

RESULTS ANNOUNCEMENT for the 6 MONTHS ENDED 31 DECEMBER 2017

GROUP HIGHLIGHTS

Momentum has continued, translating into growth in earnings	Underlying NPAT: \$20.0 million up 17.2% from \$17.0 million in 1H FY17 NPAT to shareholders: \$16.6 million, up 7.7% from \$15.4 million in 1H FY17 Income: \$31.4 million, up 30.7% from \$24.0 million in 1H FY17
Balance Sheet Strength	Net Tangible Assets of \$208.3 million including cash of \$56.4 million
Growth in Total Shareholder Returns	Total shareholder return for the past 20 years of 19.4% per annum

The 2018 financial year has commenced strongly. The half year has generated an underlying net profit after tax of \$20.0 million an improvement of 17.2% over the prior corresponding period and a net profit after tax to shareholders of \$16.6 million, a 7.7% improvement on last year's result of \$15.4 million.

UNDERLYING RESULTS			
	1H FY2018	1H FY 2017	Growth vs pcg (%)
Total income	\$31.4 m	\$24.0 m	30.7%
Underlying NPAT	\$20.0 m	\$17.0 m	17.2%
NPAT to shareholders	\$16.6 m	\$15.4 m	7.7%
Interim Dividend	7.0 cps	5.0 cps	40.0%
Net tangible assets	\$208.3 m	\$198.4 m	5.0%
Net cash position	\$56.4 m	\$41.7 m	35.0%

CVC continues to deliver strong earnings, increased dividends and identification of new opportunities to underpin future returns. The results for the six months excludes the conditional structured sale of the Donnybrook property announced on 20 December 2017 that will underpin the future profitability of CVC for the next 4 financial years.

Highlights include:

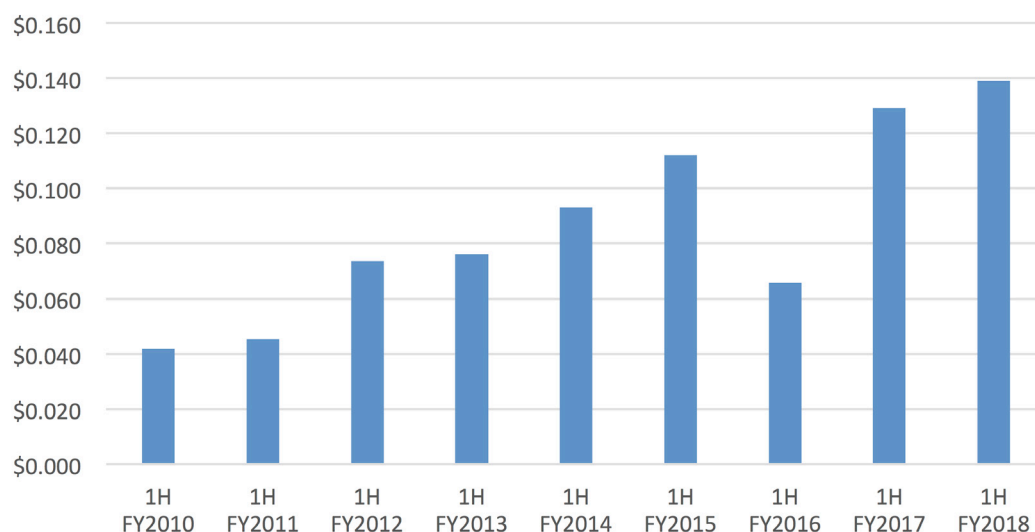
- Headline net profit after tax of \$20.0 million (31 December 2016: \$17.0 million);
- Significant contribution from each of the major investment segments, with maintainable earnings continuing to increase;
- Conditional sale of development land it owns in joint venture with Villa World in Donnybrook, Victoria generating an anticipated profit of \$49 million on a staged basis over 4 years;
- Continued strong performance of the listed equities portfolio, with additions and subtractions to the core portfolio;
- Significant advances made in planning approvals of property projects at Marsden Park, Liverpool, Turrella, Kingsgrove and Caboolture;
- Successful secondary capital raising of \$16.6 million by Eildon Capital Limited (ASX: EDC);
- Continued growth of private equity portfolio with the progression of new investment opportunities, and the sale of the investment in South Pack Laboratories (Aust) Pty Limited;
- Investment into growing debt managers including Aus Finance Group, Bigstone Capital Pty Limited and Australian Invoice Finance Limited;
- Payment of a fully franked dividend of 8 cents per share during the period and 40% increase in the interim dividend to 7 cents per share payable on 7 March 2018.

CVC LIMITED – SHAREHOLDER VALUE CREATION

Earnings Growth

CVC's annual profit is consistently supplemented by individually significant transactions such as the sale of significant investments and project realisations. As CVC broadens its deal flow and expands its investment team significant transactions are becoming more recurrent, whilst underlying earnings continued on a growth trajectory.

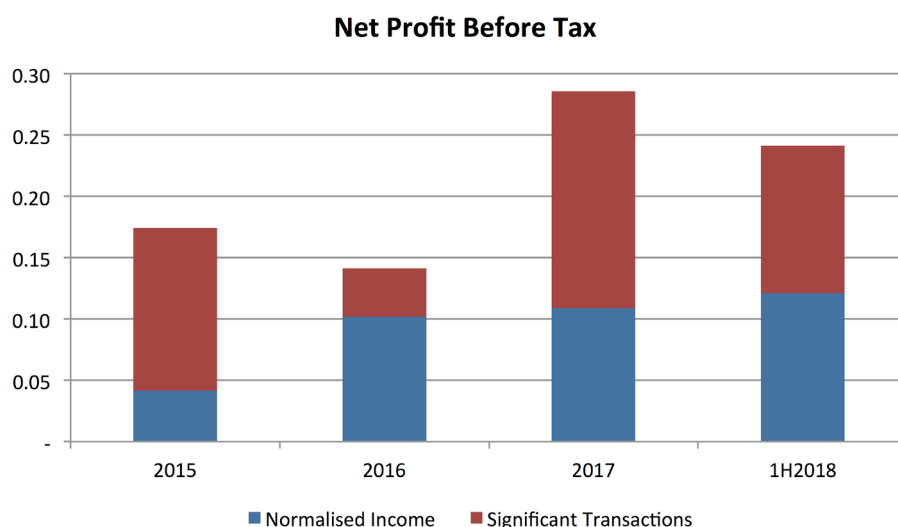
Earnings Per Share Performance



Individual investment segments have consistently contributed to operating profits:

- CVC has continued to identify and execute on high conviction listed investment opportunities;
- Property lending and development activities have consistently contributed to profits, growing over time;
- Significant private equity investments continue to be acquired, developed and divested;
- CVC continues to identify opportunities to incubate and grow funds management opportunities.

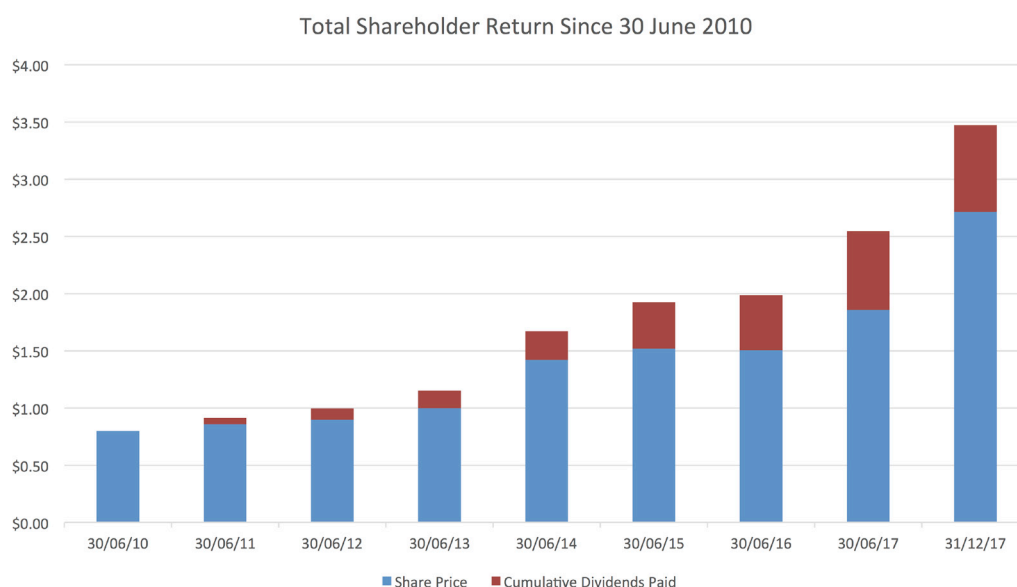
After extracting the impact of individually significant transactions the growth in normalised income becomes.



