

**GOWING BROS. LIMITED**  
ACN 000 010 471

**“Strong Increase in Underlying Maintainable Earnings and Increased Interim Dividend”**

As the Managing Director of Gowing Bros. Limited, a leading investment and wealth management company with total assets in excess of \$130 million, I am pleased to report a 59% increase in the underlying recurring earnings of the business, a 10% increase in the net assets per share and a 17% increase in the interim dividend payable.

**Financial Results**

	Half year to 31 Jan 2004	Half year to 31 Jul 2003	Half year to 31 Jan 2003
	\$'000	\$'000	\$'000
<b>Profit from recurring activities before tax</b>	<b>2,878</b>	2,035	1,812
<b>Profit from non recurring items before tax</b>			
Private equity investment distributions	4,035	169	(21)
Diminution in value of private equity investments	(1,855)	-	-
Profit on sale of non-current assets investment portfolio	364	(591)	622
Share of net profit/(loss) of associate company	(609)	30	-
Profit on sale of investment property	-	-	316
Profit/(loss) on sale of interest in property joint venture	-	(55)	1,336
Share of net profit of associate property company	-	-	2,809
Total profit from non recurring items	1,935	(447)	5,062
<b>Profit from ordinary activities before tax</b>	<b>4,813</b>	<b>1,588</b>	<b>6,874</b>
Income tax expense	(1,157)	75	(954)
<b>Net profit after tax</b>	<b>3,656</b>	<b>1,663</b>	<b>5,920</b>
Net Profit attributable to outside equity interest	(13)	1	-
<b>Net Profit attributable to members of Gowing Bros. Limited</b>	<b>3,643</b>	<b>1,664</b>	<b>5,920</b>
<b>Net assets at market value</b>	<b>124,554</b>	<b>116,786</b>	<b>112,754</b>
Net assets at market value per share	\$2.75	\$2.59	\$2.51
Interim Dividend amount declared	3.5 cents	N/A	3.0 cents
Final Dividend amount declared	N/A	3.5 cents	N/A
Special Dividend amount declared	N/A	N/A	3.5 cents

A highlight of this first half is the significant increase achieved in the underlying recurring earnings of the business by 59% to \$2.88m from \$1.81 million in the prior corresponding period. This is a direct result of a concerted effort by management to increase the yields received from our investment property, listed share portfolio and property development business.

A net profit of \$1.94 million was achieved from non recurring items primarily stemming from our private equity investments and sale of investment portfolio assets. Whilst these non recurring profit items are irregular in nature and mature over several reporting periods, they generally deliver higher returns than those achieved by way of our normal operating businesses.

I am also pleased to report that the company's net asset backing per share has increased 9.6% to a record level of \$2.75 compared to \$2.51 at the end of previous corresponding period. Please refer to the attached schedule Gowing Bros. Limited "At a Glance" for details regarding this calculation and a financial snapshot of the company's state of affairs as at 31 January 2004.

**GOWING BROS. LIMITED**  
**ACN 000 010 471**

**Interim Dividend**

An increased fully franked ordinary dividend of 3.5 cents per share (last corresponding period 3.0 cents per share) has been declared and will be paid on 23 April 2004. Both of the company's Dividend Reinvestment Plan & Bonus in Lieu Share Plan will operate for this dividend. Given the significant increase achieved in the underlying recurring earnings of the business, the Directors have decided it is appropriate to increase the amount of the interim dividend.

The increase in both our interim dividend and net assets per share is a testament to our primary objective of maximising shareholder returns over the long term by maintaining an appropriate balance between dividends and capital growth.

**Outlook**

The outlook for both local and global financial markets has improved significantly since putting pen to paper this time last year. A number of the companies in which we are invested have had outstanding results. Fleetwood Corporation Limited is a case in point, its half year profit was up a whopping 97%!

A buoyant investment market creates an investment conundrum. While on the one hand we are very pleased to see the market values of many of our holdings rise, it is far more difficult to find and discover value among potential investments. Further, in good times it is even more important not to become complacent, because the next global economic shock may be only just around the corner.

It is important to point out here that all our new investments are made only after thorough research and analysis. We concentrate on companies with demonstrated strong earnings per share growth which are trading at realistic price earnings multiples and which operate in growth industries. It is also vital that management have proven capability and follow realistic corporate governance principles.

