



CDL INVESTMENTS
NEW ZEALAND LIMITED

INTERIM REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2007



CHAIRMAN'S REVIEW

Financial Performance:

The Directors of CDL Investments New Zealand Limited ("CDLI") are pleased to announce an unaudited operating profit after tax of \$7.566 million for the six month period ending 30 June 2007 (2006: \$3.797 million). Operating profit before tax was \$11.278 million (2006: \$5.739 million). Property sales and other income for the period was \$20.327 which was an increase of 70.2% over the same period last year (2006: \$11.944 million). A total of 108 sections were sold (2006: 58).

Market Overview:

The Company's performance in the first half of 2007 has been better than in the same period in 2006. While much of the revenue from sales recorded to date has been as a result of the very positive momentum experienced in the latter half of 2006, the Company has been able to achieve a good level of sales during the last six months. A major contributing factor to these results has been the geographical spread of the Company's land portfolio.

Acquisitions:

The Company has acquired three properties totalling 13.6 hectares in the Hawkes Bay, Nelson and Christchurch. A further property in Christchurch is due to settle shortly. Further acquisitions in Christchurch have been approved by the Board and are subject to conditional agreements.

Outlook:

Conflicting market and economic signals make it difficult to accurately predict demand for residential sections in the second half of 2007. While some markets continue to be stronger than others, it is clear that the property market as a whole is starting to slow down and this trend is likely to continue given further market pressures such as increases in mortgage interest rates and a fall in consumer confidence. The Company is therefore taking a measured approach to trading over the next six months.

Given the strong performance in the first half of the year, the Board continues to believe that the 2007 full year result will be in line with the previous year's results despite these external factors. However, the Board recognises that the Company faces challenges, in particular maintaining the present level of sales and revenue throughout the remainder of the year and into the first quarter of 2008.



Wong Hong Ren
Chairman
6 August 2007

CDL Investments New Zealand Limited and its Subsidiary
Condensed Consolidated Interim Income Statement

FOR THE HALF YEAR ENDED 30 JUNE 2007		Unaudited 6 months to 30/06/2007	Audited 12 months to 31/12/2006	Unaudited 6 months to 30/06/2006
IN THOUSANDS OF DOLLARS	NOTE			
Revenue		19,359	31,061	11,651
Cost of sales		(7,816)	(12,891)	(5,186)
Gross profit		11,543	18,170	6,465
Other operating income		44	80	37
Finance income		924	465	256
Administrative expenses		(87)	(157)	(84)
Other operating expenses		(1,146)	(2,294)	(935)
Profit before income tax		11,278	16,264	5,739
Income tax expense	2	(3,712)	(5,399)	(1,942)
Profit for the period		7,566	10,865	3,797
DETAILS OF SPECIFIC RECEIPTS/OUTLAYS, INCOME/EXPENSES				
Audit fees		(30)	(53)	(27)
Depreciation		(2)	(9)	(3)
Interest income		924	465	256
Operating lease and rental payments		(29)	(58)	(30)
Basic earnings per share (cents)	3	3.41c	5.01c	1.75c
Diluted earnings per share (cents)	3	3.41c	5.01c	1.75c

CDL Investments New Zealand Limited and its Subsidiary
Condensed Consolidated Interim Statement of Recognised Income and Expense

FOR THE HALF YEAR ENDED 30 JUNE 2007		Unaudited 6 months to 30/06/2007	Audited 12 months to 31/12/2006	Unaudited 6 months to 30/06/2006
IN THOUSANDS OF DOLLARS				
Profit for the period		7,566	10,865	3,797
Total recognised income and expense for the period		7,566	10,865	3,797
Attributable to:				
Equity holders of the parent		7,566	10,865	3,797

The attached notes on pages 5 to 8 form part of, and should be read in conjunction with these financial statements.

