

2 August 2019

**ASX RELEASE
AVJENNINGS LIMITED
(ASX: AVJ)**

FY19 MARKET UPDATE

AVJennings Limited (ASX:AVJ, The Company) today provides an update on its unaudited financial result for FY19. It is anticipated that the FY19 financial result will be approximately \$23.0 million Profit Before Tax (PBT).

The FY19 result was impacted by the deterioration in market conditions, particularly in Melbourne and Sydney, which have been widely reported in the media and in previous Company announcements.

The Company expects an improved result for FY20. A continued improvement in market sentiment is anticipated moving forward. Market fundamentals remain supportive with continued economic and population growth, low interest rates expected to continue for some time, and a stable employment environment.

With the Federal election, and State elections in Victoria and New South Wales now behind us, this is reflected in rising confidence indicators. Importantly the lending environment is also improving with the reduction in the cash rate by the RBA in June and the announcement in early July by APRA that it has removed the minimum 7% debt servicing threshold formerly required to be applied by retail banks when assessing loan applications.

In addition there are a number of Company specific matters, including improvements and initiatives implemented, that will positively impact FY20, such as:

- Additional active projects; and
- Increased revenue recognition from NZ on pre-sales.

Determination of the final dividend will be considered by the Board at its August meeting.

The Company plans to release the Preliminary Final Report (Appendix 4E) later in August and will provide further commentary on operating trends, market conditions and updates on significant projects at that time.

Investor Relations:

Carl Thompson
Company Secretary
Ph: +61 3 8888 4802

Andrew Keys
Keys Thomas Associates
Ph: +61 400 400 380

Media:

David Lowden
Head of Corporate Communications
Ph: +61 428 711 466