



AVJennings Limited
ABN: 44 004 327 771

30 June 2008 Preliminary Final Report
and
Appendix 4E

This financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, it is recommended that this report be read in conjunction with the annual report for the period ended 30 June 2007 and any public announcements made by AVJennings Limited during the year ended 30 June 2008 in accordance with the continuous disclosure requirements of the Listing Rules of the Australian Stock Exchange.



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Results for Announcement to the Market

Appendix 4E - Preliminary Final Report

For the year ended 30 June 2008

	12 months 30 June 2008 \$'000	15 months 30 June 2007 \$'000	(Decrease)	
			\$'000	%
Revenues	517,775	632,233	(114,458)	(18.1)%
Profit from ordinary activities after tax attributable to members	11,231	12,164	(933)	(7.7)%
Net profit for the period attributable to members	11,231	12,164	(933)	(7.7)%
Dividends	Cents per security		Franked amount per security at 30% tax	
Final dividend	2.0		2.0	
Previous corresponding period Final dividend	3.0		3.0	
Record date for determining entitlements to dividend:	10 October 2008			
Payment date:	31 October 2008			
The Company has in place an active Dividend Re-Investment Plan. Please refer to Note 4 for the details.				
Last date for receipt of a DRP election notice:	10 October 2008			
Comparative figures				
For the 2007 financial year, the Company adopted a 30 June year end. The 2007 financial year reporting period was for the 15 months from 1 April 2006 to 30 June 2007. The comparative figures in the <i>Condensed Income Statement</i> , the <i>Condensed Statement of Changes in Equity</i> , the <i>Condensed Cash Flow Statement</i> , and Notes thereto, are therefore those for the 15 months ended 30 June 2007.				
Explanation of results				
Please refer to the Review of Operations section of the attached Directors' Report for an explanation of the results.				

Directors' Report

For the year ended 30 June 2008

Your Directors present their Report on the Company and its controlled entities for the year ended 30 June 2008.

DIRECTORS

The names of the Company's Directors in office during the year and until the date of this report are as below. Directors were in office for the entire period unless otherwise stated.

Mr Simon Cheong (Chairman)

Mr Jerome Rowley (Deputy Chairman)

Mr Louis F Milkovits

Mr Peter K Summers

Mrs Elizabeth Sam

Mr Herman R Hochstadt

Mr Bobby Chin

Mr Bruce G Hayman

REVIEW OF OPERATIONS

The pre-tax profit for the full year ended 30 June 2008 was \$15.5 million compared to \$17.8 million pre-tax profit for the 15 month period ended 30 June 2007 (\$14.2 million annualised). Revenue for the 12 month period was \$517.8 million compared to \$632.2 million for the 15 month period ended 30 June 2007 (\$505.8 million annualised).

Contract signings for the 12 months to 30 June 2008 were \$570.0 million, compared to \$698.7 million for the 15 month period ended 30 June 2007 (\$559.0 million annualised). However, revenue recognised in the accounts for that period was \$517.8 million. The balance will be recognised in subsequent reporting periods.

Current reporting period margins increased to 19.4% from 19.0% in 2007.

Net interest bearing debt at 30 June 2008 per the consolidated accounts was \$168.0 million. Including the Company's proportionate share of debt from joint ventures which have been equity accounted, net debt at 30 June 2008 was \$194.3 million and this compares with \$218.7 million at 31 December 2007 and \$119.2 million at 30 June 2007.

The result was impacted by:

- § A write down of the carrying amount of inventory by \$1.066 million.
- § Extremely slow sales in New South Wales, particularly on the Sydney fringe. The already slow market further weakened following the interest rate rise in December 2007. In this state, the Company has adequate completed development inventory and production rates have been slowed to avoid the accumulation of unsold stock.
- § Low contract signings and margins for Contract Building in a slow market, particularly in New South Wales.

The New South Wales housing environment has been at particularly low levels for a prolonged period due to the compound effects of taxes, protracted approval processes and interest rate rises. These factors are structural in character and, other than possibly interest rates, unlikely to change in the short term.

Directors' Report

For the year ended 30 June 2008

AVJennings' business model, being residential developments and house construction, has cyclical earnings prospects which are influenced by both activity levels and price growth in the housing sector.

The current environment has been particularly difficult for the sector, however a cyclical turnaround is inevitable, as has always been the case.

