AVJennings Limited
ABN 44 004 327 771

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of AVJennings Limited will be held at the Crown Towers, Garden Rooms 2 and 3, 8 Whiteman Street, Southbank, Melbourne Vic 3006, Australia at 10.00am on Friday, 20 November 2009.

AGENDA

ORDINARY BUSINESS

1. Chairman's Address

2. Financial Statements and Reports

To receive and consider the Financial Report, together with the Directors' Report and Auditors' Report for the year ended 30 June 2009.

3. Election of Directors

To consider and, if thought fit, pass each of the following as an ordinary resolution:

3(a) That Mr Jerome Rowley, a director retiring by rotation in accordance with the Company's constitution and being eligible for re-election, be re-elected as a director.

3(b) That Mr Bruce Hayman, a director retiring by rotation in accordance with the Company's constitution and being eligible for re-election, be re-elected as a director.

Please refer to explanatory notes relating to these resolutions.

4. Remuneration Report

To consider and, if thought fit, pass the following as an ordinary resolution:

That the Remuneration Report as set out in the Directors' Report for the year ended 30 June 2009 be adopted.

Please refer to explanatory notes relating to this resolution.

The vote on this resolution is advisory only and does not bind the Directors or the Company.

SPECIAL BUSINESS

5. Amendments to the Constitution of the Company

To consider and, if thought fit, pass the following as a special resolution:

That the Company's Constitution be altered, by making the amendments contained in the document tabled at the Annual General Meeting and signed by the Chairman of the meeting for the purposes of identification.

Please refer to explanatory notes relating to this resolution.

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6. Resolution to be moved by GPG Australia Nominees Limited, a Member of AVJennings Limited. This proposed resolution is NOT supported by the Board.

To consider and, if thought fit, pass the following as an ordinary resolution:

That the Company implement the strategy proposed by GPG Australia Nominees Limited set out in the document dated 17 September 2009 and addressed to the shareholders of the Company, a copy of which accompanies the notice of meeting by which this resolution is proposed for consideration by members.

Please refer to explanatory notes relating to this resolution.

By Order of the Board

Carl Thompson
Company Secretary

20 October 2009

Information on Proxies:

A proxy form accompanies this notice.

Please note that a shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy. The proxy may be an individual or a body corporate. A proxy need not be a shareholder of the Company.

A shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, each proxy may exercise half of the votes (disregarding fractions).

For an appointment of a proxy to be effective, the form appointing the proxy and, if the form is signed by the appointor's attorney, the authority under which the form is signed (or a certified copy of the authority), must be received at the following address or by facsimile or electronic means at least 48 hours prior to the meeting at which the proxy intends to vote:

In Person:	Share Registry - Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street, Abbotsford, Victoria, 3067, Australia
By Mail:	Using the enclosed reply paid envelope to Computershare Investor Services Pty Limited, GPO Box 242 Melbourne, Victoria 3001, Australia: or
By facsimile:	1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia).
Online:	at www.investorvote.com.au by following the instructions given on the website (you will be taken to have signed your proxy form if you lodge it in accordance with the instructions given on the website) Relevant custodians may lodge their proxy forms online by visiting www.intermediaryonline.com.

Specified Time for Determining Voting Entitlements:

For the purposes of the meeting, the Board has determined that shares will be taken to be held by the person who is the registered holder of the shares as at 7.00pm on Wednesday, 18 November 2009. Transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

EXPLANATORY NOTES ON RESOLUTIONS

These Explanatory Notes are intended to provide shareholders of the Company with information on the resolutions contained in the accompanying Notice of Annual General Meeting. The Directors recommend that shareholders read these Explanatory Notes in full before making any decision in relation to the Resolutions.

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Item 3(a) and 3(b)
Re-election of Mr Jerome Rowley and Mr Bruce Hayman as Directors

Two Directors retire at this Annual General Meeting and both seek re-election. A profile of each Director seeking re-election follows.

Jerome Rowley *SF Fin, FAICD*
Deputy Chairman of the Board and Non-Executive Director

Mr Rowley has been a Director since 22 March 2007. He is Deputy Chairman of the Board, Chairman of the Risk Management Committee and a Member of the Investments Committee.