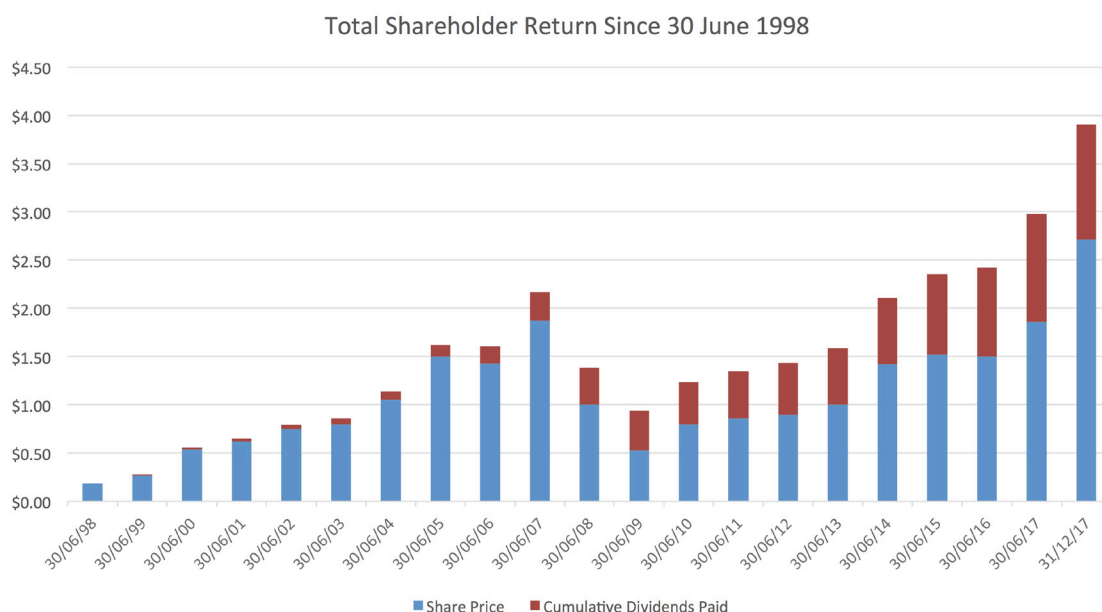
Normalised net profit for the half year ended 31 December 2017 has exceeded the total normalised net profit for the entire year ended 30 June 2017. Including the conditional Donnybrook sale announced in December 2017, CVC is in the process of securing recurrent profits for the next 4 – 5 years. It is a key objective of management to add to the secured annual profit streams.

Total Shareholder Return

Since 30 June 2010, CVC's share price has increased 238% with fully franked dividends of 76 cents per share paid. This has generated a Total Shareholder Return (TSR) of 25.1% per annum.



Over the last 20 years, since 31 December 1997, an investment in CVC would have generated a TSR of 19.39% per annum. These returns have reflected both growth in Net Tangible Assets Per Share (NTA) and fully franked dividends paid of \$1.1975 per share.



HALF YEAR IN REVIEW

Highlights

CVC's listed equity portfolio performed strongly, generating a combination of dividends and capital profits from a number of significant shareholdings and transactions. The listed equity sector remains a focus. We continue to strengthen our investment team to take advantage of opportunities in this sector.

CVC's property portfolio is a major source of recurrent earnings and capital growth. The conditional sale of the Donnybrook property will generate an anticipated profit of \$49 million on a staged basis over 4 years.

Further progress in the development of strategic land holdings has been made during the period from projects at Liverpool, Marsden Park, Caboolture, Kingsgrove and Turrella.

The property loan portfolio continues to grow as deal flow remains strong. The capital market for property financing and investment will continue to generate consistent long term recurrent income streams. In addition, the inherent uplift in value from direct property investment is anticipated to contribute to earnings over the longer term as identified projects are realised.

CVC's funds management division grew with the second capital raising of Eildon Capital, continued raising of Add+Venture, ongoing litigation fund activities, and continued focus on expanding external investment strategies. These new strategies will complement the existing portfolio and contribute to ongoing profitability via recurrent management fees and performance fees.

Property

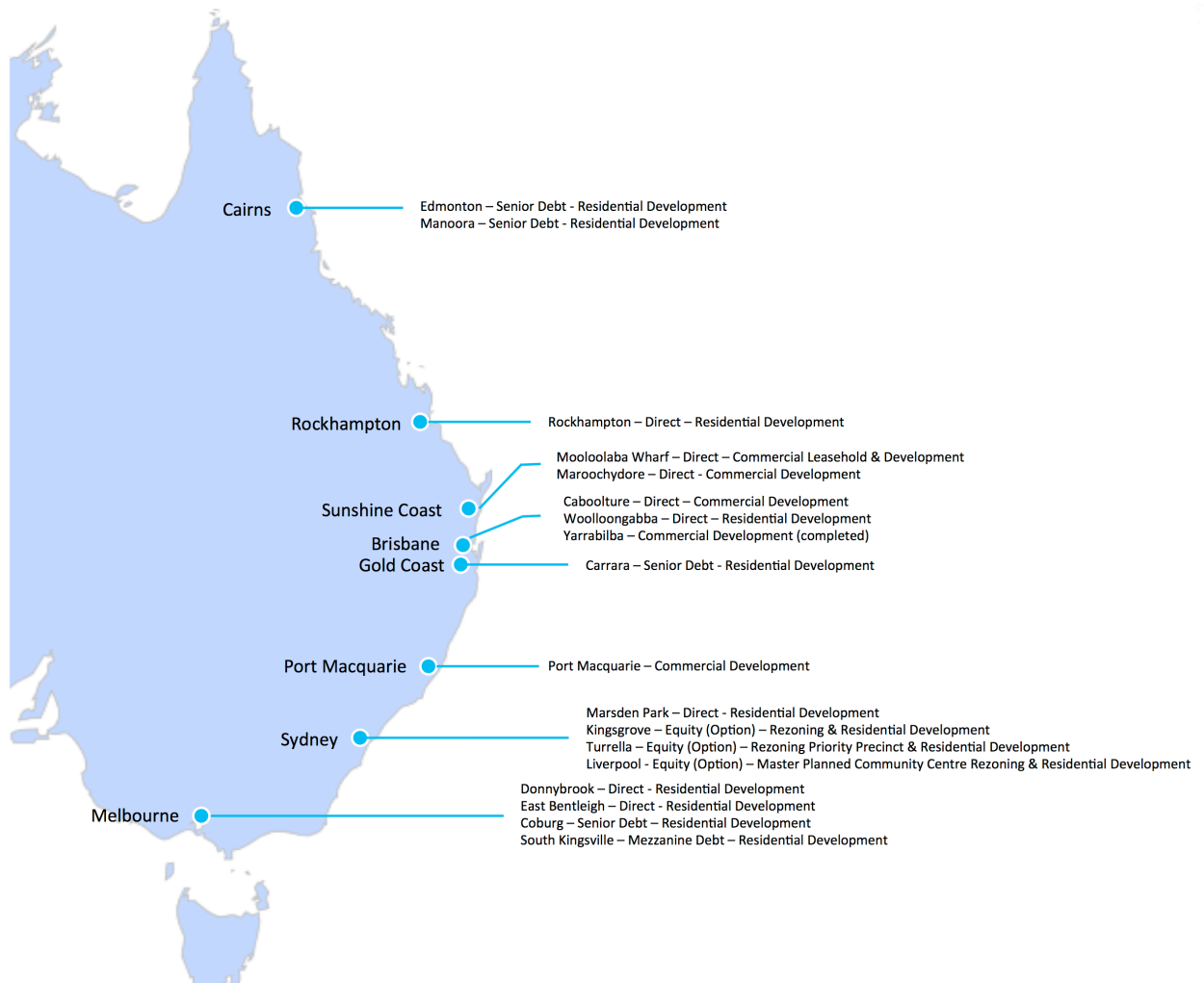
Total contribution to comprehensive income was \$16.6 million (31 December 2016: \$2.4 million) net of project specific borrowing costs of \$0.7 million.

- Conditional sale of development land in joint venture with Villa World in Donnybrook, Victoria. CVC will realise a profit of approximately \$49 million on a staged basis over 4 years;
- Completion of the development and sale of a medical centre at Yarrabilba, Queensland which generated a project profit of \$4.8 million;
- Interest and associated fee income of \$3.4 million from the provision of finance facilities; and
- Continued development of a retail centre at Caboolture, Queensland, with expected completion during 2H FY2018.

Progress has been made on planning approvals in respect of Marsden Park North in New South Wales, East Bentleigh and Donnybrook in Victoria. CVC continued the repositioning and development of the Caboolture and Mooloolaba projects in Queensland. All projects provide long term development pipelines once planning outcomes have been achieved of retail, commercial and residential uses.

CVC's property portfolio provides a combination of recurrent income streams, such as interest and associated fee income from loans, rental income from direct property investments and capital growth in the underlying assets. This objective is driven by investment in both direct and indirect property assets, with the portfolio spanning the residential, commercial, retail and industrial sectors. The focus is to provide loans or make direct property investments to take full advantage of changing market cycles.

Deal flow remains strong for lending opportunities, with the current balance of the loan book being \$26 million as at 31 December 2017. In addition, CVC continues to review opportunities to acquire quality long term direct property holdings capable of generating an income stream whilst repositioning the asset via planning outcomes for substantial future capital gain.



Private Equity

The total contribution to comprehensive income was \$3.0 million (31 December 2016: \$13.4 million). During the period South Pack Laboratories (Aust) Pty Limited, a nutraceutical contract packaging company, provided a total contribution to profits of \$2.0 million, which included a profit on the sale of \$1.7 million.

The investment in CleanSpace safety product manufacturer, PAFtec Pty Limited, continues to execute on its growth strategy, with expansion of its markets from Australia to include Europe, North America and developing Asian markets.