Right now our company is in great financial shape. We have an excellent portfolio of investments, spreading our risk over the categories of listed equities, investment property, mezzanine finance, property development, private equity and cash. At present all these categories are performing at or above expectations. A continuance of the current positive economic conditions should see the company reporting further strong gains in underlying net asset values for the year end.

John Gowing  
Managing Director  
8 March 2004

**GOWING BROS. LIMITED "AT A GLANCE"**  
Statement of Financial Position (as at 31 JANUARY 2004)

**INVESTMENT PORTFOLIO at market value**

**EQUITY HOLDINGS**

Listed Equities Market Value	<b>\$59,210,000</b>
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**PRIVATE EQUITY INVESTMENTS**

MIT IIIA	\$675,000
Crescent Capital Management Pty Limited	\$350,000
Crescent Capital Partners Growth Fund	\$1,058,000
Other Investments	\$912,000
<b>Market Value</b>	<b>\$2,995,000</b>

**NET INTEREST BEARING SECURITIES &**

**OTHER RECEIVABLES**

Value	<b>\$7,509,000</b>
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<b>CASH ON HAND</b>	<b>\$4,601,000</b>
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**TOTAL INVESTMENT PORTFOLIO**

<b>Total Market Value</b>	<b>\$74,315,000</b>
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**20 LARGEST EQUITY HOLDINGS**

Westpac Banking Corporation Limited	\$5,124,000
National Australia Bank Limited	\$4,728,000
Washington H. Soul Pattison Company Limited	\$3,660,000
BHP Billiton Limited	\$3,267,000
Gowings Retail Limited	\$3,234,000
ANZ Banking Group Limited	\$2,438,000
Woolworths Limited	\$2,342,000
Alesco Corporation Limited	\$2,287,000
John Fairfax Holdings Limited	\$2,148,000
Carlton Investments Limited	\$2,072,000
Hills Industries Limited	\$2,048,000
Woodside Petroleum Limited	\$1,612,000
St George Bank Limited	\$1,564,000
Blackmores Limited	\$1,560,000
Coles Myer Limited	\$1,462,000
Macquarie Equities (Macquarie Bank Limited)	\$1,372,000
Brambles Industries Limited	\$1,345,000
Suncorp-Metway Limited	\$1,258,000
Invocare Limited	\$1,044,000
Telstra Corporation Limited	\$984,000
Other holdings	\$13,661,000

<b>TOTAL</b>	<b>\$59,210,000</b>
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**PROPERTY PORTFOLIO at market value**

**INVESTMENT PROPERTY**

**45 MARKET ST SYDNEY**

Market value	\$50,000,000
Occupancy rate	96%
Rental per annum	\$4,300,000
Net lettable area	6.280sqm

**70 NORTON ST LEICHHARDT**

Market value (50% share)	\$4,875,000
Net lettable area ( 50% share)	750sqm
Occupancy rate	100%
Rental per annum (50% share)	\$390,000

**OTHER**

Bayview Heights Estate land	3,214,000
Forster land & buildings	750,000
Clarence St carpark	350,000
Value	\$4,314,000
<b>Sub total investment property</b>	<b>\$59,189,000</b>

**DEVELOPMENT PROPERTY**

Bunya Pines Estate Residual Land Value	\$1,050,000
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**TOTAL PROPERTY PORTFOLIO**

Total Value	<b>\$60,239,000</b>
Less debt (Market St Sydney)	\$10,000,000
<b>Total Market Value</b>	<b>\$50,239,000</b>

<b>TOTAL PROPERTY &amp; INVESTMENT PORTFOLIO</b>	<b>\$124,554,000</b>
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<b>WHICH EQUATES TO A MARKET VALUE PER SHARE</b>	<b>\$2.75</b>
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\*\$124.554m/45,222,328 shares on issue

**RECONCILIATION OF MOVEMENT IN MARKET VALUE**

**PER SHARE BETWEEN 31/7/03 & 31/01/04**

Market value per share at 31/7/03	\$2.59
Less dividend paid	\$0.035
Adjusted value	\$2.555
Value at 31/01/04 (above)	\$2.75
Movement - increase	\$0.20

Valuations are on a pre tax basis.

