GOWING BROS
Investing together for a secure future

Appendix 4E

PRELIMINARY FINAL REPORT

Gowing Bros. Limited
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RESULTS FOR ANNOUNCEMENT TO THE MARKET

Entity:	GOWING BROS. LIMITED AND ITS CONTROLLED ENTITIES
Reporting period:	YEAR ENDED 31 JULY 2007
Previous corresponding period:	YEAR ENDED 31 JULY 2006

RESULTS				
Net assets per share before tax on unrealised gains	Up	21.7%	To	$4.71
Net assets per share after tax on unrealised gains	Up	18.3%	To	$4.27
Profit before income tax	Down	15.3%	To	$20,099,000
Profit after income tax	Down	39.9%	To	$15,336,000

Net assets per share grew to $4.71 from $3.87 in the prior year following strong growth across all of our underlying asset classes for the year ended 31 July 2007. Net assets grew to a milestone $201 million (excluding deferred tax) from $170 million in the prior year after the payment of $4.3 million of dividends. Net profit after tax reduced to $15.3 million from $25.5 million in the prior year following a significant increase in current year tax expense and the prior year including the pre-cgt gain on sale of the Market Street property.

DIVIDENDS	2007	2006
	CENTS PER SHARE	CENTS PER SHARE
Final dividend declared – fully franked LIC capital gains	5.0c	5.0c
Special dividend declared – fully franked LIC capital gains	5.0c	-
Interim dividend paid – fully franked ordinary	5.0c	5.0c

Record date for determining entitlement to final and special dividends 11 October 2007
The Dividend Reinvestment Plan and Bonus in Lieu Plan are suspended for this dividend.

INCOME STATEMENT

FOR THE YEAR ENDED 31 JULY 2007

		CONSOLIDATED	
	Notes	31 July 2007 $000	31 July 2006 $000
Revenue			
Interest income		2,599	1,216
Listed equities		4,655	3,147
Private equities		185	487
Investment properties		723	3,136
Other revenue		38	60
Total Revenue	2	**8,200**	**8,046**
Other Income			
Gains (losses) on disposal or revaluation of:			
- Listed equities		5,829	83
- Private equities		6,548	1,285
- Investment properties		2,787	18,965
- Development properties		167	291
FX gains (losses)		32	(1)
Other income		133	797
Total Revenue and Income	2	**23,696**	**29,466**
Expenses			
Investment property related expenses		375	2,512
Administration expenses		296	267
Borrowing cost expenses		973	786
Depreciation expenses		61	241
Employee expenses		1,573	1,471
Public company expenses		319	451
Total Expenses		**3,597**	**5,728**
Profit before income tax expense	3	**20,099**	**23,738**
Income tax expense	4	(4,763)	1,778
Profit from continuing operations		**15,336**	**25,516**
Net profit attributable to minority interest		-	6
Profit attributable to members of Gowing Bros. Limited	6	**15,336**	**25,522**
Total changes in equity other than those resulting from transactions with owners as owners		**15,336**	**25,522**
Basic and diluted earnings per share	7	35.53c	57.53c

The consolidated income statement should be read in conjunction with the accompanying notes.

BALANCE SHEET
AS AT 31 JULY 2007

	Notes	CONSOLIDATED 31 July 2007 $000	31 July 2006 $000
Current Assets			
Cash and cash equivalents		12,154	53,942
Trade and other receivables		2,221	1,675
Investment loans		-	1,260
Investment properties		12,769	650
Tax assets		-	674
Other		153	194
Total Current Assets		**27,297**	**58,395**
Non-Current Assets			
Receivables		167	51
Investments - listed Australian equities		156,639	97,553
Investments – listed global equities		3,603	-
Investments - private equities		18,893	10,590
Investment properties		7,979	13,137
Development properties		872	873
Property, plant and equipment		3,101	1,535
Deferred tax assets		107	1,430
Other		117	94
Total Non-Current Assets		**191,478**	**125,263**
Total Assets		**218,775**	**183,658**
Current Liabilities			
Trade and other payables		679	565
Tax liabilities		1,939	-
Total Current Liabilities		**2,618**	**565**
Non-Current Liabilities			
Payables		3	-
Borrowings		14,865	12,850
Deferred tax liabilities		18,921	11,914
Provisions		92	94
Total Non-Current Liabilities		**33,881**	**24,858**
Total Liabilities		**36,499**	**25,423**
Net Assets		**182,276**	**158,235**
Equity			
Parent Entity Interest			
Issued capital		(449)	3,608
Reserves	5	133,213	37,238
Retained profits	6	49,509	117,386
Total Parent Entity Interest		**182,273**	**158,232**
Minority interest in controlled entities		3	3
Total Equity		**182,276**	**158,235**