CVC made a number of smaller investments into earlier stage companies with a view to longer term value creation. CVC continues to seek investment opportunities in private companies, and expects that investment conditions may present more opportunities in the next 12 – 18 months.

Listed Equities

The listed equities portfolio contributed \$9.1 million to comprehensive income (31 December 2016: \$11.0 million), which includes a profit on investments of \$6.5 million and receipt of dividends of \$2.6 million. The portfolio includes a diverse range of holdings, from short term positions to long held cornerstone positions both in Australia and internationally.

CVC creates significant value through its active management of large strategic listed equity investments that it identifies as undervalued, counter-cyclical or underperforming.

During the period contributions were generated from Probiotec Limited (ASX: PBP) following the sale of South Pack Laboratories (Aust) Pty Limited, Telix Pharmaceuticals Limited (ASX: TLX), AuMake International Limited (ASX: AU8), along with a number of other investments.

Funds Management

This segment contributed a loss of \$0.7 million (31 December 2016: profit of \$0.4 million) which was due to the sale of CVC's investment in Concise Asset Management Limited

Eildon Capital completed a capital raising on 17 January 2018 raising \$16.6 million at \$1.05 per share giving it a market capitalisation of approximately \$50.0 million. The capital raising provides Eildon Capital with additional funds to deploy into further investment opportunities, and will contribute to the future performance of the funds management segment.

The Add+Venture investment platform allows for investors to gain specific exposure to CVC's successful early stage investment strategy and enables CVC to participate in a larger number of early stage opportunities. The added benefits include providing access to generous tax incentives for investors and allowing for the partial recoupment of management costs.



Counter Cyclical Investments – Look to acquire an interest in companies that have fallen out of favour due to cyclical conditions or poor management that can be understood and can be managed back to a positive outcome. These often have a 2-5 year investment horizon



Dividends – Provides profitability for longer term holdings and franking credit source.



Options & Underwriting – Participation in options, underwritings and placements to generate additional income and investment performance.



Targeted Returns – CVC's Listed Equity portfolio targets >15% p.a. returns over the portfolio.



Capital Protection – Value based investment style underpinning investment thesis.

The litigation funds management division is being scaled with the objective of making it available to external investors. A new commercial debt investment strategy is being incubated that provides lending opportunities alongside, and in addition to, private equity investments leveraging external managers including Aus Finance Group and Bigstone.

The objective is to follow the successful public offering of Eildon Capital with further opportunities for investors to gain access and exposure to the individual successful investment strategies that comprise the diversified investment portfolio of CVC. Likely future investment vehicles / opportunities to be offered by CVC funds management will include:

- Small / Mid-Cap Listed Investment Vehicles;
- Direct Real Estate Investment vehicles;
- Private debt;
- Litigation fund;
- Alternative Investments.

Growth in funds management activities has been a significant contributor to an increase in the quality and consistency of deal flow available to CVC and also provides opportunities to develop meaningful recurrent income streams.

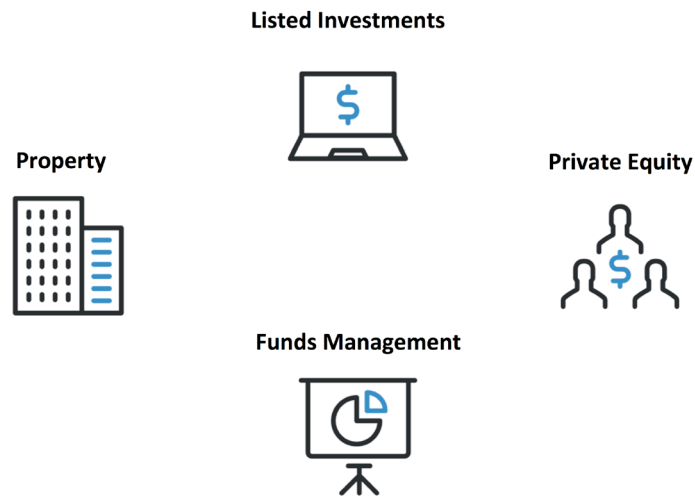


OUTLOOK AND GROWTH

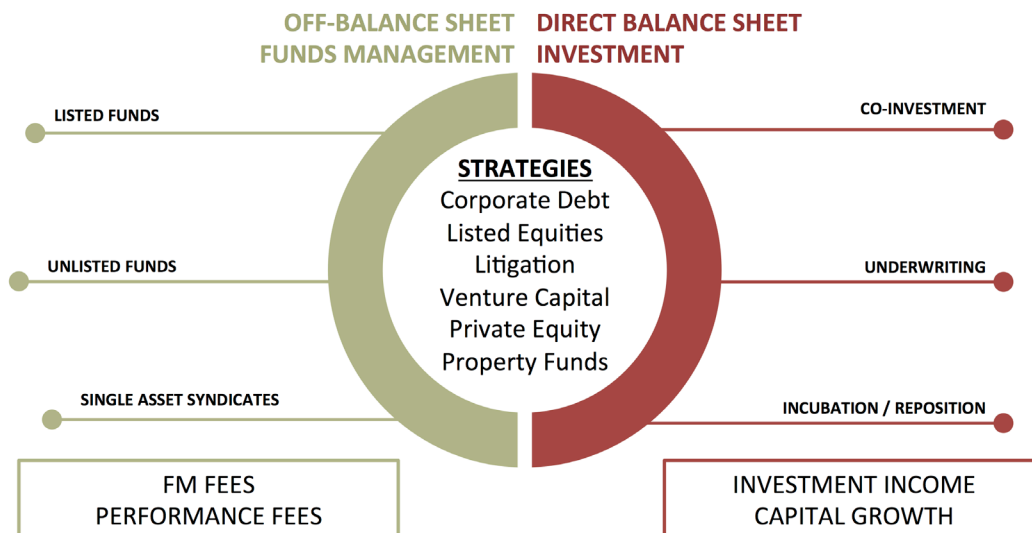
CVC generates its core earnings base from a combination of lending, equity investment and property development activities. CVC continues to grow its recurrent earnings, while at the same time enhancing the earnings with realisations of investments.

Given the nature of investment activities of CVC, it is difficult to reliably predict optimal timing for capital profits from investment realisations, and thereby meaningfully forecast profits from other investment activities. The 2018 financial year will be dictated by the timing of realisations of major projects and investments which cannot be reliably forecast but the underlying core investment strategies remain targeted to deliver annual returns of greater than 15%, whilst investment activities particularly in the property segment are expected to further contribute to meaningful uplift in underlying NTA growth.

The success of CVC lies in realising latent underlying value whilst structuring investments with capital protection. We are conscious of the cyclical nature that markets can play in the outcome of CVC's investments – and in particular the opportunities these present.



The successful listing of Eildon Capital Limited and strong support for the follow-on capital raising is proof of concept for CVC to provide investors with the ability to participate directly in the core asset strategies of the group. This will see CVC significantly grow its funds management investment strategy, continuing to grow its recurrent income, supplementing the income generated from its other investment strategies.



The Board of CVC believe the company is well placed to execute on a number of key strategies across the various sectors of the business.

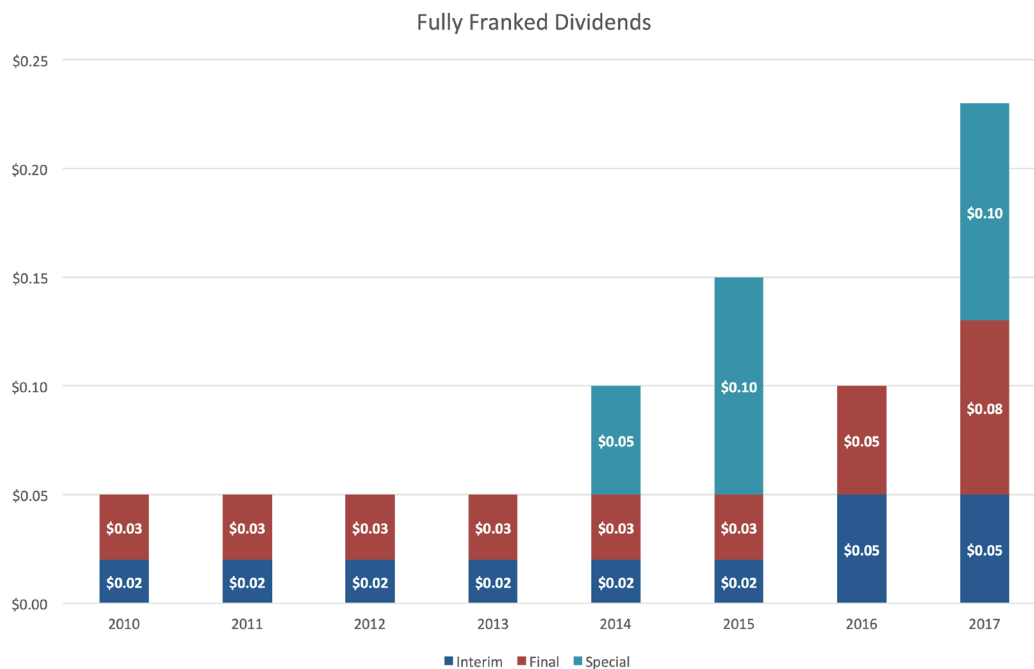
Market conditions currently being experienced in a number of industries and segments are supportive of solid investment returns, and the Board believes CVC is well positioned to capitalise on these conditions.