Whilst short term issues such as affordability, purchaser confidence and investor activity can cause more volatile short term cycles, long term prospects for residential property development are strongly linked to underlying supply and demand. The current cycle has resulted in a major shortfall in housing supply relative to underlying demand. Underlying demand is determined by factors such as net immigration levels, birth rates, etc. and remains fundamentally strong.

Consequently, the Company has continued to pursue a growth strategy which has seen its development pipeline increase to some 10,800 lots (or equivalents) from some 7,600 a year ago. A significant proportion of this increase has been by way of development agreements with minimal upfront investment. The increase in its developments pipeline positions the Company well for the next growth cycle in the housing sector.

DIVIDENDS

The Directors have declared a fully franked final dividend of 2.0 cents per share.

COMPARATIVE FIGURES

For the 2007 financial year, the Company adopted a 30 June year end. The 2007 financial year reporting period was for the 15 months from 1 April 2006 to 30 June 2007. The comparative figures in the *Condensed Income Statement*, the *Condensed Statement of Changes in Equity*, the *Condensed Cash Flow Statement*, and Notes thereto, are therefore those for the 15 months ended 30 June 2007.

To enable meaningful comparison, some comparative figures in the Financial Statements and Notes thereto have been reclassified in line with current year classification.

EVENTS AFTER BALANCE SHEET DATE

No matter or circumstance has arisen since 30 June 2008 that has significantly affected, or may significantly affect:

- a) the Consolidated Entity's operations in future financial years; or
- b) the results of those operations in future financial years; or
- c) the Consolidated Entity's state of affairs in future financial years.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in the Australian Securities and Investments Commission Class Order 98/100 dated 10 July 1998. Accordingly, amounts in the *Directors' Report*, the Financial Statements and the Notes thereto have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Condensed Income Statement

For the year ended 30 June 2008

	Note	Consolidated	
		12 months 30 June 2008 \$'000	15 months 30 June 2007 \$'000
Continuing Operations			
Revenues	3	517,775	632,233
Change in inventories, finished goods and work-in-progress		(417,234)	(512,870)
Other operational expenses		(8,625)	(10,906)
Other income	3	1	5
Advertising expenses		(9,266)	(11,542)
Display costs		(7,365)	(8,856)
Employee expenses		(45,661)	(50,990)
Depreciation and amortisation expense		(2,242)	(3,051)
Finance costs	3	(520)	(424)
Other expenses		(11,412)	(15,829)
Profit from continuing operations before income tax		15,451	17,770
Income tax expense		(4,220)	(5,606)
Net profit attributable to members of parent		11,231	12,164
Earnings per share for profit from continuing operations attributable to ordinary equity holders of the parent		Cents	Cents
Basic earnings per share		4.87	5.50
Diluted earnings per share		4.87	5.50

Condensed Balance Sheet

As at 30 June 2008

		Consolidated	
		30 June 2008 \$'000	30 June 2007 \$'000
	Note		
CURRENT ASSETS			
Cash and cash equivalents	6	6,950	1,194
Trade and other receivables		21,141	22,451
Inventories		246,478	240,749
Tax receivable		1,501	-
Other current assets		6,263	3,505
Total current assets		282,333	267,899
NON-CURRENT ASSETS			
Trade and other receivables		-	1,697
Inventories		258,076	248,899
Investments accounted for using the equity method		32,733	761
Property, plant and equipment		4,880	5,381
Intangible asset		3,554	4,046
Total non-current assets		299,243	260,784
Total assets		581,576	528,683
CURRENT LIABILITIES			
Trade and other payables		65,669	101,561
Interest-bearing loans and borrowings		20,020	26,280
Tax payable		-	1,028
Provisions		5,239	4,702
Total current liabilities		90,928	133,571
NON-CURRENT LIABILITIES			
Trade and other payables		7,324	9,699
Interest-bearing loans and borrowings		156,340	95,714
Deferred tax liabilities		21,772	18,047
Provisions		767	982
Total non-current liabilities		186,203	124,442
Total liabilities		277,131	258,013
Net assets		304,445	270,670
EQUITY			
Equity attributable to equity holders of the parent			
Contributed equity	5	119,247	89,950
Retained earnings		185,198	180,720
Total equity		304,445	270,670

