

Miscellaneous	
* Asterisks denote mandatory information	
Name of Announcer *	CITY DEVELOPMENTS LIMITED
Company Registration No.	196300316Z
Announcement submitted on behalf of	CITY DEVELOPMENTS LIMITED
Announcement is submitted with respect to *	CITY DEVELOPMENTS LIMITED
Announcement is submitted by *	Enid Ling Peek Fong
Designation *	Company Secretary
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>> Announcement Details
The details of the announcement start here ...

Announcement Title *	Announcements by Subsidiary Company, Millennium & Copthorne Hotels New Zealand Limited on Half Year Results for the period ended 30 June 2008
Description	<p>Please see attached the following announcements released by Millennium & Copthorne Hotels New Zealand Limited on 6 August 2008:</p> <p>(1) Interim Financial Statements (2) Chairman's Review (3) Press Release</p>
Attachments	<p> MCHNZ_2008_Half_Year_Report_NZX_Press_Release.pdf MCHNZ_2008_Half_Year_Report_Financials.pdf MCHNZ_2008_Half_Year_Report_Chairmans_Review.pdf </p> <p>Total size = 360K (2048K size limit recommended)</p>

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Millennium & Copthorne Hotels New Zealand Limited and Subsidiaries
Condensed Consolidated Interim Income Statement

FOR THE HALF YEAR ENDED 30 JUNE 2008		Unaudited	Unaudited
		6 months	6 months
DOLLARS IN THOUSANDS	NOTE	to 30/6/08	to 30/6/07
Revenue		65,530	88,319
Cost of Sales		(26,844)	(38,826)
Gross Profit		38,686	49,493
Administrative Expenses		(17,055)	(16,320)
Other Operating Expenses		(11,165)	(12,479)
Operating Profit Before Finance Costs		10,466	20,694
Finance Income		11,393	6,665
Finance Costs		(2,387)	(1,850)
Net Finance Income		9,006	4,815
Share of Profit of Associate		1,288	-
Profit Before Tax		20,760	25,509
Income Tax Expense		(3,437)	(7,456)
Profit for the Period		17,323	18,053
Attributable to:			
Equity holders of the Parent		13,286	12,953
Minority Interest		4,037	5,100
		17,323	18,053
DETAILS OF SPECIFIC RECEIPTS/OUTLAYS, REVENUES/EXPENSES			
Amortisation of Intangibles		(51)	(122)
Audit Fees		(166)	(135)
Depreciation		(4,045)	(3,612)
Interest Income		4,388	6,657
Net Foreign Exchange Gain		7,004	8
Interest Expense		(2,387)	(1,850)
Leasing and Rental Expenses		(5,691)	(5,579)
Net Gain/(Loss) on Disposal of Property, Plant and Equipment		41	(1,089)
Earnings Per Share (Cents)			
- Basic	3	3.80c	3.71c
- Diluted	3	3.80c	3.71c

The attached notes on pages 7 to 9 form part of, and are to be read in conjunction with, these Financial Statements.