The consolidated balance sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2007

	CONSOLIDATED	
	31 July 2007	31 July 2006
	$000	$000
Equity at the beginning of the year	158,235	134,166
Profit attributable to shareholders for the year	15,336	25,522
Changes in the fair value of listed equities, net of tax	17,083	6,511
	190,654	**166,199**
Transactions with shareholders in their capacity as shareholders:		
Decreases through buybacks of shares	(4,207)	(3,502)
Increase through issue of share capital	150	-
Dividends paid	(4,321)	(4,462)
Equity at the end of the year attributable to shareholders	**182,276**	**158,235**

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JANUARY 2007

	CONSOLIDATED	
	31 July 2007 $'000	31 July 2006 $'000
Cash Flows from Operating Activities		
Receipts in the course of operations (inclusive of GST)	2,105	4,733
Payments to suppliers and employees (inclusive of GST)	(2,430)	(5,023)
Other receipts	300	-
Dividends received	3,913	3,151
Interest received	3,241	1,534
Borrowing costs	(973)	(783)
Income taxes refunded (paid)	323	(779)
Net Cash Inflow from Operating Activities	**6,479**	**2,833**
Cash Flows from Investing Activities		
Payments for purchases of property, plant and equipment	(1,627)	(1,501)
Payments for purchases of investment properties	(5,896)	(1,589)
Payments for the purchases of development properties	(201)	(2,426)
Payments for purchases of equity investments	(58,155)	(27,893)
Proceeds from sale of plant and equipment	-	73
Proceeds from sale of equity investments	22,230	6,038
Proceeds from sale of property and other assets	486	72,128
Proceeds from loan repayments	1,260	3,591
Net Cash (Outflow) Inflow from Investing Activities	**(41,903)**	**48,421**
Cash Flows from Financing Activities		
Proceeds from borrowings	2,013	1,300
Payments for shares bought back	(4,056)	(3,502)
Repayment of lease liabilities	-	(443)
Repayment of borrowings	-	(167)
Dividends paid	(4,321)	(4,462)
Net Cash (Outflow) Inflow from Financing Activities	**(6,364)**	**(7,274)**
Net (Decrease) Increase in Cash Held	**(41,788)**	**43,980**
Cash at the beginning of the period	53,942	9,962
Cash at the end of the period	**12,154**	**53,942**
Reconciliation of Cash		
Cash at bank and on hand	7,360	72
Deposits at call	4,794	53,870
Cash at the end of the period	**12,154**	**53,942**

The consolidated cash flow should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This preliminary general purpose final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

The preliminary final report is presented in Australian dollars and is prepared under the historical cost convention, modified by the revaluation of listed equities (available-for-sale financial assets), private equities (financial assets at fair value through profit or loss) and investment properties.

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures the consolidated financial statements of Gowing Bros. Limited comply with International Financial Reporting Standards (IFRS).

Conforming with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the consolidated entity's accounting policies. These estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision future periods if the revision affects both current and future periods.

This report is based on financial statements which are in the process of being audited.

NOTES TO THE FINANCIAL STATEMENTS

	CONSOLIDATED	
	31 July 2007	31 July 2006
	$'000	$'000
2. SEGMENT INFORMATION		
Segment Revenue		
Cash and fixed interest – interest received	2,599	1,216
Listed equities – dividends and option income	4,655	3,147
Private equities – distributions received	185	487
Investment properties – rent received	723	3,136
Other	38	60
	8,200	**8,046**
Segment Other Income		
Listed equities – realised gains on disposal	5,829	83
Private equities – realised gains on disposal	5,139	-
Private equities – unrealised fair value gains	1,409	1,285
Investment properties – realised gain on disposal	176	18,965
Investment properties – unrealised fair value gains	2,611	-
Development properties – realised gains on disposal	167	291
Other	165	796
	15,496	**21,420**
Total Segment Revenue and Income	**23,696**	**29,466**
Segment Result		
Cash and fixed interest	2,599	1,216
Listed equities	10,484	3,230
Private equities	6,733	1,772
Investment properties	3,136	19,589
Development properties	167	291
Other	(3,020)	(2,360)
	20,099	**23,738**
Income tax (expense) credit	(4,763)	1,778
Net Profit	**15,336**	**25,516**

3. OPERATING PROFIT

Profit from continuing operations before income tax expense includes the following specific items:		
Write-down of fixtures and fittings of terminated leases	-	(600)
Profit on sale of 45 Market St	-	18,065
Depreciation	61	241
Interest expense	973	786