Condensed Statement of Changes in Equity

For the year ended 30 June 2008

CONSOLIDATED	Note	Attributable to equity holders of the parent		Total equity
		Issued capital \$'000	Retained earnings \$'000	\$'000
At 1 April 2006		79,189	179,317	258,506
Net income recognised directly in equity		-	-	-
Net profit for the period		-	12,164	12,164
Total recognised income and expense for the period		-	12,164	12,164
Ordinary share capital raised	5	10,761	-	10,761
Dividends	4	-	(10,761)	(10,761)
		10,761	1,403	12,164
At 30 June 2007		89,950	180,720	270,670
At 1 July 2007		89,950	180,720	270,670
Net income recognised directly in equity		-	-	-
Net profit for the year		-	11,231	11,231
Total recognised income and expense for the year		-	11,231	11,231
Ordinary share capital raised	5	29,297	-	29,297
Dividends	4	-	(6,753)	(6,753)
		29,297	4,478	33,775
At 30 June 2008		119,247	185,198	304,445

Condensed Cash Flow Statement

For the year ended 30 June 2008

	Note	Consolidated	
		12 months 30 June 2008 \$'000	15 months 30 June 2007 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		571,559	624,921
Payments to suppliers, land vendors and employees		(588,386)	(547,392)
Interest and other finance costs paid		(18,722)	(20,005)
Income taxes refunded (paid)		(3,024)	1,947
Net cash from (used in) operating activities		(38,573)	59,471
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-current assets		444	650
Payments for property, plant and equipment		(1,724)	(1,062)
Interest received		670	392
Investments in associates and joint venture entities		(31,972)	(761)
Net cash used in investing activities		(32,582)	(781)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		279,474	175,954
Repayment of borrowings		(216,555)	(238,008)
Equity dividends paid		(6,753)	-
Proceeds from issue of shares		29,297	-
Net cash from (used in) financing activities		85,463	(62,054)
NET INCREASE (DECREASE) IN CASH HELD		14,308	(3,364)
Cash and cash equivalents at the beginning of the year		(7,358)	(3,994)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	6	6,950	(7,358)

Notes to the Preliminary Final Report

For the year ended 30 June 2008

1. CORPORATE INFORMATION

The Preliminary Final Report of AVJennings Limited and its subsidiary companies ('the Consolidated Entity') for the financial year ended 30 June 2008 was authorised for issue in accordance with a resolution of the Directors on 13 August 2008. The Company is incorporated in Australia and limited by shares, which are publicly traded on the Australian Stock Exchange.

The nature of the operations and principal activities of the Consolidated Entity are described in Note 7 *Segment Information*.

For the 2007 financial year, the Consolidated Entity adopted a 30 June year end for the first time. The 2007 financial year reporting period was for the 15 months from 1 April 2006 to 30 June 2007. In line with AASB101 *Presentation of Financial Statements*, the comparative figures reported in this Preliminary Final Report are those numbers that were disclosed in the previous report which covered a 15 month reporting period.

This Preliminary Final Report has been prepared in accordance with the requirements of the Australian Stock Exchange listing rules.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This Preliminary Final Report does not constitute the full financial report for the year ended 30 June 2008.

This Preliminary Final Report does not include all notes of the type normally included within the Annual Financial Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Consolidated Entity as the Annual Financial Report.

This Preliminary Final Report should be read in conjunction with the Annual Financial Report of AVJennings Limited as at 30 June 2007 as well as the half-year accounts as at 31 December 2007.

It is also recommended that this Preliminary Final Report be considered together with any public announcements made by AVJennings Limited and its controlled entities during the year ended 30 June 2008 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

a) *Basis of preparation*

The Preliminary Final Report is a general-purpose financial report and has been prepared in accordance with applicable Accounting Standards. The financial report has been prepared on a historical cost basis.

The financial report is presented in Australian Dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the Company under Australian Securities and Investments Commission Class Order 98/100. The Company is an entity to which the class order applies.

b) *Significant accounting policies*

These consolidated financial statements have been prepared using the same accounting policies as used in the financial statements for the 15 month period ended 30 June 2007, except for the adoption of amending standards mandatory for annual periods beginning on or after 1 July 2007.

c) *Basis of consolidation*

These consolidated financial statements comprise the financial statements of the Consolidated Entity as at 30 June 2008.

