



AVJENNINGS LIMITED

30 September 2006 – Half Year Results

AVJennings®

Half Year Results 30 September 2006 – Profit & Loss

	First Half 2007	First Half 2006
Contracts Signed:	1,215 units \$252.3 million	1,108 units \$241.2 million
Revenue Recognised:	\$212.4 million	\$236.0 million
Profit/(Loss) after tax:	(\$2.4 million)	\$8.9 million
Profit/(Loss) pre tax:	(\$3.3 million)	\$12.7 million
Return on Equity (current):	(1.8%) after tax annualised	
Return on Equity (5 year):	average of 15.2% per annum	

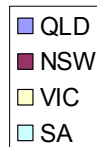
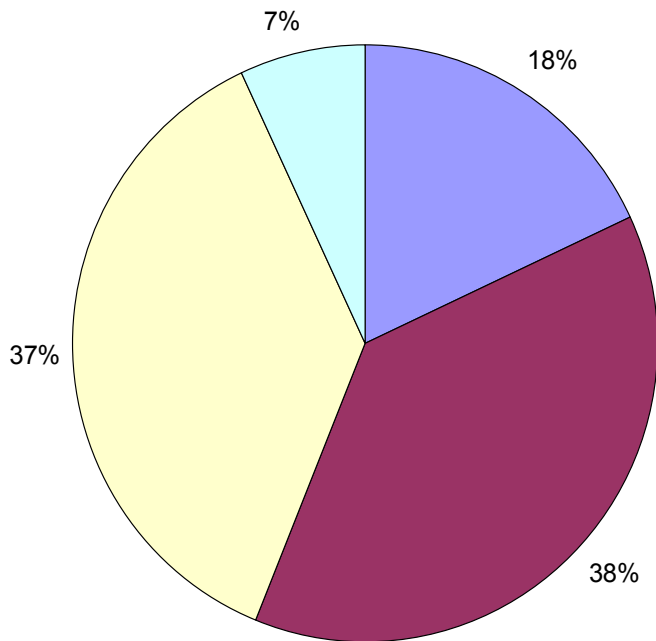
Half Year Results 30 September 2006 – Balance Sheet

	First Half 2007	First Half 2006
Total Assets:	\$590.6 million	\$622.2 million
Gearing:	33.2% debt to total assets (measured at historical cost)	
Developable lots under control:	8,526	8,928

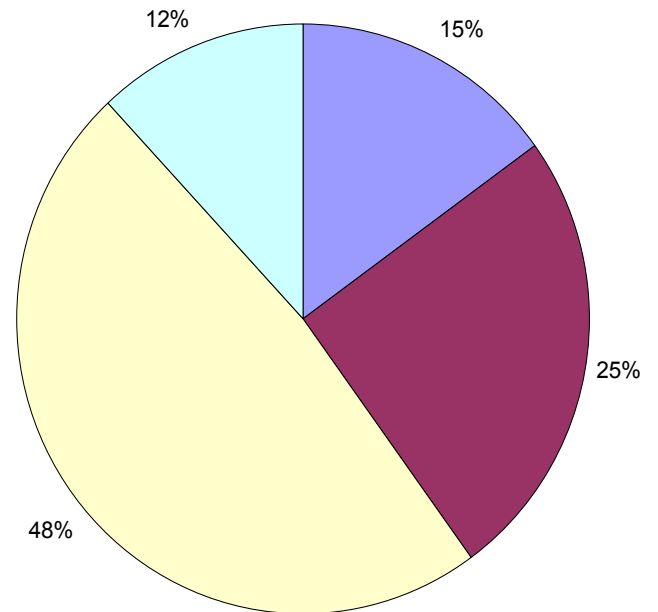
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Inventory Analysis - By State

By NFE (\$m)

