



**GOWING BROS**

Investing together for a secure future

GOWING BROS LIMITED

EST. 1868

ACN 000 010 471

LEVEL 8 GOWINGS BUILDING

45 MARKET STREET

SYDNEY NEW SOUTH WALES

2000

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FAX 61 2 9264 6240

[www.gowingbros.com](http://www.gowingbros.com)

## **ANNUAL GENERAL MEETING 2003 CHAIRMAN'S ADDRESS TO SHAREHOLDERS**

by Tony Salier

"Ladies and Gentlemen, I am pleased to welcome you to the 2003 Annual General meeting of Gowing Bros. Limited.

Throughout the following address, I will be referring to an on screen presentation, which will illustrate each topic."

*(Slides and accompanying text on following pages)*



**GOWING BROS . AT A GLANCE**  
**OUR PORTFOLIO**

<b>PROPERTY PORTFOLIO at market value</b>		<b>DEVELOPMENT PROPERTY</b>	
<b>INVESTMENT PROPERTY</b>		<b>Value</b> \$880,000	
45 MARKET ST SYDNEY		<b>SUBTOTAL DEVELOPMENT</b>	
Market Value	\$50,000,000	<b>PROPERTY</b> \$880,000	
<b>70 NORTON ST LEICHHARDT</b>		<b>TOTAL PROPERTY PORTFOLIO</b>	
Market Value (50% share)	\$4,875,000	<b>Total Value</b> \$55,755,000	
<b>SUBTOTAL INVESTMENT</b>		<b>Less Debt (Market St. Sydney)</b> (\$15,000,000)	
<b>PROPERTY</b> \$54,875,000		<b>Total Market Value</b> \$40,755,000	
<b>INVESTMENT PORTFOLIO at market value</b>			
<b>LISTED EQUITIES</b>		<b>NET INTEREST BEARING SECURITIES</b>	
Market Value	\$52,188,000	<b>&amp; OTHER RECEIVABLES</b>	
<b>PRIVATE EQUITY INVESTMENTS</b>		<b>Value</b> \$5,407,000	
MIT IIIA	\$3,815,000	<b>Cash on hand</b> \$11,977,000	
Crescent Capital Mgt	\$350,000		
Crescent Capital Fund	\$1,751,000		
Other/Balance	\$543,000		
<b>TOTAL</b>	<b>\$6,459,000</b>	<b>TOTAL INVESTMENT PORTFOLIO</b>	
<b>TOTAL MARKET VALUE OF PROPERTY &amp; INVESTMENT PORTFOLIO</b> \$116,786,000		<b>Total Market Value</b> \$76,031,000	
which equates to a <b>MARKET VALUE PER SHARE OF</b> \$2.59*			
* \$116,786m / 45,052,508			
<b>10 LARGEST EQUITY HOLDINGS</b>		<b>RECONCILIATION OF MOVEMENT IN</b>	
Westpac Banking Corporation	\$5,139,100	<b>MARKET VALUE PER SHARE BETWEEN</b>	
National Australia Bank	\$5,051,000	<b>31/7/02 &amp; 31/7/03</b>	
Washington F1 Soul Pattison	\$3,444,600	Market Value per share at 31/7/02 \$2.53	
Gowings Retail	\$2,870,000	Less dividend paid \$0.10	
BHP Billiton	\$2,835,700	Adjusted Value \$2.43	
ANZ Banking Group	\$2,144,400	Value at 31/7/03 (above) \$2.59	
Carlton Investments Ltd	\$1,876,400	Movement - increase \$0.16	
Alesco Corp	\$1,871,700		
Hills Industries	\$1,854,300		
Woolworths	\$1,852,600		
Other holdings	\$23,248,200		
<b>TOTAL</b>	<b>\$52,188,000</b>		

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**Slide 1 'Gowings at a Glance' 31 July 2003**

The company considers NTA to be the most appropriate measurement of the company's financial performance in any given period.

The NTA of the company at 31 July 2003 on a per share basis had increased some 6.5% over the previous year from \$2.43 to \$2.59.

Please note that the market values of property shown above are based on Director's assessments of market value as at 31 July 2003.