Notes to the Preliminary Final Report

For the year ended 30 June 2008

3. REVENUES AND EXPENSES

Profit from ordinary activities before income tax includes the following revenues and expenses:

	Consolidated	
	12 months	15 months
	30 June	30 June
	2008	2007
	\$'000	\$'000
Revenues		
Developments	345,274	446,361
Contract building	167,222	182,445
Share of net profits of associates and joint venture entities accounted for using the equity method	126	1
Finance revenue	670	392
Management fees	2,327	2,101
Rental revenue	127	128
Sundry revenue	2,029	805
	517,775	632,233
Other income		
Gain on disposal of property, plant and equipment	1	5
	1	5
Total revenues and other income	517,776	632,238
Finance costs		
Bank loans and overdrafts	18,548	20,196
Finance charges payable under finance leases	119	132
Finance charges payable to land creditors	55	218
Total finance costs	18,722	20,546
Less: Amount capitalised to inventories	(18,202)	(20,122)
Total finance costs expensed	520	424

Notes to the Preliminary Final Report

For the year ended 30 June 2008

4. DIVIDENDS PAID AND PROPOSED

	Note	Consolidated	
		12 months 30 June 2008 \$'000	15 months 30 June 2007 \$'000
<i>Dividends paid on ordinary shares during the period</i>			
2007 final of 3.0 cents per fully paid share, paid 29 October 2007. Fully franked @ 30% tax	(b)	6,753	
2006 final dividend of 5.0 cents per fully paid share, paid 15 August 2006. Fully franked @ 30% tax			10,761
Total dividends paid during the period		6,753	10,761
<i>Dividends proposed and not recognised as a liability</i>			
2008 final dividend of 2.0 cents per fully paid share, to be paid 31 October 2008	(a)	5,332	
2007 final of 3.0 cents per fully paid share, to be paid 29 October 2007. Fully franked @ 30% tax			6,753
Total dividends proposed during the period		5,332	6,753

- (a) The Company has in place an active Dividend Reinvestment Plan (DRP). The last date for the receipt of an election notice will be 10 October 2008. Subject to the approval of the Directors, the allotment price will be a 7.5% discount to the weighted average price of all the Company's fully paid shares traded on the Australian Stock Exchange during the five trading days from, and including, the date on which the shares go ex-dividend.
- (b) The DRP referred to in note (a) above applied to the 2007 final dividend. Details of shares issued under the plan are set out in note 5.

Notes to the Preliminary Final Report

For the year ended 30 June 2008

5. CONTRIBUTED EQUITY

	Consolidated	
	30 June 2008 \$'000	30 June 2007 \$'000
Ordinary shares		
Issued and fully paid ordinary shares	119,247	89,950
Movement in ordinary shares on issue:		
As at the beginning of the year	89,950	79,189
Issued pursuant to the Rights Issue, net of associated costs		
5 June 2008 - at an issue price of \$0.67 per ordinary share	24,401	
Issued pursuant to the Dividend Reinvestment Plan (DRP)		
29 October 2007 - at an issue price of \$1.14 per ordinary share	4,896	
15 August 2006 - at an issue price of \$1.08 per ordinary share		7,102
Issued pursuant to the DRP Underwriting Agreement		
19 September 2006 - at an issue price of \$1.11 per ordinary share		3,659
	29,297	10,761
As at the end of the year	119,247	89,950

	Consolidated	
	30 June 2008 <i>Number</i>	30 June 2007 <i>Number</i>
Movement in ordinary shares on issue:		
As at the beginning of the year	225,111,229	215,226,332
Issued pursuant to the Rights Issue		
5 June 2008	37,212,098	
Issued pursuant to the Dividend Reinvestment Plan (DRP)		
29 October 2007	4,301,135	
15 August 2006		6,575,707
Issued pursuant to the DRP Underwriting Agreement		
19 September 2006		3,309,190
	41,513,233	9,884,897
As at the end of the year	266,624,462	225,111,229

Notes to the Preliminary Final Report

For the year ended 30 June 2008

5. CONTRIBUTED EQUITY (continued)

On 2 May 2008, the Company announced a Rights Issue offering one new ordinary share for every three ordinary shares held at 13 May 2008. The shares were offered at \$0.67 per ordinary share which represented a 7.5% discount to the volume weighted average price on the Australian Stock Exchange in the five days preceding the announcement. Shareholders with registered addresses situated outside Australia, New Zealand and Singapore were not eligible to participate in the Rights Issue. The purpose of the Rights Issue was to assist in funding new projects that the Company had recently contracted, to acquire interests in other projects and to provide working capital.

