



AVJennings Limited
ABN: 44 004 327 771

30 June 2007 Preliminary Final Report
and
Appendix 4E

This 15 month 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 4E - PRELIMINARY FINAL REPORT
FOR THE 15 MONTHS ENDED 30 JUNE 2007

	15 months 30 June 2007 \$'000	12 months 31 March 2006 \$'000	Change \$'000	Change %
Revenue from ordinary activities	632,233	462,475	169,758	37%
Profit from ordinary activities after tax attributable to members	12,164	16,200	(4,036)	(25%)
Net profit for the period attributable to members	12,164	16,200	(4,036)	(25%)
Dividends	Amount per security	Franked amount per security at 30% tax		
Final dividend	3.0 cents	3.0 cents		
Previous corresponding period Final dividend	5.0 cents	5.0 cents		
Interim dividend	2.5 cents	2.5 cents		
Record date for determining entitlements to dividend:	19 October 2007			
Payment date:	29 October 2007			
The Company has in place an active Dividend Re-Investment Plan. Please refer to Note 4 for the details.				
Last date for receipt of a DRP election notice:	19 October 2007			
Explanation of results				
The Company changed its year end to 30 June from the previous date of 31 March. Accordingly, The results for the current period cover the 15 month period commencing 1 April 2006 and ending on 30 June 2007 and the comparative period covers the 12 month period commencing on 1 April 2005 and ending on 31 March 2006.				
Events and transactions that are significant to the understanding of the above results				
For a further explanation of the results, please refer to the Review and Results of Operations section.				

Review and Results of Operations

For the period ended 30 June 2007

Change in Year End:

The Company received approval on 18 May 2006 from ASIC to change its year end to 30 June.

Operations:

The profit before tax for the 15 month period for the Company was \$17.8 million. In May 2007, the Company reported a profit before tax for the 12 months to 31 March 2007 of \$10.0 million. The result for the June 2007 quarter was \$7.8 million before tax.

With the exception of New South Wales, the Company's sales performance in all states has been satisfactory. In New South Wales, the sharp increase in government charges has continued to adversely impact affordability and market activity. In addition, the New South Wales housing activity has been further dampened by limited land releases and protracted development approval processes.

Contract signings for the 15 months to 30 June 2007 were \$698.7 million. However, revenue recognised in the accounts for that period was \$632.2 million. The balance will be recognised in subsequent reporting periods.

Current financial year margins decreased to 19% from 23.5% in 2006. Margins continue to be a major issue due to state and local government charges on greenfield residential developments, particularly in New South Wales.

The Company intends to increase its inventory turnover and reinvestment in greenfield sites in Victoria and Queensland, where 57% of the Company's developable land inventory is now located. In New South Wales, the Company's focus remains on redevelopment sites which have less onerous government charges and planning imposts.

Net debt at 30 June 2007 was \$119.2 million, compared to \$160.9 million at 31 March 2007 and \$177.5 million at 31 March 2006.

Dividend:

The final dividend for the year will be 3.0 cents per share, fully franked. The Company has an active Dividend Reinvestment Plan which will allow shareholders the option of either taking a cash dividend or reinvesting in the Company. Any funds reinvested will be applied to expanding development activities.

Other:

There are no significant changes since the close of the reporting period, other than as disclosed in this report.

Condensed Income Statement

For the period ended 30 June 2007

		Consolidated	
		15 months	12 months
		30 June	31 March
		2007	2006
	Note	\$'000	\$'000
Revenues	3	632,233	462,475
Change in inventories, finished goods and work-in-progress		(512,870)	(351,225)
Other operational expenses		(6,688)	(4,799)
Other income	3	5	18
Advertising expenses		(13,406)	(16,821)
Display costs		(8,856)	(6,458)
Employee expenses		(50,991)	(43,125)
Depreciation and amortisation expense		(3,051)	(2,498)
Finance costs	3	(424)	(354)
Other expenses		(18,182)	(13,879)
Profit before income tax		17,770	23,334
Income tax expense relating to ordinary activities		(5,606)	(7,134)
Net profit attributable to members of parent		12,164	16,200
		Cents	Cents
Basic earnings per share		5.50	7.53
Diluted earnings per share		5.50	7.53