Millennium & Copthorne Hotels New Zealand Limited and Subsidiaries

Condensed Consolidated Interim Balance Sheet

AS AT 30 JUNE 2008	Unaudited 6 months to 30/6/08	Audited Year 31/12/07	Unaudited 6 months to 30/6/07
DOLLARS IN THOUSANDS			
SHAREHOLDERS' EQUITY			
Issued Capital	430,330	430,330	430,330
Reserves	(28,036)	(34,191)	(71,458)
Treasury Stock	(85)	(85)	(85)
Minority Interests	95,023	114,207	130,300
Total Equity	497,232	510,261	489,087
<i>Represented by:</i>			
NON CURRENT ASSETS			
Property, Plant and Equipment	327,934	295,030	251,562
Development Properties	139,097	121,009	96,047
Intangible Assets	4,635	4,686	4,691
Investment in Associate	69,322	41,793	-
Total Non Current Assets	540,988	462,518	352,300
CURRENT ASSETS			
Cash and Cash Equivalents	32,466	102,971	171,589
Trade and Other Receivables	25,853	26,007	23,337
Inventories	1,752	1,945	1,740
Income Tax Receivable	1,160	-	-
Development Properties	4,378	11,413	18,987
Total Current Assets	65,609	142,336	215,653
Total Assets	606,597	604,854	567,953
NON CURRENT LIABILITIES			
Interest-bearing Loans and Borrowings	68,228	53,995	48,745
Provisions	517	724	539
Deferred Tax Liabilities	19,004	17,141	12,152
Total Non Current Liabilities	87,749	71,860	61,436
CURRENT LIABILITIES			
Trade and Other Payables	18,204	17,680	13,949
Related Parties	198	481	202
Provisions	3,214	4,483	1,356
Income Tax Payable	-	89	1,923
Total Current Liabilities	21,616	22,733	17,430
Total Liabilities	109,365	94,593	78,866
Net Assets	497,232	510,261	489,087

The attached notes on pages 7 to 9 form part of, and are to be read in conjunction with, these Financial Statements.

Millennium & Copthorne Hotels New Zealand Limited and Subsidiaries

Condensed Consolidated Interim Statement of Cash Flows

FOR THE HALF YEAR ENDED 30 JUNE 2008	Unaudited	Unaudited
	6 months	6 months
DOLLARS IN THOUSANDS	to 30/6/08	to 30/6/07
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Cash was provided from:</i>		
Receipts from Customers	73,209	83,458
Interest Received	4,373	6,627
	<u>77,582</u>	<u>90,085</u>
<i>Cash was applied to:</i>		
Payments to Suppliers and Employees	(57,066)	(73,222)
Interest Paid	(2,280)	(1,782)
Income Tax Paid	(4,208)	(6,744)
	<u>(63,554)</u>	<u>(81,748)</u>
Net Cash Inflow from Operating Activities	14,028	8,337
CASH FLOWS FROM INVESTING ACTIVITIES		
<i>Cash was provided from:</i>		
Proceeds from Sale of Residential Development Properties	-	6,436
Sale of Property, Plant and Equipment	9	96
	<u>9</u>	<u>6,532</u>
<i>Cash was applied to:</i>		
Purchase of Property, Plant and Equipment	(37,256)	(10,657)
Purchase of Investment in Associate	(27,361)	-
	<u>(64,617)</u>	<u>(10,657)</u>
Net Cash Outflow From Investing Activities	(64,608)	(4,125)
CASH FLOWS FROM FINANCING ACTIVITIES		
<i>Cash was provided from:</i>		
Drawdown of Borrowings	16,000	4,446
	<u>16,000</u>	<u>4,446</u>
<i>Cash was applied to:</i>		
Repayment of Borrowings	(1,767)	-
Repayment of Shares to Minority Shareholders	(23,742)	-
Dividends Paid to Shareholders of Millennium & Copthorne Hotels New Zealand Ltd	(8,731)	(8,732)
Dividends Paid to Minority Shareholders	(2,255)	(2,258)
	<u>(36,495)</u>	<u>(10,990)</u>
Net Cash Outflow from Financing Activities	(20,495)	(6,544)
Net Decrease in Cash Held	(71,075)	(2,332)
Add Opening Cash and Cash Equivalents	102,971	174,755
Exchange Rate Adjustment	570	(834)
Closing Cash and Cash Equivalents	<u>32,466</u>	<u>171,589</u>
Comprising:		
Cash and Cash Equivalents	32,466	171,589
Closing Cash and Cash Equivalents	<u>32,466</u>	<u>171,589</u>

The attached notes on pages 7 to 9 form part of, and are to be read in conjunction with, these Financial Statements.

