



Commentary on Results

Half-Year Result:

The Directors of CVC regrettably report a net loss of \$56.2 million after tax (2007: profit of \$11.0 million) for the half-year ended December, 31 2008. The result has been a direct result of impairment charges recorded during the period.

During the period the value of share investments fell by \$80.1 million of which \$27.5 million represent a reduction of previously recorded unrealised gains in reserves and an impairment charge of \$52.6 million has been included in the profit and loss statement. Additionally, \$18.2 million has been impaired against other assets including \$9.3 million in relation to intangible assets.

The approach taken to the valuation of investments in the half-year accounts has been to record them at the prevailing market value. The Board is hopeful that in time the value of these underlying investments will return to values more reflective of what CVC believes is their worth. CVC will continue to dedicate significant management effort to restore value to these investments, where possible, however in light of the continued severity of market volatility, the Board has resolved that market value is the most appropriate valuation methodology.

Dividend:

In light of the half-year result and the current economic climate, the Directors have resolved not to declare an interim dividend.

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

During the half year CVC realised its investment in Blue Energy Limited for \$33.9 million generating a profit of \$12.1 million, continued to realise non-core holdings and has been actively involved in the management of core investment holdings. The balance of the year will see continued activity in this regard.

As at February 27, 2009 CVC's only exposure to bank debt is the loan provided to the ASX listed CVC Property Fund which CVC increased holding to 52.6% during the period. CVC has cash holdings of \$63 million (equivalent to 44 cents per share) and is well placed to pursue investment opportunities as and when they emerge.

Since July 2008, 18.9 million shares have been bought back on market at an average price of 73 cents per share.

From a net asset perspective net tangible assets have fallen from \$1.64 per share at 30 June 2008 to \$1.15 per share at December 31, 2008, representing a 30% fall over the period. Since December 31, 2008 the share market has continued to experience falls with the ASX Small Ordinaries down approximately 12%.

The Company will focus on its main objective of generating shareholder returns in excess of 15% per annum over time and anticipates achieving this objective through a combination of well timed and priced acquisitions from which it believes it can unlock or release significant value over the medium to long term and the development of recurrent income streams.

In the current climate it is not possible to forecast the likely result for 2009.

ADH Beard
Director
27 February 2009

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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 2008	31 December 2007

Results

Income	Up	22.6%	to	\$22,143,564
Profit/(loss) before tax	Down	495.4%	to	(\$55,921,215)
Profit/(loss) after tax attributable to members	Down	615.7%	to	(\$56,136,416)
Net profit/(loss) attributable to members	Down	615.7%	to	(\$56,136,416)

The preliminary half-yearly report is based on accounts which are in the process of being reviewed.

Dividends (distributions)

	Amount per security	Franked amount per security
Interim dividend	n/a	n/a
Prior year interim dividends 29 February 2008	3.0 ¢	3.0 ¢

Information on dividends:

The Directors have considered that the current economic climate has presented CVC with an opportunity to expand its core investment portfolio by taking advantage of depressed valuations. As a result the Directors have resolved to suspend the payments of dividends until further notice.

A final dividend of 3 cents per share in respect of the financial year ended 30 June 2008 was declared on 17 July 2008 and paid on 26 September 2008.

Commentary

Brief explanation of any of the figures reported above:

Please refer to the attached commentary for a detailed review.

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CVC LIMITED
AND ITS CONTROLLED ENTITIES

HALF-YEAR FINANCIAL REPORT

For the half-year ended
31 December 2008

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

Alexander D H Beard
Michael J Bower
Gaibrielle L S Cleary
William J Highland
Joanne Hume

John A Hunter
Elliott G Kaplan
Geoffrey P Leaver
Anthony G McLennan
Sean W L Wiles

PRINCIPAL AND REGISTERED OFFICE

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SYDNEY NSW 2000 AUSTRALIA
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SHARE REGISTRY

Gould Ralph Services Pty Limited
Share Registry Division
Level 42, 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

STOCK EXCHANGE LISTING

Australian Stock 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 2008 and the independent review thereon.

