



Appendix 4E

PRELIMINARY FINAL REPORT

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

Reporting period: YEAR ENDED 31 JULY 2010

Previous corresponding period: YEAR ENDED 31 JULY 2009

RESULTS				
Revenue from ordinary activities	Up	33.2%	To	\$11,067,000
Profit before income tax (including capital gains)	Up	66.2%	To	\$7,951,000
Profit after income tax	Up	5.3%	To	\$6,575,000

Revenue increased 33% on the prior period due to increased rental receipts following the repositioning of the investment portfolio. The increase in rental revenue was derived from 7 months contribution from Port Central, 5 months from Kempsey and 2 months from Moonee Beach. Following the acquisition of the 3 shopping centres, property assets now account for 53% of the investment portfolio or 43% net of debt. Partially offsetting the increased rental receipts was lower interest income earned from having lower cash balances during the year. Borrowing and employee expenses increased in relation to the property operations and finance facilities. Net profit before tax increased due to lower impairment charges on the listed equity portfolio compared to the previous financial year. Net profit after tax increased 5% due to higher tax charges in the current year compared to a tax benefit in the prior year. Net assets per share before allowing for tax on unrealised gains increased 6.2% to \$3.09 during the year after the payment of 15c in dividends (refer Shareholder Return table below).

Please refer to the Shareholder Newsletter for further commentary and analysis.

Shareholder Returns	Net Assets Per Share	
	<u>before</u> Tax on Unrealised Gains	<u>after</u> Tax on Unrealised Gains
Net tangible assets per share as at 31 July 2009	\$3.23	\$3.18
Impact of DRP dilution	(\$0.04)	(\$0.04)
Impact of rights issue dilution	(\$0.14)	(\$0.13)
Adjusted net assets as at 31 July 2009	\$3.05	\$3.01
Net tangible assets per share as at 31 July 2010	\$3.09	\$3.04
Underlying increase in net assets	\$0.04	\$0.03
+ Ordinary dividend paid	\$0.10	\$0.10
+ Special dividend paid	\$0.05	\$0.05
Total Return	\$0.19	\$0.18
Total Return %	6.2%	6.0%
S&P ASX 200 Accumulation Index	10.1%	10.1%



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DIVIDENDS			2010	2009
	PAYMENT DATE	FRANKING	CENTS PER SHARE	CENTS PER SHARE
Final dividend declared (record date 08/10/10)	22/10/10	100%	5.0c	
Interim dividend paid	23/04/10	100%	5.0c	
Special dividend paid*	27/10/09	100%		5.0c
Final dividend paid*	27/10/09	100%		5.0c
Special dividend paid*	26/06/09	100%		10.0c
Special dividend paid*	24/04/09	100%		5.0c
Interim dividend paid*	24/04/09	100%		5.0c
Total			10c	30c

* Fully franked LIC Capital Gains dividend

The Dividend Reinvestment Plan (DRP) will be suspended for the current dividend.



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STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JULY 2010

	Notes	31 July 2010	31 July 2009
		\$000	\$000
Revenue			
Interest income		1,468	4,566
Listed equities		2,752	2,829
Private equities		520	437
Investment properties		6,325	471
Other revenue		2	3
Total revenue	2	11,067	8,306
Other income			
Gains (losses) on disposal or revaluation of:			
- Listed equities		4,922	12,011
- Private equities		839	(5,547)
- Investment properties		297	-
- Development properties		100	458
FX gains (losses)		196	202
Other income		61	857
Total other income	2	6,415	7,981
Total revenue and other income		17,482	16,287
Expenses			
Investment & development property related expenses		1,939	273
Administration expenses		256	208
Borrowing cost expenses		2,044	930
Depreciation expenses		78	74
Employee expenses		1,311	764
Public company expenses		351	341
Total expenses		5,979	2,590
Profit from continuing operations before impairment and income tax		11,503	13,697
Impairment			
Unrealised impairment Listed equities		3,552	8,912
Total Impairment		3,552	8,912
Profit before income tax expense	3	7,951	4,785
Income tax (expense) benefit	4	(1,376)	1,458
Profit from continuing operations	5	6,575	6,243
<i>Basic and diluted earnings per share</i>	6	<i>13.85c</i>	<i>14.66c</i>
Other comprehensive income			
Net increase (decrease) in fair value of investments net of tax		271	(17,607)
Total comprehensive income		6,846	(11,364)