Millennium & Copthorne Hotels New Zealand Limited and Subsidiaries

Condensed Consolidated Interim Statement of Cash Flows

DOLLARS IN THOUSANDS	NOTE	Unaudited 6 months to 30/6/08	Unaudited 6 months to 30/6/07
RECONCILIATION OF NET PROFIT FOR THE PERIOD TO CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit after Taxation		17,323	18,053
Adjusted for non cash items:			
Amortisation of Intangibles		51	122
Depreciation		4,045	3,612
Income Tax Expense		3,437	7,456
Net (Gain) / Loss on Disposal of Property, Plant and Equipment		(41)	1,089
Share of Profit of Associate		(1,288)	-
Adjustments for movements in working capital:			
(Increase) / Decrease in Receivables		659	(4,899)
(Increase) / Decrease in Inventories		193	152
(Increase) / Decrease in Development Properties		(5,326)	(6,428)
Increase / (Decrease) in Payables		1,706	(2,138)
Increase / (Decrease) in Related Parties		(243)	(87)
Cash generated from Operations		20,516	16,932
Interest Paid		(2,280)	(1,851)
Income Tax Paid		(4,208)	(6,744)
Cash Inflows from Operating Activities		14,028	8,337

The attached notes on pages 7 to 9 form part of, and are to be read in conjunction with, these Financial Statements.

Millennium & Copthorne Hotels New Zealand Limited and Subsidiaries

Condensed Consolidated Interim Statements of Changes in Equity

	Attributable to Equity Holders of the Parent							Minority Interests	Total Equity
	Share Capital	Revaluation Reserves	Exchange Reserves	Accumulated Losses	Treasury Stock	Total			
DOLLARS IN THOUSANDS									
Balance at 1 January 2007	430,330	67,840	(2,005)	(140,668)	(85)	355,412	127,257	482,669	
Revaluation of Property, Plant and Equipment	-	912	-	-	-	912	130	1,042	
Movement in Exchange Translation Reserve	-	-	(1,610)	-	-	(1,610)	(1,017)	(2,627)	
Income and Expense recognised directly in Equity	-	912	(1,610)	-	-	(698)	(887)	(1,585)	
Profit for the Period	-	-	-	12,953	-	12,953	5,100	18,053	
Total Recognised Income and Expense	-	912	(1,610)	12,953	-	12,255	4,213	16,468	
Dividends paid to:									
Equity holders of the Parent	-	-	-	(8,732)	-	(8,732)	-	(8,732)	
Minority Interests	-	-	-	-	-	-	(2,258)	(2,258)	
Movement in Minority Interest	-	-	-	(148)	-	(148)	1,088	940	
Balance at 30 June 2007	430,330	68,752	(3,615)	(136,595)	(85)	358,787	130,300	489,087	

The attached notes on pages 7 to 9 form part of, and are to be read in conjunction with, these Financial Statements.

Millennium & Copthorne Hotels New Zealand Limited and Subsidiaries

Condensed Consolidated Interim Statements of Changes in Equity

	Attributable to Equity Holders of the Parent								Minority Interests	Total Equity
	Share Capital	Revaluation Reserves	Exchange Reserves	Accumulated Losses	Treasury Stock	Total				
DOLLARS IN THOUSANDS										
Balance at 1 January 2008	430,330	91,232	(83)	(125,340)	(85)	396,054	114,207	510,261		
Movement in Exchange Translation Reserve	-	-	1,660	-	-	1,660	1,755	3,415		
Income and Expense recognised directly in Equity	-	-	1,660	-	-	1,660	1,755	3,415		
Profit for the Period	-	-	-	13,286	-	13,286	4,037	17,323		
Total Recognised Income and Expense	-	-	1,660	13,286	-	14,946	5,792	20,738		
Dividends paid to:										
Equity holders of the Parent	-	-	-	(8,731)	-	(8,731)	-	(8,731)		
Minority Interests	-	-	-	-	-	-	(2,255)	(2,255)		
Movement in Minority Interest	-	-	-	(60)	-	(60)	(22,721)	(22,781)		
Balance at 30 June 2008	430,330	91,232	1,577	(120,845)	(85)	402,209	95,023	497,232		

The attached notes on pages 7 to 9 form part of, and are to be read in conjunction with, these Financial Statements.