NOTES TO THE FINANCIAL STATEMENTS

	CONSOLIDATED	
	31 July 2007	31 July 2006
	$'000	$'000
4. INCOME TAX		
Prima facie tax expense on the net profit at 30%	6,030	7,122
Tax effect of permanent differences:		
Non-assessable income	428	307
Non-deductible expenses	9	271
Accounting profit on disposal of investment properties	-	(7,608)
Franked dividends	(1,153)	(888)
Deferred tax asset on tax losses carried forward	(438)	(781)
Under (over) provision for taxable income in prior year	(113)	(201)
	4,763	**(1,778)**
5. RESERVES		
Capital profits reserve – pre CGT profits	78,892	-
Investment revaluation reserve – listed equities	54,321	37,238
	133,213	**37,238**
6. RETAINED PROFITS		
Retained profits at the beginning of the financial year	117,386	70,359
Net profit attributable to members of Gowing Bros. Limited	15,336	25,522
Aggregate of amounts transferred (to) from reserves	(78,892)	25,967
Dividends provided for or paid	(4,321)	(4,462)
	49,509	**117,386**
7. EARNINGS PER SHARE (EPS)		
Earnings reconciliation:		
Net profit	15,336	25,516
Net profit attributable to minority interest	-	6
Basic and diluted earnings	**15,336**	**25,522**
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share.	43,167,217	44,361,765

At balance date there were no options on issue.

NOTES TO THE FINANCIAL STATEMENTS

	CONSOLIDATED	
	31 July 2007 $'000	31 July 2006 $'000

8. NTA BACKING

NTA per ordinary security before tax on unrealised gains	$4.71	$3.87
NTA per ordinary security after tax on unrealised gains	$4.27	$3.61

The company is a long term investor and does not intend on disposing of its investment portfolio. Valuations are based on managements' estimation of market values with reference to ASX prices, private equity manager reports, property valuations and consultation with real estate advisors.

9. DIVIDENDS

	CENTS PER SHARE	TOTAL AMOUNT $000	DATE OF PAYMENT
The following dividends were declared and paid by the consolidated entity:			
Interim dividend 31 January 2007	5.0c	2,145	24 April 2007
Final dividend 31 July 2006	5.0c	2,175	25 October 2006

Since the end of the period, the directors declared the following dividend:

Final Dividend 31 July 2007	5.0c		25 October 2007

Dividends declared or paid during the period were fully franked at the tax rate of 30%.

The financial effect of the dividend declared subsequent to reporting date has not been brought to account in the financial statements for the year ended 31 July 2007 and will be recognised in subsequent financial reports.

The operation of the company's Dividend Reinvestment Plan and Bonus in Lieu Plan is suspended until further notice.

NOTES TO THE FINANCIAL STATEMENTS

10. INTERESTS IN ENTITIES WHICH ARE NOT CONTROLLED ENTITIES, OR JOINT VENTURE OPERATIONS

The economic entity has an interest in the following entities, and joint venture operations:

	% OF OWNERSHIP HELD AT END OF PERIOD OR DATE OF DISPOSAL		CONTRIBUTION TO NET PROFIT (LOSS)	
	31 July 2007 %	31 July 2006 %	31 July 2007 $'000	31 July 2006 $'000
Joint Ventures:				
Macleay Retail Development	-	11 April 2006	-	710
Bunya Pines Estate Joint Venture	50.00%	50.00%	167	291
Regional Retail Properties	50.00%	50.00%	82	(197)
The Lodge of Dundee	90.00%	90.00%	(9)	-
Kemp Street Joint Venture	50.00%	50.00%	2	-
Elrington Partnership	50.00%	50.00%	18	-
Yarrawonga Joint Venture	50.00%	-	-	-
			260	**804**

11. ISSUED AND QUOTED SECURITIES AT THE END OF CURRENT PERIOD

	No. quoted	Total No.
Ordinary Securities:		
Opening balance	43,865,262	43,865,262
Decreases through returns of capital, buybacks	(1,223,347)	(1,223,347)
Deferred employee share plan	44,150	44,150
	42,686,065	**42,686,065**

12. COMMENTS BY DIRECTORS

Material factors affecting the revenue and expenses of the economic entity for the current period.
- Refer to results commentary on front page.

Description of event(s) since the end of the current period which has had a material effect and is not already reported elsewhere in this financial report.
- Nil.

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.
- The Company has sufficient franking credits ($10.9 million) to fully frank all dividends that have been declared.

Annual Meeting
- The Annual Meeting will be held on 22 November 2007