

Media Release

AVJennings' Full Year Profit Up 21% to \$68.5 Million

Highlights

- Record net profit – up 21%
- Ninth consecutive year of operating profit growth
- Dividend growth – up 10%
- Land bank growth – up 20%
- After tax return on equity: 28%

Residential property developer, AVJennings announced today a 21% increase in after-tax profits.

AVJennings Managing Director, Louis Milkovits, said that for the year ended 31 March 2004, the Company had achieved after-tax profits of \$68.5 million compared with \$56.8 million in the previous year.

The Company will pay a fully franked final dividend of 7.5 cents per share, bringing the total dividend for the year to 11 cents per share fully franked. This is a 10% increase on the previous year.

Key results and comparisons to the previous corresponding period were:

Result	Full-year results to 31/03/04	Full-year results to 31/03/03	% Change
Turnover	\$552.5m	\$527.3m	5%
Net Profit Before Tax	\$97.7m	\$80.7m	21%
Net Profit After Tax	\$68.5m	\$56.8m	21%
Net Funds Employed	\$374.9m	\$299.1m	25%
NTA / Share	\$1.22	\$1.00	22%
Earnings per Share	31.81 cents	26.37 cents	21%
Return on Equity			
- pre tax	40%	41%	
- after tax	28%	29%	
Debt / Equity	40%	35%	
Debt / Total Assets	20%	17%	
Interest Cover	11 times	16 times	

The Company's proportionately better profit performance than turnover increase is largely attributable to growth in land sales. Land only sales accounted for 27% of turnover in the year just concluded, compared to 16% in the previous year. Preplanned housing sales accounted for 42% of turnover in the year just concluded compared to 50% in the previous year and contract housing sales accounted for 31% of turnover in the year just concluded, compared to 34% in the previous year.

The reported results are after the application of the Urgent Issues Group Consensus Views Abstract UIG 53 which had a net negative impact of \$5.5 million on the pre-tax profit result and a negative \$21.2 million on turnover. On a like for like basis, this result was a \$103.2 million pre-tax profit compared to \$71.4 million in the previous year; ie an underlying growth of 45%.

The Company has, as at the end of March, increased its developable land holdings by 20% from some 6,650 lots one-year ago to over 8,000 lots, which is a satisfactory land bank of about four years supply. The growth has been mainly in Queensland and Victoria, with all acquisitions having been in infill locations or well defined growth corridors.

Outlook

Mr Milkovits said that the Company's target market of second and subsequent home owners remains stable, with changes in the first home owners and investor market not having any significant impact on the Company's sales. Sales continue to be primarily a function of developed lot and completed home production rates.

Mr Milkovits said that, barring unexpected developments, the Company expected a full year profit result for the 2004/05 year to be comparable to that for the year just concluded. It is the timing of projects, rather than market conditions, which will be the main influence on this outcome, with projects in hand producing a stronger second half result than the first.

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Or

Visit our website at www.avjennings.com.au (see 'Corporate' button)