Condensed Balance Sheet

As at 30 June 2007

	Note	Consolidated	
		30 June 2007 \$'000	31 March 2006 \$'000
CURRENT ASSETS			
Cash and cash equivalents		1,194	109
Trade and other receivables		22,159	11,921
Inventories		240,748	348,251
Tax receivable		-	1,947
Other current assets		3,505	3,247
Total current assets		267,606	365,475
NON-CURRENT ASSETS			
Trade and other receivables		1,697	1,945
Inventories		248,900	214,577
Investment accounted for using the equity method		1,053	-
Property, plant and equipment		5,382	6,679
Intangible assets		4,046	4,661
Total non-current assets		261,078	227,862
Total assets		528,684	593,337
CURRENT LIABILITIES			
Trade and other payables		101,150	107,567
Interest-bearing loans and borrowings		26,280	178,321
Tax payable		1,028	-
Provisions		5,114	4,448
Total current liabilities		133,572	290,336
NON-CURRENT LIABILITIES			
Trade and other payables		9,699	30,257
Interest-bearing loans and borrowings		95,714	557
Deferred tax liabilities		18,047	13,416
Provisions		982	265
Total non-current liabilities		124,442	44,495
Total liabilities		258,014	334,831
Net assets		270,670	258,506
EQUITY			
Issued capital	5	89,950	79,189
Retained earnings		180,720	179,317
Total equity		270,670	258,506

Condensed Statement of Changes in Equity

For the period ended 30 June 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		-	12,164	12,164
Total recognised income and expense for the period		-	12,164	12,164
Ordinary share capital raised	5	10,761	-	10,761
Dividends	4	-	(10,761)	(10,761)
		10,761	1,403	12,164
At 30 June 2007		89,950	180,720	270,670

Condensed Cash Flow Statement

For the period ended 30 June 2007

	Note	Consolidated	
		15 months 30 June 2007 \$'000	12 months 31 March 2006 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		624,921	499,707
Payments to suppliers, land vendors and employees		(547,949)	(456,170)
Interest received		392	213
Interest and other finance costs paid		(20,414)	(16,137)
Net income taxes refunded / (paid)		1,947	(4,855)
Net cash from operating activities		58,897	22,758
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-current assets		600	369
Payments for property, plant and equipment		(1,062)	(1,065)
Net cash used in investing activities		(462)	(696)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		175,954	130,798
Repayment of borrowings		(236,889)	(124,987)
Equity dividends paid		-	(21,523)
Payment of finance lease liability		(864)	(405)
Net cash used in financing activities		(61,799)	(16,117)
NET INCREASE (DECREASE) IN CASH HELD		(3,364)	5,945
Cash and cash equivalents at beginning of period		(3,994)	(9,939)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6	(7,358)	(3,994)

Notes to the Preliminary Final Report

For the period ended 30 June 2007

1. CORPORATE INFORMATION

The Preliminary Final Report of AVJennings Limited ('the Company') for the 15 month period ended 30 June 2007 was authorised for issue in accordance with a resolution of the Directors on 9 August 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 received approval from ASIC to change its year end to 30 June. The ASIC order approving the change in year end was granted on 18 May 2006. In line with AASB101 Presentation of Financial Instruments, the comparative figures reported in this Preliminary Final Report are those numbers that were disclosed in the 31 March 2006 results which covered a 12 month reporting period. As a result of the change in year end, the current figures shown in this Preliminary Final Report cover a 15 month reporting period which commenced on 1 April 2006 and ended on 30 June 2007.

This Preliminary Final Report has been prepared in accordance with the requirements of the Australian Stock Exchange listing rules.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This Preliminary Final Report does not constitute the full financial report for the 15 month period ended 30 June 2007.

This 15 month 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 15 month 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 and the 12 month results announced to market at 31 March 2007.

It is also recommended that this 15 month financial report be considered together with any public announcements made by AVJennings Limited and its controlled entities during the period ended 30 June 2007 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

a) Basis of preparation

The 15 month financial report is a general-purpose financial report and has been prepared in accordance with applicable Accounting Standards. The 15 month 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 15 month 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.

