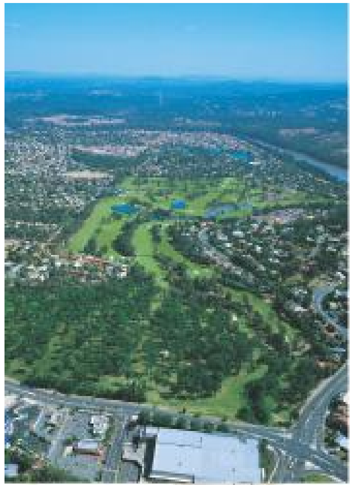

AVJennings Limited

May 2006

Presentation of 31 March 2006 Results and Company's Strategies and Prospects

Results – 31 March 2006

- International Financial Reporting Standards (IFRS)
  - Major change has been to recognise developments revenue on a settlements basis
  - Company has elected to continue to capitalise borrowing costs
  - Change to treatment of rates and taxes – now generally capitalised
    - All other holding costs expensed
  - Requirement to re-state comparatives

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Results – 31 March 2006

§ AIFRS – Re-statement of Comparatives

		$ Million
Ÿ Revenue:	FY06	460.6
	FY05 restated	477.2
	FY05 previously reported	436.7
Ÿ Net Profit:	FY06	16.2
	FY05 restated	43.5
	FY05 previously reported	27.5

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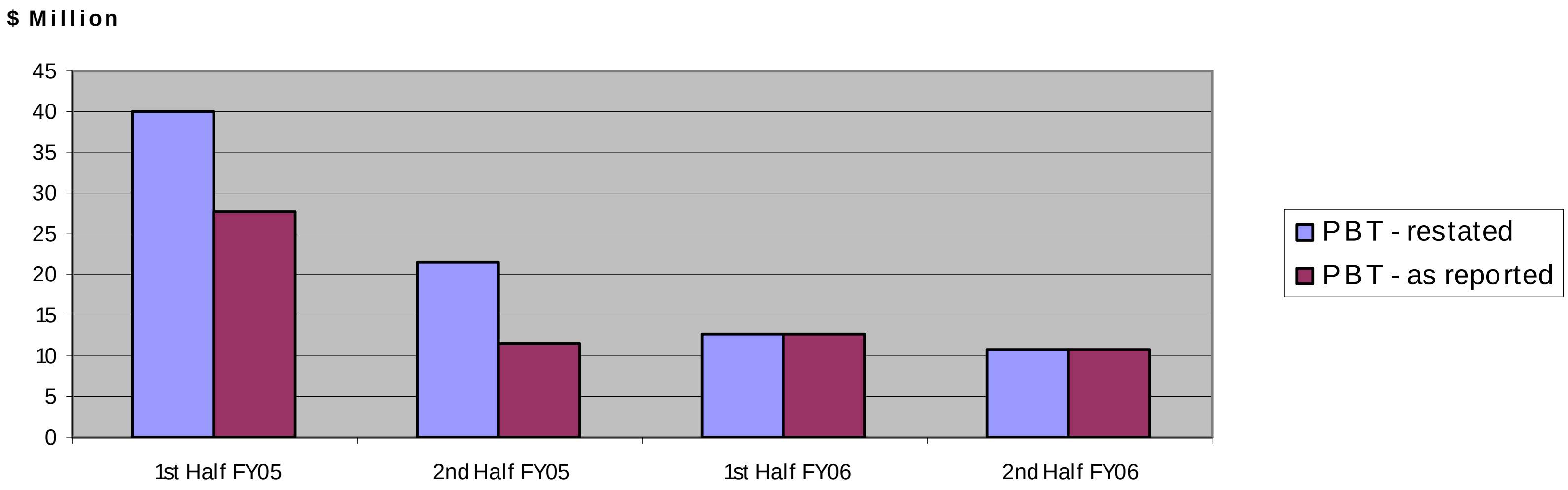
Results – 31 March 2006

- Change in revenue recognition policy will result in lumpier accounting outcomes
- Will also at times mean less correlation between accounts and trading conditions due to delayed recognition