GOWING BROS. LIMITED

ABN 68 000 010 471

HALF YEARLY REPORT  
 HALF YEAR ENDED 31 JANUARY 2004

RESULTS FOR ANNOUNCEMENT TO THE MARKET  
 in accordance with Listing Rule 4.2A

\$'000

Revenue from ordinary activities	up	22%	to	15,307
Net profit for the period attributable to members	down	38%	to	3,643

Dividends (distributions)			Amount per security
Interim dividend			
24/10/2003	Fully franked dividend		3.5c
23/04/2004	Fully franked dividend		3.5c
Previous corresponding period			3.0c
Record date for determining entitlements to the dividend			9 April 2004

Brief explanation of any of the figures reported above and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

- (a) A fully franked dividend of 3.5c was paid on 24 October 2003.
- (b) A fully franked dividend of 3.5c was declared on 11 March 2004 payable on 23 April 2004. At 31 January 2004 a liability was not recognised for payment of the dividend and the dividend is not included in dividends provided for or paid (Note 6). The aggregate amount of the dividend expected to be paid on 23 April 2004 is \$1,583,000 less the value of the shares issued as part of the Dividend Reinvestment Plan (DRP) and Bonus in Lieu Plan (BIL).

# GOWING BROS. LIMITED

ABN 68 000 010 471

## DIRECTORS' REPORT

The directors present their report on the consolidated entity consisting of Gowing Bros. Limited and the entities it controlled at the end of, or during, the half year ended 31 January 2004.

### **Directors**

The names of each person serving as a Director, either during or since the end of the half year, are set out below:

Mr W.A. Salier	(Chairman)
Mr J. E. Gowing	(Managing Director)
Mr M. T. Alscher	(Non-executive Director)
Mr J. Parker	(Non-executive Director)

### **Review of Operations**

Refer to the Managing Director's Review of Operations.

### **Rounding of Amounts to Nearest Thousand Dollars**

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off in accordance with that Class Order or, in certain cases, to the nearest dollar.

Signed in accordance with a resolution of the Directors of Gowing Bros. Limited.

**J.E. GOWING**

Director

Sydney

2 March 2004

GOWING BROS. LIMITED  
ABN 68 000 010 471

STATEMENT OF FINANCIAL PERFORMANCE  
HALF YEAR ENDED 31 JANUARY 2004

	Notes	Consolidated	
		Half year to 31 Jan 2004 \$'000	Half year to 31 Jan 2003 \$'000
Revenue from ordinary activities	3	15,307	12,501
Cost of investments sold		(5,264)	(4,243)
Cost of property sold		(590)	(2,372)
Cost of plant and equipment sold		(21)	-
Employee expenses		(718)	(508)
Indirect expenses		(918)	(909)
Borrowing costs expense		(406)	(456)
Depreciation expense		(158)	(152)
Diminution in value of private equity investments		(1,855)	-
Share of net profits of associates accounted for using the equity method		(564)	3,013
<b>Profit from ordinary activities before income tax expense</b>		<b>4,813</b>	<b>6,874</b>
Income tax expense	5	(1,157)	(954)
<b>Net profit</b>		<b>3,656</b>	<b>5,920</b>
Net profit attributable to outside equity interest		(13)	-
<b>Net profit attributable to members of Gowing Bros. Limited</b>		<b>3,643</b>	<b>5,920</b>
Net increase (decrease) in asset revaluation reserve		-	-
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>	<b>6</b>	<b>3,643</b>	<b>5,920</b>
Basic earnings per share		8.07 cents	13.19 cents
Diluted earnings per share		8.07 cents	13.19 cents

The above statement of financial performance should be read in conjunction with the accompanying notes.

