



CDL INVESTMENTS
NEW ZEALAND LIMITED



INTERIM
REPORT
2008

CHAIRMAN'S REVIEW

FINANCIAL PERFORMANCE

The Directors of CDL Investments New Zealand Limited ("CDLI") advise that the Company has made an unaudited operating profit after tax of \$1.481 million for the six month period ending 30 June 2008 (2007: \$7.566 million). Operating profit before tax was \$2.040 million (2007: \$11.278 million). Property sales and other income for the period was \$4.069 million (2007: \$20.327 million). A total of 20 sections were sold (2007: 108).

MARKET OVERVIEW

As foreshadowed in the 2007 Annual Report, the depressed market conditions throughout New Zealand are clearly reflected in this interim result. Like other property development companies, CDLI has not been able to generate the same level of sales as seen in previous years. While Management is developing initiatives to generate sales in the latter half of 2008, the Company has slowed its development programme down both in response to current demand and to save costs where practicable.

ACQUISITIONS

The Company has not acquired any properties during the period under review.

OUTLOOK

It is clear that from a profit perspective, 2008 will be a very difficult year given the dramatic slow down in the New Zealand property market and the corresponding impact on CDLI's revenue and profit. Assuming no adverse or unforeseen events, the Board does not expect that the 2008 results will run at a loss.

CDLI's key competitive differentials are still its financial strength, quality of assets, geographical diversity of its asset portfolio and its long-term approach to development. The Company remains in the enviable position of being able to make acquisitions in the current marketplace and will secure strategic opportunities if and when they arise.

Wong Hong Ren

Chairman

6 August 2008

CONDENSED INTERIM INCOME STATEMENT

FOR THE HALF YEAR ENDED 30 JUNE 2008

		Unaudited 6 months to 30/06/2008 \$NZ'000	Unaudited 6 months to 30/06/2007 \$NZ'000
Revenue	Note	3,623	19,359
Cost of sales		(1,208)	(7,816)
Gross profit		2,415	11,543
Other income		67	44
Administrative expenses		(101)	(87)
Property expenses		(148)	(90)
Selling expenses		(172)	(550)
Other expenses		(400)	(506)
Operating profit before finance income / (costs)		1,661	10,354
Finance income		379	924
Net finance income		379	924
Profit before income tax		2,040	11,278
Income tax expense	2	(559)	(3,712)
Profit for the period		1,481	7,566
Attributable to:			
Equity holders of the Parent		1,481	7,566
		1,481	7,566

DETAILS OF THE SPECIFIC RECEIPTS/OUTLAYS, INCOME/EXPENSES

Audit fees		(23)	(30)
Depreciation		(1)	(2)
Interest income		379	924
Operating lease and rental payments		(41)	(29)
Basic earnings per share (cents)	3	0.62c	3.41c
Diluted earnings per share (cents)	3	0.62c	3.41c

The accompanying notes form part of, and should be read in conjunction with these financial statements.

CONDENSED INTERIM RECONCILIATION OF EQUITY

	Share Capital	Retained Earnings	Total Equity
Balance at 1 January 2007	31,246	43,435	74,681
Profit for the period	-	7,566	7,566
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
Balance at 1 January 2008	35,946	53,489	89,435
Profit for the period	-	1,481	1,481
Total recognised income and expense	-	1,481	1,481
Shares issued under dividend reinvestment plan	4,988	-	4,988
Dividends to shareholders	-	(5,306)	(5,306)
Balance at 30 June 2008	40,934	49,664	90,598

The accompanying notes form part of, and should be read in conjunction with these financial statements.

CONDENSED INTERIM BALANCE SHEET

FOR THE HALF YEAR ENDED 30 JUNE 2008

	Unaudited 6 months to 30/06/2008 \$NZ'000	Audited 12 months to 31/12/2007 \$NZ'000	Unaudited 6 months to 30/06/2007 \$NZ'000
SHAREHOLDERS' EQUITY			
Issued capital	40,934	35,946	35,946
Retained earnings	49,664	53,489	45,966
Total Equity	90,598	89,435	81,912
Represented by:			
NON CURRENT ASSETS			
Plant, furniture and equipment	15	14	19
Development property	78,757	68,752	51,996
Investments in subsidiary	1	-	-
Total Non Current Assets	78,773	68,766	52,015
CURRENT ASSETS			
Development property	4,378	11,413	12,389
Income tax receivable	382	-	-
Trade and other receivables	532	651	844
Cash and cash equivalents	7,152	9,642	18,833
Total Current Assets	12,444	21,706	32,066
Total Assets	91,217	90,472	84,081
NON CURRENT LIABILITIES			
Deferred tax liabilities	353	430	411
Total Non Current Liabilities	353	430	411
CURRENT LIABILITIES			
Trade and other payables	225	567	258
Employee entitlements	41	27	27
Income tax payable	-	13	1,473
Total Current Liabilities	266	607	1,758
Total Liabilities	619	1,037	2,169
Net Assets	90,598	89,435	81,912

