



G O W I N G B R O S

Investing together for a secure future

Managing director's review of operations

MEDIA RELEASE

“ Record Interim Result ”

For the Half Year Ended 31 January 2007

Result Highlights

- 12.4% increase in gross assets per share to \$4.30 for the 6 months to 31 January 2007 (31 July 06: \$3.87) before allowing for tax on unrealised gains and after adjusting for dividends paid.
- 43% increase in fully franked interim dividend to 5c per share (PCP*: 3.5c).
- 51% increase in operating profit before tax to \$2.6m (PCP: \$1.7m).
- 136% increase in net profit after tax to \$5.5m (PCP: \$2.3m).
- The listed Australian equity portfolio again posted a strong performance appreciating in value by 17.3% during the 6 months ending 31 January 2007.
- Approximately \$8.5m of new listed equity investments or 'top-ups' were made during the period.
- A \$2.6m revaluation of two of our retail investment properties was made following completion of a substantial refurbishment at Norton Street, Leichhardt and the successful completion and leasing up of the Bong Bong Street Bowral development.
- A \$0.8m revaluation of our managed private equity portfolio following strong performance in the AMP, Macquarie, and Crescent funds.
- Further commitments of \$11m were made to managed private equity funds on a wholesale basis including the ANZ Business Equity Fund, AMP Private Equity Fund III and Everest Babcock & Brown Opportunities Fund.

* PCP: The Prior Corresponding Period is for the 6 months ending 31 January 2006.



GOWING BROS

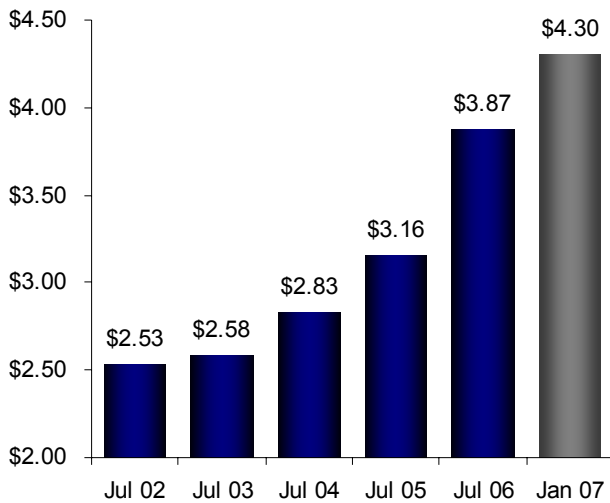
Investing together for a secure future

Managing director's review of operations

Dear fellow shareholder,

On behalf of your board of directors, I am pleased to comment on the results for the 6 months ending 31 January 2007.

RECORD NET ASSETS PER SHARE

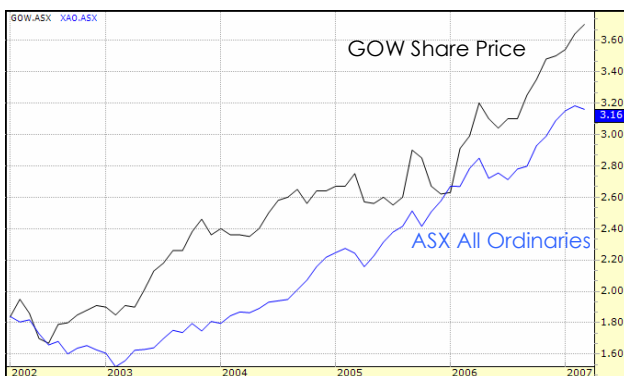


Our net assets per share increased by 12.4% during the 6 month period from \$3.87 to \$4.30 after adjusting for dividends paid and before allowing for tax on unrealised gains.