GOWING BROS. LIMITED

ABN 68 000 010 471  
STATEMENT OF FINANCIAL POSITION

HALF YEAR ENDED 31 JANUARY 2004

	Notes	Half year to 31 Jan 2004 \$'000	Consolidated Full year to 31 July 2003 \$'000
<b>Current Assets</b>			
Cash assets		4,601	11,977
Receivables		1,286	634
Investment loans		2,365	3,530
Other		354	489
<b>Total Current Assets</b>		<b>8,606</b>	<b>16,630</b>
<b>Non-Current Assets</b>			
Receivables		958	649
Investments accounted for using the equity method		8,007	8,865
Other financial assets		33,402	33,160
Investment loans		5,980	2,435
Development properties		260	293
Investment properties		53,167	49,953
Plant & equipment		2,665	2,805
Tax assets		813	264
Other		42	55
<b>Total Non-Current Assets</b>		<b>105,294</b>	<b>98,479</b>
<b>Total Assets</b>		<b>113,900</b>	<b>115,109</b>
<b>Current Liabilities</b>			
Payables		3,920	3,718
Interest bearing liabilities		541	5,578
Tax liabilities		1,700	301
Provisions		-	26
<b>Total Current Liabilities</b>		<b>6,161</b>	<b>9,623</b>
Interest bearing liabilities		10,713	10,973
Tax liabilities		486	464
Provisions		59	56
<b>Total Non-Current Liabilities</b>		<b>11,258</b>	<b>11,493</b>
<b>Total Liabilities</b>		<b>17,419</b>	<b>21,116</b>
<b>Net Assets</b>		<b>96,481</b>	<b>93,993</b>
<b>Equity</b>			
<b>Parent Entity Interest</b>			
Contributed equity		7,618	7,261
Reserves		68,645	68,645
Retained profits	6	20,206	18,088
<b>Total parent entity interest</b>		<b>96,469</b>	<b>93,994</b>
<b>Outside equity interest in controlled entities</b>	7	<b>12</b>	<b>(1)</b>
<b>Total Equity</b>		<b>96,481</b>	<b>93,993</b>

The above statement of financial position should be read in conjunction with the accompanying notes.

GOWING BROS. LIMITED  
ABN 68 000 010 471

STATEMENT OF CASH FLOWS  
HALF YEAR ENDED 31 JANUARY 2004

	Half year to 31 Jan 2004 \$'000	Consolidated Half year to 31 Jan 2003 \$'000
<b>Cash Flows from Operating Activities</b>		
Receipts from customers (inclusive of GST)	5,794	2,653
Payments to suppliers & employees (inclusive of GST)	(1,479)	(1,591)
Dividends received	1,223	1,019
Interest received	768	321
Borrowing costs	(99)	(563)
Income taxes paid	(286)	(516)
<b>Net Cash Inflows (Outflows) from Operating Activities</b>	<b>5,921</b>	<b>1,323</b>
<b>Cash Flows from Investing Activities</b>		
Payments for purchases of plant & equipment	(40)	(52)
Payments for purchases of equity investments	(6,983)	(11,506)
Payment for purchase of property	(412)	-
Proceeds from sale of plant & equipment	21	-
Proceeds from sale of equity investments	5,628	4,865
Proceeds from sale of property	488	1,316
Loans to other entities	(8,600)	-
Proceeds from loan repayments	3,120	-
<b>Net Cash Inflows (Outflows) from Investing Activities</b>	<b>(6,778)</b>	<b>(5,377)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from borrowings	379	-
Payments for shares bought back	-	(340)
Repayment of lease liabilities	(294)	-
Repayment of borrowings	(5,406)	(222)
Dividends paid	(1,169)	(1,998)
<b>Net Cash Inflows (Outflows) from Financing Activities</b>	<b>(6,490)</b>	<b>(2,560)</b>
<b>Net Increase (Decrease) in Cash Held</b>	<b>(7,347)</b>	<b>(6,614)</b>
Cash at the beginning of the financial year	11,916	12,789
<b>Cash at the end of the financial year</b>	<b>4,569</b>	<b>6,175</b>
Non-cash financing activities	-	-
<b>Reconciliation of cash</b>		
Cash at bank and on hand	4,601	6,401
Deposits at call	-	-
Bank overdraft	(32)	(226)
<b>Total cash at end of period</b>	<b>4,569</b>	<b>6,175</b>

The above statement of cash flow should be read in conjunction with the accompanying notes.