CDL Investments New Zealand Limited and its Subsidiary Condensed Consolidated Interim Reconciliation of Equity

IN THOUSANDS OF DOLLARS	Share Capital	Retained Earnings	Total Equity
Balance at 1 January 2006	27,783	36,782	64,565
Total Recognised Income and Expense	-	3,797	3,797
Shares Issued under Dividend Reinvestment Plan	3,463	-	3,463
Dividends to Shareholders	-	(4,212)	(4,212)
Balance at 30 June 2006	31,246	36,367	67,613
Balance at 1 January 2006	27,783	36,782	64,565
Total Recognised Income and Expense	-	10,865	10,865
Shares Issued under Dividend Reinvestment Plan	3,463	-	3,463
Dividends to Shareholders	-	(4,212)	(4,212)
Balance at 31 December 2006	31,246	43,435	74,681
Balance at 1 January 2007	31,246	43,435	74,681
Total Recognised Income and Expense	-	7,566	7,566
Shares Issued under Dividend Reinvestment Plan	4,700	-	4,700
Dividends to Shareholders	-	(5,035)	(5,035)
Balance at 30 June 2007	35,946	45,966	81,912

The attached notes on pages 5 to 8 form part of, and should be read in conjunction with these financial statements.

CDL Investments New Zealand Limited and its Subsidiary
Condensed Consolidated Interim Balance Sheet

AS AT 30 JUNE 2007	Unaudited 6 months to 30/06/2007	Audited 12 months to 31/12/2006	Unaudited 6 months to 30/06/2006
IN THOUSANDS OF DOLLARS			
SHAREHOLDERS' EQUITY			
Issued capital	35,946	31,246	31,246
Retained earnings	45,966	43,435	36,367
Total Equity	81,912	74,681	67,613
Represented by:			
NON CURRENT ASSETS			
Plant, furniture and equipment	19	19	25
Development property	51,988	41,362	39,096
Investments	8	-	-
Total Non Current Assets	52,015	41,381	39,121
CURRENT ASSETS			
Development property	12,389	17,948	16,582
Income tax receivable	-	219	608
Trade and other receivables	844	1,026	1,381
Cash and cash equivalents	18,833	15,639	11,381
Total Current Assets	32,066	34,832	29,952
Total Assets	84,081	76,213	69,073
NON CURRENT LIABILITIES			
Deferred tax liabilities	411	479	453
Total Non Current Liabilities	411	479	453
CURRENT LIABILITIES			
Trade and other payables	258	1,031	973
Employee entitlements	27	22	34
Income tax payable	1,473	-	-
Total Current Liabilities	1,758	1,053	1,007
Total Liabilities	2,169	1,532	1,460
Net Assets	81,912	74,681	67,613

The attached notes on pages 5 to 8 form part of, and should be read in conjunction with these financial statements.

CDL Investments New Zealand Limited and its Subsidiary
Condensed Consolidated Interim Statement of Cash Flows

FOR THE HALF YEAR ENDED 30 JUNE 2007	Unaudited 6 months to 30/06/2007	Unaudited 6 months to 30/06/2006
IN THOUSANDS OF DOLLARS		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash was provided from:		
Receipts from customers	19,686	11,608
Interest received	823	236
Cash was applied to:		
Payments to suppliers and employees	(14,882)	(5,483)
Income tax paid	(2,088)	(2,361)
Net Cash Inflow from Operating Activities	3,539	4,000
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash was applied to:		
Purchase of fixed assets	(2)	(3)
Purchase of investment	(8)	-
Net Cash Outflow From Investing Activities	(10)	(3)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash was provided from:		
Reinvestment of dividends into shares issued	4,700	3,463
Cash was applied to:		
Dividends paid	(5,035)	(4,212)
Net Cash Outflow from Financing Activities	(335)	(749)
Net Increase in Cash and Cash Equivalents	3,194	3,248
Add Opening Cash and Cash Equivalents Brought Forward	15,639	8,133
Closing Cash and Cash Equivalents	18,833	11,381

FOR THE HALF YEAR ENDED 30 JUNE 2007	Unaudited 6 months to 30/06/2007	Unaudited 6 months to 30/06/2006
IN THOUSANDS OF DOLLARS		
RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit after Taxation	7,566	3,797
Adjusted for non cash items:		
Depreciation	2	3
Income tax expenses	3,712	1,942
Adjustments for movements in working capital:		
(Increase)/Decrease in Receivables	182	(100)
(Increase)/Decrease in Development Properties	(5,067)	1,145
Increase/(Decrease) in Payables	(768)	(426)
Cash generated from Operations	5,627	6,361
Income Tax Paid	(2,088)	(2,361)
Cash Inflows from Operating Activities	3,539	4,000

The attached notes on pages 5 to 8 form part of, and should be read in conjunction with these financial statements.