Directors

The Directors of the Company 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)
John Thomas Riedl (Non Executive Director) (resigned 24 February 2009)

Operating Results

The net loss after tax for the six months ended 31 December 2008 of CVC amounted to \$56.2 million.

Review of Operations

During the period CVC sold its interest in Blue Energy Limited for \$33.9 million and reduced the Sunland Group Limited holding for \$6.9 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

Dividends of \$4,830,176 were paid during the period. No interim dividends have been declared or paid in respect of the half year ended 31 December 2008.

Events subsequent to balance date

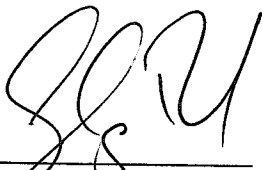
Subsequent to the end of the financial period Mr Riedl resigned as director and member of the audit committee on 24 February 2009.

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 the company, the results of those operations or the state of affairs of the company in financial periods subsequent to 31 December 2008.

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 (NSW Partnership) is included on page 18.

Signed and Dated Sydney this 27th day of February 2009 in accordance with a resolution of Directors.



ALEXANDER D. H. BEARD
Director



VANDA R GOULD
Director

CVC LIMITED & CONTROLLED ENTITIES
CONDENSED INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Notes	Consolidated	
		31 Dec 2008	31 Dec 2007
		\$	\$
INCOME			
Dividends received		2,212,820	2,711,634
Interest income		6,939,809	6,049,601
Net gain on sale of equity investments		16,194,296	7,690,059
Impairment recovery on loans		-	22,333
Sales of services		1,337,216	2,249,099
Other income		1,037,154	371,837
Total income		27,721,295	19,094,563
Equity accounted profits /(losses)			
Share of net losses of associates	7	(5,577,731)	(1,049,705)
Share of net profits of joint ventures	7	-	21,402
Net equity accounted losses		(5,577,731)	(1,028,303)
EXPENSES			
Audit fees		48,250	30,098
Amortisation of intangible assets		58,500	58,500
Loans written off		301,506	-
Depreciation expense		14,114	18,407
Directors fees		23,468	37,000
Employee costs		915,552	1,095,835
Finance costs		1,114,002	1,224,447
Impairment of investments in associated entities		17,391,732	-
Impairment of intangible assets		9,343,643	-
Impairment of listed investments		33,967,725	-
Impairment of loans to other corporations		5,963,143	-
Impairment of loans to related entities		4,296,896	-
Impairment of unlisted investments		3,000,000	-
Insurance		89,729	61,932
Legal and associated costs		119,525	34,647
Loss on foreign exchange		-	126,226
Management and consultancy fees		768,979	632,622
Operating lease expense		192,104	207,469
Travel and accommodation		42,581	49,317
Other expenses		413,330	346,304
Total expenses		78,064,779	3,922,804
(Loss)/profit before related income tax expense		(55,921,215)	14,143,456
Income tax expense	2	270,043	3,140,618
(Loss)/profit for the half-year		(56,191,258)	11,002,838
Net (loss)/profit attributable to minority interests		(54,842)	117,892
(Loss)/profit attributable to members of the parent entity	15	(56,136,416)	10,884,946
Basic earnings per share (cents)	4	(34.81)	6.51
Diluted earnings per share (cents)	4	(34.81)	6.49
Dividends paid during period per share (cents)	3	3.00	6.00

