



AVJennings Limited
ABN: 44 004 327 771

31 March 2007 Report
and
Appendix 4F

This 12 month interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, it is recommended that this report be read in conjunction with the annual report for the year ended 31 March 2006 and any public announcements made by AVJennings Limited during this period in accordance with the continuous disclosure requirements of the Listing Rules of the Australian Stock Exchange.



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Results for Announcement to the Market

APPENDIX 4F

FOR THE PERIOD ENDING 31 MARCH 2007

	6 months to 31 March			
	2007 \$'000	2006 \$'000	Change \$'000	Change %
Revenues	258,987	226,459	32,528	14%
Profit from ordinary activities after tax attributable to members	9,029	7,494	1,535	20%
Net profit for the period attributable to members	9,029	7,494	1,535	20%
	12 months to 31 March			
	2007 \$'000	2006 \$'000	Change \$'000	Change %
Revenues	471,350	462,475	8,875	2%
Profit from ordinary activities after tax attributable to members	6,672	16,200	(9,528)	(59)%
Net profit for the period attributable to members	6,672	16,200	(9,528)	(59)%

Interim dividend

No interim dividend has been either paid, or is payable or has been proposed for the 6 months ended 31 March 2007 (March 2006: final dividend of 5.0 cents per ordinary shares fully franked at 30%).

Reporting period and prior corresponding period

The Appendix 4F covers the 6 months ending 31 March 2007 and the 12 months ending 31 March 2007. The comparative periods cover the 6 months ending 31 March 2006 and 12 months ending 31 March 2006.

Events and transactions that are significant to the understanding of the above results

Please refer to Note 3(b) of the 12 month interim financial report.

Condensed Income Statement

For the period ended 31 March 2007

	Note	Consolidated			
		6 months to 31 March 2007 \$'000	12 months to 31 March 2007 \$'000	6 months to 31 March 2006 \$'000	12 months to 31 March 2006 \$'000
Revenues	3	258,987	471,350	226,459	462,475
Change in inventories, finished goods and work-in-progress		(205,220)	(381,073)	(173,405)	(351,225)
Other operational expenses		(1,549)	(5,174)	(2,289)	(4,799)
Other income	3	4	4	-	18
Advertising expenses		(4,649)	(9,114)	(7,501)	(16,821)
Display costs		(3,679)	(7,026)	(2,986)	(6,458)
Employee expenses		(20,132)	(40,980)	(20,971)	(43,125)
Depreciation and amortisation expense		(1,231)	(2,482)	(1,202)	(2,498)
Finance costs	3	(293)	(427)	(166)	(354)
Other expenses		(8,974)	(15,075)	(7,282)	(13,879)
Profit before income tax		13,264	10,003	10,657	23,334
Income tax expense		(4,235)	(3,331)	(3,163)	(7,134)
Net profit attributable to members of parent		9,029	6,672	7,494	16,200

Earnings per share (cents per share) from
continuing operations

- basic for profit for the period	4.16	3.07	3.48	7.53
- diluted for profit for the period	4.16	3.07	3.48	7.53

Condensed Balance Sheet

As at 31 March 2007

	Consolidated	
	31 March	31 March
	2007	2006
	\$'000	\$'000
CURRENT ASSETS		
Cash and cash equivalents	343	109
Trade and other receivables	21,258	11,921
Inventories	265,268	348,251
Tax receivable	-	1,947
Other current assets	3,418	3,247
Total current assets	290,287	365,475
NON-CURRENT ASSETS		
Trade and other receivables	-	1,945
Inventories	252,801	214,577
Investment accounted for using the equity method	762	-
Property, plant and equipment	5,378	6,679
Intangible assets	4,169	4,661
Total non-current assets	263,110	227,862
Total assets	553,397	593,337
CURRENT LIABILITIES		
Trade and other payables	97,353	107,567
Interest-bearing loans and borrowings	23,291	178,321
Provisions	4,982	4,448
Total current liabilities	125,626	290,336
NON-CURRENT LIABILITIES		
Trade and other payables	6,100	30,257
Interest-bearing loans and borrowings	139,343	557
Deferred tax liabilities	16,800	13,416
Provisions	350	265
Total non-current liabilities	162,593	44,495
Total liabilities	288,219	334,831
Net assets	265,178	258,506
EQUITY		
Issued capital (Note 5)	89,950	79,189
Retained earnings	175,228	179,317
Total equity	265,178	258,506

