

6 July 2016

By Email: kate.kidson@asx.com.au

Ms. Kate Kidson
Principal Adviser, Listings Compliance (Melbourne)
Australian Securities Exchange Limited
Level 4, Rialto North Tower
525 Collins Street
Melbourne Vic 3000.

Dear Kate,

Re: AVJennings Limited - Appendix 3Y Lodged 6 July 2016

We have today lodged an Appendix 3Y in relation to rights allocated to Peter Summers, the Managing Director of the Company. The form deals with (1) share allocation made as a result of vesting of rights on 30 June 2016 as well as (2) rights allocated in September 2015.

Notification of the allocation in (2) above is late. We discovered that we had not advised the ASX in September 2015 of the September 2015 rights allocation at the time we were preparing the disclosure material for the vesting of rights and consequent allocation of shares in early July this year.

As far as we can determine, the failure to lodge the Appendix 3Y for the September 2015 allocation on time, was the result of a combination of factors.. We had a late rights allocation in May 2015 with the assistance of our former share plan manager, who provided a draft Appendix 3Y. The finalised Appendix 3Y was filed with ASX within time.

When the September 2015 allocation was undertaken, we did not pick up the fact that we had not received a draft Appendix 3Y, nor had we prepared a draft. As a result, no Appendix 3Y was lodged for the September 2015 allocation.

AVJennings takes its disclosure obligations very seriously. We have policies and procedures in place to ensure we comply with our disclosure obligations. For example, we implemented a new policy after the Newcrest case in 2013 to ensure that materials used in Investor Briefings were released to the ASX prior to Investor Briefings taking place.

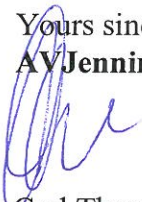
Although the filing is late, we do not believe that the market has been materially affected. The allocation was of rights only, so the Managing Director's voting power was not affected. Although the number of rights is significant of itself, (numbering 643,864 rights) it (a) is immaterial in the context of the number of issued securities (0.167%); and (b) does not represent a potential increase in the number of securities on issue, as our equity plan is a purchase plan, not a new issue plan. The plan trustee has sufficient shares on hand to satisfy share allocation obligations should all of the rights vest.

In our submission, the market was not adversely affected by late notice of the rights allocation.

Such a failure has not occurred previously by AVJennings and we are confident that it will not occur again. Since the September 2015 allocation, we have changed our share plan management. Our new manager has confirmed that their procedures with us include provision of a draft Appendix 3Y when any allocations are made to Directors, as a prompt to disclosure. In addition, we have instituted new procedures within our Secretariat to deal with this issue including electronic prompts, and expanded written procedures which also prompt ASX disclosures when director's interests are affected, as a support prompt.

Yours sincerely,

AVJennings Limited



Carl Thompson
Company Secretary