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

CVC LIMITED & CONTROLLED ENTITIES
CONDENSED BALANCE SHEET
AS AT 31 DECEMBER 2008

	Notes	Consolidated	
		31 Dec 2008	30 Jun 2008
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	5	67,164,776	51,936,285
Trade and other receivables	6	29,218,596	42,340,390
Other assets		221,341	87,502
Total current assets		<u>96,604,713</u>	<u>94,364,177</u>
NON-CURRENT ASSETS			
Trade and other receivables	6	1,197,956	1,170,374
Financial assets "available-for-sale"	8	44,656,644	145,129,775
Investments accounted for using the equity method	7	31,732,862	55,966,019
Investment properties	10	20,780,653	2,783,873
Property, plant and equipment	11	9,524,717	34,484
Intangible assets	12	-	8,356,634
Deferred tax assets		3,891,312	8,301,965
Total non-current assets		<u>111,784,144</u>	<u>221,743,124</u>
TOTAL ASSETS		<u>208,388,857</u>	<u>316,107,301</u>
CURRENT LIABILITIES			
Trade and other payables	13	759,551	2,280,120
Interest bearing loans and borrowings		2,210,535	2,693,695
Provisions		175,916	199,199
Current tax liabilities		4,028,396	4,261,699
Total current liabilities		<u>7,174,398</u>	<u>9,434,713</u>
NON-CURRENT LIABILITIES			
Provisions		31,155	23,948
Interest bearing loans and borrowings		21,123,002	8,431,997
Deferred tax liabilities		3,891,312	23,773,546
Total non-current liabilities		<u>25,045,469</u>	<u>32,229,491</u>
TOTAL LIABILITIES		<u>32,219,867</u>	<u>41,664,204</u>
NET ASSETS		<u>176,168,990</u>	<u>274,443,097</u>
EQUITY			
Contributed equity	14	125,730,278	136,823,139
Retained profits	15	38,103,019	99,069,611
Other reserves	16	8,921,803	38,484,350
Parent entity interest		172,755,100	274,377,100
Minority interest		3,413,890	65,997
TOTAL EQUITY		<u>176,168,990</u>	<u>274,443,097</u>

The above balance sheet should be read in conjunction with the accompanying notes to the Half-Year Report.

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CVC LIMITED & CONTROLLED ENTITIES
CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Notes	Consolidated	
		31 Dec 2008	31 Dec 2007
		\$	\$
INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY			
- "Available-for-sale" investments:			
- (Decrease)/increase in fair values recognised in other reserves	16	(30,616,716)	14,796,998
- Amounts transferred from other reserves to the income statement on sale	16	(13,490,592)	(11,355,057)
- Income tax on fair value movements taken to or from other reserves	16	11,328,534	(1,032,584)
- Value of equity based remuneration recognised in other reserves	16	(73,892)	41,209
- Value of associates equity based remuneration recognised in other reserves	16	(35,037)	(201,947)
- Value of associates foreign currency translation reserve recognised in other reserves	16	3,325,317	(9,571)
Net income reflected directly in equity		(29,562,386)	2,239,048
(Loss)/profit for the half-year		(56,191,258)	11,002,838
Total recognised income and expense for the half-year		(85,753,644)	13,241,886
Attributable to:			
Shareholders		(85,698,962)	13,124,556
Minority interests		(54,682)	117,330
		(85,753,644)	13,241,886
TRANSACTIONS WITH SHAREHOLDERS IN THEIR CAPACITY AS SHAREHOLDERS			
Shares issued during the half-year:			
- through the dividend reinvestment plan	14	-	732,046
- under the executive and non-executive long term incentive plan	14	-	3,105,000
- transaction cost of shares issued through dividend reinvestment plan	14	-	(2,436)
Payments for share buy-backs	14	(11,092,861)	(2,566,345)
Dividends paid to shareholders	3	(4,830,176)	(10,302,823)
Total transactions with shareholders in their capacity as shareholders		(15,923,037)	(9,034,558)
Other equity movements			
Increase in minority interest from acquisition of controlled entity		3,402,574	-
Net (decrease)/increase in equity for the half-year		(98,274,107)	4,207,328
Equity at the beginning of the half-year		274,443,097	345,164,945
EQUITY AT THE END OF THE HALF-YEAR		176,168,990	349,372,273

