

FINANCIAL INFORMATION

The Directors of CDL Investments New Zealand Limited ("CDLI") announce an unaudited operating profit after tax for the six months ended 30 June 2001, of \$1.4 million, down 40% from the corresponding period in the previous year. Total revenue was \$11.3 million, an increase of 3% from last year. The decrease in NPAT is due to the majority of sections sold being low-margin stock whereas last year's results were influenced by 18 high value, high margin sales at Waimanu Bay.

Shareholders funds as at 30 June 2001 were \$40.8 million and total assets stood at \$55.1 million. The net tangible asset value was 22 cents per ordinary share.

MARKET OVERVIEW

For the first half of the year consumer confidence continued to strengthen which is in line with a positive and improving economy. Factors contributing to this recovery in confidence could be attributed to low interest and exchange rates, which brought about strong earnings from the export sector. This lift in confidence was reflected in the company achieving strong section sales especially in the lower value sector. By June however, the New Zealand property market appeared to have peaked. The international outlook was showing signs of further deterioration, which is creating uncertainty and nervousness in our volatile economy.

The property market mirrored this lift in business confidence when residential Real Estate companies reported improved levels of turnover, stabilised prices and general lift in confidence in residential investment.

However as the year progressed, economists started to report conflicting forecasts on the strength of the economy, which suggested an early warning that the short-lived recovery had peaked. Further to this, the well-publicised collapse of several large construction companies put a huge burden on subcontractors, banks and the building industry alike. Builders and lenders now remain very cautious when committing to the purchase of property without securing a sale.

LAND INVESTMENT AND DEVELOPMENT

Land based investment and development activities continue to be the predominant profit provider for the Group. CDL Land has performed well in the first half of the year. In most areas the company's residential subdivisions were able to maintain market share.

For the first half of 2001, the Auckland market traded well in the lower-end market. Elsewhere, Hamilton remains sluggish with signs of picking up, Tauranga remains slow and Christchurch is stable. Management remains cautiously optimistic with a forecast of a very subdued lift in residential activity in the later part of the year.

During the year, 164 new lots were developed from the land holdings in Auckland and Hamilton. The release of this new stock to the market will assist with the sales in the future months.

In June this year, CDL Land acquired a further 4 hectares of residential land adjoining its East Coast Bays land holding in Auckland. This acquisition will bring the total land portfolio of CDLI to 256.5 hectares. CDL Land will continue to actively and selectively seek land investment and development opportunities in key growth areas to enhance future earnings. The strong balance sheet will enable it to take advantage of opportunities that arise in all market conditions.

PROPERTY SERVICES

The restructuring process is ongoing as the LPL Group continues to redefine its core business units. Continuing competitive trading conditions and a depressed property sector have produced a demanding environment for operations.

INCREASE IN ISSUED SHARE CAPITAL

Pursuant to a Dividend Reinvestment Plan a total of 1,387,033 ordinary shares were issued. The total number shares on issue as at 30 June 2001 was 187,144,244 ordinary shares.

FUTURE OUTLOOK

The property market is cyclic and has been at the bottom of the current cyclical for a prolonged period. During the first half of this year, CDL experienced a small upward swing. However by mid-year this trend appeared to be levelling out. Given the continued uncertainty in the market, it is very difficult to predict a likely full year result. However, the Board remains confident of the ongoing profitability of CDLI and expects 2001 to be another profitable year.

J Wilson

Chairman

3 September 2001