With substantial cash holdings and a portfolio of investments that are forecast to result in short, medium and long term realisations, CVC is well positioned to deliver both growing annual profitability and dividends for shareholders.

CAPITAL MANAGEMENT AND DIVIDEND POLICY

The Board is committed to maintaining an appropriate balance between dividends and capital deployment to deliver longer term shareholder performance. It is also focused on passing on successful growth in annual profitability to shareholders in the form of higher dividends. This has been evident by the increasing interim and final dividends historically paid.

The chart below provides an illustration of the growth in dividends paid to shareholders since 2010.



The Board is committed to maintaining the payment of dividends to shareholders that is in line with the underlying profitability of the company. Today, an interim fully franked dividend of 7 cents per share was declared which will be paid to shareholders on 7 March 2018 representing a 40% growth on the 5 cents per share paid in the 2017 half year. The Board anticipates that future dividends will continue to be franked to 100% subject to available franking credits.

CVC has periodically purchased shares under its buy back scheme, dependant on price. The buy back scheme will be utilised to enable a better alignment of assets with recurrent earnings and is accretive to shareholder value.

CONCLUDING COMMENTS

CVC's profit before tax of \$25.5 million for the six months ended 31 December 2017 reflects improved recurrent earnings, enhanced scale and greater investment depth. Subject to market vagaries, it is CVC's core objective to build on this platform to continue to deliver total annualised shareholder returns in excess of 15% over the medium term.

ADH Beard
 Director
 21 February 2018

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 2017	31 December 2016

Results

Income from continuing operations	up	30.7%	to	31,428,070
Profit before tax from continuing operations	up	55.8%	to	25,508,883
Profit after tax attributable to members	up	7.7%	to	16,619,869
Net profit attributable to members	up	7.7%	to	16,619,869

The preliminary half-yearly report is based on accounts which have been reviewed.

Dividends (distributions)

	Amount per security	Franked amount per security
Interim dividend	7.0 cents	7.0 cents
Prior year Special dividend	10.0 cents	10.0 cents
Prior year interim dividend	5.0 cents	5.0 cents
Prior year final dividend	8.0 cents	8.0 cents
<p>Information on dividends:</p> <p>On 21 February 2018 the directors resolved to pay an interim dividend of 7 cents per share, fully franked, payable on 7 March 2018.</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	26 February 2018	
Record date for determining entitlements to the dividend	27 February 2018	
Payment Date	7 March 2018	

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 2017

COMPANY PARTICULARS

CVC LIMITED

ACN 002 700 361

DIRECTORS

John Read
Alexander Beard
Ian Campbell

SECRETARIES

Alexander Beard
John Hunter

MANAGEMENT TEAM

Alexander Beard
Mark Avery
Michael Bower
Andrew Harris
Jufri Abidin
David Gasan
Jonathon Feil

John Hunter
Elliott Kaplan
Christian Jensen
William (Bill) Highland
Charles Williams
Tom Kellaway
William Chen

PRINCIPAL AND REGISTERED OFFICE

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Next Registries
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SYDNEY NSW 2000 AUSTRALIA
Telephone: (02) 9276 1700
Facsimile: (02) 9251 7138

AUDITORS

HLB Mann Judd
Chartered Accountants
Level 19, 207 Kent Street
SYDNEY NSW 2000 AUSTRALIA

BANKERS

Westpac Banking Corporation Limited
Bank of Western Australia Limited
Leveraged Equities 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 2017 and the independent review report thereon.

Directors

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

John Douglas Read (Non Executive Chairman)

Alexander Damien Harry Beard (Executive Director and Company Secretary)

Ian Houston Campbell (Non Executive Director)

Operating Results

The net profit after tax attributable to shareholders for the six months ended 31 December 2017 of CVC amounted to \$16.6 million (2016: \$15.4 million).

Highlights during the half year included:

- Conditional sale of development land in joint venture with Villa World in Donnybrook of which CVC will receive approximately \$49 million;
- Completion of the development and sale of medical centre at Yarrabilba, Queensland which generated a profit of \$4.8 million;
- Interest and associated fee income of \$3.4 million from the provision of finance facilities; and
- Continued development of the retail centre at Caboolture, Queensland, with expected completion during 2H FY2018.
- Contribution of 48% equity stake in pharmaceutical contract manufacturer South Pack Laboratories (Aust) Pty Limited of \$2.0 million, including the impact of the sale of the business during the year;
- Continued meaningful contribution of mezzanine portfolio;
- Continued development of property portfolio;
- Eildon Capital Limited completed a capital raising on 17 January 2018, raising \$16.6 million at \$1.05 per share giving it a market capitalisation of approximately \$50.0 million.

CVC generates its core earnings base from a combination of lending, equity investment and property development activities. CVC continues to grow its recurrent earnings, while at the same time enhancing the earnings with realisations of investments. Given the nature of investment activities of CVC, it is difficult to reliably predict optimal timing for capital profits from investment realisations, and thereby meaningfully forecast profits from other investment activities. The 2018 financial year will be dictated by the timing of realisations of major projects and investments which cannot be reliably forecast but the underlying core investment strategies remain targeted to deliver annual returns of greater than 15%, whilst investment activities particularly in the property segment are expected to further contribute to meaningful uplift in underlying NTA growth.

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 half-year ended 31 December 2017 of 7 cents per share, fully franked, payable on 7 March 2018. During the period, directors paid a final fully franked dividend in respect of the year ended 30 June 2017 of 8 cents per share on 6 September 2017.

Events subsequent to balance date

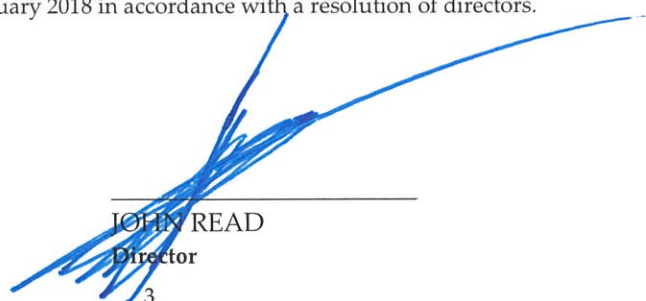
Since the end of the period, the directors have determined to pay an interim dividend in respect of the half-year ended 31 December 2017 of 7 cents per share, fully franked, payable on 7 March 2018.

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 2017.

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 26.

Signed and Dated Sydney this 21st day of February 2018 in accordance with a resolution of directors.


ALEXANDER BEARD
Director
JOHN READ
Director

CVC LIMITED & CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Notes	31 Dec 2017 \$	31 Dec 2016 \$
INCOME			
Profit from development properties	24	13,930,661	335,467
Interest income		4,022,457	5,922,667
Net income from equity investments	24	11,632,111	15,515,485
Fee income		887,271	1,174,984
Other income		304,256	898,771
Total income		30,776,756	23,847,374
Equity accounted profits			
Share of net profit of associates	7	651,314	197,430
EXPENSES			
Finance costs		707,108	2,255,586
Impairment on loans	24	118,662	1,877,166
Management fees		1,079,376	180,026
Other overhead and administration fees	24	4,014,041	3,360,056
Total expenses		5,919,187	7,672,834
Profit before related income tax expense		25,508,883	16,371,970
Income tax expense	2	5,540,039	2,903,341
Net profit from continuing operations for the half-year		19,968,844	13,468,629
Net profit from discontinued operations for the half-year	22	-	3,564,711
Net profit for the half-year		19,968,844	17,033,340
Net profit attributable to:			
Members of the parent entity	18	16,619,869	15,434,729
Non-controlling interest		3,348,975	1,598,611
Net profit for the half-year		19,968,844	17,033,340

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 2017

		31 Dec 2017	31 Dec 2016
		\$	\$
Profit for the half-year		19,968,844	17,033,340
		<hr/>	<hr/>
Other comprehensive income			
Items that may be reclassified to profit or loss			
- "Available-for-sale" investments:			
- (Increase)/decrease in fair values recognised in other reserves		(399,762)	9,067,351
- Amounts transferred from other reserves to the income statement on sale		(619,757)	(1,613,952)
Income tax on items taken directly to or from equity		488,716	(5,635,710)
		<hr/>	<hr/>
Other comprehensive income for the half-year, net of tax		(530,803)	1,817,689
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Total comprehensive income for the half-year		19,438,041	18,851,029
		<hr/> <hr/>	<hr/> <hr/>
Total comprehensive income for the half-year is attributable to:			
Members of the parent entity		16,088,889	17,271,287
Non-controlling interest		3,349,152	1,579,742
		<hr/>	<hr/>
		19,438,041	18,851,029
		<hr/> <hr/>	<hr/> <hr/>
Total comprehensive income for the period attributable to members of the parent entity arises from:			
Continuing operations		19,438,041	15,286,318
Discontinued operation		-	3,564,711
		<hr/>	<hr/>
		19,438,041	18,851,029
		<hr/> <hr/>	<hr/> <hr/>
Basic and diluted earnings per share for profit from continuing operations attributable to the members of the parent entity (cents)	4	13.90	10.44
Basic and diluted earnings per share for profit attributable to the members of the parent entity (cents)	4	13.90	12.91
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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 2017