GOWING BROS. LIMITED

ABN 68 000 010 471

NOTES TO THE FINANCIAL STATEMENTS

HALF YEAR ENDED 31 JANUARY 2004

**1. BASIS OF PREPARATION OF HALF YEAR FINANCIAL REPORT**

This general purpose financial report for the interim half-year reporting period ended 31 January 2004 has been prepared in accordance with Accounting Standard AASB 1029 *Interim Financial Reporting*, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views), other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

This interim financial report does not include all the notes of a type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 July 2003 and any public announcements made by Gowing Bros. Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

	Property \$'000	Investments \$'000	Intersegment \$'000	Consolidated \$'000
<b>2. SEGMENT INFORMATION</b>				
<b>Business Segments - Half year to 31/1/2004</b>				
Revenue from outside the consolidated entity	3,594	11,713	-	15,307
Intersegment revenue	22	-	(22)	-
<b>Total revenue</b>	<b>3,616</b>	<b>11,713</b>	<b>(22)</b>	<b>15,307</b>
Share of net profits of associates	45	(609)	-	(564)
<b>Total segment revenue</b>	<b>3,661</b>	<b>11,104</b>	<b>(22)</b>	<b>14,743</b>
Segment result	1,903	2,910	-	4,813
Income tax expense				(1,157)
<b>Net profit</b>				<b>3,656</b>

**Business Segments - Half year to 31/1/2003**

Revenue from outside the consolidated entity	6,084	6,417	-	12,501
Intersegment revenue	-	-	-	-
<b>Total revenue</b>	<b>6,084</b>	<b>6,417</b>	<b>-</b>	<b>12,501</b>
Share of net profits of associates	3,013	-	-	3,013
<b>Total segment revenue</b>	<b>9,097</b>	<b>6,417</b>	<b>-</b>	<b>15,514</b>
Segment result	5,253	1,621	-	6,874
Income tax expense				(954)
<b>Net profit</b>				<b>5,920</b>

GOWING BROS. LIMITED  
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NOTES TO THE FINANCIAL STATEMENTS  
HALF YEAR ENDED 31 JANUARY 2004

	Consolidated	
	Half year to 31 Jan 2004 \$'000	Half year to 31 Jan 2003 \$'000
<b>3. REVENUE</b>		
<b>Revenue From Operating Activities</b>		
Proceeds on sale of long term investments	5,628	4,866
Proceeds on sale of property	1,197	4,024
Proceeds on sale of plant & equipment	21	-
Interest	864	321
Dividends	1,148	1,037
Rent	1,960	2,014
Other investment income	4,251	218
Other property income	225	-
Other income	13	21
	<b>15,307</b>	<b>12,501</b>
<b>Revenue From Outside the Operating Activities</b>	<b>-</b>	<b>-</b>
<hr/>		
<b>Revenue from ordinary activities (excluding equity accounted net profits of associates)</b>	<b>15,307</b>	<b>12,501</b>

**4. OPERATING PROFIT**

**Individually Significant Items**

Profit from ordinary activities before income tax expense includes the following individually significant items:

Private equity investment distributions	4,035	-
Diminution in value of private equity investments	(1,855)	-
Share of net loss of associate (Gowings Retail Ltd)	(609)	-
Profit on sale of non-current assets investment portfolio	364	622
Profit on sale of Ingleside Property	-	316
Profit on sale of interest in joint venture (Waterloo property)	-	1,336
Share of net profit of associate (Bayview Heights Estate Pty Ltd)	-	204
Share of net profit of associate (Healesville Holdings Pty Ltd: Burrawang Ridge Estate Property)	-	2,809

GOWING BROS. LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

HALF YEAR ENDED 31 JANUARY 2004

	Half year to 31 Jan 2004 \$'000	Half year to 31 Jan 2003 \$'000
<b>5. INCOME TAX</b>		
The income tax expense for the financial year differs from the amount calculated on the profit. The differences are reconciled as follows:		
Profit from ordinary activities before income tax expense	4,813	6,874
Prima facie tax expense on the net profit at 30%	1,444	2,062
Tax effect of permanent differences:		
Non-assessable income	144	(329)
Share of net profits of associate	182	(904)
Non-deductible expenses	(3)	-
Over (under) statement of FITB in prior year	-	86
(Over) under statement of DITL in prior year	(90)	81
Dividend rebate	(580)	-
(Over) under provision for taxable income in prior year	60	(84)
Other	-	42
<b>Income Tax Expense</b>	<b>1,157</b>	<b>954</b>