Results – 31 March 2006

§ Revenue	$460.6 million
§ Profit before tax	$ 23.3 million
§ Profit after tax	$ 16.2 million
§ Return on average equity (after tax)	6.11 %
§ Average per annum:	
Ÿ Last 5 years	16.98 %

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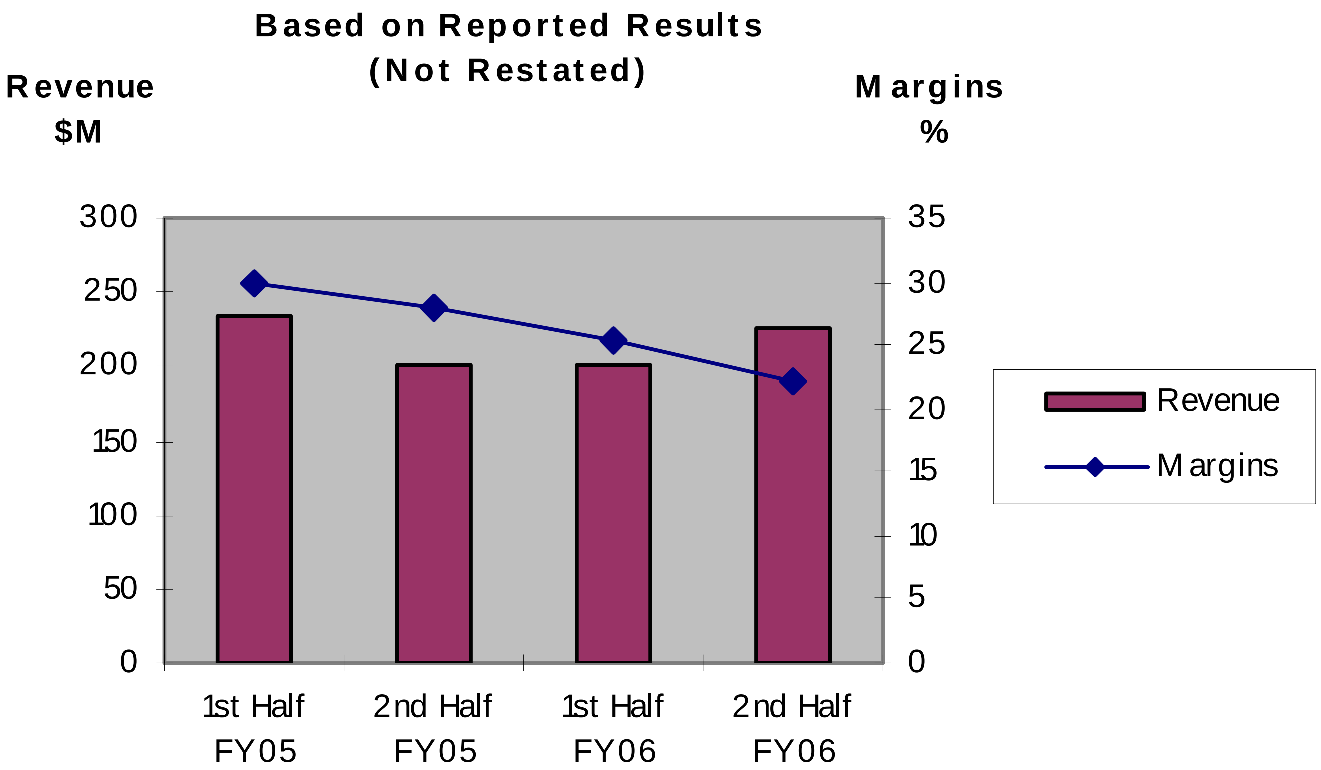
Results – 31 March 2006



Results – 31 March 2006

	FY06 $ Million	Restated FY05 $ Million	Previous Reported FY05 $ Million
§ Revenue	460.6	477.2	436.7
§ Segment split			
Land	154.5	104.6	102.2
Pre-planned housing	158.4	179.9	141.8
Total developments	312.9	284.5	244.0
Contract building	147.7	192.7	192.7
Total	460.6	477.2	436.7