The Rights Issue raised \$24,400,704 after transaction costs and 37,212,098 shares were allotted. Following the placement of shares pursuant to the Rights Issue, SC Global Developments Limited lodged a "Notice of Change of Interests of Substantial Holder" on 10 June 2008 declaring an interest of 48.94% over the total number of shares on issue.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

There are currently no unexercised or outstanding options. No options were exercised during the financial year.

6. CASH AND CASH EQUIVALENTS

	Consolidated	
	30 June 2008 \$'000	30 June 2007 \$'000
<i>Reconciliation of cash</i>		
Cash at the end of the reporting period as shown in the <i>Cash Flow Statement</i> is reconciled to the related items in the <i>Balance Sheet</i> as follows:		
Cash at bank and in hand	6,950	1,194
Bank overdraft	-	(8,552)
Net cash on hand/(overdraft) at the end of the year	6,950	(7,358)

Notes to the Preliminary Final Report

For the year ended 30 June 2008

7. SEGMENT INFORMATION

The following table presents the revenues and results information regarding business segments for the year ended 30 June 2008.

<i>Business segments</i>	<i>Continuing Operations</i>								<i>Total Operations</i>	
	<i>Land</i>		<i>Integrated Housing</i>		<i>Apartments</i>		<i>Contract Building</i>		<i>Consolidated</i>	
	<i>12 months</i>	<i>15 months</i>	<i>12 months</i>	<i>15 months</i>	<i>12 months</i>	<i>15 months</i>	<i>12 months</i>	<i>15 months</i>	<i>12 months</i>	<i>15 months</i>
	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Revenues										
External sales	217,323	230,968	108,063	207,809	19,888	7,584	167,222	182,445	512,496	628,806
Non-segment revenue	-	-	-	-	-	-	-	-	5,279	3,427
Total revenues	217,323	230,968	108,063	207,809	19,888	7,584	167,222	182,445	517,775	632,233
Results										
Segment results	39,889	36,076	5,730	12,154	(4,284)	(5,269)	(5,600)	161	35,735	43,122
Unallocated income	-	-	-	-	-	-	-	-	5,280	3,432
Unallocated depreciation and amortisation	-	-	-	-	-	-	-	-	(2,242)	(3,051)
Unallocated expenses	-	-	-	-	-	-	-	-	(22,802)	(25,309)
Unallocated interest expense	-	-	-	-	-	-	-	-	(520)	(424)
Profit before tax									15,451	17,770
Income tax expense									(4,220)	(5,606)
Net profit									11,231	12,164

Notes to the Preliminary Final Report

For the year ended 30 June 2008

7. SEGMENT INFORMATION (continued)

The following table presents the assets and liabilities information regarding business segments as at 30 June 2008.

<i>Business segments</i>	<i>Continuing Operations</i>								<i>Total Operations</i>	
	<i>Land</i>		<i>Integrated Housing</i>		<i>Apartments</i>		<i>Contract Building</i>		<i>Consolidated</i>	
	<i>30 June 2008</i>	<i>30 June 2007</i>	<i>30 June 2008</i>	<i>30 June 2007</i>	<i>30 June 2008</i>	<i>30 June 2007</i>	<i>30 June 2008</i>	<i>30 June 2007</i>	<i>30 June 2008</i>	<i>30 June 2007</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Assets										
Segment assets	331,513	337,836	130,470	112,263	65,724	35,078	34,302	30,955	562,009	516,132
Unallocated assets	-	-	-	-	-	-	-	-	19,567	12,551
Total assets	331,513	337,836	130,470	112,263	65,724	35,078	34,302	30,955	581,576	528,683
Liabilities										
Segment liabilities	30,758	77,999	16,056	13,678	5,219	3,348	22,614	18,255	74,647	113,280
Unallocated liabilities	-	-	-	-	-	-	-	-	202,484	144,733
Total liabilities	30,758	77,999	16,056	13,678	5,219	3,348	22,614	18,255	277,131	258,013
Other segment information										
Capital expenditure	-	-	-	-	-	-	-	-	1,724	2,187

Land: Builders buy land from AVJennings onto which they package their building products, or end customers buy land from an AVJennings estate and choose their own builder.

Integrated Housing: The customer buys a completed home or townhouse within an AVJennings development.

Apartments: The customer buys a completed apartment within an AVJennings development.

Contract Building: The customer contracts to build a home with AVJennings on land they have sourced themselves.