SHAREHOLDER RETURNS

Shareholder Returns	31 Jan 07	31 Jul 06	31 Jan 06
(Per share)	(6 Months)	(6 Months)	(6 Months)
Opening net assets	\$3.87	\$3.40	\$3.16
Closing net assets	\$4.30	\$3.87*	\$3.40
Increase in net assets	\$0.43	\$0.47	\$0.24
Dividends paid	\$0.05	\$0.035	\$0.065
Total return	\$0.48	\$0.505	\$0.305
% Return	12.4%	14.9%	9.7%

* Including sale of Market Street Building

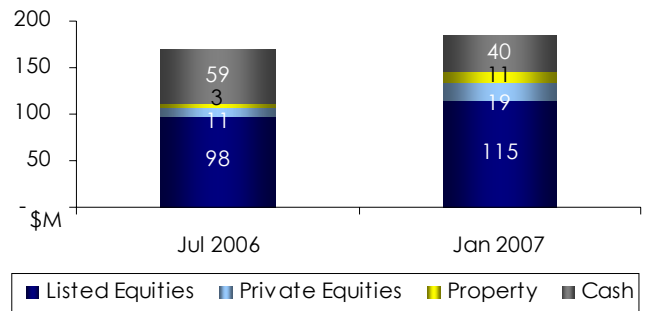


INCREASED FULLY FRANKED DIVIDEND

The directors have declared a fully franked interim dividend of 5c per share being a 43% increase on the prior corresponding period of 3.5c.

The dividend will be paid on 24 April 2007 to shareholders on the register as at 10 April 2007.

PORTFOLIO MIX



INCREASED OPERATING PROFIT

1 st Half Results	2007	2006
	(6 months)	(6 months)
Interest income	1,529	476
Listed equities income	2,051	1,548
Private equities income	128	17
Investment property income	103	955
Operating expenses	(1,184)	(1,254)
Operating profit before tax	2,627	1,742
Gains on disposal of investments	1,218	36
Revaluation of investments	3,429	1,344
Borrowing costs	(458)	(402)
Net profit before tax	6,816	2,720
Income tax expense	(1,298)	(374)
Minority interest	-	(6)
Net profit after tax	5,518	2,340

Operating profit before tax increased by 51% to \$2.6m (2006: \$1.7m) driven by an increase in dividends and interest income received.

Net profit after tax increased by 136% to \$5.5m (2006: \$2.3m) boosted by disposals of listed Australian equities due to takeovers (Vision Systems and Adsteam Marine), revaluations of two of our recently redeveloped retail investment properties and revaluations of private equity investments.



Managing director's review of operations

INVESTMENT PORTFOLIO

As a wealth management company, our principal goal is to maximise and protect our shareholders' wealth over the long term.

Listed Australian Equities

Our listed equity investments are made on a fundamental value basis in companies that are well positioned to deliver above average long term growth.

During the period, we made \$8.5m of new investments or 'top-ups' to our listed equity portfolio including:

- Perpetual Investments
- Harvey Norman
- Emeco Holdings
- Coates Hire
- Allico Finance Group
- Coffey International
- GLG Corporation
- Everest Babcock and Brown
- Everest Babcock and Brown Income Trust
- Fairfax Media
- Wesfarmers

Property Investments

Our property investments are made following a disciplined due diligence process in projects where we can add value and generate higher returns relative to our listed equity portfolio.

Acquisitions made during the period include a \$3.6m purchase of a 26 acre site to be developed as a tourist facility and a \$2m purchase of commercial properties adjoining our office at Jones Bay Wharf.

Managed Private Equities

Our managed private equity investments also provide opportunity for enhanced returns. We only invest in proven managers with a strong ability to generate proprietary deals. As at reporting date, there were approximately \$18m invested across 5 different managers. This provides significant diversification when considering each manager will typically invest in at least 5 companies.

During the period, \$8.1m of capital calls were made to AMP III, ANZ, Everest Babcock & Brown, Crescent Capital, Macquarie Co-investment Wholesale and Macquarie European Infrastructure Funds.

In addition to providing the potential for improved returns, our property and private equity investments are generally uncorrelated to our listed equity investments, which aids in reducing the risk of the overall portfolio.

TREND ANALYSIS

In today's market, an increasing amount of time is being devoted to reviewing global trends in order to identify tomorrow's growth stocks.