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Results – 31 March 2006

§ Contract Building

		$ Million
Turnover	FY06	147.7
	FY05	192.7

Ÿ Main fall in NSW but tough market conditions in all States

Ÿ Margins have remained at around target of 20%

Ÿ Net impact has been a slight negative contribution margin

- therefore no contribution to overhead recovery

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Results – 31 March 2006

- Developments – contract signings (lot equivalents)

Actual FY06	1,746
Actual FY05	1,155
Market update Feb 2005	
- FY06 target	1,849

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Results – 31 March 2006

- Gross Margins
  - 23.7% in FY06 compared to 29.0% in FY05 (as reported or 29.6% restated for AIFRS).
  - Margins under pressure in all States but especially in NSW
  - Reflective mainly of
    - Sales price pressure
    - Input cost pressure due to government charges/levies

Results – 31 March 2006

- Dividends
  - Final Dividend of 5.0 cents per share fully franked
  - Total Dividends for FY06 of 7.5 cents per share
- Reduction reflects reduced profit, balanced against Directors' views on medium term outlook

Results – 31 March 2006

§ Dividend Reinvestment Plan

- Strategy
  - Company still believes growth to be strategically desirable
  - Allows better balance of different shareholders' requirements
  - Enables dividends to be more aligned with medium term results/prospects

- Key features
  - Discount of 7.5% to average price for 5 days after and including the date the shares go ex-dividend

- SC Global (substantial shareholder at approximately 41%)
  - Indicated they will take up 100% election for DRP

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Results – 31 March 2006

§ Balance Sheet	FY06
Ÿ Net Assets	$258.5 m
Ÿ Total Assets	$593.3 m
Ÿ Number of lots under control (approx)	8,800
Ÿ Debt to Equity	68.7 %
Ÿ Debt to Total Assets	29.9 %

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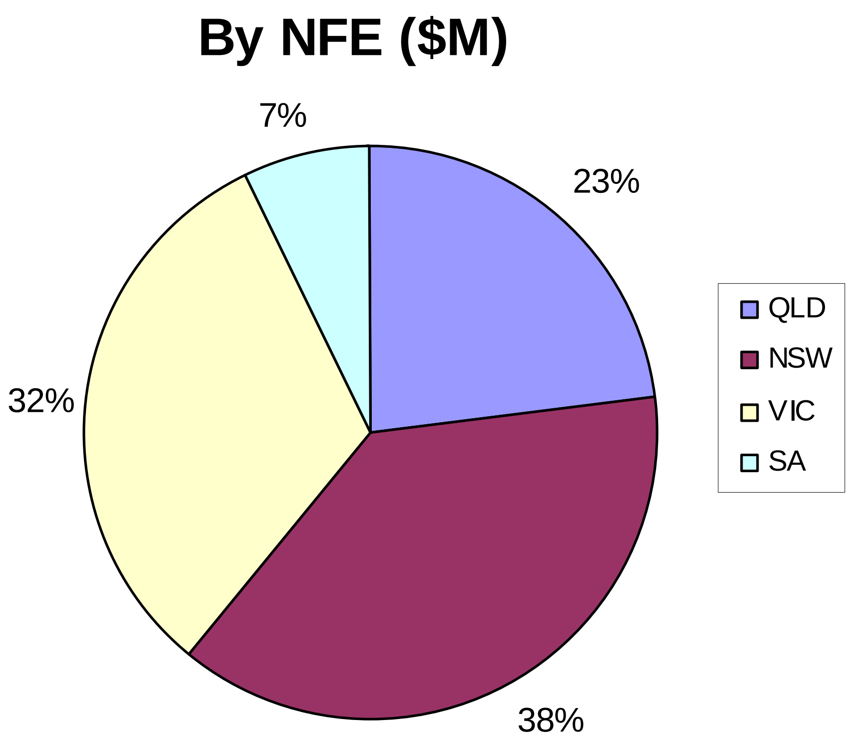
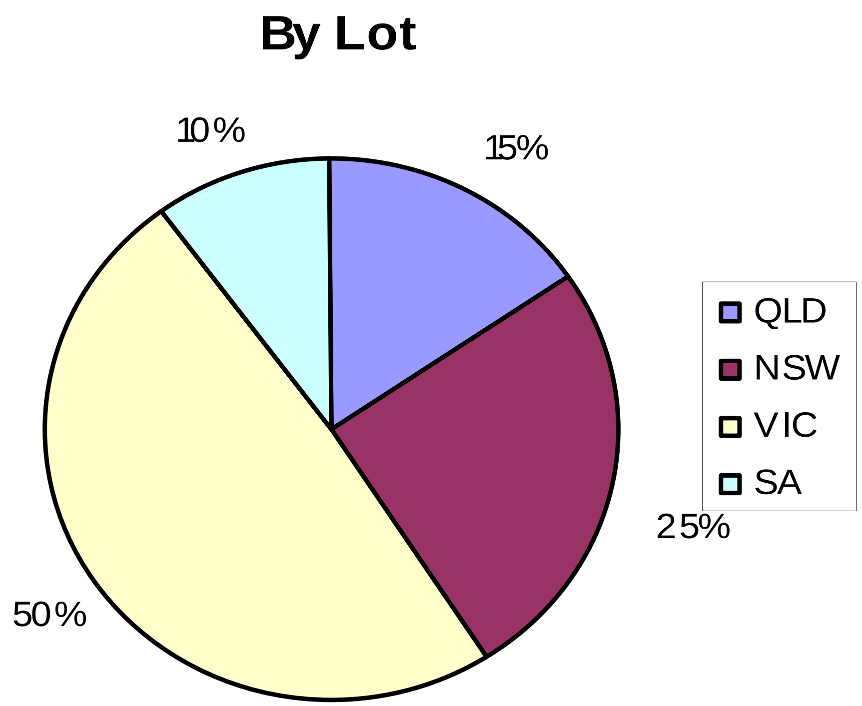
Results – 31 March 2006

