<u>35,413,233</u>

Associated entities

Details of associated entities are as follows:

	% Ownership at		Carrying value		Contribution to	
	end of half-year				net profit/(loss)	
	31 Dec 12	30 Jun 12	31 Dec 12	30 Jun 12	31 Dec 12	31 Dec 11
				\$	\$	\$
Cellnet Group Limited(c)	n/a	n/a	-	-	-	259,492
Concise Asset Management Limited	49.0	49.0	-	-	-	-
CVC Reef Investment Managers Limited (c)	n/a	n/a	-	-	-	509,326
CVC Sustainable Investments	23.5	23.5	555,386	1,511,885	1,631	189,162
CVC Wagga Wagga Unit Trust	50.0	50.0	-	-	-	-
GPG (No.7) Pty Limited(a)	-	27.5	-	10,149,040	(868,532)	889,900
Green's Foods Holdings Pty Limited(a)	43.5	-	9,953,476	-	(1,121,865)	-
JAK Investment Group Pty Ltd	50.0	40.0	-	-	-	-
Pro-Pac Packaging Limited	-	-	-	-	-	519,095
Ron Finemore Transport Pty Limited	50.0	50.0	12,420,866	11,374,045	1,046,821	489,178
iLiv CVC Rockhampton Trust(b)	50.0	-	2,150,993	-	-	-
Everten Group Pty Limited	50.0	50.0	458,253	400,000	58,253	-
Villa World Limited	23.0	20.2	12,972,899	11,978,263	(226,324)	-
			<u>38,511,873</u>	<u>35,413,233</u>	<u>(1,110,016)</u>	<u>2,856,153</u>

- (a) During the period, CVC group undertake a script-to-script rollover from GPG (No.7) Pty Limited into Green's Food Holdings Pty Limited. A reversal of the impairment charge of \$5,668,685 in relation to GPG (No.7) has been included in the statement of financial performance during the period.
- (b) During the period, CVC group has acquired 50% of iLiv CVC Rockhampton Pty Limited as trustee for the iLiv CVC Rockhampton Trust.
- (c) Cellnet Group Limited and CVC Reef Investment Managers Limited became consolidated entities of CVC Limited during the year ended 30 June 2012.

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

	31 Dec 2012	30 Jun 2012
	\$	\$
NOTE 8: FINANCIAL ASSETS - "AVAILABLE-FOR-SALE"		
Current		
Shares in listed corporations – at market value	135,002	674,275
	<u>135,002</u>	<u>674,275</u>
Non-Current		
Shares in listed corporations – at market value	27,327,995	22,495,665
Other investments - at cost	4,952,246	6,826,264
Impairment of other investments – at cost	(1,500,000)	(1,500,000)
Public unlisted investments – at market value	1,163,150	1,069,044
Impairment of public unlisted investments – at market value	(158,692)	(158,692)
Other investments – at market value	433,562	433,562
Impairment of other investments – at market value	(433,562)	(433,562)
	<u>31,784,699</u>	<u>28,732,281</u>
NOTE 9: FINANCIAL ASSETS - "AT FAIR VALUE THROUGH PROFIT OR LOSS"		
Current		
Shares in listed corporations – at market value	3,924,537	4,927,964
	<u>3,924,537</u>	<u>4,927,964</u>
NOTE 10: INVESTMENT PROPERTIES		
Investment properties	38,388,419	38,250,000
	<u>38,388,419</u>	<u>38,250,000</u>
Reconciliation:		
Investment properties at beginning of the half-year	38,250,000	74,949,158
Additions – capital expenditure	405,167	933,186
Reclassification to property, plant and equipment arising from the acquisition of controlled entity	-	(2,780,653)
Carrying value of investment property sold	-	(31,500,000)
Fair value adjustment	(266,748)	(3,351,691)
	<u>38,388,419</u>	<u>38,250,000</u>