Millennium & Copthorne Hotels New Zealand Limited and Subsidiaries
Notes to the Condensed Consolidated Interim Financial Statements
for the six months ended 30 June 2008 (unaudited)

1. Significant accounting policies

Millennium & Copthorne Hotels New Zealand Limited is a company domiciled in New Zealand, registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange. Millennium & Copthorne Hotels New Zealand Limited (the "Company") is an issuer in terms of the Financial Reporting Act 1993. The condensed consolidated interim financial statements of the Company for the six months ended 30 June 2008 comprise the Company and its subsidiaries (together referred to as the "Group").

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

(a) Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRSs) as appropriate for profit orientated entities. Compliance with NZ IFRSs ensures that the consolidated financial statements also comply with International Reporting Standards (IFRSs). 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 interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2007.

(b) New standards adopted and interpretations not yet adopted

The International Accounting Standards Board has issued a number of standards, amendments and interpretations which are not yet effective. The Group has not yet applied these in preparing these condensed consolidated interim financial statements. The application of these standards, amendments and interpretations would require further disclosures but is not expected to have a material impact on the Group's results.

2. Segment reporting

Segment information is presented in the consolidated interim financial statements in respect of the Group's business and geographical segments. Business segments are the primary basis of segment reporting. Segment reporting format reflects the Group's management and internal reporting structure.

Inter-segment pricing is determined on an arm's length basis. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business segments

The Group consisted of the following main business segments:

- Hotel operations, comprising income from the ownership and management of hotels.
- Property operations, comprising the development and sale of land and development properties and investment property rental income.

Geographical segments

The Group consisted of the following main geographic segments:

- New Zealand
- Australia
- Asia.

Millennium & Copthorne Hotels New Zealand Limited and Subsidiaries
Notes to the Condensed Consolidated Interim Financial Statements
for the six months ended 30 June 2008 (unaudited)

2. Segment reporting -continued

(a) Business Segments

<i>Dollars in thousands</i>	<u>Hotel</u>		<u>Property</u>		<u>Group</u>	
	Unaudited 6 months to 30/06/08	Unaudited 6 months to 30/06/07	Unaudited 6 months to 30/06/08	Unaudited 6 months to 30/06/07	Unaudited 6 months to 30/06/08	Unaudited 6 months to 30/06/07
Segment Revenue	61,943	63,539	14,980	31,445	76,923	94,984
Segment Profit before Tax	7,694	9,578	11,778	15,931	19,472	25,509
Share of Profit of Associate	-	-	1,288	-	1,288	-
Income Tax Expense Profit for the Period					(3,437)	(7,456)
					17,323	18,053
Segment Assets	357,194	288,747	180,081	279,206	537,275	567,953
Investment in Associate	-	-	69,322	-	69,322	-
Total Assets	357,194	288,747	249,403	279,206	606,597	567,953

(b) Geographic Segments

<i>Dollars in thousands</i>	<u>New Zealand</u>		<u>Australia</u>		<u>Asia</u>		<u>Group</u>	
	Unaudited 6 months to 30/06/08	Unaudited 6 months to 30/06/07	Unaudited 6 months to 30/06/08	Unaudited 6 months to 30/06/07	Unaudited 6 months to 30/06/08	Unaudited 6 months to 30/06/07	Unaudited 6 months to 30/06/08	Unaudited 6 months to 30/06/07
Segment Revenue	67,120	83,897	9,803	11,087	-	-	76,923	94,984
Segment Profit before Tax	10,950	21,054	8,522	4,455	-	-	19,472	25,509
Share of Profit of Associate	-	-	-	-	1,288	-	1,288	-
Income Tax Expense Profit for the Period							(3,437)	(7,456)
							17,323	18,053
Segment Assets	447,998	373,696	89,277	194,257	-	-	537,275	567,953
Investment in Associate	-	-	-	-	69,322	-	69,322	-
Total Assets	447,998	373,696	89,277	194,257	69,322	-	606,597	567,953