Industrialisation of BRICs (Brazil, Russia, India, China)

Key Drivers: High economic growth, rising incomes and wealth, rising middle class.
 Growth Areas: Increased consumption of resources, energy, agri-goods and services.
 Portfolio Stocks: Australian Agricultural Co, Woodside Petroleum, AMP China Growth Fund, Wesfarmers, BHP Billiton, RIO Tinto, Aditya Birla, Fleetwood, Coates Hire, Coffey International, Emeco Holdings, Nomad, Imdex.
 Total Exposure: \$30m

The Aging Australian and Western World Populations

Key Drivers: Western populations are aging with retiring baby boomers.
 Growth Areas: Increased wealth, leisure and healthcare needs.
 Portfolio Stocks: Blackmores, Resmed, Fleetwood, ARB, Invocare, Perpetual Investments
 Total Exposure: \$11m

The Internet

Key Drivers: The increased penetration of the internet, broadband and mobility.
 Growth Areas: Online retailing, entertainment and media.
 Portfolio Stocks: Fairfax Media, Quickflix, Wotif, News Corp.
 Total Exposure: \$6m

Globalisation of World Economies

Key Drivers: Reduced barriers, increased global trade, improved communications.
 Growth Areas: Best practice companies expanding internationally.
 Portfolio Stocks: Woolworths, Harvey Norman, ANZ Bank, Commonwealth Bank, Lend Lease, Macquarie Bank, Babcock & Brown, GLG, ARB, News Corp, Macquarie Airports, Resmed.
 Total Exposure: \$25m

Financialisation

Key Drivers: Increasing demand for financial expertise and services.
 Growth Areas: Investment banks, fund managers, financial services firms.
 Portfolio Stocks: Macquarie Bank, Babcock and Brown, Everest Babcock and Brown, Allico Finance Group, Aspen Group, Lend Lease, Banks, ASX.
 Total Exposure: \$50m

The Environment and Global Warming

Key Drivers: Protecting the environment and the efficient use of scarce resources.
 Growth Areas: Environmental companies, water, waste, natural gas, consultancy.
 Portfolio Stocks: Coffey International, Hills Industries, Woodside Petroleum.
 Total Exposure: \$8m

OUTLOOK

The company continues to be well positioned to benefit from further growth in the local and global economies through its diversified investment portfolio of quality assets including listed equities, managed private equities and property investments.

Conversely, as a result of our prudent diversification across different asset classes, we are well placed to weather any unforeseen economic downturn or global shocks.

Best regards,

John Gowing



Appendix 4D

**INTERIM FINANCIAL
REPORT
PERIOD ENDED
31 JANUARY 2007**

Gowing Bros. Limited
ABN 68 000 010 471
Suite 21, Jones Bay Wharf
26 – 32 Pirrama Rd
PYRMONT NSW 2009
T: 61 2 9264 6321 F: 61 2 9264 6240
www.gowings.com

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Entity:	GOWING BROS. LIMITED AND ITS CONTROLLED ENTITIES
Reporting period:	SIX MONTHS ENDED 31 JANUARY 2007
Previous corresponding period:	SIX MONTHS ENDED 31 JANUARY 2006

RESULTS				\$000
Revenue	down	2.1%	To	3,985
Net profit after tax	up	135.2%	To	5,518
Net profit attributable to members	up	135.8%	To	5,518

DIVIDENDS	CENTS PER SHARE	% FRANKED
CURRENT PERIOD		
Interim dividend – fully franked ordinary	5.0c	100%
PREVIOUS CORRESPONDING PERIOD		
Interim dividend – fully franked LIC dividend	3.5c	100%

Record date for determining entitlement to dividends 10 April 2007

The Dividend Reinvestment Plan and Bonus in Lieu Plan are suspended for this dividend.



GOWING BROS

Investing together for a secure future

Interim Financial Report

DIRECTORS' REPORT

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 J. G. Parker (Non-executive Director)

REVIEW OF OPERATIONS

Refer to the Managing Director's Review of Operations.

ROUNDING OFF

The company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the director's report and financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration given to the Directors by the lead auditor for the review undertaken by HLB Mann Judd is included in page 14.

Dated at Sydney this 26th day of March 2007 in accordance with a resolution of the directors.