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 CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Notes	Consolidated	
		31 Dec 2008	31 Dec 2007
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		1,973,550	1,714,805
Cash payments in the course of operations		(3,483,682)	(2,849,456)
Interest received		2,632,447	5,301,892
Dividends received		2,403,327	2,840,750
Interest paid		(364,351)	(83,389)
Income taxes paid		(4,613,490)	(4,636,708)
Net cash flows (used in)/provided by operating activities	5(b)	<u>(1,452,199)</u>	<u>2,287,894</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(47,216)	(3,349)
Payments for equity investments		(10,087,775)	(63,705,954)
Payments for acquisition of controlled entities net of cash		(1,064,526)	-
Proceeds on disposal of equity investments		47,629,919	28,543,985
Loans provided		(10,444,069)	(17,958,108)
Loans repaid		8,693,927	6,925,021
Net cash flows provided by/(used in) investing activities		<u>34,680,260</u>	<u>(46,198,405)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	1,606,690
Borrowings repaid		(2,100,000)	(1,734,106)
Dividends paid to members of the parent entity		(4,839,069)	(9,558,777)
Payments for share buy-backs		(11,092,861)	(2,566,345)
Issue of shares		-	3,101,520
Net cash flows used in financing activities		<u>(18,031,930)</u>	<u>(9,151,018)</u>
Net increase/(decrease) in cash held		15,196,131	(53,061,529)
Cash at the beginning of the half-year		51,936,285	115,008,945
Foreign exchange gain/(loss) on cash		32,360	(126,226)
CASH AT THE END OF THE HALF-YEAR	5(a)	<u><u>67,164,776</u></u>	<u><u>61,821,190</u></u>

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

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE HALF-YEAR REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

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 2008 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 other than those set out below.

Investment properties

Commencing 1 October 2008 investment properties are no longer being depreciated, but instead are now stated at fair value, which reflect market conditions at the balance sheet date. Gains or losses arising from changes in the fair value of investment properties are recognised in the profit and loss statement in the year in which they arise.

	Consolidated	
	31 Dec 2008	31 Dec 2007
	\$	\$
NOTE 2: INCOME TAX EXPENSE		
Income tax expense:		
Prima facie income tax (benefit)/expense at 30% (2007: 30%) on profit/(loss) before income tax	(16,776,365)	4,243,036
Increase in income tax expense due to:		
Sundry items	1,452	2,368
Equity based remuneration	-	12,363
Trust loss not taxable	37,850	-
Impairment not deductible	1,729,622	-
Deferred tax assets not recognised	16,813,581	-
Decrease in income tax expense due to:		
Franked dividends received	(746,476)	(796,623)
Equity based remuneration	(22,168)	-
Equity income not assessable	(786,977)	(296,331)
Other income not assessable	(39,160)	(19,886)
	211,359	3,144,927
Prior year over provision	58,684	(4,309)
Income tax expense for the half-year	270,043	3,140,618

NOTE 3: DIVIDENDS

On 26 September 2008, the Company paid a final dividend in respect of the year ended 30 June 2008 of 3 cents per share, equivalent to a total dividend of \$4,830,176. No interim dividends have been declared or paid in respect of the half year ended 31 December 2008.

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE HALF-YEAR REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

NOTE 4: EARNINGS PER SHARE

	Consolidated	
	31 Dec 2008	30 Jun 2008
	\$	\$
	Cents	Cents
Basic earnings per share	(34.81)	6.51
Diluted earnings per share	(34.81)	6.49
	<u> </u>	<u> </u>
Reconciliation of earnings used in calculation of earnings per share:	\$	\$
Net (loss)/profit	(56,191,258)	11,002,838
Less: Loss/(profit) attributable to minority interests	54,842	(117,892)
	<u> </u>	<u> </u>
Earnings used in calculation of earnings per share:	(56,136,416)	10,884,946
	<u> </u>	<u> </u>
	Number of Shares	
Weighted average number of ordinary shares – Basic	161,253,338	167,083,613
Weighted average number of ordinary shares – Diluted	161,253,338	167,609,803
Number of shares on issue at the end of the period	150,333,116	162,352,134
	<u> </u>	<u> </u>

NOTE 5: NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of Cash and Cash Equivalents

For the purposes of the cash flow statement, 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 balance sheet as follows:

Cash and cash equivalents	67,164,776	51,963,285
	<u> </u>	<u> </u>

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

	31 Dec 2008	31 Dec 2007
	\$	\$
(Loss)/profit after income tax	(56,191,258)	11,002,838
Add/(less) non-cash items:		
Share of equity accounted losses	5,577,731	1,028,303
Share option income	(464)	(799,415)
Depreciation and amortisation of property, plant and equipment	14,114	18,407
Amortisation of intangible assets	58,500	58,500
Net impairment provisions increase/(decrease)	73,963,139	(9,520)
Net profit on disposal of investments	(16,194,296)	(7,690,059)
Equity remuneration	(73,892)	41,209
Interest income not received	(4,024,917)	(747,709)
Interest expense not paid	467,207	1,268,474
Foreign exchange loss on cash	(32,360)	126,226
Movement in income tax provision	(215,416)	(1,395,258)
Movement in deferred tax assets and liabilities	(4,128,033)	(100,833)
Changes in assets and liabilities:		
Trade and other receivables	124,021	(106,716)
Trade and other payables	(726,317)	(295,139)
Provisions	(16,076)	21,095
Other assets	(53,882)	(132,509)
	<u> </u>	<u> </u>
Net cash (used in)/provided by operating activities	(1,452,199)	2,287,894
	<u> </u>	<u> </u>

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE HALF-YEAR REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

	Consolidated	
	31 Dec 2008	30 Jun 2008
	\$	\$
NOTE 6: TRADE AND OTHER RECEIVABLES		
Current		
Trade and other receivables	1,776,011	2,746,715
Loans to related entities	20,634,731	18,530,525
Impairment of loans to related entities	(5,005,637)	-
Loans to other corporations	20,007,770	23,294,286
Impairment of loans to other corporations	(8,194,279)	(2,231,136)
	29,218,596	42,340,390
Non-Current		
Loans to other corporations	30,000	30,000
Impairment of loans to other corporations	(30,000)	(30,000)
Loans to director related entities	2,531,283	2,446,839
Impairment of loans to director related entities	(1,333,327)	(1,276,465)
	1,197,956	1,170,374

NOTE 7: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Consolidated	
	31 Dec 2008	30 Jun 2008
	\$	\$
Equity accounted shares in listed associated companies (a)	11,650,809	33,760,274
Equity accounted shares in other associated companies (a)	20,082,053	22,203,694
Equity accounted interests in joint ventures (b)	-	2,051
	31,732,862	55,966,019

(a) Associated entities

Details of associated entities are as follows:

	% Ownership at		Carrying value		Contribution to	
	end of half-year				net profit	
	31 Dec 08	30 Jun 08	31 Dec 08	30 Jun 08	31 Dec 08	31 Dec 07
			\$	\$	\$	\$
CVC Private Equity Limited	41.0	36.6	2,849,977	3,101,929	(633,586)	(734,527)
CVC Property Fund (1)	52.6	37.8	-	3,015,497	(245,526)	(712,830)
Cellnet Group Limited	34.3	33.6	5,270,606	14,193,694	(3,302,792)	(71,296)
Mercury Mobility Limited	30.5	29.6	2,246,910	4,059,106	(737,876)	(64,480)
GPG (No.7) Pty Ltd	27.5	27.5	12,275,343	13,670,281	(801,349)	(770,901)
Pro-Pac Packaging Limited	22.3	22.3	4,133,293	12,491,977	269,583	204,131
CVC Sustainable Investments Ltd	21.0	-	2,432,000	2,772,563	(336,233)	-
Other entities (2)			2,524,733	2,658,921	210,048	1,100,198
			31,732,862	55,963,968	(5,577,731)	(1,049,705)

(1) During the period, CVC's holding in CVC Property Fund increases from 37.8% to 52.6%. As a result, CVC Property Fund becomes a controlled entity of CVC. Refer note 9.

(2) Other entities comprise Ron Finemore Transport Pty Limited, Concise Asset Management Pty Limited and CVC Reef Investment Managers Limited.

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE HALF-YEAR REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

NOTE 7: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

(b) Joint Ventures

Details of joint ventures are as follows:

	% Ownership at end of half-year		Carrying value		Contribution to net profit	
	31 Dec 08	30 Jun 08	31 Dec 08 \$	30 Jun 08 \$	31 Dec 08 \$	31 Dec 07 \$
Chevron Developments	n/a	50%	-	-	-	21,442
Skyline Investments Australia	n/a	50%	-	2,051	-	(40)
			-	2,051	-	21,402
			-	2,051	-	21,402
			Consolidated			
			31 Dec 2008	30 Jun 2008		
			\$	\$		

NOTE 8: FINANCIAL ASSETS "AVAILABLE-FOR-SALE"