Condensed Statement of Changes in Equity

For the period ended 31 March 2007

CONSOLIDATED	Note	Attributable to equity holders of the parent		Total equity
		Issued capital \$'000	Retained earnings \$'000	\$'000
At 1 April 2005		79,189	184,640	263,829
Net income recognised directly in equity		-	-	-
Net profit for the period		-	16,200	16,200
Total recognised income and expense for the period		-	16,200	16,200
Dividends	4	-	(21,523)	(21,523)
		-	(5,323)	(5,323)
At 31 March 2006		79,189	179,317	258,506
At 1 April 2006		79,189	179,317	258,506
Net income recognised directly in equity		-	-	-
Net profit for the period		-	6,672	6,672
Total recognised income and expense for the period		-	6,672	6,672
Ordinary share capital raised	5	10,761	-	10,761
Dividends	4	-	(10,761)	(10,761)
		10,761	(4,089)	6,672
At 31 March 2007		89,950	175,228	265,178

Condensed Cash Flow Statement

For the period ended 31 March 2007

	Consolidated	
	31 March 2007 \$'000	31 March 2006 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	500,909	499,707
Payments to suppliers, land vendors and employees	(458,755)	(456,170)
Interest received	323	213
Interest paid	(17,046)	(16,137)
Income taxes and net GST paid	(7,861)	(4,855)
Net cash generated by operating activities	17,570	22,758
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	123	369
Purchase of property, plant and equipment	(398)	(1,065)
Net cash used in investing activities	(275)	(696)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	110,123	130,798
Repayment of borrowings	(130,737)	(124,987)
Equity dividends paid	-	(21,523)
Payment of finance lease liability	(717)	(405)
Net cash used in financing activities	(21,331)	(16,117)
NET INCREASE (DECREASE) IN CASH HELD	(4,036)	5,945
Cash and cash equivalents at beginning of period	(3,994)	(9,939)
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 6)	(8,030)	(3,994)

Notes to the Financial Statements

For the period ended 31 March 2007

1. CORPORATE INFORMATION

The 12 month interim financial report of AVJennings Limited ('the Company') for the period ended 31 March 2007 was authorised for issue in accordance with a resolution of the Directors on 8 May 2007. AVJennings Limited is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Stock Exchange.

The nature of the operations and principal activities of the Consolidated Entity are described in Note 7 Segment Information.

The Company has changed its year end to 30 June. As the Company is listed on the Australian Stock Exchange, the listing rules require that a 12 month interim financial report be prepared for disclosure to the market. The listing rules require that the 12 month interim financial report be prepared in accordance with the requirements of AASB134 Interim Financial Reporting, as described in Note 2(a).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This 12 month interim financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Consolidated Entity as the annual financial report.

This 12 month interim financial report should be read in conjunction with the annual financial report of AVJennings Limited as at 31 March 2006 as well as the half-year accounts as at 30 September 2006.

It is also recommended that this 12 month interim financial report be considered together with any public announcements made by AVJennings Limited and its controlled entities during the period ended 31 March 2007 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

a) Basis of preparation

The 12 month consolidated interim financial report is a general-purpose financial report, which has been prepared in accordance with applicable Accounting Standards, including AASB134 Interim Financial Reporting and other mandatory professional reporting requirements. The 12 month interim financial report has been prepared on a historical cost basis. The carrying values of recognised assets and liabilities that are hedged items in fair value hedges, and are otherwise carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged.

The 12 month interim financial report is presented in Australian Dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the class order applies.

For the purpose of preparing the 12 month interim financial report, the period has been treated as a discrete reporting period.

Notes to the Financial Statements

For the period ended 31 March 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Significant accounting policies

These consolidated interim financial statements have been prepared using the same accounting policies as used in the annual financial statements for the period ended 31 March 2006, except for the adoption of amending standards mandatory for annual periods beginning on or after 1 April 2006 if applicable to the Consolidated Entity, as described in note 2(d).

c) Basis of consolidation

These consolidated interim financial statements comprise the financial statements of AVJennings Limited and its subsidiaries as at 31 March 2007 ('the Group').

d) New accounting standards, and UIG interpretations

Certain Australian Accounting Standards and UIG interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for the reporting period ending 31 March 2007. The directors' have assessed the impact of these new or amended standards (to the extent relevant to the Group) and interpretations as follows:

AASB 7 Financial Instruments: Disclosures AASB 2005-10 Amendments to Australian Accounting Standards [AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038] – new disclosure requirements for financial instruments applicable for annual reporting periods beginning on or after 1 January 2007. It is anticipated that these standards will not have a material impact on the amounts recognised in the financial statements.