**GOWING BROS LTD "AT A GLANCE"**  
Statement of Financial Position (as at 30 September 2003)

**PROPERTY PORTFOLIO at market value**

**INVESTMENT PROPERTY**

**45 MARKET ST SYDNEY**

Market value		\$50,000,000
Site Area	624sqm	
Net lettable area	6,280 sqm	
Occupancy rate	96%	
Rental per annum	\$4,300,000	

**70 NORTON ST LEICHHARDT**

Market value (50% share)		\$4,875,000
Area	800 sqm	
Net lettable area	1,500 sqm	
Occupancy rate	100%	
Rental per annum	\$390,000	

**OTHER**

Value		\$632,000
<b>Sub Total Investment Property</b>		<b>\$55,507,000</b>

**DEVELOPMENT PROPERTY**

Value	\$1,116,000
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<b>Sub Total Development Property</b>	<b>\$1,116,000</b>
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**TOTAL PROPERTY PORTFOLIO**

Total Value	\$56,623,000
Less debt (Market St Sydney)	\$15,000,000

<b>Total Market Value</b>	<b>\$41,623,000</b>
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**INVESTMENT PORTFOLIO at market value**

**EQUITY HOLDINGS**

Listed Equities Market Value	\$54,668,000
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**PRIVATE EQUITY INVESTMENTS**

MIT IIIA	\$4,160,000
Crescent Capital Management Pty Ltd	\$350,000
Crescent Capital Fund	\$1,100,000
Other Equity Investments	\$581,000
<b>Market Value</b>	<b>\$6,191,000</b>

**NET INTEREST BEARING SECURITIES & OTHER RECEIVABLES**

Value	\$6,678,000
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<b>CASH ON HAND</b>	<b>\$10,757,000</b>
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**TOTAL INVESTMENT PORTFOLIO**

<b>Total Market Value</b>	<b>\$78,094,000</b>
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<b>TOTAL MARKET VALUE OF PROPERTY AND INVESTMENT PORTFOLIO</b>	<b>\$119,717,000</b>
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<b>WHICH EQUATES TO A MARKET VALUE PER SHARE OF</b>	<b>\$2.66*</b>
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\*\$119,717m / 45,052,381 shares on issue

**20 LARGEST EQUITY HOLDINGS**

Westpac Banking Corporation	\$5,012,300
National Australia Bank	\$4,764,800
Washington H. Soul Pattison	\$3,601,500
BHP Billiton	\$3,055,600
Gowings Retail	\$2,940,000
ANZ Banking Group	\$2,109,100
Hills Industries	\$1,932,900
John Fairfax Holdings	\$1,910,000
Carlton Investments Ltd	\$1,892,100
Woolworths	\$1,840,000
Alesco Corp	\$1,784,400
Coles Myer Ltd	\$1,520,000
Blackmores Ltd	\$1,502,000
Woodside Petroleum Ltd	\$1,408,500
Macquarie Equities (Macquarie Bank)	\$1,380,000
Brambles Industries	\$1,208,800
Noni B Ltd	\$961,500
Telstra Corporation	\$948,000
Australian Gas Light Company	\$849,600
St George Bank	\$819,600

**RECONCILIATION OF MOVEMENT IN MARKET VALUE PER SHARE BETWEEN 31/07/03 & 30/09/03**

Market value per share at 31/07/03	\$2.59
Less dividend paid	\$0.00
Adjusted value	\$2.59
Value at 30/09/03 (above)	\$2.66
Movement - increase	\$0.07

**Slide 2 'Gowings at a Glance' 31 September 2003**

In the first two months of the current year the NTA has increased again to \$2.66.

I trust you have all been provided with a copy of the schedule shown in this slide. If not, copies will be available after the meeting.



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PERFORMANCE  
PROVEN OVER  
TIME



EST 1868

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**Slide 3 Shareholder and Investor Communication – ‘The Gowings Guide’**

This year the company has put a lot of effort into improving the transparency of its communication with the market and in particular for the benefit of our shareholders. This process started most obviously with the 2002 Annual Report. It has continued apace in the 2003 year again with the Annual Report and more frequent market announcements.