	Half year to 31 Jan 2004 \$'000	Full year to 31 July 2003 \$'000
<b>6. RETAINED PROFITS</b>		
Retained profits at the beginning of the financial period	18,088	14,439
Net profit attributable to members of Gowing Bros Limited	3,643	7,584
Aggregate of amounts transferred from reserves	-	146
Dividends provided for or paid	(1,525)	(4,081)
<b>Retained profits at end of the financial period</b>	<b>20,206</b>	<b>18,088</b>

**7. OUTSIDE EQUITY INTERESTS**

Interest in		
Contributed equity	..*	..*
Retained profits (losses)	12	(1)
	12	(1)

\* Interest in contributed equity is \$500

GOWING BROS. LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

HALF YEAR ENDED 31 JANUARY 2004

	Half year to 31 Jan 2004	Half year to 31 Jan 2003
<b>8. RATIOS</b>		
<b>Profit before tax/revenue</b>		
Consolidated profit (loss) from ordinary activities before tax as a percentage of revenue	31.4%	55.0%
<b>Profit after tax/equity interests</b>		
Consolidated net profit (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	3.8%	6.3%
<b>Earnings per share (EPS)</b>		
Basic earnings per share and diluted earnings per share based on operating profit after income tax		
Basic earnings per share	8.07 cents	13.19 cents
Diluted earnings per share	8.07 cents	13.19 cents
	\$'000	\$'000
Reconciliation of earnings used in calculating earnings per share:		
Net profit	3,656	5,920
Net profit attributable to outside equity interests	(13)	-
<b>Earnings used in calculating basic earnings per share</b>	<b>3,643</b>	<b>5,920</b>
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share and diluted earnings per share		
	45,126,306	44,873,515
<b>NTA backing</b>		
Net tangible asset backing per ordinary security	\$2.49	\$2.32

**Options**

Options issued are considered to be non-diluting and have not been included as potential ordinary shares.

GOWING BROS. LIMITED  
ABN 68 000 010 471

NOTES TO THE FINANCIAL STATEMENTS  
HALF YEAR ENDED 31 JANUARY 2004

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**9. CONTROL GAINED OVER ENTITIES HAVING MATERIAL EFFECT**

Name of entity (or group of entities)	Bayview Heights Estate Pty Ltd
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period in which control was acquired	NIL
Date from which such profit has been calculated	5 January 2004

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**10. DIVIDENDS**

Date the dividend is payable 23 April 2004

Record date to determine entitlements to the dividend (i.e. on the basis of security holding balances established by 5.00pm or such later time permitted by SCH Business Rules) 9 April 2004

Amount per security	Amount per security	Franked amount per security at 30% tax
<b>Interim dividend: Current year to 31 January 2004:</b>		
24/10/2003 Fully franked dividend	3.5c	3.5c
23/4/2004 Fully franked dividend	3.5c	3.5c
<b>Interim dividend: Previous year to 31 January 2003:</b>		
24/4/2003 Fully franked dividend	3.0c	3.0c

**Interim dividend on all securities**

	Half year to 31 Jan 2004 \$'000	Half year to 31 Jan 2003 \$'000
Ordinary securities	1,525	2,773
Preference securities	-	-
Other equity instruments	-	-
<b>Total</b>	<b>1,525</b>	<b>2,773</b>

Dividend plans in operation: Dividend Reinvestment Plan (DRP)  
Bonus in Lieu Plan (BIL)

Last date for receipt of election notices for the dividend plans: 9 April 2004

GOWING BROS. LIMITED

ABN 68 000 010 471

NOTES TO THE FINANCIAL STATEMENTS

HALF YEAR ENDED 31 JANUARY 2004

**11. DETAILS OF AGGREGATE SHARE OF PROFITS (LOSSES) OF ASSOCIATES AND JOINT VENTURE ENTITIES.**

Group's share of associates' and joint venture entities':

	Half year to 31 Jan 2004 \$'000	Half year to 31 Jan 2003 \$'000
Profit (loss) from ordinary activities before tax	(806)	3,074
Income tax on ordinary activities	242	(61)
<b>Profit (loss) on ordinary activities after tax</b>	<b>(564)</b>	<b>3,013</b>
Adjustments	-	-
<b>Share of net profit (loss) of associates and joint venture entities</b>	<b>(564)</b>	<b>3,013</b>