J. E. Gowing
Managing Director



Interim Financial Report

INCOME STATEMENT

FOR THE SIX MONTH PERIOD ENDED 31 JANUARY 2007

	Notes	CONSOLIDATED	
		31 January 2007	31 January 2006
		\$000	\$000
Revenue			
Interest income		1,529	476
Listed Australian equities		2,051	1,548
Private equities		128	17
Investment properties		277	2,030
Total Revenue	3	3,985	4,071
Other Income			
Gains (losses) on disposal or revaluation of:			
- Listed Australian equities		1,088	(281)
- Private equities		827	1,091
- Investment properties		2,611	253
- Development properties		108	174
FX gains (losses)		(9)	-
Other income		22	143
Total Revenue and Income		8,632	5,451
Expenses			
Investment property related expenses		174	1,075
Administration expenses		182	84
Borrowing cost expenses		458	402
Depreciation expenses		11	149
Employee expenses		799	770
Public company expenses		192	251
Total Expenses		1,816	2,731
Profit before income tax expense		6,816	2,720
Income tax expense	6	(1,298)	(374)
Profit from continuing operations		5,518	2,346
Net profit attributable to minority interest		-	(6)
Profit attributable to members of Gowing Bros. Limited	8	5,518	2,340
Total changes in equity other than those resulting from transactions with owners as owners		5,518	2,340
Basic earnings per share	10	12.71c	5.23c

The consolidated income statement should be read in conjunction with the notes as set out on pages 7 to 11.



Interim Financial Report

BALANCE SHEET

AS AT 31 JANUARY 2007

		CONSOLIDATED	
	Notes	31 January 2007	31 July 2006
		\$000	\$000
Current Assets			
Cash and cash equivalents		37,136	53,942
Trade and other receivables		345	1,675
Investment loans		-	1,260
Investment properties – industrial		650	650
Tax assets		288	674
Other		168	194
Total Current Assets		38,587	58,395
Non-Current Assets			
Receivables		45	51
Investments - listed Australian equities		115,207	97,553
Investments - private equities		18,861	10,590
Investment properties - retail		15,954	9,200
Investment properties - commercial		1,173	282
Investment properties - industrial		318	318
Investment properties - other		4,043	3,337
Development properties		749	873
Property, plant & equipment - land and buildings		3,059	1,452
Property, plant & equipment - plant and equipment		82	83
Deferred tax assets		1,593	1,430
Other		94	94
Total Non-Current Assets		161,178	125,263
Total Assets		199,765	183,658
Current Liabilities			
Trade and other payables		563	565
Total Current Liabilities		563	565
Non-Current Liabilities			
Borrowings – general facility		10,000	10,000
Borrowings – property facility		2,825	2,350
Borrowings – other loans		1,008	500
Deferred tax liabilities - unrealised gains		16,234	11,829
Deferred tax liabilities - other		14	85
Provisions		89	94
Total Non-Current Liabilities		30,170	24,858
Total Liabilities		30,733	25,423
Net Assets		169,032	158,235
Equity			
Parent Entity Interest			
Issued capital		973	3,608
Reserves	7	126,221	37,238
Retained profits	8	41,836	117,386
Total Parent Entity Interest		169,030	158,232
Minority interest in controlled entities	9	2	3
Total Equity		169,032	158,235

The consolidated balance sheet should be read in conjunction with the notes as set out on pages 7 to 11.



GOWING BROS

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Interim Financial Report

STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTH PERIOD ENDED 31 JANUARY 2007

	CONSOLIDATED	
	31 January 2007	31 January 2006
	\$000	\$000
Equity at the beginning of the period	158,235	134,166
Profit attributable to shareholders for the period	5,518	2,346
Revaluation of investments, net of tax provided	10,089	7,644
Equity at the end of the period	173,842	144,156
Transactions with shareholders in their capacity as shareholders:		
Buybacks, net of issue costs	(2,635)	(2,291)
Dividends paid	(2,175)	(2,922)
Equity at the end of the period attributable to shareholders	169,032	138,943

The consolidated statement of changes in equity should be read in conjunction with the notes as set out on pages 7 to 11.