Notes to the Preliminary Final Report

For the year ended 30 June 2008

8. NET TANGIBLE ASSET BACKING

	Consolidated	
	30 June 2008	30 June 2007
Net Tangible Asset backing (NTA) - cents per ordinary security	112.9 cents	118.4 cents

9. MATERIAL INTEREST IN ENTITIES WHICH ARE NOT CONTROLLED ENTITIES

A number of controlled entities have entered into joint ventures which are proportionately consolidated. Information relating to the joint ventures is set out below:

Proportionately consolidated Joint Ventures	Percentage of ownership interest held at end of period or date of disposal		Contribution to profit before tax	
	30 June 2008	30 June 2007	12 months 30 June 2008 \$'000	15 months 30 June 2007 \$'000
Names of Joint Ventures				
Cammeray	50%	50%	1,515	-
Regatta Waters/ParkLake	50%	50%	1,685	6,246
Springbank (Burton)	50%	50%	-	2,855
Total			3,200	9,101

No control has been either gained or lost over any other entities that may have a material effect on the results of the Consolidated Entity (2007: NIL).

Notes to the Preliminary Final Report

For the year ended 30 June 2008

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The interest in an associate or a joint venture entity is accounted for using the equity method of accounting and is carried at cost. Under the equity method, the consolidated entity's share of the results of the associate or the joint venture entity is recognised in the income statement, and the share of movements in reserves is recognised in the balance sheet. The information is set out below:

Equity accounted Associates & Joint Ventures	Percentage of ownership interest held at end of period or date of disposal		Contribution to profit before tax	
	30 June 2008	30 June 2007	12 months 30 June 2008 \$'000	15 months 30 June 2007 \$'000
Names of Associates & Joint Ventures				
Epping JV	10%	10%	203	1
Caloundra (Meridan Plains)	50%	-	(19)	-
Eastwood	50%	-	(58)	-
Sydney Olympic Park Development	50%	-	-	-
Woodville	50%	-	-	-
Total			126	1

11. CONTINGENT ASSETS AND LIABILITIES

Performance guarantees

Contingent liabilities in respect of certain performance guarantees, granted by controlled entities in the normal course of business to unrelated parties, at 30 June 2008, amounted to \$35,098,000 (2007: \$20,494,000). These performance guarantees are issued to bond for completion of works as required by councils and utilities. No liability is expected to arise.

Financial guarantees

Certain financial guarantees have been granted by the Consolidated Entity's main bankers in the normal course of business as follows:

- issued to land vendors as security for land purchased by the Consolidated Entity and for which title has already transferred to the Consolidated Entity. At 30 June 2008 these financial guarantees amounted to \$1,500,000 (2007: \$4,538,000);
- issued to various landlords as security for office space leased by the Consolidated Entity. At 30 June 2008 these financial guarantees amounted to \$448,000 (2007: \$448,000);
- issued to the Queensland Commissioner for Land Tax as security for land tax liabilities that arise as a result of land settlements. At 30 June 2008 these financial guarantees amounted to \$200,000 (2007: \$200,000); and
- issued to Westpac Banking Corporation as security for the Consolidated Entity's obligations under a contract for the right to development land to which the Consolidated Entity does not have title. At 30 June 2008 this financial guarantee amounted to \$2,125,000 (2007: NIL).

Notes to the Preliminary Final Report

For the year ended 30 June 2008

12. EVENTS AFTER BALANCE SHEET DATE

No matter or circumstance has arisen since 30 June 2008 that has significantly affected, or may significantly affect:

- i) the Consolidated Entity's operations in the future financial periods; or
- ii) the results of those operations in future financial periods; or
- iii) the Consolidated Entity's state of affairs in future financial years.



Directors' Declaration

For the year ended 30 June 2008

In accordance with a resolution of the Directors of AVJennings Limited, we state that:

In the opinion of the Directors:

- a) The financial statements and notes of the Consolidated Entity are in accordance with the Corporations Act 2001, including:
 - (i) give a true and fair view of the financial position as at 30 June 2008 and the performance for the financial year ended on that date of the Consolidated Entity; and
 - (ii) comply with Australian Accounting Standards and the Corporations Regulations 2001; and
- b) There are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.
- c) This report is based on the financial statements that are in the process of being audited, and therefore no audit report has been attached.

On behalf of the Board.

Louis Milkovits
Director

A handwritten signature in black ink, appearing to be "L. Milkovits", written over a faint horizontal line.

13 August 2008