Mr Rowley has been a career banker since the early 1970s with Citigroup, Morgan Grenfell and ABN AMRO. From 1992 until 2002, he served as Managing Director and CEO of ABN AMRO Australia and Head of Relationship Management and Structured Finance for ABN AMRO, Asia Pacific. He has been active in both wholesale and investment banking domestically and internationally. During his career, Mr Rowley devoted considerable effort towards the recognition, understanding and management of risk as a means of profit optimization. Of particular significance was his involvement in advising and funding including debt, equity and hybrids, of infrastructure projects in both Australia and Asia Pacific. Mr Rowley is a resident of Sydney.

Recommendation
The Directors (other than Mr Rowley) recommend that Mr Rowley be re-elected as a Director.

Bruce Hayman
Independent Non-Executive Director

Mr Hayman has been a Director since 18 October 2005. He also serves as a member of the Remuneration Committee, Nominations Committee, Investments Committee and Risk Management Committee.

Mr Hayman has over 41 years commercial management experience with 20 of those at operational Chief Executive or General Manager Level. He is currently Chairman of Chartwell Management Services where he brings his very wide business experience to clients by way of the leadership, marketing, business performance and coaching programs he offers. He has fulfilled senior management roles both in Australia and overseas for companies such as Nicholas Pharmaceutical Group, Dairy Farm Group, Hong Kong Land and Seagram Corporation. During his time in Singapore, he held the position of Foundation President of the Singapore Australia Business Council. He has also served as CEO of the Australian Rugby Union. For his contribution to tourism in Australia, he has been recognised by Tourism Training Australia with a Platinum award. He is Chairman of the Board of The Rugby Club Ltd and is a Director of Diabetes Australia – NSW. Mr Hayman is a resident of Sydney.

Recommendation
The Directors (other than Mr Hayman) recommend that Mr Hayman be re-elected as a Director.

Item 4
Remuneration Report

The Remuneration Report of the Company for the financial year ended 30 June 2009 is set out on pages 18 to 22 of the Company's 2009 Annual Report and is also available on the Company's website at www.avjennings.com.au.

The Remuneration Report sets out the Company's remuneration arrangements for Directors and key management personnel.

The Chair of the meeting will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the Remuneration Report at the meeting. In addition, the Corporations Act 2001 requires that shareholders be asked to vote on the Remuneration Report. However, this vote is of an advisory nature only and does not bind the Company or its Directors.

Item 5
Amendments to the Constitution of the Company

It is proposed to seek shareholder approval to modify the notice provisions in Clause 107 to permit notices to be sent or made available by electronic means nominated by members, as permitted by the Corporations Act. The notice provision has also been extended (in new clause 107(7)) to apply to other documents sent by the Company to members.

A copy of the Constitution, marked-up to show the proposed amendments, will be available prior to the meeting from the Company's website, www.avjennings.com.au or by contacting the Company Secretariat on 03 9210 9849. A copy of the proposed amended Constitution will also be available for inspection at the Annual General Meeting.

Item 6
Resolution to be moved by GPG Australia Nominees Limited

The GPG sponsored resolution is not supported by the Board.

GPG Australia Nominees Limited (GPG), a member of AVJennings Limited, served a Notice on the Company of its intention to move the resolution set out in the Notice of Meeting. The Notice served by GPG meets the requirements of s249N of the Corporations Act (the Act) and therefore under s249O of the Act the Company is required to give notice of the resolution to its members.

GPG also provided a statement in support of its proposed resolution, to be distributed by the Company to its members. The Company is required by s249P of the Act to distribute the statement to its members. The statement provided by GPG is enclosed.

The past few years have seen difficult economic conditions. In particular, the Global Financial Crisis has seen a significant reduction in the availability of funding, more onerous terms and conditions and increased funding costs. As a result, the number of potential buyers of englobo land projects and the prices paid have been significantly and adversely affected. The GPG proposal focuses heavily on the sale of these assets into such an economic environment and if the strategy proposed by GPG is followed, there is likely to be consequential value destruction as well as a residual company which carries the infrastructure costs more appropriate to an ongoing business.

Conservative and appropriate strategies applied to acquisitions have seen the Company avoid the significant write-downs being experienced by other developers. The Board believes that the current projects are good quality, appropriate to business needs and leave the Company well placed to capitalise on improved market conditions. Long term market fundamentals, especially the acute under-supply of residential property in recent years compared to underlying demand, are strong and Directors believe that the realisation of projects in the ordinary course of business will create greater shareholder returns than the GPG proposal.

The Board believes there are good reasons to be optimistic about the Company's future. This optimism is supported by the revamped management team and the improved trends across the business in the second half of the year.

The Chairman of the meeting intends to vote undirected proxies against this item of business.