	Notes	31 Dec 2017 \$	30 Jun 2017 \$
CURRENT ASSETS			
Cash and cash equivalents	5	56,369,801	41,746,716
Loans and other receivables	6	27,743,713	29,676,038
Financial assets - "at fair value through profit or loss"	9	34,838,340	15,309,160
Inventories	12	3,820,069	6,621,201
Other assets		418,977	186,764
Total current assets		123,190,900	93,539,879
NON-CURRENT ASSETS			
Loans and other receivables	6	21,891,371	21,267,139
Financial assets - "available-for-sale"	8	39,784,491	56,402,582
Financial assets - "at fair value through profit or loss"	9	7,213,340	5,034,187
Inventories	12	24,382,956	15,758,428
Investments accounted for using the equity method	7	25,373,349	33,839,849
Property, plant and equipment	11	372,022	397,403
Investment properties	10	1,350,000	8,578,697
Intangible assets	13	5,968	-
Deferred tax assets		4,196,770	5,554,585
Total non-current assets		124,570,267	146,832,870
TOTAL ASSETS		247,761,167	240,372,749
CURRENT LIABILITIES			
Trade and other payables	14	6,696,776	8,151,671
Interest bearing loans and borrowings	15	13,348,212	12,679,439
Provisions	16	867,798	773,334
Current tax liabilities		4,790,098	4,217,590
Total current liabilities		25,702,884	25,822,034
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings	15	9,660,552	10,123,967
Provisions	16	21,005	18,825
Deferred tax liabilities		4,058,982	5,972,736
Total non-current liabilities		13,740,539	16,115,528
TOTAL LIABILITIES		39,443,423	41,937,562
NET ASSETS		208,317,744	198,435,187
EQUITY			
Contributed equity	17	103,646,848	103,646,848
Retained profits	18	87,688,497	80,631,251
Other reserves	19	13,339,328	13,870,308
Parent entity interest		204,674,673	198,148,407
Non-controlling interest		3,643,071	286,780
TOTAL EQUITY		208,317,744	198,435,187

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 2017

	Contributed equity \$	Retained earnings \$	Asset revaluation \$	Employee equity benefit \$	Foreign exchange translation \$	Owners of the parent \$	Non-controlling interest \$	Total \$
At 1 July 2017	<u>103,646,848</u>	<u>80,631,251</u>	<u>13,772,192</u>	<u>-</u>	<u>98,116</u>	<u>198,148,407</u>	<u>286,780</u>	<u>198,435,187</u>
Profit for the half-year	-	16,619,869	-	-	-	16,619,869	3,348,975	19,968,844
Other comprehensive income	-	-	(425,524)	-	(105,456)	(530,980)	177	(530,803)
Total comprehensive income for the half-year	<u>-</u>	<u>16,619,869</u>	<u>(425,524)</u>	<u>-</u>	<u>(105,456)</u>	<u>16,088,889</u>	<u>3,349,152</u>	<u>19,438,041</u>
Transactions with shareholders:								
Disposal of interest in controlled entities	-	-	-	-	-	-	2,200	2,200
Dividend paid	-	(9,562,623)	-	-	-	(9,562,623)	4,939	(9,557,684)
At 31 December 2017	<u>103,646,848</u>	<u>87,688,497</u>	<u>13,346,668</u>	<u>-</u>	<u>(7,340)</u>	<u>204,674,673</u>	<u>3,643,071</u>	<u>208,317,744</u>
At 1 July 2016	<u>103,646,848</u>	<u>72,766,639</u>	<u>19,103,188</u>	<u>5,367,223</u>	<u>323,857</u>	<u>201,207,755</u>	<u>12,311,226</u>	<u>213,518,981</u>
Profit for the half-year	-	15,434,729	-	-	-	15,434,729	1,598,611	17,033,340
Other comprehensive income	-	-	1,825,781	-	10,777	1,836,558	(18,869)	1,817,689
Total comprehensive income for the half-year	<u>-</u>	<u>15,434,729</u>	<u>1,825,781</u>	<u>-</u>	<u>10,777</u>	<u>17,271,287</u>	<u>1,579,742</u>	<u>18,851,029</u>
Transactions with shareholders:								
Acquisition of interest in controlled entities	-	-	1,264	-	-	1,264	(19,624)	(18,360)
Disposal of interest in controlled entities	-	-	(933,779)	-	-	(933,779)	(2,386,226)	(3,320,005)
Return of capital	-	-	-	-	-	-	(500,000)	(500,000)
Dividend paid	-	(17,929,918)	-	-	-	(17,929,918)	(289,779)	(18,219,697)
Transfer of share based payment on sale of associate	-	5,208,729	-	(4,947,284)	-	261,445	126,965	388,410
Transfer of share based payment on sale of subsidiary	-	547,800	-	(419,939)	-	127,861	90,849	218,710
At 31 December 2016	<u>103,646,848</u>	<u>76,027,979</u>	<u>19,996,454</u>	<u>-</u>	<u>334,634</u>	<u>200,005,915</u>	<u>10,913,153</u>	<u>210,919,068</u>

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 2017

	Notes	31 Dec 2017 \$	31 Dec 2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		1,665,668	38,007,394
Cash payments in the course of operations		(7,105,417)	(49,511,000)
Net cash receipts for land held for resale		6,110,306	1,097,773
Proceeds on disposal of equity investments		41,908,797	43,698,073
Payments for equity investments		(33,651,402)	(20,309,033)
Proceeds on construction contract		1,006,270	3,837,562
Loans provided		(6,960,845)	(34,172,820)
Loans repaid		12,645,975	44,175,619
Interest received		8,366,541	5,422,075
Interest paid		(117,950)	(470,026)
Dividends received		5,985,962	788,412
Income taxes paid		(4,884,912)	(1,786,340)
Net cash flows provided by operating activities	5(b)	24,968,993	30,777,689
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition and development of investment properties		(421,265)	(21,878,053)
Payments for property, plant and equipment		(16,684)	(144,531)
Acquisition of intangibles		(6,144)	(7,738)
Disposal of subsidiaries, net of cash received		-	(482,333)
Net cash flows used in investing activities		(444,093)	(22,512,655)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(3,855,547)	(11,944,684)
Proceeds from borrowings		3,511,416	33,696,137
Dividends paid		(9,557,684)	(18,219,697)
Proceeds from issues of shares		-	3,615,539
Payments for share buybacks		-	(913,901)
Net cash flows (used in)/provided by financing activities		(9,901,815)	6,233,394
Net increase in cash held		14,623,085	14,498,428
Foreign exchange loss on cash		-	(20,381)
Cash at the beginning of the half-year		41,746,716	21,673,050
CASH AT THE END OF THE HALF-YEAR	5(a)	56,369,801	36,151,097

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 2017

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 2017 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 2017	31 Dec 2016
	\$	\$
NOTE 2: INCOME TAX EXPENSE		
Profit from continuing operations before income tax expense	25,508,883	16,371,970
Profit from discontinued operation before income tax expense	-	1,297,319
	<hr/>	<hr/>
Accounting profit before income tax	25,508,883	17,669,289
	<hr/>	<hr/>
Income tax expense:		
Prima facie income tax expense at 30% on profit before income tax	7,652,665	5,300,787
Increase in income tax expense due to:		
Sundry items	137,541	164,246
Share based payment	-	388,410
Tax losses not recognised	-	281,579
Tax losses recouped	-	748,298
Inter-company transactions non-deductible	-	1,936,653
Decrease in income tax expense due to:		
Franked dividends received	(677,343)	(288,168)
Trust profit not assessable	(921,717)	(63,032)
Effect of lower tax rate in New Zealand (28%)	-	(14,525)
Tax losses recouped	(14,211)	-
Deferred tax balances not recognised	(617,246)	(508,653)
Recognised deferred tax balances	-	(7,282,295)
	<hr/>	<hr/>
	5,559,689	663,300
Adjustment in respect of current income tax of previous years	(19,650)	(27,351)
	<hr/>	<hr/>
Income tax expense for the half-year	5,540,039	635,949
	<hr/>	<hr/>
Income tax expense/(benefit) is attributable to:		
Profit from continuing operations	5,540,039	2,903,341
Profit from discontinued operation	-	(2,267,392)
	<hr/>	<hr/>
Aggregate income tax expense	5,540,039	635,949
	<hr/>	<hr/>

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

NOTE 3: DIVIDENDS

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

CVC paid a final dividend of 8 cents per share on 6 September 2017 in respect of the year ended 30 June 2017.

On 21 February 2018, CVC declared an interim dividend of 7 cents per share, fully franked, to be paid on 7 March 2018 to shareholders registered on 27 February 2018.

	31 Dec 2017	30 Jun 2017
Dividend franking account		
Franking credits available to shareholders of CVC Limited for subsequent financial years	12,014,859	9,713,337

The franking account is stated on a tax paid basis. The balance comprises the franking account at period-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 the reporting date
- (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.