Notes to the Preliminary Final Report

For the period ended 30 June 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Significant accounting policies

These consolidated 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 financial statements comprise the financial statements of AVJennings Limited and its subsidiaries as at 30 June 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 in the current reporting period. The Directors have assessed the impact of these new or amended standards and have concluded that they are not expected to have any material impact on the financial report in subsequent reporting periods.

Notes to the Preliminary Final Report

For the period ended 30 June 2007

3. REVENUES AND EXPENSES

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

	Consolidated	
	15 months 30 June 2007 \$'000	12 months 31 March 2006 \$'000
Revenues		
Developments (Note 3(b))	446,361	312,868
Contract building	182,445	147,728
Finance revenue	392	213
Management fees	2,101	797
Rental revenue	128	-
Sundry revenue	806	869
	632,233	462,475
Other income		
Gain on disposal of property, plant and equipment	5	18
	5	18
Total revenues and other income	632,238	462,493
Finance costs (Note 3(c))		
Bank loans and overdrafts	20,196	15,591
Finance charges payable under finance leases	132	112
Finance charges payable to land creditors	218	541
Total finance costs	20,546	16,244
Less: Amount capitalised to inventories	(20,122)	(15,890)
Total finance costs expensed	424	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 an associate 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 Epping Associate, only 90% of the fees paid for the development rights have been recognised as at 30 June 2007. The accounts reflect an after tax profit of \$5.6 million as a result. The future returns of the associate will be distributed in line with the holdings of the equity holders.

(c) Amortisation of finance costs previously capitalised to inventories included in cost of sales was \$12.7 million (2006: \$5.6 million).

Notes to the Preliminary Final Report

For the period ended 30 June 2007

4. DIVIDENDS PAID AND PROPOSED

	Consolidated	
	15 months 30 June 2007 \$'000	12 months 31 March 2006 \$'000
Equity dividends on ordinary shares:		
(i) Dividends paid during the year		
Final dividend - fully franked @ 30% for financial year 31 March 2006: 5.0 cents paid 15 August 2006 - Note 4(a)	10,761	
Final dividend - fully franked @ 30% for financial year 31 March 2005: 7.5 cents paid 22 July 2005		16,142
Interim dividend - fully franked @ 30% for financial year 31 March 2006: 2.5 cents paid 20 January 2006		5,381
	<hr/> <hr/>	<hr/> <hr/>
	10,761	21,523
(ii) Dividends proposed and not recognised as a liability		
Final dividend - fully franked @ 30% for financial year 30 June 2007: 3.0 cents to be paid 29 October 2007 - Note 4(b)	6,753	
Final dividend - fully franked @ 30% for financial year 31 March 2006: 5.0 cents to be paid 15 August 2007		10,761
	<hr/> <hr/>	<hr/> <hr/>
	6,753	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) The Company has in place an active Dividend Reinvestment Plan. The last date for the receipt of an election notice will be 19 October 2007. Subject to the approval of the Directors, the allotment price will be a 7.5% discount to the weighted average price of all the Company's fully paid shares traded on the Australian Stock Exchange during the five trading days from, and including, the date on which the shares go ex-dividend.

Notes to the Preliminary Final Report

For the period ended 30 June 2007

5. ISSUED CAPITAL

	Consolidated	
	30 June 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	
	30 June 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 Preliminary Final Report

For the period ended 30 June 2007

6. RECONCILIATION OF CASH

	Consolidated	
	30 June	31 March
	2007	2006
	\$'000	\$'000
Cash at bank and in hand	1,194	109
Bank overdraft	(8,552)	(4,103)
	(7,358)	(3,994)

