

ASX RELEASE**AVJennings & Urban Pacific to Redevelop Cheltenham Park Racecourse**

Melbourne, 20 November 2007: Leading residential property developer AVJennings Ltd (ASX: AVJ), today announced that it was the successful tenderer, in joint venture with Urban Pacific, for the redevelopment of the Cheltenham Park Racecourse in South Australia.

The 48.8 hectare site is located 8 kilometres northwest of the Adelaide CBD and only 5 kilometres from city beaches and the West Lakes boating lake. The subject site gives rise to a yield of around 900 new dwellings which, after redevelopment, will have an estimated end value of \$400 million.

The joint venture partners have entered into a Land Facilitation Agreement with the South Australian Jockey Club (SAJC). The development rights will guarantee the SAJC \$85 million payable over 3-4 years. The project will result in a significant regeneration of Adelaide's western suburbs, providing affordable housing in a master planned community.

Redevelopment work is expected to commence mid 2009 with sales commencing in early 2010, but subject to the timing of development approvals. The project life is expected to be seven years from commencement.

Key features of the proposed redevelopment include:

- A diversity of housing product including built-out residential allotments, medium density integrated allotments, retirement living, apartment allotments and residential tower allotments.
- Open space of 35% of the site and incorporating a central park, town square, boulevard reserves, parks and gardens.
- Wetlands, including leading water sensitive urban design initiatives to harvest and re-use stormwater for long term sustainability.

The joint venture partnering and project scale are consistent with the Company's strategy going forward. It welcomes the association with both Urban Pacific and the SAJC, for the redevelopment of this iconic site.

Other significant projects that AVJ has contracted in recent months have included the 880 lot former Fincorp site at Wollert in Victoria, the 255+ lot Brickworks site at Eastwood in New South Wales, the 140 lot Sandy Beach site near Coffs Harbour in New South Wales, the 598 lot site at Meridan Plains on Queensland's Sunshine Coast and its 230 lot site at Calamvale in suburban Brisbane, Queensland.

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