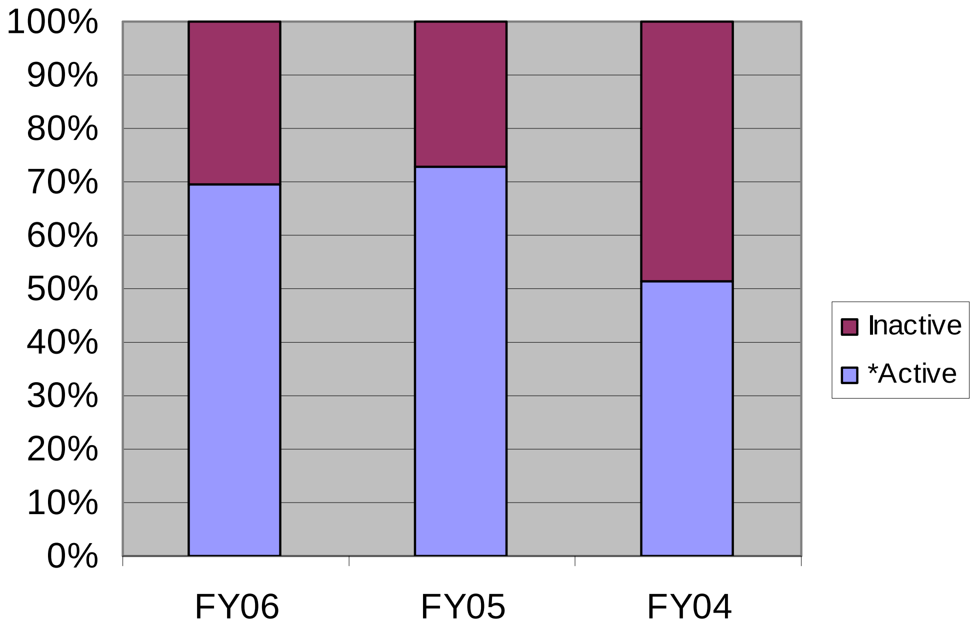
§ Inventory Analysis – By State

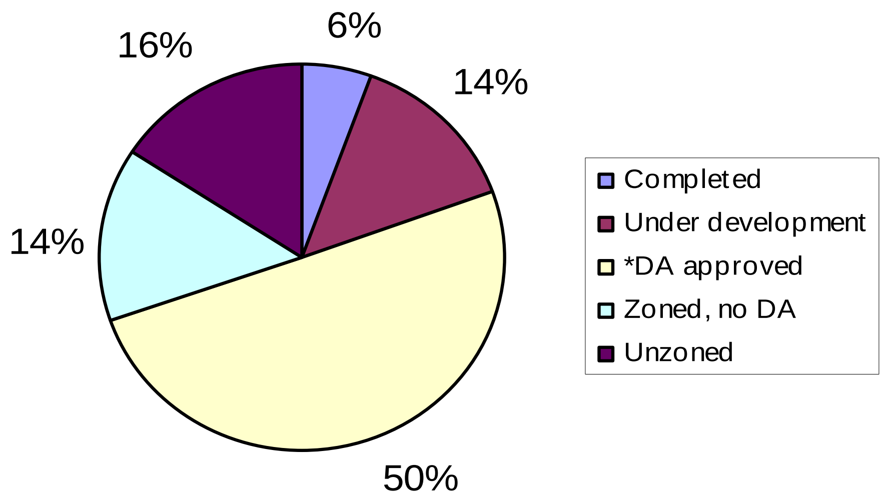




Results – 31 March 2006

§ Inventory Analysis – By Status





*Active = DA approved, under construction or completed

*DA = Development Application

Results – 31 March 2006

§ Debt levels

- Ÿ Net debt at 31 March 2006 of $177.5m
- Ÿ Consistent with 31 March 2005 of $177.6m
- Ÿ But down on 30 September 2005 of $194.5m

- Ÿ Debt to equity of 68.7%
  - ø Inside target range of 60% to 70%

- Ÿ Debt shown as current at 31 March 2006
  - ø Subsequent to year end has been reclassified to non-current

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Results – 31 March 2006

- Change in Year End

- Company has decided to change year end to 30 June
  - 31 March year end
    - Too close to end of major sales months
    - Easter can cause reporting issues and distortions between years
    - Compliance complications, especially when new legislation introduced

- Will commence for year ending 30 June 2007
  - Therefore year that commenced 1 April 2006 will run for 15 months

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Operations

- Market – year past
  - Price sensitivity
    - Nominal price decline, especially Sydney
    - But market clears – at the market price
  - Lower home purchaser participation
    - Several factors, most significant is withdrawal of investors and upgraders
    - Sydney decline most severe, mainly affordability
- Planning approvals
  - Increasingly complex and protracted, especially New South Wales and Victoria

Operations

§ Market – outlook

Ÿ Short term

ø Nothing to suggest short term change

Ÿ Long term