The accompanying notes form part of, and should be read in conjunction with these financial statements.

CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 30 JUNE 2008

	Unaudited 6 months to 30/06/2008 \$NZ'000	Unaudited 6 months to 30/06/2007 \$NZ'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash was provided from:		
Receipts from Customers	3,826	19,686
Interest Received	362	823
Cash was applied to:		
Payments to suppliers and employees	(5,326)	(14,890)
Income Tax Paid	(314)	(1,411)
Net Cash (Outflow)/Inflow from Operating Activities	(1,452)	4,208
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash was applied to:		
Advances to Subsidiaries	(1)	-
Purchase of Fixed Assets	(2)	(2)
Net Cash (Outflow)/Inflow From Investing Activities	(3)	(2)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash was applied to:		
Dividends Paid	(318)	(335)
Supplementary Dividends Paid	(717)	(677)
Net Cash (Outflow)/Inflow from Financing Activities	(1,035)	(1,012)
Net Increase/(Decrease) in Cash and Cash Equivalents	(2,490)	3,194
Add Opening Cash and Cash Equivalents Brought Forward	9,642	15,639
Closing Cash and Cash Equivalents	7,152	18,833
RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit after Taxation	1,481	7,566
Adjusted for non cash items:		
Depreciation	1	2
Income Tax Expenses	559	3,712
Adjustments for movements in working capital:		
(Increase)/Decrease in receivables	119	182
(Increase)/Decrease in development properties	(2,970)	(5,075)
Increase/(Decrease) in payables	(328)	(768)
Cash generated from Operations	(1,138)	5,619
Income Tax Paid	(314)	(1,411)
Cash (Outflows)/Inflows from Operating	(1,452)	4,208

The accompanying notes form part of, and should be read in conjunction with these financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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 2008 comprise the Company and its subsidiary (together referred to as the "Group").

The principal activities of the Group is the development and sale of land and development properties.

(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 accounting policies applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2007.

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

The condensed consolidated interim financial statements were authorised for issuance on 6 August 2008.

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 2008 and 2007 were calculated based on the estimated average annual effective income tax rate.

The deferred tax expense for the six month periods ended 30 June 2008 and 2007 were calculated based on the estimated average annual effective income tax rate.

The estimated annual effective income tax rate calculated on this basis is 27.4% (30 June 2007: 32.9%).

3. EARNINGS PER SHARE

The calculation of basic earnings per share at 30 June 2008 of 0.62 cents (30 June 2007: 3.41 cents) was based on the profit attributable to ordinary shareholders of \$1,481,000 (2007: \$7,566,000); and weighted average number of shares of 239,140,862 (2007: 221,849,072) on issue in the period. The calculation of diluted earnings per share at 30 June 2008 of 0.62 cents (30 June 2007: 3.41 cents) was based on a weighted average number of shares of 239,140,862 (2007: 221,849,072) 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 2008 (30 June 2007: 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 2008 (30 June 2007: Nil).

6. RELATED PARTY TRANSACTIONS

CDL Investments New Zealand Limited is a subsidiary of Millennium & Copthorne Hotels New Zealand Limited by virtue of Millennium & Copthorne Hotels New Zealand Limited owning 65.16% (2007: 64.32%) of the Company and having 3 out of 6 of the Directors on the Board. Millennium & Copthorne Hotels New Zealand Limited is 70.22% owned by CDL Hotels Holdings New Zealand Limited, which is a wholly owned subsidiary of Millennium & 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 2008 CDL Investments New Zealand Limited has reimbursed its parent, Millennium & Copthorne Hotels New Zealand Limited, \$120,000 (30 June 2007: \$108,000) for expenses incurred by the parent on behalf of the Group.