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AVJENNINGS' ADDS TO LAND BANK

- *Increases land bank to over 7,300 developable lots throughout Australia*
- *Acquisition meets Company's strategy of investing in urban growth corridors*
- *Total projects under development in Australia remain at 70*
- *Confirms net growth of 650 lots in last quarter*

Leading low-rise residential developer AVJennings Homes Limited today announced that it has acquired another major parcel of land in the Epping North (Victoria) growth corridor.

The site is located about 20 kilometres north of the Melbourne CBD and together with other land holdings of the Company's in the area will yield approximately 1,250 residential allotments made up of traditional housing allotments and medium density townhouse sites which AVJennings will develop. AVJennings' land holdings in the City of Whittlesea now exceeds 2,000 allotments.

AVJennings' Managing Director Mr Louis Milkovits said the acquisition meets the Company's acquisition criteria and significantly adds to the Company's already substantial land inventory.

"Today the Company's developable land inventory stands at some 7,300 lots, which is over three years of supply at present sales rates. These development sites underpin the returns of future years and the Company endeavours to ensure that on average the replenishment rate exceeds the utilisation rate in all population centres where it operates," said Mr Milkovits.

"The Epping North site will cater to the more stable second and subsequent home-buyer market which means demand for our product will not be affected by sensitivities that plague the first home-buyer market. The Company has a deliberate strategy of targeting the second home buyer segment of the market and this acquisition reinforces that strategy.

"AVJennings' has 70 development projects throughout Australia. Our strategy of developing multiple projects in diverse geographic locations across four states means the Company's earnings are not particularly reliant on one project or location, which therefore spreads our risk," Mr Milkovits said.

Mr Milkovits also confirmed that in the last quarter (April to June 2003), AVJennings has acquired further development sites at Hamlyn Terrace, New South Wales, and Springvale South, Victoria, which will yield another 320 developable lots that will also help replenish the Company's substantial land bank as product is sold.