	31 Dec 2017	31 Dec 2016
NOTE 4: EARNINGS PER SHARE		
Basic and diluted earnings per share	Cents	Cents
From continuing operations attributable to the members of the parent entity	13.90	10.44
From discontinued operations attributable to the members of the parent entity	-	2.47
	<u>13.90</u>	<u>12.91</u>
Total basic and diluted earnings per share attributable to the members of the parent entity	<u>13.90</u>	<u>12.91</u>
	\$	\$
Reconciliation of earnings used in calculation of earnings per share:		
Profit after income tax from continuing operations	19,968,844	13,468,629
Less: non-controlling interest in continuing operations	(3,348,975)	(984,497)
	<u>16,619,869</u>	<u>12,484,132</u>
Net profit from continuing operations attributable to members of the parent entity	<u>16,619,869</u>	<u>12,484,132</u>
Profit after income tax from discontinued operation	-	3,564,711
Less: non-controlling interest in discontinued operation	-	(614,114)
	<u>-</u>	<u>2,950,597</u>
Net profit from discontinued operation attributable to members of the parent entity	<u>-</u>	<u>2,950,597</u>
Net profit attributable to members of the parent entity	<u>16,619,869</u>	<u>15,434,729</u>
	<u>16,619,869</u>	<u>15,434,729</u>
	Number of Shares	
Weighted average number of ordinary shares – Basic and Diluted	119,532,788	119,532,788
Number of shares on issue at the end of the half-year	119,532,788	119,532,788

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

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 2017	30 Jun 2017
	\$	\$
Cash on deposit	55,942,036	41,318,951
Funds held by bank	427,765	427,765
	<hr/>	<hr/>
Cash and cash equivalents	56,369,801	41,746,716
	<hr/> <hr/>	<hr/> <hr/>

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

	31 Dec 2017	31 Dec 2016
	\$	\$
Profit after income tax	19,968,844	17,033,340
Add/(less) non-cash items:		
Share of equity accounted profits	(651,314)	(197,430)
Depreciation and amortisation of plant and equipment	42,241	167,983
Change in fair value of investment property	63,178	-
Non-cash employee benefits expense-share based payments	-	218,709
Non-cash finance cost	39,669	411,778
Impairment expenses on financial instruments	991,041	2,884,117
Impairment recoveries	(3,665,681)	(6,122,426)
Net profit on disposal of investments	(6,040,276)	(10,241,437)
Interest income not received	(147,303)	(502,853)
Interest expense not paid	4,417,334	1,002,117
Dividend income	3,336,370	323,193
Foreign exchange profit on cash	-	20,381
Movement in income tax provision	573,408	1,568,842
Movement in deferred tax assets and liabilities	(67,223)	(2,719,234)
Changes in assets and liabilities:		
Inventories	(318,767)	(2,178,933)
Equity investments	8,271,239	23,389,040
Loans	5,685,129	10,002,799
Trade and other receivables	(8,633,063)	(10,327,799)
Trade and other payables	1,239,731	6,047,376
Provisions	96,644	58,467
Other assets	(232,208)	(60,341)
	<hr/>	<hr/>
Net cash used in operating activities	24,968,993	30,777,689
	<hr/> <hr/>	<hr/> <hr/>

NOTE 6: LOANS AND OTHER RECEIVABLES

	31 Dec 2017	30 Jun 2017
	\$	\$
Current		
Trade receivables	10,339,091	841,041
Retention amounts due from customers for contract work	328,473	-
Other receivables and prepayments	791,587	2,563,710
Loans to associated entities	5,256,416	7,378,266
Loans to other corporations	11,028,146	18,893,021
	<hr/>	<hr/>
	27,743,713	29,676,038
	<hr/> <hr/>	<hr/> <hr/>

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

31 Dec 2017 30 Jun 2017
\$ \$

NOTE 6: LOANS AND OTHER RECEIVABLES (CONT.)

Current (cont.)

(a) Construction contract

On the Statement of Financial Position, CVC reports the net contract position as an asset. A contract represents an asset where costs incurred plus recognised profits (less recognised losses) exceed progress billings. The net financial position for ongoing construction contract relates to:

The aggregate costs incurred and recognised profits (less recognised losses) to date

2,160,875 -

Less: Progress billings

(1,832,402) -

Net financial position for ongoing contracts

328,473 -

Measurement of construction contract revenue and expense

CVC uses the 'percentage-of-completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract.

Non-Current

Other receivables and prepayments

396,694 -

Loans to associated entities

8,606,195 14,462,408

Impairment of loans to associated entities

(1,829,206) (1,829,206)

Loans to other corporations

14,717,688 8,633,937

21,891,371 21,267,139

NOTE 7: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Equity accounted interests in joint ventures

3,008,200 3,244,407

Equity accounted interests in listed associated companies

12,981,149 12,477,997

Equity accounted shares in other associated companies

9,384,000 18,117,445

25,373,349 33,839,849

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

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

Details of investments accounted for using the equity method are as follows:

	% Ownership at end of half-year		Carrying value		Contribution to net profit/(loss)	
	31 Dec 17	30 Jun 17	31 Dec 17	30 Jun 17	31 Dec 17	31 Dec 16
			\$	\$	\$	\$
Associated entities						
79 Logan Road Pty Ltd	35.0	35.0	35	35	-	-
79 Logan Road Trust	35.0	35.0	3,289,383	3,360,092	38,140	-
Australian Invoice Finance Ltd	47.6	-	1,565,107	-	(101,560)	-
BioPower Systems Pty Limited	25.1	25.1	-	-	-	-
Concise Asset Management Limited	-	42.0	-	1,016,683	(48,140)	180,338
Donnybrook JV Pty Ltd	49.0	49.0	3,142,470	8,098,961	(56,491)	(87,260)
Eildon Capital Limited (a)	33.9	39.3	12,981,149	12,477,997	504,486	-
Eildon Funds Management Limited (a)	40.0	40.0	300,585	73,013	227,572	(3,779)
JAK Investment Group Pty Ltd	40.0	40.0	177,822	182,330	(4,508)	(32,062)
Kingsgrove Property LMC Pty Ltd (b)	50.0	50.0	-	-	-	-
LAC Unit Trust	33.3	33.3	660,316	659,010	1,306	-
LAC JV Pty Ltd	33.3	33.3	100	100	-	-
Mooloolaba Wharf Holding Company Pty Limited (b)	50.0	50.0	50	50	-	-
South Pack Laboratories (Aust) Pty Ltd	-	48.0	-	4,483,171	326,699	219,870
The Kingsgrove (Vanessa Road) Unit Trust	25.0	25.0	-	-	-	-
Turrella Property Unit Trust	32.5	50.0	248,030	244,000	(20)	-
Turrella Property Pty Ltd	32.5	50.0	102	-	37	-
Urban Properties Pty Limited	33.3	33.3	-	-	-	-
Urban Properties Cairns Pty Limited	20.0	20.0	-	-	-	-
Urban Properties Centenary Pty Limited	20.0	20.0	-	-	-	-
Joint Ventures						
MAKE EBRB Dev Nominee Pty Ltd (b)	50.0	50.0	3,008,200	3,244,407	(236,207)	(79,677)
MAKE 246 EBRB Pty Ltd (b)	50.0	50.0	-	-	-	-
			<u>25,373,349</u>	<u>33,839,849</u>	<u>651,314</u>	<u>197,430</u>

- (a) Eildon Capital Limited and Eildon Funds Management Limited ceased to be controlled entities and became associates of CVC during the 2017 year.
- (b) Kingsgrove Property LMC Pty Ltd, MAKE EBRB Dev Nominee Pty Ltd, MAKE 246 EBRB Pty Ltd and Mooloolaba Wharf Holding Company Pty Limited are not considered to be controlled entities of CVC as management of each entity is controlled by the holders of the remaining 50%.

31 Dec 2017 30 Jun 2017
\$ \$

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

Non-Current

Shares in listed corporations – at market value	30,943,626	46,873,395
Other investments - at cost	3,239,995	3,388,875
Impairment of other investments – at cost	(421,000)	(421,000)
Public unlisted investments – at market value	-	1,328,968
Other investments – at market value	6,021,870	5,232,344
	<u>39,784,491</u>	<u>56,402,582</u>

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

	31 Dec 2017	30 Jun 2017
	\$	\$
NOTE 9: FINANCIAL ASSETS - "AT FAIR VALUE THROUGH PROFIT OR LOSS"		
Current		
Shares in listed corporations – at market value	34,838,340	15,309,160
	<u>34,838,340</u>	<u>15,309,160</u>
Non-current		
Shares in unlisted corporations – at market value	7,213,340	5,034,187
	<u>7,213,340</u>	<u>5,034,187</u>
NOTE 10: INVESTMENT PROPERTIES		
Investment properties (note 23)		
Non-current	1,350,000	8,578,697
	<u>1,350,000</u>	<u>8,578,697</u>
Reconciliation:		
Investment properties at beginning of the half-year	8,578,697	13,159,852
Additions – acquisition of properties	-	20,294,951
Additions – capital expenditure	281,711	1,353,626
Reclassification to inventory	(7,447,230)	(4,330,691)
Disposal of properties arising from disposal of controlled entity	-	(20,967,926)
Impairment	(63,178)	(931,115)
	<u>1,350,000</u>	<u>8,578,697</u>
Total investment properties at the end of the half-year	<u>1,350,000</u>	<u>8,578,697</u>
NOTE 11: PROPERTY, PLANT AND EQUIPMENT		
Total property, plant and equipment	372,022	397,403
	<u>372,022</u>	<u>397,403</u>
<i>Plant and equipment:</i>		
At amortised cost	287,761	279,175
Accumulated depreciation	(122,836)	(95,360)
	<u>164,925</u>	<u>183,815</u>
Total plant and equipment	<u>164,925</u>	<u>183,815</u>
<i>Leasehold improvements:</i>		
At cost	208,942	200,844
Accumulated depreciation	(28,845)	(14,256)
	<u>180,097</u>	<u>186,588</u>
Total properties	<u>180,097</u>	<u>186,588</u>
<i>Properties:</i>		
At amortised cost	27,000	27,000
	<u>27,000</u>	<u>27,000</u>