Non-Current

Shares in listed corporations – at market value	39,856,010	137,055,478
Other investments - at cost	8,550,634	8,824,297
Impairment of investments	(3,750,000)	(750,000)
	44,656,644	145,129,775
	44,656,644	145,129,775

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CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE HALF-YEAR REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

NOTE 9: ACQUISITION OF CONTROLLED ENTITIES

Acquisition of CVC Property Fund

On 30 June 2008 CVC held 37.8% of the units issued by CVC Property Fund. On 30 September 2008 CVC acquired 15,625,000 units, representing 14.9% of CVC Property Fund and obtained control of the Fund. CVC Property Fund is an ASX listed fund that holds property investments in Australia. An impairment review has been conducted at 31 December 2008 on the goodwill arising from the purchase of the units in CVC Property Fund. The outcome of the review is that an impairment charge has been raised against its full value in the profit and loss statement.

Cash asset	\$ 935,474
Investment Property at fair value	18,000,000
Property plant and equipment at fair value	9,500,000
Other assets	122,094
Payables	(223,966)
Loans	(5,255,362)
Bank bills	(15,750,000)
	<hr/>
	7,328,240
Goodwill on acquisition	916,183
Non-controlling interest in CVC Property Fund	(3,474,448)
Value of units already held by CVC in CVC Property Fund	(2,769,975)
	<hr/>
Cash consideration for CVC Property Fund	2,000,000
	<hr/> <hr/>
The cash outflow on acquisition is as follows:	
Net cash acquired with the subsidiary	935,474
CVC Property Managers	(2,000,000)
	<hr/>
Cash consideration paid	(1,064,526)
	<hr/> <hr/>

CVC has equity accounted the results of CVC Property Fund until 30 September 2008 and a loss of \$34,048 has been included in the profit and loss statement. If the acquisition had taken place at the beginning of the year, the loss included in the profit and loss statement would have been \$775,731 and revenue from continuing operations would have been \$921,221.

	Consolidated	
	31 Dec 2008	30 Jun 2008
	\$	\$
NOTE 10: INVESTMENT PROPERTY		
Investment properties at beginning of the year	2,783,873	2,799,197
Accumulated depreciation	(3,220)	(15,324)
Investment property acquired as part of acquisition of CVC Property Fund on 30 September 2008	18,000,000	-
	<hr/>	<hr/>
Total investment properties	20,780,653	2,783,873
	<hr/> <hr/>	<hr/> <hr/>

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE HALF-YEAR REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

	Consolidated	
	31 Dec 2008	30 Jun 2008
	\$	\$
NOTE 11: PROPERTY PLANT AND EQUIPMENT		
Property plant and equipment		
Equipment - At cost	249,910	248,783
Accumulated depreciation	(225,193)	(214,299)
Property plant and equipment acquired as part of acquisition of CVC Property Fund on 30 September 2008	9,500,000	-
	<u>9,524,717</u>	<u>34,484</u>
Reconciliation		
Carrying amount at the beginning of the year	34,484	45,621
Addition of equipment	1,127	10,535
Property plant and equipment acquired as part of acquisition of CVC Property Fund on 30 September 2008	9,500,000	-
Depreciation	(10,894)	(21,672)
	<u>9,524,717</u>	<u>34,484</u>
NOTE 12: INTANGIBLE ASSETS		
Management agreements and licences	731,250	1,170,000
Accumulated amortisation	(58,500)	(438,750)
Impairment	(672,750)	-
	<u>-</u>	<u>731,250</u>
Goodwill at the beginning of the year	7,625,384	7,625,384
Arising from the acquisition of controlled entities	1,045,509	-
Impairment	(8,670,893)	-
	<u>-</u>	<u>7,625,384</u>
Total management agreements and licences	-	7,625,384
Total intangible assets	<u>-</u>	<u>8,356,634</u>
NOTE 13: TRADE AND OTHER PAYABLES		
Trade and other payables	419,130	1,800,455
Sundry creditors and accruals	333,302	477,292
Goods and services tax payable	7,119	2,373
	<u>759,551</u>	<u>2,280,120</u>

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE HALF-YEAR REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