Millennium & Copthorne Hotels New Zealand Limited and Subsidiaries
Notes to the Condensed Consolidated Interim Financial Statements
for the six months ended 30 June 2008 (unaudited)

3. Earnings per share

Six month period ended 30 June 2008

The basic earnings per share of 3.80 cents (30 June 2007: earnings per share of 3.71 cents) are based on the profit attributable to ordinary shareholders of \$13.29m (30 June 2007: profit of \$12.95m) and weighted average number of ordinary shares outstanding during the period ended 30 June 2008 of 349,268,439 (30 June 2007: 349,268,439). The calculation of diluted earnings per share of 3.80 cents (30 June 2007: earnings per share of 3.71 cents) is the same as basic earnings per share.

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 such 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

Millennium & Copthorne Hotels New Zealand Limited is a 70.22% owned subsidiary of CDL Hotels Holdings New Zealand Limited which is a wholly owned subsidiary of Millennium & Copthorne Hotels plc in the United Kingdom. The ultimate parent company is Hong Leong Investment Holdings Pte Ltd in Singapore.

During the six month period ending 30 June 2008, costs amounting to \$125,000 (30 June 2007: \$125,000) have been recorded in the Income Statement in respect of:

- Reimbursement of expenses incurred by Millennium & Copthorne Hotels plc on behalf of the New Zealand subsidiary; and
- Fees payable to Millennium & Copthorne Hotels plc for the provision of management and marketing support.

CHAIRMAN'S REVIEW

Financial Performance:

The Directors of Millennium & Copthorne Hotels New Zealand Limited ("MCK") announced an unaudited operating profit after tax of \$13.29 million for the six month period ending 30 June 2008 (2007: \$12.95 million). Operating profit before tax and minorities was \$20.76 million (2007: \$25.51 million).

Shareholders' funds excluding minority interests as at 30 June 2008 totaled \$402.21 million (2007: \$358.79 million) with total assets at \$606.60 million (2007: \$567.95 million). Net asset backing (excluding minority interests) per share as at 30 June 2008 was 115.0 cents per share (2007: 102.6cps).

Group results for the six months ending 30 June 2008 (NZ IFRS):

Group revenue and other income for the period under review was \$76.92 million (2007: \$94.98 million). While a one-off foreign exchange gain of \$7.00 million was recognized, Group revenue was primarily affected by a sharp fall in revenue within CDL Investments New Zealand Limited. This fall reflected the difficult market conditions in the New Zealand property market at present.

Gross operating profit decreased to \$38.69 million (2007: \$49.49 million). However, taking into account the closure of the Kingsgate Hotel Greenlane and the expiry of the lease for the Copthorne Hotel Wellington Plimmer Towers, the New Zealand hotel operations have traded within expectations.

New Zealand Hotel Operations:

Total revenue for the New Zealand hotel operations (18 owned or leased and operated hotels excluding 13 franchised properties) for the period under review was \$61.94 million. (2007: \$63.54 million). Hotel occupancy for the period for the period was 69.3 % across the Group.

During the period under review, the Group acquired the freehold and leasehold interests to the Copthorne Hotel Auckland Harbourcity. Settlement occurred on 30 June 2008 and, while the purchase price is confidential to the parties, this was a strategic investment in a prime CBD waterfront site. The Group will be considering how to better utilize the property over the medium term. Earlier this year, sound proof windows to all 187 rooms in the hotel were installed, and soft refurbishments of the rooms, Tactics Restaurant and Bar areas and the conference rooms were completed.

The Group also signed a three-month management agreement for the Metropolis Hotel Auckland. The lease on the Copthorne Hotel Wellington Plimmer Towers ended in April 2008.

CDL Investments New Zealand Limited ('CDLI'):

CDLI announced an unaudited operating profit after tax for the six months ended 30 June 2008 of \$1.48 million (2007: \$7.56 million). While disappointing when compared to previous years' results, this reflects the current state of the New Zealand property market. CDLI is not forecasting a loss for 2008 and we remain confident that it remains well positioned for medium to long term growth.

