GOWING BROS

GOWING BROS LIMITED
EST. 1868

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Dear fellow shareholder,

I thought it would be informative to provide a brief update, particularly for those of you who were unable to attend our recent AGM.

The first quarter has been a very strong start to the new year for the company, with our gross net assets per share increasing by 25 cents or 6.5% to $4.12.

The big drivers behind this solid growth include:

i. A $6.8m appreciation in the value of our listed share portfolio

ii. A $7m revaluation of two of our retail portfolio properties including Norton Street Leichardt, following an extensive refurbishment and the introduction of Westpac as a new tenant, and Bong Bong Street Bowral, following the completion of our joint venture development.

Since year end, we have made a number of additional investments and 'top-ups' to our listed equity portfolio including Emeco Holdings, Everest Babcock & Brown, Everest Babcock & Brown Trust, Coates Hire, Wesfarmers, Perpetual Trustees, Harvey Norman and Fairfax.

Looking forward, it is hard to imagine that the rest of the year will continue to be as strong as the first quarter. However, we remain well positioned to benefit from either a continuing buoyant market or, conversely, to take advantage of any unexpected market weakness in deploying our large cash balance.

Wishing you a happy and safe new year.

John Gowing

Managing Director

Gowing Bros. Ltd

Annual General Meeting, 23 November 2006

GOWINGS AT A GLANCE	31 October 2006 (un-audited)	31 July 2006 (audited)
INVESTMENT PORTFOLIO		
Cash and fixed interest	$46,378,000	$53,942,000
Listed equities*	$107,668,000	$97,553,000
Private equity investments	$12,933,000	$10,590,000
Net other assets	$2,323,000	$4,716,000
TOTAL INVESTMENT PORTFOLIO	$169,302,000	$166,801,000
PROPERTY PORTFOLIO		
Investment property	$22,015,000	$15,239,000
Development property	$863,000	$873,000
Less debt	($13,275,000)	($12,850,000)
TOTAL PROPERTY PORTFOLIO	$9,603,000	$3,262,000
NET ASSETS (before allowing for tax on unrealised gains)	$178,905,000	$170,063,000
NET ASSETS PER SHARE (before tax)	$4.12	$3.87
NET ASSETS (after allowing for tax of $14,112,000 unrealised gains)	$164,793,000	$158,234,000
NET ASSETS PER SHARE (after tax)	$3.79	$3.61

* TOP TWENTY HOLDINGS	Units	31 October 2006	31 July 2006
BHP Billiton Limited	469,353	$12,803,949	$13,033,933
Westpac Banking Corporation	309,400	$7,410,130	$6,806,800
Rio Tinto Limited	72,000	$5,644,800	$5,353,920
Woodside Petroleum Limited	129,974	$4,880,524	$5,561,587
Macquarie Equities (Macquarie Bank Limited)	60,000	$4,473,000	$3,711,000
Washington H Soul Pattinson & Company Limited	500,000	$4,250,000	$3,900,000
Australia and New Zealand Banking Group Limited	138,865	$4,032,640	$3,506,341
Australian Stock Exchange Limited	111,500	$3,947,100	$3,648,280
National Australia Bank Limited	100,000	$3,818,000	$3,590,000
St George Bank Limited	115,000	$3,727,150	$3,294,750
Woolworths Limited	180,000	$3,724,200	$3,427,200
Alesco Corporation Limited	360,000	$3,524,400	$3,276,000
John Fairfax Holdings Limited	700,000	$3,402,000	$2,800,000
Blackmores Limited	193,812	$3,294,804	$2,523,432
Carlton Investments Limited	156,370	$2,969,466	$2,783,386
Noni B Limited	673,805	$2,897,362	$2,695,220
Hills Industries Limited	525,060	$2,415,276	$2,536,040
Coates Hire Limited	400,000	$2,392,000	$1,990,400
Invocare Limited	450,000	$2,389,500	$2,034,000
Rinker Group Limited	100,000	$1,855,000	$1,317,000
Other		$23,816,923	$19,763,032
Total		$107,668,223	$97,552,321