	31 Dec 2008		31 Dec 2007	
	Number	\$	Number	\$
NOTE 14: CONTRIBUTED EQUITY				
Issued and paid-up ordinary share capital				
Balance at the beginning of the half-year	162,352,134	136,823,139	171,713,710	145,370,769
Shares issued during the period:				
- through the dividend reinvestment plan	-	-	417,041	732,046
- under the employee long term incentive plan	-	-	-	3,105,000
- reclassification from employee equity benefit reserve	-	-	-	273,759
- transaction costs of shares issued through dividend reinvestment plan	-	-	-	(3,481)
- tax benefit of transaction costs	-	-	-	1,044
Shares bought back on market	(12,019,018)	(11,092,861)	(1,702,173)	(2,566,345)
Balance at the end of the half-year	<u>150,333,116</u>	<u>125,730,278</u>	<u>170,428,578</u>	<u>146,912,792</u>

	Consolidated	
	31 Dec 2008	31 Dec 2007
	\$	\$
NOTE 15: RETAINED PROFITS		
Balance at the beginning of the half-year	99,069,611	113,202,090
Net profit attributable to shareholders	(56,136,416)	10,884,946
Dividends	(4,830,176)	(10,302,823)
Balance at the end of the half-year	<u>38,103,019</u>	<u>113,784,213</u>

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE HALF-YEAR REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

NOTE 16: OTHER RESERVES

	Consolidated			Total \$
	Asset Revaluation Reserve \$	Employee Equity Benefit Reserve \$	Foreign Exchange Reserve \$	
<i>Half-year ended 31 December 2008:</i>				
Balance at the beginning of the half-year	39,529,888	(48,997)	(996,541)	38,484,350
Equity based remuneration for the half-year	-	(73,892)	-	(73,892)
Reclassification of employee long term incentive plan	-	-	-	-
Net unrealised gain/(loss) on "available-for-sale" investments	(30,606,409)	-	3,068,690	(27,537,719)
Net unrealised gain/(loss) on "available-for-sale" investments – minority interest	(160)	-	-	(160)
Realised gain/(loss) on "available-for-sale" investments reclassified to the income statement	(13,490,592)	-	-	(13,490,592)
Realised gain/(loss) on "available-for-sale" investments reclassified to the income statement – minority interest	-	-	-	-
Tax effect on "available-for-sale" investments	12,326,129	-	(997,595)	11,328,534
Tax effect on "available-for-sale" investments – minority interest	-	-	-	-
Equity accounted share of associates reserves	(10,308)	(35,037)	256,627	211,282
Balance at the end of the half-year	7,748,548	(157,926)	1,331,181	8,921,803
<i>Half-year ended 31 December 2007:</i>				
Balance at the beginning of the half-year	86,164,237	330,622	-	86,494,859
Equity based remuneration for the half-year	-	41,209	-	41,209
Reclassification of employee long term incentive plan	-	(273,758)	-	(273,758)
Net unrealised gain/(loss) on "available-for-sale" investments	15,343,712	-	(546,714)	14,796,998
Net unrealised gain/(loss) on "available-for-sale" investments – minority interest	742	-	-	742
Realised gain/(loss) on "available-for-sale" investments reclassified to the income statement	(11,355,057)	-	-	(11,355,057)
Realised gain/(loss) on "available-for-sale" investments reclassified to the income statement – minority interest	59	-	-	59
Tax effect on "available-for-sale" investments	(1,196,598)	-	164,014	(1,032,584)
Tax effect on "available-for-sale" investments – minority interest	(240)	-	-	(240)
Equity accounted share of associates reserves	-	(201,947)	(9,571)	(211,518)
Balance at the end of the half-year	88,956,855	(103,874)	(392,271)	88,460,710

Consolidated
31 Dec 2008 30 June 2008

NOTE 17: ASSETS PER SECURITY

	Cents	Cents
Net assets per share attributable to members of the parent entity	1.15	1.69
Net tangible assets per share attributable to members of the parent entity	1.15	1.64

The figures above are calculated based on the consolidated balance sheet of CVC Limited.