**12. MATERIAL INTERESTS IN ENTITIES WHICH ARE NOT CONTROLLED ENTITIES, AND JOINT VENTURE OPERATIONS.**

The economic entity has an interest (that is material to it) in the following entities, and joint venture operations:

	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss)	
	Half year to 31 Jan 2004	Half year to 31 Jan 2003	Half year to 31 Jan 2004 \$'000	Half year to 31 Jan 2003 \$'000
<b>Equity accounted associates, and joint venture operations:</b>				
Gowings Retail Ltd	35.68%	33.98%	(609)	-
Healesville Holdings Pty Ltd	33.33%	33.33%	-	2,809
Bayview Heights Estate Pty Ltd	* 100.00%	33.33%	45	204
Bunya Pines Estate Joint Venture	50.00%	-	607	-
<b>Total</b>			<b>43</b>	<b>3,013</b>

\*Bayview Heights Estate Pty Ltd - \*33.33% equity accounted until 05/01/04 consolidated thereafter. Contribution to net profit represents equity accounted profits to 05/01/04. The controlled entity made no contribution to profits/(losses) on consolidation between 05/01/04 and 31/01/04.

GOWING BROS. LIMITED  
ABN 68 000 010 471

NOTES TO THE FINANCIAL STATEMENTS  
HALF YEAR ENDED 31 JANUARY 2004

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**13. ISSUED AND QUOTED SECURITIES AT END OF CURRENT PERIOD**

	Total No.	No. quoted
<b>Ordinary securities</b>		
Opening Balance	45,052,508	45,052,508
Changes during current period		
(a) Increases through issues	169,947	169,947
(b) Decreases through returns of capital, buybacks	(127)	(127)
<b>Closing Balance</b>	<b>45,222,328</b>	<b>45,222,328</b>

		Exercise price	Expiry date
<b>Options</b>			
Balance at beginning of period	30,000	\$1.90	06 Jun 2004
Balance at beginning of period	117,000	\$1.95	10 Nov 2004
Cancelled during current period	(30,000)	\$1.90	06 Jun 2004
Cancelled during current period	(35,000)	\$1.95	10 Nov 2004
Balance at end of period	-	\$1.90	06 Jun 2004
Balance at end of period	82,000	\$1.95	10 Nov 2004

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**14. COMMENTS BY DIRECTORS**

**Material factors affecting the revenue and expenses of the economic entity for the current period.**

Refer to Managing Director's Review of Operations.

**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 at 30% to fully frank all dividends that have been declared.

GOWING BROS. LIMITED

ABN 68 000 010 471

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes:

(a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(b) give a true and fair view of the consolidated entity's financial position as at 31 January 2004 and of its performance, as represented by the results of its operations and its cash flows, for the half year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Gowing Bros. Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

J.E GOWING

Director

Sydney

2 March 2004





Chartered Accountants

GOWING BROS. LIMITED  
ACN 000 010 471

**INDEPENDENT REVIEW REPORT**

To the Members of Gowing Bros. Limited:

**Scope**

We have reviewed the financial report of Gowing Bros. Limited for the half-year ended 31 January 2004, as set out on pages 6 to 16.

The financial report includes the financial statements of the consolidated entity comprising the disclosing entity and the entities it controlled at the end of the half-year or from time to time during the half-year. The disclosing entity's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting", other mandatory professional reporting requirements in Australia, statutory requirements and ASX Listing Rules, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to meet its obligations to lodge the financial report with the Australian Securities and Investments Commission and the ASX.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

**Independence**

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

**Statement**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report, as defined in the scope section, of Gowing Bros. Limited is not in accordance with:

- (a) the Corporations Act 2001, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 31 January 2004 and of its performance for the half-year ended on that date; and
  - (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia and ASX Listing Rules as they relate to Appendix 4B.

**S K PREEN**  
Partner

Sydney  
9 March 2004

**HLB MANN JUDD**  
(NSW Partnership)  
Chartered Accountants

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**HLB Mann Judd (NSW Partnership)**

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Stephen K Preen Bruce V Rose Darryl K Swindells Edger R Temple Neil P Wickenden

HLB Mann Judd (NSW Partnership) is a member of International. A world-wide organization of accounting firms and business advisers