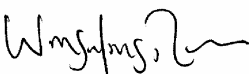
Offshore investments – Australia and China:

In Australia, the majority of the units within the Zenith Residences are now on short-term leases.

In China, the Company's economic interest in First Sponsor Capital Limited ("First Sponsor") remains approximately 34%. In January 2008, First Sponsor agreed to acquire a strata-titled hotel in Hainan and has now obtained majority ownership and operational control of this hotel. Also during the period under review, it has won a public land tender in Lianzhou and also acquired a group of companies in Chengdu, Sichuan Province, which own, amongst other assets, commercial and residential land for development as well as an industrial factory which has the potential for redevelopment. No material adverse effects arose from the Sichuan earthquakes in May although one development project has been temporarily stopped pending the issuance of certain permits before construction can resume. The prospects for First Sponsor's other developments in the Guangzhou province remains positive, although bad weather in South China has delayed construction works. Management will continue to monitor development progress carefully.

Outlook:

Considering the sharp decline in revenue from CDLI and a continuing decline in overseas visitor numbers from key markets, the result for the six months to 30 June 2008 is an acceptable one. Both the Board and Management are, however, conscious that market conditions for the remainder of 2008 are uncertain and difficult at all levels and the Board has directed Management to carefully review all aspects of the Company's operations in order to extract maximum gains while monitoring costs and remaining competitive. At this stage, while the Company believes that the year-end result will be profitable, shareholders are cautioned against expecting profits and dividends at levels seen in previous years as profitability and revenue depend on the Company's ability to maintain market share.



Wong Hong Ren
Chairman
6 August 2008

MILLENNIUM & COPTHORNE NEW ZEALAND MAINTAINS PROFITS DESPITE FALL IN REVENUE

New Zealand's largest hotel owner / operator, Millennium & Copthorne Hotels New Zealand Limited ("MCK"), today announced its (unaudited) results for the six months to 30 June 2008.

- Average hotel occupancy across the Group 69.3%
- Group Revenue and other income \$76.92 million (2007: \$94.48m)
- Operating profit before tax and minorities \$20.76 million (2007: \$25.51m)
- Operating profit after tax \$13.29 million (2007: \$12.95m)

MCK's Managing Director Mr. B K Chiu said that the result was in line with expectations given a sharp fall in revenue from subsidiary CDL Investments New Zealand Limited and continuing declines in visitor numbers from key markets.

"CDL Investments' results reflect the current difficult market conditions of the New Zealand property market and we are working hard to ensure that CDL Investments will emerge even stronger thereafter. This is assisted by the fact that the Company is financially strong and has a good asset portfolio", he said.

Looking at the New Zealand hotel operations, Mr. Chiu noted that the Company had achieved a number of positives in the first half of the year.

"We acquired the freehold and leasehold interests to Copthorne Hotel Auckland Harbourcity - a strategic investment in a prime CBD waterfront site. The purchase reflects our ongoing commitment to the Auckland market and we will be considering how to better utilize the property over the medium term. We have also launched a new hotel and dining card programme '*a la carte*', refreshed and increased our online and e-marketing presence", he said.

The Company also confirmed that the majority of its units in the Zenith Residences in Sydney were now leased out on a short term basis. MCK's interest in its Chinese joint venture remained at 34% and development works on some of its sites are progressing satisfactorily. The joint venture had acquired properties during the past six months and development had not been adversely affected by the Sichuan earthquakes in May.

Addressing the prospects for the remainder of the year, Mr. Chiu said that trading conditions remained uncertain and difficult. "We are confident that the year-end result will be profitable but market conditions are such that it is not possible to say with certainty to what extent. The Board has directed Management to embark on a wide-ranging review of its operations so that we can maximise our gains while minimising our costs and remaining competitive", he said.

ENDS

Issued by Millennium & Copthorne Hotels New Zealand Ltd

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