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AVJennings

AVJennings Limited
ABN 44 004 327 771

Lodge your vote:

Online:
www.investorvote.com.au

By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au

- ☑ **Cast your proxy vote**
- ☑ **Access the annual report**
- ☑ **Review and update your securityholding**

Your secure access information is:
Control Number:

SRN/HIN: **PIN:**

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 10:00am Wednesday 18 November 2009

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.
Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.
Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.computershare.com.

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

GO ONLINE TO LODGE YOUR PROXY,
or turn over to complete the form →

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☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with '**X**') should advise your broker of any changes.

I 9999999999 I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of AVJennings Limited hereby appoint

☐ **the Chairman of the meeting** **OR** _____

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of AVJennings Limited to be held at the Crown Towers, Garden Rooms 2 & 3, 8 Whiteman Street, Southbank, Victoria 3006 on Friday, 20 November 2009 at 10.00am and at any adjournment of that meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Item 3a	Re-election of Mr Jerome Rowley as a Director	☐	☐	☐
Item 3b	Re-election of Mr Bruce Hayman as a Director	☐	☐	☐
Item 4	Adoption of the Remuneration Report	☐	☐	☐
Item 5	Amendments to the Constitution of the Company	☐	☐	☐
Item 6	GPG Proposal This proposed resolution is NOT supported by the Board.	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of items 3a, 3b, 4 and 5 and against item 6.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	**Director**	**Director/Company Secretary**

Contact Name _____ **Contact Daytime Telephone** _____ **Date** ___/___/___

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(Australia) Pty Limited
ABN 13 052 245 191

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Sydney NSW 2000
PO Box R475, Royal Exchange
Sydney NSW 1225 Australia
Telephone 61 2 8298 4300
Facsimile 61 2 9251 9960

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TO FELLOW SHAREHOLDERS OF AVJENNINGS LTD

Dear Fellow Shareholders

LET'S MORE THAN DOUBLE OUR SHARE PRICE:
HOW TO TURN 40 CENTS INTO OVER $1

GPG is the second largest shareholder (7.7%) in AVJennings Ltd (AVJ).

Like many of you, GPG is dismayed by the woeful performance of AVJ and believes it is time for shareholders to take decisive corrective action. Implementation of GPG's strategy below has the potential to **increase the market value of your investment in AVJ to 2 ½ times the current share price.**

At a share price of 42 cents, AVJ is currently trading at a 60% discount to its stated net tangible assets (NTA) of $1.04 per share. This represents the widest discount at which AVJ has traded since the establishment of the current business in 1995. In fact, AVJ's shares are now trading at levels below its share price 14 years ago!

This discount arises not only from the poor results for the year to 30 June 2009, but also reflects the substantial and persistent decline in AVJ's performance since 2004.

It is clear to GPG that there is little hope that the board of AVJ can devise a strategy to improve performance to a level which will not only eliminate the price/NTA discount but also elevate AVJ to the premium rating which this iconic company deserves.

It appears that AVJ's consistent underperformance over the last few years has also tested the patience of its bankers: "Subject to the banks' usual credit approval process"[1], AVJ's banks seem willing only to extend the company's core banking facilities for a further 12 months, leaving AVJ exposed to a substantial refinancing risk in a year's time.

[1] Page 7, 30 June 2009 Preliminary Final Report and Appendix 4E

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GPG's Strategy

To eliminate the valuation gap for the benefit of all AVJ shareholders, we commend to the company the following strategy:

- STOP all acquisitions;
- SELL or dispose in an orderly manner all existing property holdings, including interests in joint ventures;
- SELL the AVJennings brand, along with the contract housing business;
- APPLY sale proceeds to fully repay the company's banks as soon as possible, to avoid accruing further interest and financing charges and eliminating refinancing risk;
- RETURN surplus funds to shareholders through a combination of capital returns and franked dividends.

AVJ's most recently stated NTA is $1.04 per share. This, combined with GPG's view that the "Jennings" brand is worth substantially in excess of its current book value, should underpin returns to AVJ shareholders of over $1 per share through implementation of GPG's strategy.

Shareholders have a simple choice:

- **SUPPORT GPG's strategy for the orderly sale or disposal of AVJ's assets, with the potential of the return to shareholders of over $1 per share; or**
- **Vote for the status quo and more of the same underperformance by AVJ.**

YOUR SUPPORT FOR GPG'S STRATEGY IS CRITICAL IF YOU WISH TO SUBSTANTIALLY INCREASE THE VALUE OF YOUR INVESTMENT IN AVJ.

17 September 2009