Interim Financial Report

CASH FLOW STATEMENT

FOR THE SIX MONTH PERIOD ENDED 31 JANUARY 2007

	CONSOLIDATED	
	31 January 2007	31 January 2006
	\$'000	\$'000
Cash Flows from Operating Activities		
Receipts in the course of operations (inclusive of GST)	410	3,029
Payments to suppliers and employees (inclusive of GST)	(1,066)	(2,463)
Other investment income	190	169
Other receipts	287	21
Dividends received	2,009	1,564
Interest received	2,176	1,015
Borrowing costs	(458)	(399)
Income taxes paid	-	(760)
Net Cash provided by Operating Activities	3,548	2,176
Cash Flows from Investing Activities		
Payments for purchases of property, plant and equipment	(1,617)	(26)
Payments for purchases of equity investments	(16,653)	(7,656)
Payments for purchase of property	(6,013)	(1,131)
Proceeds from sale of equity investments	5,990	6,836
Proceeds from sale of property & other assets	507	2,016
Loans to other entities	-	(108)
Proceeds from loan repayments	1,260	-
Net Cash used in Investing Activities	(16,526)	(69)
Cash Flows from Financing Activities		
Proceeds from borrowings	982	-
Payments for shares bought back	(2,635)	(2,291)
Repayment of lease liabilities	-	(443)
Repayment of borrowings	-	(870)
Dividends paid	(2,175)	(2,922)
Net Cash used in Financing Activities	(3,828)	(6,526)
Net decrease in Cash Held	(16,806)	(4,419)
Cash at the beginning of the period	53,942	9,962
Cash at the end of the period	37,136	5,543
Reconciliation of Cash		
Cash at the beginning of the period	37,136	5,543
Deposits at call	-	-
Bank overdraft	-	-
Cash at the end of the period	37,136	5,543



GOWING BROS

Investing together for a secure future

Interim Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated financial statements are a general purpose financial report prepared in accordance with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the consolidated entity as at and for the year ended 31 July 2006. Comparative information has been reclassified where appropriate to enhance comparability.

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

The preparation of an interim financial report requires conformity with AIFRS in 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 carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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.



Interim Financial Report

NOTES TO THE INTERIM FINANCIAL STATEMENTS

	CONSOLIDATED	
	31 January 2007	31 January 2006
	\$'000	\$'000

2. SEGMENT INFORMATION

Investment Segments

Revenue from outside the consolidated entity:

Cash and fixed interest	1,529	476
Listed Australian equities	2,051	1,548
Private equities	128	17
Investment properties	277	2,030
Total Revenue	3,985	4,071
Other income	4,647	1,380
Total Segment Revenue and Income	8,632	5,451
Segment result	6,816	2,720
Income tax expense	(1,298)	(374)
Net Profit	5,518	2,346

3. REVENUE

Interest	1,529	476
Dividends and option income	2,051	1,548
Rent	277	2,030
Private equity distributions	128	17
Total Revenue	3,985	4,071

4. OTHER INCOME

Fair value gains on other financial assets at fair value through profit or loss	827	1,091
Unrealised investment property gains	2,611	-
Net gain (loss) on sale of available-for-sale financial assets	1,088	(281)
Net gain on disposal of property plant and equipment	109	174
Net gain on disposal of other assets	-	253
Other income	12	143
Total Other Income	4,647	1,380

5. OPERATING PROFIT

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

Fair value gains on other financial assets at fair value through profit or loss	827	1,091
Net gain (loss) on sale of available-for-sale financial assets	1,088	(281)
Unrealised investment property gains	2,611	-
Write-down of fixtures and fittings of terminated leases	-	(600)



NOTES TO THE INTERIM FINANCIAL STATEMENTS

	CONSOLIDATED	
	31 January 2007	31 January 2006
	\$'000	\$'000

2. SEGMENT INFORMATION

Investment Segments

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Private equities	128	17
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Net gain on disposal of property plant and equipment	109	174
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Other income	12	143
Total Other Income	4,647	1,380

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

Fair value gains on other financial assets at fair value through profit or loss	827	1,091
Net gain (loss) on sale of available-for-sale financial assets	1,088	(281)
Unrealised investment property gains	2,611	-
Write-down of fixtures and fittings of terminated leases	-	(600)