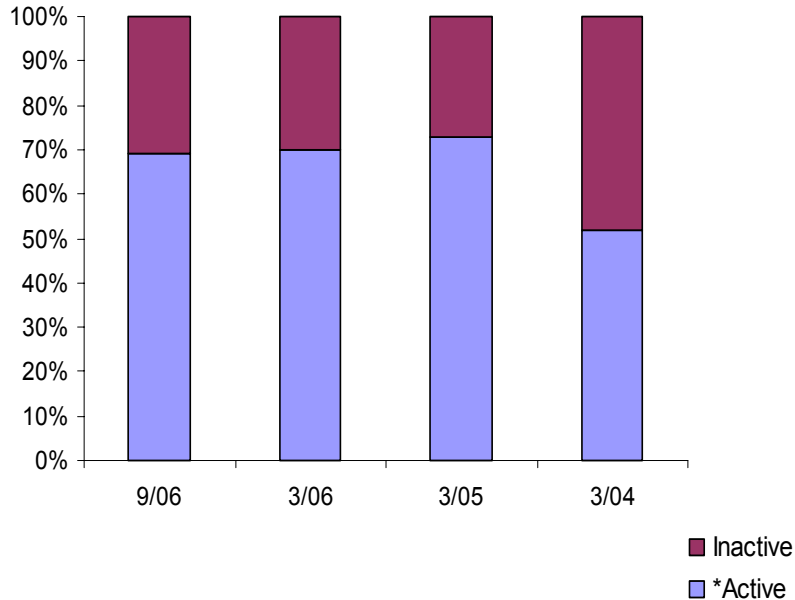


By Lot

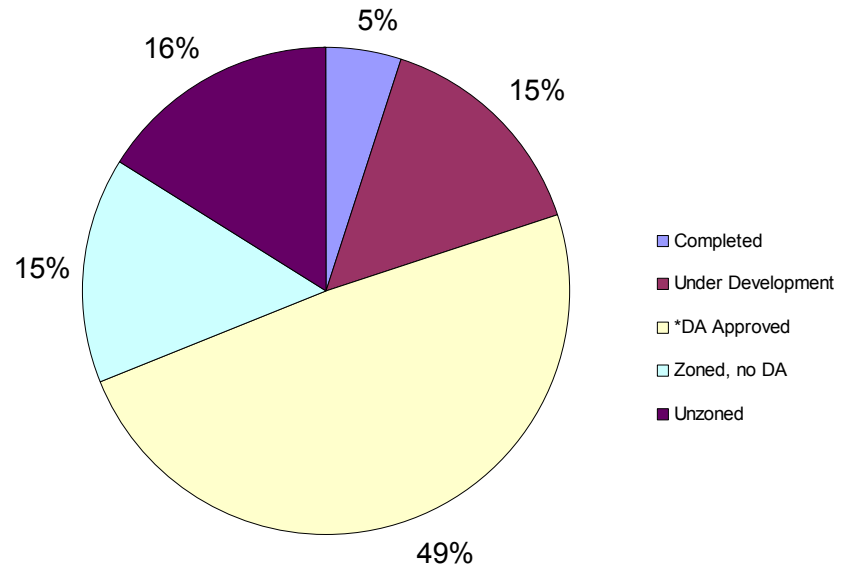


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Inventory Analysis - By Status



*Active = DA approved, under construction or completed



*DA = Development Application

Operations

- Contract signings by units have increased by about 10% over the same time last year
- Turnover 10% down from same time last year:
 - Due to delays in achieving registration for pre-sold property, particularly in Victoria
- Margins have decreased to 17% from about 25% last year:
 - Significant contributor being depressed house prices and government charges in Sydney

Operations continued..

- Company's performance severely impacted by:
 - State of housing market in Sydney and New South Wales generally. Used to be its strongest area of operation
- Margin erosion in New South Wales attributable to both state and local government taxes on new land subdivisions, plus nominal house price reductions over the last two years

Outlook

- Company intends to increase its inventory turnover and reinvestment in less aggressively taxed states:
 - Particularly Victoria and Queensland:
 - Now holds 65% of the Company's developable land inventory
 - This geographic disposition is expected to reflect favourably in future period outcomes
- High level of pre-sales not recognised in first half interim report which should be recognised in subsequent reporting periods
- Full year outcome is expected to show a substantial improvement on the interim result and a return to profitability
- Directors have therefore decided to defer a decision on the payment of an interim dividend until the second interim reporting period in March 2007