CDL Investments New Zealand Limited and its Subsidiary

Notes to the Condensed Consolidated Interim Financial Statements

For the half year ended 30 June 2007 (unaudited)

1. Significant Accounting Policies

Reporting Entity

CDL Investments New Zealand Limited (the "Company") is a company domiciled in New Zealand, registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange. The Company is an issuer in terms of the Financial Reporting Act 1993.

The condensed consolidated interim financial statements of CDL Investments New Zealand Limited as at and for the half year ended 30 June 2007 comprise the Company and its subsidiary (together referred to as the "Group").

(a) Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with the requirements of the Companies Act 1993, Financial Reporting Act 1993 and New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), as appropriate for profit-oriented entities. Compliance with NZ IFRS ensures that the financial statements also comply with International Financial Reporting Standards ("IFRS").

The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements.

The condensed consolidated interim financial statements were authorised for issuance on 6 August 2007.

(b) Basis of preparation

The financial statements are presented in New Zealand Dollars (\$), which is the Company's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest thousand.

The financial statements have been prepared on the historical cost basis.

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of company policies and reported amounts of assets and liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Certain comparative figures have been restated, where appropriate, to conform with the format for the current period.

The accounting policies set out below have been applied consistently by Group entities, and to all periods presented in these condensed consolidated interim financial statements.

(c) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the condensed consolidated interim financial statements from the date that control commences until the date that control ceases.

(ii) Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the condensed consolidated interim financial statements.

Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(d) Dividends

Dividends are recognised as a liability in the period in which they are declared.

CDL Investments New Zealand Limited and its Subsidiary

Notes to the Condensed Consolidated Interim Financial Statements

For the half year ended 30 June 2007 (unaudited)

1. Significant Accounting Policies (continued)

(e) Plant, furniture & equipment

Initial recording

Items of plant, furniture and equipment are stated at cost less accumulated depreciation. The cost of purchased plant, furniture and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs, which have been incurred in bringing the assets to the location and condition necessary for their intended service. Where parts of an item of plant, furniture and equipment have different useful lives, they are accounted for as separate items of plant, furniture and equipment.

Depreciation on assets is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives, as follows:

Plant, furniture and equipment 3 - 10 years

Gains or losses arising from the retirement or disposal of plant, furniture and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the profit and loss account on the date of retirement or disposal.

(f) Development properties

Property held for future development is stated at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, and holding costs such as interest and rates. Interest and other holding costs incurred after completion of development are expensed as incurred. All holding costs are written off through the income statement in the period incurred with the exception of interest holding costs which are capitalised during the period when active development is taking place. Revenue and profit are not recognised on development properties until the legal title passes to the buyer when the full settlement of the purchase consideration of the properties occurs.

(g) Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(i) Impairment

The carrying amounts of the Group's assets other than deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see accounting policy i (i)).

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

(i) Calculation of recoverable amount

The recoverable amount of assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The recoverable amount of the Group's receivables with short duration is not discounted.

(ii) Reversals of impairment

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

CDL Investments New Zealand Limited and its Subsidiary

Notes to the Condensed Consolidated Interim Financial Statements

For the half year ended 30 June 2007 (unaudited)

1. Significant Accounting Policies (continued)

(i) Impairment (continued)

(ii) Reversals of impairment (continued)

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Trade and other payables

Trade and other payables are stated at cost.

(k) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

(ii) Finance expenses and income

Finance expenses comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested and dividend income that are recognised in profit or loss.

Finance income is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in profit or loss on the date the entity's right to receive payments is established.

Interest attributable to funds used to finance the acquisition, development or construction of property held for development or sale is capitalised gross of tax relief and added to the cost of the property during the period when active development takes place.

(l) Income tax

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method of providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The temporary differences relating to investments in subsidiaries are not provided for to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

(m) Revenue

Revenue represents amounts derived from:

- Income from land and property sales: recognised on the transfer of the related significant risk and rewards of ownership.