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CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE HALF-YEAR REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

NOTE 18: SEGMENT REPORTING

The revenues and results by business segments are as follows:

	Private Equity and Venture Capital \$	Listed Investments \$	Property \$	Funds Management \$	Corporate Finance \$	Unallocated Corporate \$	Consolidated \$
<i>Half-year ended</i>							
<i>31 December 2008:</i>							
Segment revenues	660,968	18,413,004	4,391,435	1,435,617	40,724	2,779,547	27,721,295
Segment result	<u>(565,988)</u>	<u>(31,039,280)</u>	<u>(10,469,092)</u>	<u>(8,514,112)</u>	<u>40,724</u>	<u>204,264</u>	<u>(50,343,484)</u>
<i>Half-year ended</i>							
<i>31 December 2007:</i>							
Segment revenues	1,517,080	9,561,934	2,936,537	854,114	1,209,719	3,015,179	19,094,563
Segment result	<u>1,517,080</u>	<u>9,561,934</u>	<u>1,704,386</u>	<u>784,911</u>	<u>1,209,718</u>	<u>393,730</u>	<u>15,171,759</u>

Segment revenues and results exclude equity accounted profits/(losses) and are shown before related income tax expense.

NOTE 19: CONTINGENT ASSETS AND LIABILITIES

The Australian Taxation Office (ATO) has commenced its audit of the tax returns of CVC for the years ended 30 June 2004 and 2005 as part of its Compliance Assurance Program to review the tax affairs of small to medium taxpaying enterprises.

NOTE 20: SUBSEQUENT EVENTS

Subsequent to the end of the financial period Mr Riedl resigned as director and member of the audit committee on 24 February 2009.

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 the company, the results of those operations or the state of affairs of the company in financial periods subsequent to 31 December 2008.

NOTE 21: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

CVC makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The following estimates and assumptions have been revised since the 30 June 2008 financial report.

(a) Absence of an active market

The carrying value of Cellnet Limited has been determined by using the fair value approach. At 30 June 2008 the fair value was determined by reference to the net assets of the company. The closing "bid-price" of Cellnet Limited on 31 December 2008 was \$0.20 per share and the approximate net assets per share was \$0.50. After considering the prolonged downturn in capital markets the directors have determined that the closing "bid-price" is an appropriate indication of fair value of the investment.

(b) Intangible assets

The carrying value of Goodwill and Management Agreements are determined by using the "value-in-use" of management fees received by CVC Managers Pty Limited. The recent fall in capital markets will have a significant impact on the future management fees generated as well as their underlying market value. Although a discounted cashflow analysis indicates that they have a positive value the directors are unable to estimate with reliability the value of the Goodwill and Management Agreements and so they have been impaired to nil value.

**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 16, are in accordance with the *Corporations Act 2001* including:
- (i) complying with Accounting Standards and interpretations and the *Corporations Regulations 2001*, and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that CVC Limited will be able to pay its debts as when they become due and payable.

This declaration is made in accordance with a resolution of the Board of directors.

Dated at Sydney 27th day of February 2009.



ALEXANDER D.H. BEARD
Director



VANDA R GOULD
Director

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of CVC Limited:

As lead auditor for the review of CVC Limited for the six months ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.



M D MULLER
Partner


Sydney
27 February 2009

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**CVC LIMITED & CONTROLLED ENTITIES
HALF-YEAR REVIEW REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

To the members of CVC Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of CVC Limited, which comprises the condensed balance sheet as at 31 December 2008, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the CVC Group (the consolidated entity). The consolidated entity comprises CVC Limited (the company) and the entities it controlled that half year.

Directors' Responsibility for the half-year financial report

The directors of the company are responsible for the preparation and fair presentation of the half year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 Standards on Review Engagements ASRE 2410 *Review of an Interim 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 2008 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 CVC Limited, 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. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. 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.

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**CVC LIMITED & CONTROLLED ENTITIES
HALF-YEAR REVIEW REPORT (Continued)
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

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.

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*, provided to the directors of CVC Limited on 27 February 2009, would be in the same terms if provided 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 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 *Interim financial Reporting* and *Corporations Regulations 2001*.

**HLB MANN JUDD
(NSW Partnership)
Chartered Accountants**

**M D Muller
Partner**

**Sydney
27 February 2009**