Notes to the Financial Statements

For the period ended 31 March 2007

3. REVENUES AND EXPENSES

(a) Profit from ordinary activity before income tax includes the following revenues and expenses:

	Consolidated			
	6 months to 31 March 2007 \$'000	12 months to 31 March 2007 \$'000	6 months to 31 March 2006 \$'000	12 months to 31 March 2006 \$'000
Revenues				
Developments (Note 3(b))	187,856	323,283	162,057	312,868
Contract building	68,487	144,575	63,370	147,728
Finance revenue	237	323	80	213
Management fees	791	1,390	403	797
Sundry revenue	1,616	1,779	549	869
	258,987	471,350	226,459	462,475
Other income				
Gain on disposal of property, plant and equipment	4	4	-	18
Total other income	4	4	-	18
Total revenues and other income	258,991	471,354	226,459	462,493
Finance costs				
Bank loans and overdrafts	8,442	16,668	8,050	15,619
Finance charges payable under finance leases	55	103	57	112
Finance charges payable to land creditors	148	245	318	513
Total finance costs	8,645	17,016	8,425	16,244
Less: Amount capitalised to inventories	(8,352)	(16,589)	(8,259)	(15,890)
Total finance costs expensed	293	427	166	354

(b) The Group sold the development rights and interest in a project in Epping, Victoria, for \$15.9 million. The project was acquired by a joint venture (JV) in which the Group has acquired a 10% interest with the balance being held by Macquarie Real Estate Equity Fund No. 3 Pty Limited, a Macquarie Real Estate Equity Fund.

As the Group has acquired a 10% interest in the newly created JV, only 90% of the fees paid for the development rights have been recognised as at 31 March 2007. The accounts reflect an after tax profit of \$5.6 million as a result. The future returns of the JV will be distributed in line with the holdings of the equity holders.

Notes to the Financial Statements

For the period ended 31 March 2007

4. DIVIDENDS PAID AND PROPOSED

	Note	Consolidated	
		2007 \$'000	2006 \$'000
<i>Dividends paid on ordinary shares during the 12 months ended 31 March:</i>			
2006 final of 5.0 cents per fully paid share, paid 15 August 2006. Fully franked @ 30% tax	4(a)	10,761	-
2005 final of 7.5 cents per fully paid share, paid 22 July 2005. Fully franked @ 30% tax		-	16,142
2006 interim of 2.5 cents per fully paid share, paid 20 January 2006. Fully franked @ 30% tax		-	5,381
Total dividends paid during the period		10,761	21,523
<i>Dividends declared after period end and not recognised as a liability as at 31 March:</i>			
2007 interim dividend	4(b)	-	
2006 final of 5.0 cents per fully paid share, declared after year end paid on 15 August 2006. Fully franked @ 30% tax			10,761

- (a) The 2006 final dividend was the subject of a Dividend Re-Investment Plan. The plan was fully underwritten. Details of shares issued are set out in note 5.
- (b) No interim dividend has been either paid, or is payable or has been proposed for the 6 months ended 31 March 2007 (March 2006: final dividend of 5.0 cents per ordinary share fully franked at 30%).

Notes to the Financial Statements

For the period ended 31 March 2007

5. ISSUED CAPITAL

	Consolidated	
	31 March 2007 \$'000	31 March 2006 \$'000
Ordinary shares		
Issued and fully paid ordinary shares	89,950	79,189
Movement in ordinary shares on issue:		
As at the beginning of the period	79,189	79,189
Issued pursuant to the Dividend Reinvestment Plan (DRP)		
15 August 2006 - at an issue price of \$1.08 per ordinary share	7,102	-
Issued pursuant to the DRP Underwriting Agreement		
19 September 2006 - at an issue price of \$1.11 per ordinary share	3,659	-
	10,761	-
As at the end of the period	89,950	79,189

	Consolidated	
	31 March 2007 Number	31 March 2006 Number
Movement in ordinary shares on issue:		
As at the beginning of the period	215,226,332	215,226,332
Issued pursuant to the Dividend Reinvestment Plan (DRP)		
15 August 2006	6,575,707	-
Issued pursuant to the DRP Underwriting Agreement		
19 September 2006	3,309,190	-
	9,884,897	-
As at the end of the period	225,111,229	215,226,332

The ordinary shares issued pursuant to the DRP underwriting agreement were issued to Trimount Pte Ltd, a wholly owned subsidiary of SC Global Developments Limited, in line with the terms and conditions outlined at the Company's Annual General Meeting held on 17 August 2006. SC Global Developments Limited is a substantial shareholder of the Company. Following the placement of shares to Trimount Pte Ltd, SC Global Developments Limited lodged a "Notice of Change of Interests of Substantial Holder" on 22 September 2006 declaring an interest of 42.36% over the total number of shares on issue.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

There are currently no unexercised or outstanding options. No options were exercised during the financial year.

Notes to the Financial Statements

For the period ended 31 March 2007

6. RECONCILIATION OF CASH

	Consolidated	
	31 March 2007 \$'000	31 March 2006 \$'000
<i>Reconciliation of cash</i>		
Net overdraft at the end of the reporting period as shown in the <i>Cash Flow Statement</i> is reconciled to the related items in the <i>Balance Sheet</i> as follows:		
Cash at bank and in hand	343	109
Bank overdraft	(8,373)	(4,103)
Net overdraft at the end of the period	(8,030)	(3,994)

Notes to the Financial Statements

For the period ended 31 March 2007

7. SEGMENT INFORMATION

The following table presents the revenue and profit information regarding business segments for the period 1 October 2006 to 31 March 2007.