ø Supply presently well below underlying demand

ø Economic outlook, migration and employment are positive for demand

ø Interest rates add uncertainty

ø But supply constrained

Operations

§ Contract Building

- Strategies
  - Stronger price competition
  - More affordable product positioning
  - Rationalisation of product

- Timing
  - Already underway
  - Expect six months to flow through to turnover

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Operations

§ Developments

Ÿ Strategies

ø Meet market on price to ensure cashflow

ø Extended builder relationships (land)

Ÿ No major delivery/sales issues

ø Negligible unsold completed inventory

ø Timing of DA has been major determinant

Ÿ Site acquisitions

ø Opportunities available

ø But vendor expectations still high

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Operations

§ Projects

Activity	Land Development	Housing Development	Apartments	Total
New South Wales	5	10	3	18
Victoria	6	3	-	9
Queensland	5	2	-	7
South Australia	3	3	-	6
Projects	19	18	3	40
Lots or Equivalents	7,890	830	80	8,800

See AVJennings News for project details

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Operations

- Short Term Company Outlook

    - Negligible unsold inventory
    - Developments sales to again increase over prior year
        - Increased production rates
        - Short term margins will be similar to prior years
    - Contract building turnover to increase

- Long Term Company Outlook

    - Significant under supply
    - Cyclical up-turn in activity
    - Diverse land bank (especially in Victoria and Queensland)
    - Solid future earnings growth

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