Notes to the Preliminary Final Report

For the period ended 30 June 2007

7. SEGMENT INFORMATION

The following table presents the revenue and profit information regarding business segments for the period ended 30 June 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>15 months</i>	<i>12 months</i>	<i>15 months</i>	<i>12 months</i>	<i>15 months</i>	<i>12 months</i>	<i>15 months</i>	<i>12 months</i>
	<i>30 June</i>	<i>31 March</i>	<i>30 June</i>	<i>31 March</i>	<i>30 June</i>	<i>31 March</i>	<i>30 June</i>	<i>31 March</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	230,968	154,454	215,393	158,414	182,445	147,728	628,806	460,596
Non-segment revenue	-	-	-	-	-	-	3,432	1,897
Total revenue	230,968	154,454	215,393	158,414	182,445	147,728	632,238	462,493
Results								
Segment results	36,076	37,604	6,885	10,259	161	(566)	43,122	47,297
Unallocated income	-	-	-	-	-	-	3,432	1,897
Unallocated depreciation and amortisation	-	-	-	-	-	-	(3,051)	(2,498)
Unallocated expenses	-	-	-	-	-	-	(25,309)	(23,008)
Unallocated interest expense	-	-	-	-	-	-	(424)	(354)
Profit before income tax expense							17,770	23,334
Income tax expense							(5,606)	(7,134)
Net profit							12,164	16,200

Notes to the Preliminary Final Report

For the period ended 30 June 2007

7. SEGMENT INFORMATION (continued)

The following table presents the asset and liability information regarding business segments as at 30 June 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>30 June</i>	<i>31 March</i>	<i>30 June</i>	<i>31 March</i>	<i>30 June</i>	<i>31 March</i>	<i>30 June</i>	<i>31 March</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	337,836	371,084	147,341	166,822	30,955	38,706	516,132	576,612
Unallocated assets	-	-	-	-	-	-	12,552	16,725
Total assets	337,836	371,084	147,341	166,822	30,955	38,706	528,684	593,337
Liabilities								
Segment liabilities	77,999	96,830	17,026	24,252	18,255	15,189	113,280	136,271
Unallocated liabilities	-	-	-	-	-	-	144,734	198,560
Total liabilities	77,999	96,830	17,026	24,252	18,255	15,189	258,014	334,831
Other segment information								
Capital expenditure	-	-	-	-	-	-	2,187	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 Preliminary Final Report

For the period ended 30 June 2007

8. NET TANGIBLE ASSET BACKING

	Consolidated	
	30 June 2007	31 March 2006
Net Tangible Asset backing (NTA) - cents per ordinary security	119.0 cents	118.6 cents

9. MATERIAL INTEREST IN ENTITIES WHICH ARE NOT CONTROLLED ENTITIES

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss)	
	Current period %	Previous corresponding period %	Current period \$'000	Previous corresponding period \$'000
Equity accounted associates and joint venture entities				
Regatta Waters/Parklake Joint Venture	50%	50%	4,175	2,392
Springbank Joint Venture	50%	50%	2,196	1,705
Total			6,371	4,097

Joint ventures and associates that have had no material effect on the results of the Group:

The investment in the Associate, Epping, was established on 8 January 2007. The Group holds a 10% ownership interest in this Associate. The Cammeray Joint Venture was established on 21 December 2005. The Group holds a 50% ownership interest in this Joint Venture.

No control has been either gained or lost over any other entities that may have a material effect on the results of the Group (2006: NIL).

10. CONTINGENT ASSETS AND LIABILITIES

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

11. EVENTS AFTER BALANCE SHEET DATE

No matter or circumstance has arisen since 30 June 2007 that has significantly affected, or may significantly affect:

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

Preliminary Final Report

For the period ended 30 June 2007

COMPLIANCE STATEMENT

1. This report has been prepared in accordance with Australian Accounting Standards and Interpretations, Corporations Act 2001 and other standards acceptable to the Australian Stock Exchange.
2. This report and the financial statements upon which the report is based use the same accounting policies.
3. This report does give a true and fair view of the matters disclosed.
4. This report is based on the financial statements that are in the process of being audited, and therefore no audit report has been attached.
5. AVJennings Limited has a formally constituted Audit Committee.



Louis F Milkovits
Managing Director

Melbourne
9 August 2007

ANNUAL GENERAL MEETING

The Annual General Meeting will be held as follows:

Place:	Crown Towers 8 Whiteman Street Southbank Melbourne VIC 3006
Date:	Friday 16 November 2007
Time:	10.00 am
Approximate date the annual report will be available:	Thursday 18 October 2007