Since the year end the company has published the Gowings Guide, which was posted to shareholders in the dividend mailing. The Guide seeks to clearly explain the company's current business model and philosophy and to point out in clear and concise terms the advantages of investing with the company. The Guide will better inform shareholders and investors about the investment and wealth management activities of the company. It includes information about past and current performance of the company, its investment philosophy, asset portfolio, Board of Directors and management and its intended future direction.



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The Gowing Bros. website is currently being further developed to provide more detailed information about the Company.



HERITAGE



COMPANY PROFILE



INVESTOR INFORMATION



INVESTMENT PORTFOLIO



PUBLICATIONS

#### Slide 4 Shareholder and Investor Communication – [www.gowingbros.com](http://www.gowingbros.com)

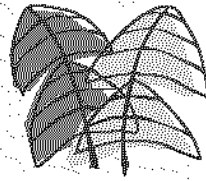
The company has also since year end launched its website at [www.gowingbros.com](http://www.gowingbros.com). Significant parts of the website are still under construction but we have taken the opportunity to post both the 2003 Annual Report and the 'Gowings Guide' on the Publications page of the site. The balance of the site will be operating shortly and I trust that shareholders and investors alike find it a useful addition to the company's communications capability.

The Board believes, apart from the strong profit performance of the company, that this increased transparency has assisted in the progress of the company's share price to a level closer to its NTA. We will continue working to ensure the market's understanding of the activities and performance of the company enables an even closer relationship between share price and NTA.



# Bunya Pines Estate

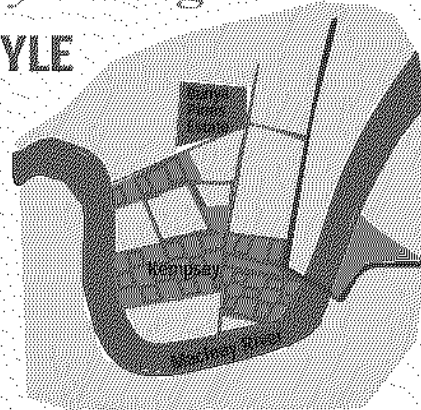
*Town & Country Living*



## LANDSCAPED RURAL STYLE RESIDENTIAL ESTATE

**STAGE 1 - NOW SELLING**  
priced from \$72,500

- Quality Residential land blocks situated in rural setting
- Minutes from town centre
- All modern amenities & services
- Affordable house & land packages
- Parkland featuring 100 year old Bunya Pines
- Single entrance for security & no through traffic
- Some unique large blocks (ideal for horses & pets)
- Generous blocks from 600m<sup>2</sup> up to 8 HA



**ONLY 20 MINS TO SOUTH WEST ROCKS HISTORIC FISHING TOWN & BEAUTIFUL BEACHES**

**GREAT VALUE • GREAT POSITION • GREAT OPPORTUNITY**  
**Upgrade now or invest - the growth of Kempsey is assured**

*For further information talk to your local agent*

**Kempsey:**

- Richardson & Wrench ph 6562 6600
- Winsome First National ph 6562 6144
- Raine & Horne ph 6562 7122
- P.R.D. Nationwide ph 6562 8800

**South West Rocks:**

- L. J. Hooker ph 6566 6313



A Gowing Properties & McEvoy Constructions Subdivision ph 02 9264 6321

**Slides 5, 6, 7 Post Year End Activities – Bunya Pines Estate Subdivision, Kempsey**

This project continues to proceed beyond our expectations. As at today, 24 lots of the first 30 have been sold and 4 others are currently under negotiation.



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**Slide 6**

The Bunya pine trees which are the feature of the estate and provide the name.



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**Slide 7**

Photo of current progress of the subdivision works



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**Slide 8**

View of site works under way



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**Slide 9**

Further views of the site works



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## **IN CLOSING**

“Gowing Bros. Limited is well positioned to continue its good performance for Australians seeking a trusted and independent wealth manager.

Finally, on behalf of the Board, I would like to thank the management and staff of the company for the good result achieved in this past year.”