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

	31 Dec 2012	30 Jun 2012
	\$	\$
NOTE 11: PROPERTY, PLANT AND EQUIPMENT		
Total property, plant and equipment	3,897,708	4,128,716
	<u> </u>	<u> </u>
<i>Plant and equipment:</i>		
At cost	2,352,956	2,343,908
Accumulated depreciation	(550,207)	(307,588)
	<u> </u>	<u> </u>
Total plant and equipment	1,802,749	2,036,320
	<u> </u>	<u> </u>
<i>Properties:</i>		
At cost	94,959	92,396
At fair value	2,000,000	2,000,000
	<u> </u>	<u> </u>
Total properties	2,094,959	2,092,396
	<u> </u>	<u> </u>
 <i>Reconciliation:</i>		
<i>Plant and equipment:</i>		
Carrying amount at the beginning of the half-year	2,036,320	17,832
Additions arising from the acquisition of controlled entities	-	2,223,079
Additions	25,920	115,165
Disposals	(16,872)	(694)
Impairment	-	(31,547)
Depreciation	(242,619)	(287,515)
	<u> </u>	<u> </u>
Carrying amount at the end of the half-year	1,802,749	2,036,320
	<u> </u>	<u> </u>
 <i>Properties</i>		
Carrying amount at the beginning of the half-year	2,092,396	-
Additions	2,563	92,396
Reclassification from investment properties arising from the acquisition of controlled entity	-	2,780,653
Impairment	-	(780,653)
	<u> </u>	<u> </u>
Carrying amount at the end of the half-year	2,094,959	2,092,396
	<u> </u>	<u> </u>
 NOTE 12: INVENTORIES		
Current		
Stock on hand	13,112,854	9,156,158
Stock in transit	221,478	393,284
Provision for obsolescence	(1,437,402)	(2,078,639)
	<u> </u>	<u> </u>
	11,896,930	7,470,803
	<u> </u>	<u> </u>

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

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

	31 Dec 2012	30 Jun 2012
	\$	\$
NOTE 13: TRADE AND OTHER PAYABLES		
Current		
Trade and other payables	12,392,277	8,359,477
Sundry creditors and accruals	5,331,939	5,279,657
Goods and services tax	122,483	142,057
	17,846,699	13,781,191
	17,846,699	13,781,191
Non-current		
Trade and other payables	231,903	231,903
Unsecured loan from associated entity (a)	-	4,125,000
	231,903	4,356,903
	231,903	4,356,903

(a) GPG (No.7) Pty Limited undertook a capital return which was offset against the unsecured loan on 2 November 2012.

NOTE 14: INTEREST-BEARING LOANS AND BORROWINGS

Current		
Unsecured loans	539,902	539,902
Secured bank loan (a)	-	19,900,000
	539,902	20,439,902
	539,902	20,439,902
Non-current		
Secured bank loans (a)	19,900,000	-
Unsecured loan from associated entity	9,664,488	9,196,653
	29,564,488	9,196,653
	29,564,488	9,196,653

(a) The secured bank loan has been refinanced with National Australia Bank on similar terms to the original loan facility with a maturity date of 31 October 2015.

NOTE 15: PROVISIONS

Current		
Maintenance warranties	130,000	130,000
Employee entitlements	949,731	1,033,295
	1,079,731	1,163,295
	1,079,731	1,163,295
Non-current		
Employee entitlements	602,106	584,791
	602,106	584,791
	602,106	584,791

	31 Dec 2012		31 Dec 2011	
	Number	\$	Number	\$
NOTE 16: CONTRIBUTED EQUITY				
Issued and paid-up ordinary share capital				
Balance at the beginning of the half-year	122,336,368	106,813,787	127,088,001	110,978,239
Shares bought back on market	(468,393)	(422,334)	(3,871,080)	(3,392,049)
	121,867,975	106,391,453	123,216,921	107,586,190
	121,867,975	106,391,453	123,216,921	107,586,190

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

	31 Dec 2012	31 Dec 2011
	\$	\$
NOTE 17: RETAINED PROFITS		
Balance at the beginning of the half-year	51,680,929	48,724,233
Net profit attributable to shareholders	9,310,112	9,131,259
Dividends	(3,669,197)	(3,714,016)
	57,321,844	54,141,476
	57,321,844	54,141,476

