

## **AVJennings reports interim net profit after tax of \$19.4 million**

**Melbourne, 11 November 2004:** Residential property developer, AVJennings Homes Limited (ASX: AVJ), today announced a net profit after tax of \$19.4 million (2003: \$39.0 million) for the half year to 30 September 2004. Revenue was \$236 million (2003: \$300 million), and the Directors have declared an interim dividend of 3.5 cents per share, fully franked (2003: 3.5 cents).

AVJennings' Managing Director, Mr Louis Milkovits, said that the timing of larger projects coming on stream, rather than market conditions, was the main reason for the variation in the first half profit when compared to last year. While many of these projects are now at a production stage, there has been a clear softening of the market, resulting in delayed sales. The delay in sales and market uncertainty makes a full year profit forecast difficult, especially since the Company's normal peak selling period is in January and February. Directors are now of the view that the Company is unlikely to attain the same full year profit level as for the previous year. However the Company's current available stock levels place it on a sound footing to capitalise on an improvement in market conditions.

While the short term outcomes for this year cannot be forecast with certainty at this stage, the Company has every intention of maintaining the longer term growth that has characterised its performance over time. The Company intends to grow its development activities (i.e. land subdivision, medium density and integrated housing), with a target of 16,000 (currently 8,000) developable lots under its control within the next four years.

Results summary	6 months to 30 September 2004	6 months to 30 September 2003	% change
Revenue	\$235.6m	\$300.5m	(22)%
Net profit before tax	\$27.6m	\$55.8m	(51)%
Net profit after tax	\$19.4m	\$39.0m	(50)%
Net funds employed	\$418.7m	\$365.7m	14%
NTA/share	\$1.24	\$1.12	11%
Return on equity (annualised)	14%	33%	
Debt/equity	54%	48%	
Debt/total assets	26%	24%	
Interest cover	6 times	16 times	

Earnings per share (cents per share)	9.01	18.11	(50)%
Dividend – cents per share (fully franked)	3.5	3.5	-

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**Further information:**

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