

AVJENNINGS REPORTS PRE TAX PROFIT OF \$17.8 MILLION

Melbourne : 9 August 2007. Residential property developer AVJennings Limited (ASX : AVJ), today announced a pre-tax profit of \$17.8 million for the 15 month period ending 30 June 2007 (2006: \$23.3 million for the 12 month period ending 31 March 2006). Revenue for the 15 month period was \$632.2 million (2006: \$462.5 million for the 12 month period ending 31 March 2006).

As previously announced, the Company has changed its year end to June 30, which has extended its 2007 reporting year to a 15 month period. In May 2007, the Company reported a profit before tax for the 12 months to 31 March 2007 of \$10.0 million. The result for the June 2007 quarter was \$7.8 million before tax.

With the exception of New South Wales, the Company's sales performance in all states has been satisfactory. In New South Wales, the sharp increase in government charges has continued to adversely impact affordability and market activity. In addition, the New South Wales housing activity has been further dampened by limited land releases and protracted development approval processes.

Contract signings for the 15 months to 30 June 2007 were \$698.7 million. However, revenue recognised in the accounts for that period was \$632.2 million. The balance will be recognised in subsequent reporting periods.

Current financial year margins decreased to 19% from 23.5% in 2006. Margins continue to be a major issue due to state and local government charges on greenfield residential developments, particularly in New South Wales.

The Company intends to increase its inventory turnover and reinvestment in greenfield sites in Victoria and Queensland, where some 60% of the Company's developable land inventory is now located. In New South Wales, the Company's focus remains on redevelopment sites which have less onerous government charges and planning imposts. As at the date of this announcement, AVJennings controlled or managed some 8,500 developable lots, including the recent acquisition of 870 lots from Fincorp.

Net debt at 30 June 2007 was \$119.2 million, compared to \$160.9 million at 31 March 2007 and \$177.5 million at 31 March 2006.

The Directors have decided that the Company will pay a final dividend of 3.0 cents per share fully franked.

15 month results to 30 June 2007	
Revenue (\$m)	632.2
Net profit before tax (\$m)	17.8
Net profit after tax (\$m)	12.2
Net funds employed (\$m)	389.9
NTA/Share (\$)	1.19
Debt/Equity	44.1%
Debt/Total Assets	22.6%
Earnings per share (cents per share)	5.50
Final dividend (cents per share)	3.00

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