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

	31 Dec 2017 \$	30 Jun 2017 \$
NOTE 11: PROPERTY, PLANT AND EQUIPMENT (CONT.)		
Reconciliation:		
<i>Plant and equipment:</i>		
Carrying amount at the beginning of the half-year	183,815	494,175
Additions	8,586	76,812
Depreciation	(27,476)	(119,646)
Disposal through sale of controlled entity	-	(267,526)
	<u>164,925</u>	<u>183,815</u>
<i>Leasehold improvements</i>		
Carrying amount at the beginning of the year	186,588	59,982
Additions	8,098	200,844
Depreciation	(14,589)	(74,238)
	<u>180,097</u>	<u>186,588</u>
<i>Properties:</i>		
Carrying amount at the beginning and end of the half-year	<u>27,000</u>	<u>27,000</u>

NOTE 12: INVENTORIES

Current		
Land and development held for resale	3,820,069	6,621,201
	<u>3,820,069</u>	<u>6,621,201</u>
Non-current		
Land and development held for resale	24,382,956	15,758,428
	<u>24,382,956</u>	<u>15,758,428</u>

Inventories recognised as an expense for the period ended 31 December 2017 include:

- Discontinued operation of nil (2016: \$32,419,074)
- Land sales of \$7,867,787 (2016: \$1,780,582)

These expenses have been included in the cost of goods sold in the Statement of Financial Performance.

NOTE 13: INTANGIBLE ASSETS

Intangible assets	5,968	-
	<u>5,968</u>	<u>-</u>
<i>Reconciliation:</i>		
Carrying amount at the beginning of the half-year	-	52,435
Additions	6,144	7,738
Amortisation	(176)	(14,915)
Disposal through sale of controlled entity	-	(45,258)
	<u>5,968</u>	<u>-</u>

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

	31 Dec 2017	30 Jun 2017
	\$	\$
NOTE 14: TRADE AND OTHER PAYABLES		
Current		
Trade and other payables	2,271,958	1,126,198
Sundry creditors and accruals	4,424,818	7,025,473
	<u>6,696,776</u>	<u>8,151,671</u>

NOTE 15: INTEREST-BEARING LOANS AND BORROWINGS

Current		
Secured loan	13,348,212	12,679,439
	<u>13,348,212</u>	<u>12,679,439</u>
Non-current		
Unsecured loan from associated entity	9,660,552	10,123,967
	<u>9,660,552</u>	<u>10,123,967</u>

NOTE 16: PROVISIONS

	31 Dec 2017	30 Jun 2017
	\$	\$
Current		
Employee entitlements	867,798	773,334
	<u>867,798</u>	<u>773,334</u>
Non-current		
Employee entitlements	21,005	18,825
	<u>21,005</u>	<u>18,825</u>

	31 Dec 2017	31 Dec 2016
	Number	Number
NOTE 17: CONTRIBUTED EQUITY		
Issued and paid-up ordinary share capital		
Balance at the beginning and end of the half-year	119,532,788	103,646,848
	<u>119,532,788</u>	<u>103,646,848</u>

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

	31 Dec 2017 \$	31 Dec 2016 \$
NOTE 18: RETAINED PROFITS		
Balance at the beginning of the half-year	80,631,251	72,766,639
Net profit attributable to shareholders	16,619,869	15,434,729
Dividends	(9,562,623)	(17,929,918)
Transfer of share based payment on sale of associate	-	5,208,729
Transfer of share based payment on sale of subsidiary	-	547,800
	<u>87,688,497</u>	<u>76,027,979</u>

NOTE 19: OTHER RESERVES

	Asset Revaluation Reserve \$	Employee Equity Benefit Reserve \$	Foreign Exchange Reserve \$	Total \$
<i>Half-year ended 31 December 2017:</i>				
Balance at the beginning of the half-year	13,772,192	-	98,116	13,870,308
Net unrealised gain on "available-for-sale" investments	(226,327)	-	(173,435)	(399,762)
Net unrealised loss on "available-for-sale" investments – non-controlling interest	(177)	-	-	(177)
Realised (gain)/loss on "available-for-sale" investments reclassified to the income statement	(642,541)	-	22,784	(619,757)
Income tax on items taken directly to or from equity	443,521	-	45,195	488,716
	<u>13,346,668</u>	<u>-</u>	<u>(7,340)</u>	<u>13,339,328</u>
<i>Half-year ended 31 December 2016:</i>				
Balance at the beginning of the half-year	19,103,188	5,367,223	323,857	24,794,268
Share based payments	-	(5,367,223)	-	(5,367,223)
Net unrealised gain on "available-for-sale" investments	8,991,083	-	76,268	9,067,351
Net unrealised loss on "available-for-sale" investments – non-controlling interest	388	-	295	683
Acquisition of interest in controlled entities	1,264	-	-	1,264
Disposal of interest in controlled entities	(933,779)	-	-	(933,779)
Realised (gain)/loss on "available-for-sale" investments reclassified to the income statement	(1,689,325)	-	75,373	(1,613,952)
Realised loss on "available-for-sale" investments reclassified to the income statement – non-controlling interest	15,930	-	2,256	18,186
Income tax on items taken directly to or from equity	(5,492,295)	-	(143,415)	(5,635,710)
	<u>19,996,454</u>	<u>-</u>	<u>334,634</u>	<u>20,331,088</u>

NOTE 20: ASSETS PER SECURITY

	31 Dec 2017 \$	31 Dec 2016 \$
Net assets per share attributable to members of the parent entity	1.71	1.67
Net tangible assets per share attributable to members of the parent entity	1.71	1.67

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 2017 (CONTINUED)

NOTE 21: SEGMENT REPORTING

The revenues and results by business segments are as follows:

	Private Equity and Venture Capital \$	Listed Investments \$	Property \$	Funds Management \$	Controlled Eliminations \$	Consolidated \$
<i>Half-year ended 31 December 2017:</i>						
Revenues:						
Total revenue for reportable segments	2,332,814	10,035,337	17,633,747	503,708	-	30,505,606
Inter-segment revenue	-	-	1,687,042	6,665,521	(8,352,563)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Unallocated amounts:						
Interest income						271,150
						<u> </u>
Consolidated revenue						30,776,756
						<u> </u>
Equity accounted income	225,139	504,486	(257,743)	179,432	-	651,314
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Results:						
Total profit for reportable segments	2,136,388	10,035,337	16,876,588	(578,328)	-	28,469,985
Share of profit of equity accounted investees	225,139	504,486	(257,743)	179,432	-	651,314
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	2,361,527	10,539,823	16,618,845	(398,896)	-	29,121,299
						<u> </u>
Unallocated amounts: corporate expenses						(3,612,416)
						<u> </u>
Consolidated profit before tax						25,508,883
						<u> </u>

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 2017 (CONTINUED)

NOTE 21: SEGMENT REPORTING (CONT.)

	Private Equity and Venture Capital \$	Listed Investments \$	Property \$	Funds Management \$	Controlled Eliminations \$	Consolidated \$
<i>Half-year ended 31 December 2016:</i>						
<i>Continuing operations</i>						
Revenues:						
Total revenue for reportable segments	12,245,890	4,111,329	6,786,580	317,448	-	23,461,247
Inter-segment revenue	-	-	1,308,630	6,657,288	(7,965,918)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Unallocated amounts:						
Interest income						365,768
Other income						20,359
						<hr/>
Consolidated revenue						23,847,374
						<hr/>
Equity accounted income	219,870	-	(198,999)	176,559	-	197,430
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Results:						
Total profit for reportable segments	12,128,403	4,111,329	2,567,612	188,100	-	18,995,444
Share of profit of equity accounted investees	219,870	-	(198,999)	176,559	-	197,430
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	12,348,273	4,111,329	2,368,613	364,659	-	19,192,874
						<hr/>
Unallocated amounts: corporate expenses						(2,820,904)
						<hr/>
Consolidated profit before tax						16,371,970
						<hr/>
<i>Discontinued operations</i>						
Revenue						42,970,321
						<hr/>
Net profit before tax						1,297,319
						<hr/>

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 2017 (CONTINUED)

NOTE 22: DISCONTINUED OPERATION

22.1 Description

On 22 December 2016 CVC sold 83% of its holding in Cellnet Group Limited for a consideration of \$7,057,568.

On 16 November 2016 CVC sold 60% of its holding in Eildon Funds Management Limited for a consideration of \$420,000.

22.2 Financial performance and cash flow information

The financial performance and cash flow information presented are for the half –year periods ended 31 December 2016.