NOTES TO THE INTERIM FINANCIAL STATEMENTS

	CONSOLIDATED	
	31 January 2007	31 January 2006
	\$'000	\$'000
6. INCOME TAX		
Prima facie tax expense on the net profit at 30%	2,045	816
Tax effect of permanent differences:		
Non-assessable income	537	187
Non-deductible expenses	(3)	(4)
Accounting (profit) loss on disposal of other financial assets	-	599
Tax profit (loss) on disposal of other financial assets	-	(599)
Franked dividends	(843)	(635)
Income tax expense on operating profit	1,736	364
Under (over) provision for taxable income in prior year	(438)	10
Income Tax Expense	1,298	374
7. RESERVES		
Capital profits reserve	78,893	-
Investment revaluation reserve – listed Australian equities	47,328	37,238
Total Reserves	126,221	37,238
8. RETAINED PROFITS		
Retained profits at the beginning of the financial period	117,386	70,359
Net profit attributable to members of Gowing Bros. Limited	5,518	2,340
Aggregate of amounts transferred to capital profit reserves	(78,893)	-
Dividends provided for or paid	(2,175)	(2,922)
Retained Profits at end of the financial period	41,836	69,777
9. MINORITY INTEREST		
Interest in:		
Contributed equity (Interest in contributed equity is \$500)	-	-
Retained profits	2	15
Minority Interest	2	15
10. EARNINGS PER SHARE (EPS)		
Earnings reconciliation:		
Net profit	5,518	2,346
Net profit attributable to minority interest	-	(6)
Basic and diluted earnings	5,518	2,340
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share.	43,421,811	44,701,783

At balance date there were no options on issue.



NOTES TO THE INTERIM FINANCIAL STATEMENTS

CONSOLIDATED

31 January 2007

31 January 2006

11. NTA BACKING

NTA per ordinary security before tax on unrealised gains	\$4.30	\$3.40
NTA per ordinary security after tax on unrealised gains	\$3.93	\$3.14

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

12. 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 2006 ¹	3.5c	1,540	24 April 2006
Final dividend 31 July 2006	5.0c	2,175	25 October 2006

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

Interim Dividend 31 January 2007	5.0c	2,156	24 April 2007
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¹ LIC special CGT dividend

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 six month period ended 31 January 2007 and will be recognised in subsequent financial reports.

Dividend plans in operation:

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



Interim Financial Report

NOTES TO THE INTERIM FINANCIAL STATEMENTS

13. 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 Jan 2007	31 Jan 2006	31 January 2007	31 January 2006
	%	%	\$'000	\$'000
Joint Ventures:				
Macleay Retail Development	-	50	-	164
Kemp Street Partnership	50	-	1	-
Elrington Partnership	50	-	11	-
Bunya Pines Estate Joint Venture	50	50	108	174
Regional Retail Properties	50	50	(102)	(29)
Total			18	309

14. 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	(801,985)	(801,985)
Closing Balance	43,063,277	43,063,277

15. 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 (\$9.1 million) to fully frank all dividends that have been declared.



DIRECTORS' DECLARATION

The directors declare that, in the opinion of the directors:

1. the financial statements and notes set out on pages 3 to 12 are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 January 2007 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date.
2. There are reasonable grounds to believe that the company 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 directors.

J. E. Gowing
Managing Director
26 March 2007

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Gowing Bros. Limited:

As lead auditor for the review of Gowing Bros. Limited for the half year ended 31 January 2007, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.



B V ROSE
Partner

Sydney
26 March 2007

**GOWING BROS. LIMITED
ABN 68 000 010 471
INDEPENDENT REVIEW REPORT**

To the members of Gowing Bros. Limited

Scope

We have reviewed the accompanying half year financial report of the Gowing Bros. Limited group (“the consolidated entity”) which comprises the balance sheet as at 31 January 2007, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, accompanying notes to the financial statements and the directors’ declaration as set out on pages 3 to 13. The consolidated entity comprises Gowing Bros. Limited and the entities it controlled during that half year.

Directors’ Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors’ Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us to believe that the financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity’s financial position as at 31 January 2007 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the consolidated entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Gowing Bros. Limited on 26 March 2007, would be in the same terms if provided to the directors as at the date of this auditors’ review report.

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Conclusion

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 of the Gowing Bros. Limited group is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 January and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



B V Rose
Partner

Sydney
26 March 2007



HLB MANN JUDD
(NSW Partnership)
Chartered Accountants