

AVJennings reports full year pre tax profit of \$39.2 million

Melbourne, 12 May 2005: Residential property developer, AVJennings Homes Limited (ASX: AVJ), today announced a pre tax profit of \$39.2 million (2004: \$97.7 million) for the year ended 31 March 2005. Revenue was \$439.4 million (2004: \$552.5 million). The result is in line with guidance provided to the market on 25 February 2005.

The Directors have confidence in the medium to long term prospects for the Company and declared a fully franked final dividend of 7.5 cents per share, maintaining the total dividend for the year at 11 cents per share, fully franked (2004: 11 cents per share).

As previously reported in February 2005, full year revenue and profit was expected to be lower than the previous corresponding period due to delays in obtaining development approvals for some projects, and a further softening in demand for residential housing, particularly in New South Wales.

While AVJennings operates in a cyclical sector, the medium to long-term fundamentals of the market remain favourable. Population growth, a shortage of available zoned land and a stable macro-economic outlook underpin the Company's confidence.

As announced in November 2004, AVJennings has put into place a strategy to increase its land bank to 16,000 developable lots under its control within four years. The Company has taken its land bank from 8,000, which is four and a half years of supply, to over 10,000, which is some six years supply. This has occurred in a number of growth markets, particularly in Victoria and Queensland. The Company's balance sheet strength and the current market conditions provide the opportunity to further increase its land bank in the near term.

The Directors view the increased and geographically diversified land bank as positive, as it enhances longer term business sustainability.

Outlook

The Board and Management remain committed to the growth of the Company in order to deliver sustained earnings and dividends over the medium to longer term. The full year dividend has been maintained and the Company is hopeful that it can continue to grow dividends in future years.

<u>Full year results to 31 March 2005</u>	
- Revenue	\$439.4m
- Net profit before tax	\$39.2m
- Net profit after tax	\$27.5m
- Net funds employed	\$449.5m
- NTA/share	\$1.24
- Return on equity (annualised)	10.2%
- Average return on equity per annum (5yr)	21.2%
- Debt/equity	65.3%
- Debt/total assets	28.0%
- Earnings per share (cents per share)	12.75
- Dividend – cents per share (fully franked)	11

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Further information:

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