	31 Dec 2016
	\$
Revenue	42,970,321
Expenses	(41,513,321)
	<hr/>
Profit before income tax	1,457,000
Income tax expense	(13,756)
	<hr/>
Profit after income tax of discontinued operation	1,443,244
Losses on sale of the subsidiaries before income tax	(159,681)
Income tax benefit	2,281,148
	<hr/>
Gain on sale of the subsidiary after income tax	2,121,467
	<hr/>
Profit from discontinued operation	3,564,711
	<hr/> <hr/>
Attributable to	
Shareholders	2,950,597
Non-controlling interest	614,114
	<hr/>
	3,564,711
	<hr/> <hr/>
Net cash outflow from operating activities	(7,802,799)
Net cash outflow from investing activities (includes a net outflow of \$482,333 from the sale of the subsidiary)	(521,333)
Net cash inflow from financing activities	7,207,000
	<hr/>
Net decrease in cash generated by the subsidiary	(1,117,132)
	<hr/> <hr/>

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

NOTE 22: DISCONTINUED OPERATION (CONT.)

22.3 Details of the sale of the subsidiary

	\$
Carrying value of assets and liabilities as at the date of sale	
Cash and other assets	25,471,402
Property, plant and equipment	267,526
Inventories	11,618,096
Intangible assets	45,257
Deferred tax assets	849,616
	<hr/>
Total assets	38,251,897
	<hr/>
Trade creditors	(14,184,948)
Provision	(571,828)
Interest bearing loans and borrowings	(8,636,092)
	<hr/>
Total liabilities	(23,392,868)
	<hr/>
Other reserves	392,580
Non-controlling interest	(6,079,339)
	<hr/>
Net assets sold	9,172,270
	<hr/> <hr/>
Consideration	7,477,568
Fair value of the remaining shares	1,535,021
Carrying amount of net assets sold	(9,172,270)
	<hr/>
Losses on sale before income tax	(159,681)
Income tax benefit	2,281,148
	<hr/>
Gain on sale after income tax	2,121,467
	<hr/> <hr/>

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

NOTE 23: FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities of CVC are approximately equal to their carrying values. No financial assets or financial liabilities are readily traded on organised markets in standardised form.

Judgements and estimates were made in determining the fair values of the financial instruments and non-financial assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, CVC has classified its financial instruments and non-financial assets into three levels prescribed under the accounting standards.

Level 1 – the fair value is calculated using quoted prices in active markets.

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset that are not based on observable market data.

The fair value of the assets and liabilities as well as the methods used to estimate the fair value are summarised in the table below.

	Quoted market price (Level 1)	Valuation technique – market observable inputs (Level 2)	Valuation technique – non market observable inputs (Level 3)	Total
	\$	\$	\$	\$
At 31 December 2017				
Financial assets				
<i>“Available-for-sale” investments</i>				
Shares in listed corporations – at market value	1,362,179	29,581,447	-	30,943,626
Other investments - at cost	-	-	2,818,995	2,818,995
Other investments – at market value	-	-	6,021,870	6,021,870
<i>“Fair value through profit or loss” investments</i>				
Shares in listed corporations – at market value	13,394,405	21,443,935	-	34,838,340
Other investments – at cost	-	-	7,213,340	7,213,340
Non-financial assets				
Investment properties	-	-	1,350,000	1,350,000
	<u>14,756,584</u>	<u>51,025,382</u>	<u>17,404,205</u>	<u>83,186,171</u>
At 30 June 2017				
Financial assets				
<i>“Available-for-sale” investments</i>				
Shares in listed corporations – at market value	2,515,150	44,358,245	-	46,873,395
Public unlisted investments – at market value	-	1,328,968	-	1,328,968
Other investments	-	-	8,200,219	8,200,219
<i>“Fair value through profit or loss” investments</i>				
Shares in listed corporations – at market value	12,402,205	2,906,955	-	15,309,160
Other investments	-	-	5,034,187	5,034,187
Non-financial assets				
Investment properties	-	-	8,578,697	8,578,697
	<u>14,917,355</u>	<u>48,594,168</u>	<u>21,813,103</u>	<u>85,324,626</u>

Reconciliation of Level 3 fair value movements:

	31 Dec 2017 \$	31 Dec 2016 \$
Opening balance at the beginning of the period	21,813,103	22,594,774
Purchases	3,131,881	26,053,518
Sales	(87,500)	(1,228,620)
Losses recognised in other income (a)	(312,580)	-
Gains recognised in other comprehensive income	806,531	426,739
Transfer out of Level 3 to Level 1	(500,000)	-
Transfer out of Level 3 (b)	(7,447,230)	-
Closing balance at the end of the period	17,404,205	47,846,411

(a) Unrealised losses recognised in profit or loss attributable to assets held at the end of the reporting period

198,411

-

(b) The capital cost of the property at 18 John Oxley Drive Port Macquarie New South Wales was reclassified from investment properties to inventories as CVC made a decision to develop the site.

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

NOTE 23: FAIR VALUE MEASUREMENTS (CONT.)

The fair values of Level 2 financial instruments are determined using available prices where trading does not occur in an active market. The quantitative information about the significant unobservable inputs used in level 3 fair value measurements are as follows:

Description	Fair value		Unobservable inputs	Weighted average		Relationship of unobservable inputs to fair value
	31 Dec 2017	30 June 2017		31 Dec 2017	30 Jun 2017	
	\$	\$				
Leased properties	1,350,000	1,350,000	Capitalisation rate	10.47%	10.16%	The higher the capitalisation rate, the lower the fair value
			Lease expiry	0.83 years	1.33 years	The longer the lease term, the higher the fair value
			Occupancy	100%	100%	The higher the occupancy rate, the higher the fair value
Investment Properties	-	7,228,697	Capitalisation rate	-	6.5%	The higher the capitalisation rate on completion of construction, the lower the fair value
	<u>1,350,000</u>	<u>8,578,697</u>				
Other investments						
– at cost	10,032,335	13,234,406	(a)			
Other investments						
– at market value	<u>6,021,870</u>	<u>-</u>	(b)			

(a) There is no quantitative information. Fair value has been determined based on acquisition cost.

(b) The fair value has been determined based on the investments' latest transaction prices.

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

NOTE 24: INCOME AND EXPENSE

This note provides a breakdown of the items included in “income from equity investments” and “impairment of financial instruments”.

	31 Dec 2017	31 Dec 2016
	\$	\$
Profit from development properties		
Contract revenue	10,660,875	-
Sale of land	12,999,397	2,155,070
Cost of goods sold	(7,867,787)	(1,780,582)
Contract costs	(1,861,824)	(39,021)
	<u>13,930,661</u>	<u>335,467</u>
Net income from equity investments		
Net gain on sales of equity investments	463,225	9,934,791
Net gain on financial assets at fair value through profit or loss	5,725,992	-
Dividends from unrelated entities	2,649,592	465,219
Impairment recovery of investments in related entities	158,692	-
Impairment recovery of investments in unrelated entities	3,506,989	6,122,426
Impairment of listed investments	(737,146)	(835,951)
Impairment of unlisted investments	(135,233)	(171,000)
	<u>11,632,111</u>	<u>15,515,485</u>
Impairment on loans		
Impairment on loans to associated entities	-	1,877,166
Impairment on loans to other entities	118,662	-
	<u>118,662</u>	<u>1,877,166</u>
Other overhead and administration fees		
Employee costs	2,437,814	2,008,593
Consultancy fees	520,747	409,814
Lease expenses	274,866	110,351
Insurance expenses	101,091	105,205
Legal fees	60,061	136,418
Change in fair value of investment property	63,178	-
Other expenses	556,284	589,675
	<u>4,014,041</u>	<u>3,360,056</u>

NOTE 25: SUBSEQUENT EVENTS

Since the end of the period, the directors have determined to pay an interim dividend of 7 cents per share, fully franked, payable on 7 March 2018.

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 2017.

**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 24, 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 2017 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 21st day of February 2018.

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



ALEXANDER BEARD
Director

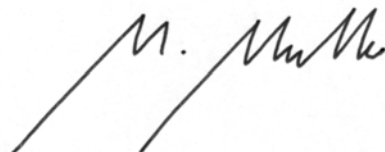
JOHN READ
Director

**CVC LIMITED
ACN 002 700 361****AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of CVC Limited for the half-year ended 31 December 2017, 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 in respect of CVC Limited and the entities it controlled during the period.



**Sydney NSW
21 February 2018**

**M D Muller
Partner**

**CVC LIMITED
ACN 002 700 361****INDEPENDENT AUDITOR'S REVIEW 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 2017, the condensed statement of financial performance, the condensed statement of comprehensive income, the condensed statement of changes in equity and the condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for 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 internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and 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 half-year 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 2017 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.

Independence

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

**CVC LIMITED
ACN 002 700 361**

INDEPENDENT AUDITOR'S REVIEW REPORT (continued)

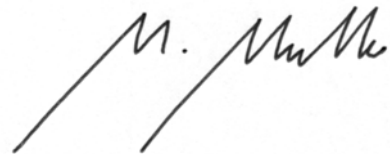
Conclusion

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 2017 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.



**HLB Mann Judd
Chartered Accountants**



**M D Muller
Partner**

**Sydney, NSW
21 February 2018**