NOTE 18: OTHER RESERVES

	Asset Revaluation Reserve \$	Employee Equity Benefit Reserve \$	Foreign Exchange Reserve \$	Total \$
<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
<i>Half-year ended 31 December 2011:</i>				
Balance at the beginning of the half-year	(44,371)	225,458	(53,456)	127,631
Equity accounted share of associates reserves	(261,615)	12,292	-	(249,323)
Net unrealised gain on "available-for-sale" investments	5,970,915	-	88,377	6,059,292
Net unrealised loss on "available-for-sale" investments – non-controlling interest	(1,348)	-	-	(1,348)
Acquisition of interest in controlled entities	(827,231)	-	-	(827,231)
Realised loss on "available-for-sale" investments reclassified to the income statement	(2,376,587)	-	-	(2,376,587)
Realised gain on "available-for-sale" investments reclassified to the income statement – non-controlling interest	418,538	-	-	418,538
	2,878,301	237,750	34,921	3,150,972
	2,878,301	237,750	34,921	3,150,972

	31 Dec 2012	31 Dec 2011
	\$	\$
NOTE 19: ASSETS PER SECURITY		
Net assets per share attributable to members of the parent entity	1.36	1.34
Net tangible assets per share attributable to members of the parent entity	1.36	1.34
	1.36	1.34

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 2012 (CONTINUED)

NOTE 20: 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 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)	-
Unallocated amounts: interest income							843,315
Consolidated revenue							62,458,294
Equity accounted income	(885,323)	(226,324)	-	1,631	-	-	(1,110,016)
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)
Unallocated amounts: corporate expenses	6,260,013	152,625	3,118,642	1,108,975	2,363,808	-	13,004,063
Consolidated profit before tax							(1,690,924)
							11,313,139

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

NOTE 20: SEGMENT REPORTING (CONT.)

	Private Equity and Venture Capital \$	Listed Investments \$	Property \$	Funds Management \$	Consolidated \$
<i>Half-year ended 31 December 2011:</i>					
Revenues:					
Total revenue for reportable segments	1,958,305	11,059,783	8,425,601	1,197,268	22,640,957
Unallocated amounts: interest income					758,320
Consolidated revenue					23,399,277
Equity accounted income	1,379,078	778,587	-	698,488	2,856,153
Results:					
Total profit for reportable segments	1,958,305	2,825,934	5,695,642	693,224	11,173,105
Share of profit of equity accounted investees	1,379,078	778,587	-	698,488	2,856,153
Unallocated amounts: corporate expenses	3,337,383	3,604,521	5,695,642	1,391,712	14,029,258
Consolidated profit before tax					(1,978,238)
					12,051,020

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 2012 (CONTINUED)

NOTE 20: SUBSEQUENT EVENTS

Since the end of the period, the directors have determined to pay an interim dividend of 2 cents per share, fully franked, payable on 7 March 2013.

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 2012.

**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 4 to 18, 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 2012 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 2013.

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



VANDA R. GOULD
Director



ALEXANDER D. H. BEARD
Director

CVC LIMITED

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of CVC Limited:

As lead auditor for the review of CVC Limited and its controlled entities for the half-year ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

This declaration is made in respect of CVC Limited and the entities it controlled during the period.



M D Muller
Partner

28 February 2013

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CVC LIMITED

INDEPENDENT AUDITOR'S REPORT

To the members of CVC Limited

We have reviewed the accompanying half-year financial report of CVC Limited ("the Company") which comprises the condensed statement of financial position as at 31 December 2012, the condensed statement of financial performance, condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity, comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

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CVC LIMITED

**INDEPENDENT AUDITOR'S REPORT
(continued)**

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of CVC Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of CVC Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in black ink that reads 'HLB Mann Judd'.

**HLB MANN JUDD
Chartered Accountants**

A handwritten signature in black ink that reads 'M D Muller'.

**M D Muller
Partner**

**Sydney
28 February 2013**