<i>Business segments</i>	<i>Continuing Operations - 6 months to 31 March</i>						<i>Total Operations</i>	
	<i>Land</i>		<i>Integrated Housing/Apartments</i>		<i>Contract Building</i>		<i>Consolidated</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Revenue								
External sales	101,247	84,085	86,608	77,971	68,488	63,371	256,343	225,427
Non-segment revenue	-	-	-	-	-	-	2,644	1,032
Total revenue	101,247	84,085	86,608	77,971	68,488	63,371	258,987	226,459
Results								
Segment results	21,377	19,262	2,157	3,727	(77)	(454)	23,457	22,535
Unallocated income	-	-	-	-	-	-	2,648	1,063
Unallocated depreciation and amortisation	-	-	-	-	-	-	(1,231)	(1,202)
Unallocated expenses	-	-	-	-	-	-	(11,317)	(11,573)
Unallocated interest expense	-	-	-	-	-	-	(293)	(166)
Profit before income tax expense							13,264	10,657
Income tax expense							(4,235)	(3,163)
Net profit							9,029	7,494

Notes to the Financial Statements

For the period ended 31 March 2007

7. SEGMENT INFORMATION (continued)

The following table presents the revenue and profit information regarding business segments for the period 1 April 2006 to 31 March 2007.

<i>Business segments</i>	<i>Continuing Operations - 12 months to 31 March</i>						<i>Total Operations</i>	
	<i>Land</i>		<i>Integrated Housing/Apartments</i>		<i>Contract Building</i>		<i>Consolidated</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Revenue								
External sales	160,070	154,454	163,213	158,414	144,575	147,728	467,858	460,596
Non-segment revenue	-	-	-	-	-	-	3,492	1,879
Total revenue	160,070	154,454	163,213	158,414	144,575	147,728	471,350	462,475
Results								
Segment results	25,895	37,604	3,855	10,259	1,878	(566)	31,628	47,297
Unallocated income	-	-	-	-	-	-	3,496	1,928
Unallocated depreciation and amortisation	-	-	-	-	-	-	(2,482)	(2,498)
Unallocated expenses	-	-	-	-	-	-	(22,212)	(23,039)
Unallocated interest expense	-	-	-	-	-	-	(427)	(354)
Profit before income tax expense							10,003	23,334
Income tax expense							(3,331)	(7,134)
Net profit							6,672	16,200

Notes to the Financial Statements

For the period ended 31 March 2007

7. SEGMENT INFORMATION (continued)

The following table presents the asset and liability information regarding business segments as at 31 March 2007.

<i>Business segments</i>	<i>Continuing Operations</i>						<i>Total Operations</i>	
	<i>Land</i>		<i>Integrated Housing/Apartments</i>		<i>Contract Building</i>		<i>Consolidated</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Assets								
Segment assets	351,751	371,084	159,205	166,822	31,590	38,706	542,546	576,612
Unallocated assets	-	-	-	-	-	-	10,851	16,725
Total assets	351,751	371,084	159,205	166,822	31,590	38,706	553,397	593,337
Liabilities								
Segment liabilities	59,166	96,830	29,600	24,252	18,745	15,189	107,511	136,271
Unallocated liabilities	-	-	-	-	-	-	180,708	198,560
Total liabilities	59,166	96,830	29,600	24,252	18,745	15,189	288,219	334,831
Other segment information								
Capital expenditure	-	-	-	-	-	-	1,200	1,569

Land Development: Builders buy land from AVJennings onto which they package their building products, or end customers buy land from an AVJennings estate and choose their own builder.

Integrated Housing and Apartments Development: The customer buys a completed home, townhouse or apartment within an AVJennings development.

Contract Building: The customer contracts to build a home with AVJennings on land they have sourced themselves.

Notes to the Financial Statements

For the period ended 31 March 2007

8. CONTINGENT ASSETS AND LIABILITIES

Since the last annual reporting date, there has been no material change to any contingent liabilities or contingent assets.

9. EVENTS AFTER BALANCE SHEET DATE

No matter or circumstance has arisen since 31 March 2007 that has significantly affected, or may significantly affect:

- i) the Group's operations in the future financial periods; or
- ii) the results of those operations in future financial periods; or
- iii) the Group's state of affairs in future financial years.

10. ACCOUNTS SUBJECT TO AUDIT OR REVIEW

This 12 month interim financial report has been based on accounts that are not subject to either an audit or review.