CDL Investments New Zealand Limited and its Subsidiary

Notes to the Condensed Consolidated Interim Financial Statements

For the half year ended 30 June 2007 (unaudited)

1. Significant Accounting Policies (continued)

(n) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments

Geographic segments

The Group operates in the following main geographic segment:

- New Zealand

Business segments

The Group operates in the following main business segment:

- Property operations, comprising the development and sale of land and development property.

(o) Investments in subsidiaries

Investment in subsidiaries are stated at cost less any provision for permanent diminution in value, which is recorded through the income statement.

2. Income Taxes

Income tax is the expected tax payable on the taxable income for the period, calculated as the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

The current tax expense for the six month periods ended 30 June 2007 and 2006 were calculated based on the estimated average annual effective income tax rate.

The deferred tax expense for the six month periods ended 30 June 2007 and 2006 were calculated based on the estimated average annual effective income tax rate.

The estimated annual effective income tax rate calculated on this basis is 32.9% (30 June 2006: 33.8%).

3. Earnings Per Share

The calculation of basic earnings per share at 30 June 2007 of 3.41 cents (30 June 2006: 1.75 cents) was based on the profit attributable to ordinary shareholders of \$7,566,000 (2006: \$3,797,000); and weighted average number of shares of 221,849,072 (2006: 216,836,443) on issue in the period. The calculation of diluted earnings per share at 30 June 2007 of 3.41 cents (30 June 2006: 1.75 cents) was based on a weighted average number of shares of 221,849,072 (2006: 216,836,443) on issue in the period adjusted for the exercise of dilutive share options.

4. Material Events Subsequent to the end of the Interim Period

There were no material events subsequent to the end of the six month period ended 30 June 2007 (30 June 2006: Nil) that would require disclosure.

5. Changes in Contingent Liabilities and Contingent Assets since last Annual Balance Sheet Date

There were no changes in contingent liabilities and contingent assets that would require disclosure for the six month period ended 30 June 2007 (30 June 2006: Nil).

6. Related Party Transactions

CDL Investments New Zealand Limited is a subsidiary of Millennium Et Copthorne Hotels New Zealand Limited (formerly CDL Hotels New Zealand Limited) by virtue of Millennium Et Copthorne Hotels New Zealand Limited owning 64.32% (2006: 63.48%) of the Company and having 3 out of 6 of the Directors on the Board. Millennium Et Copthorne Hotels New Zealand Limited is 70.22% owned by CDL Hotels Holdings New Zealand Limited, which is a wholly owned subsidiary of Millennium Et Copthorne Hotels plc in the United Kingdom. The ultimate holding company is Hong Leong Investment Holdings Pte Ltd in Singapore.

During the six month period ending 30 June 2007 CDL Investments New Zealand Limited has reimbursed its parent, Millennium Et Copthorne Hotels New Zealand Limited, \$108,000 (30 June 2006: \$93,000) for expenses incurred by the parent on behalf of the Group.

Corporate Directory

BOARD OF DIRECTORS

Wong Hong Ren (Chairman)

Vincent Yeo (Non-Executive Director)

John Henderson (Independent Director)

BK Chiu (Managing Director)

Rob Challinor (Independent Director)

John Lindsay (Executive Director)

COMPANY SECRETARY

Takeshi Ito

REGISTERED OFFICE & CONTACT DETAILS

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PO Box 3248, Shortland Street, Auckland

Facsimile: +64 9 913 8098

AUDITORS

KPMG, Auckland

BANKERS

ANZ Banking Group (New Zealand) Limited, Auckland

SOLICITORS

Bell Gully

SHARE REGISTRAR

Computershare Investor Services Limited,

Private Bag 92119, Auckland 1020, New Zealand

Facsimile: +64 9 488 8787

Level 2, 159 Hurstmere Road, Takapuna,

Telephone: +64 9 488 8700

email: enquiry@computershare.co.nz

STOCK EXCHANGE LISTING

New Zealand Exchange (NZX)

Company Code: CDI



HARROWGLEN
in touch with it all

Auckland

 **Ashmore**

Hamilton


MAGELLAN HEIGHTS
IN VIEW OF IT ALL

Hawkes Bay

NORTHWOOD
RESORTS • HOMES • DEVELOPMENTS

morningstar
TERRACE

Christchurch

Queenstown

 **Millgate**
RESORTS • HOMES • DEVELOPMENTS