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



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BALANCE SHEET

AS AT 31 JULY 2010

	Notes	31 July 2010 \$000	31 July 2009 \$000
Current assets			
Cash and cash equivalents		30,882	5,972
Trade and other receivables		155	969
Commonwealth Government Securities		-	30,163
Investment properties		1,554	3,580
Other		718	211
Total current assets		33,309	40,895
Non-current assets			
Receivables		12	478
Investments - listed Australian equities		35,780	80,243
Investments - listed global equities		1,569	2,506
Investments - private equities		16,132	13,732
Investment properties		94,359	6,810
Development properties		1,978	2,539
Property, plant and equipment		3,322	3,311
Deferred tax assets		6,480	5,917
Other		331	331
Total non-current assets		159,963	115,867
Total assets		193,272	156,762
Current liabilities			
Trade and other payables		1,103	360
Financial liabilities		-	229
Borrowings		10	10,842
Tax liabilities		1,768	3,707
Other liabilities		205	-
Total current liabilities		3,086	15,138
Non-current liabilities			
Payables		62	87
Borrowings		35,370	3,499
Deferred tax liabilities		2,788	2,440
Provisions		244	158
Total non-current liabilities		38,464	6,184
Total liabilities		41,550	21,322
Net assets		151,722	135,440
Equity			
Issued capital		15,294	(895)
Reserves		95,910	95,639
Retained profits	5	40,518	40,696
Total equity		151,722	135,440

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



STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JULY 2010

	Contributed Equity	Capital Profits Reserve - Pre CGT profits	Investment Revaluation Reserve - listed equities	Retained Earnings	Total
	\$000	\$000	\$000	\$000	\$000
Balance at 1 August 2008	(1,111)	82,647	22,743	52,937	157,216
Total comprehensive income for the year	-	7,856	(17,607)	(1,613)	(11,364)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	216	-	-	-	216
Dividends paid	-	-	-	(10,628)	(10,628)
	216	-	-	(10,628)	(10,412)
Balance at 31 July 2009	(895)	90,503	5,136	40,696	135,440
Total comprehensive income for the year	-	-	271	6,575	6,846
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	16,189	-	-	-	16,189
Dividends paid	-	-	-	(6,753)	(6,753)
	16,189	-	-	(6,753)	9,436
Balance at 31 July 2010	15,294	90,503	5,407	40,518	151,722

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



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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2010

	31 July 2010	31 July 2009
	\$000	\$000
Cash flows from operating activities		
Receipts in the course of operations (inclusive of GST)	6,841	800
Payments to suppliers and employees (inclusive of GST)	(3,731)	(2,082)
Dividends received	3,444	3,241
Interest received	2,296	3,767
Borrowing costs	(2,069)	(930)
Income taxes paid	(3,647)	(5,166)
Net cash inflow (outflow) from operating activities	3,134	(370)
Cash flows from investing activities		
Payments for purchases of property, plant and equipment	(40)	(121)
Payments for the purchases of development properties	(350)	(1,652)
Payments for the purchases of investment properties	(87,886)	-
Payments for purchases of equity investments & CGS	(40,167)	(136,726)
Proceeds from sale of equity investments	115,927	98,792
Proceeds from sale of property and other assets	3,671	4,710
Net outflow inflow from investing activities	(8,845)	(34,997)
Cash flows from financing activities		
Proceeds from borrowings	33,014	981
Proceeds from shares issued	14,061	-
Repayment of borrowings	(11,828)	(1,069)
Dividends paid	(4,626)	(10,412)
Net cash inflow (outflow) from financing activities	30,621	(10,500)
Net increase (decrease) in cash held	24,910	(45,867)
Cash at the beginning of the period	5,972	51,839
Cash and cash equivalents at the end of the period	30,882	5,972

The statement of cash flows 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 financial statements of Gowing Bros. Limited comply with International Financial Reporting Standards (IFRS).

Conforming to AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the 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 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

	31 July 2010	31 July 2009
	\$000	\$000
2. SEGMENT INFORMATION		
Segment revenue		
Cash and fixed interest – interest received	1,468	4,566
Listed equities – dividends and option income	2,752	2,829
Private equities – distributions received	520	437
Investment properties – rent received	6,325	471
Other	2	3
	11,067	8,306
Segment other income		
Listed equities – realised gains on disposal	4,922	12,011
Private equities – unrealised fair value gains	839	(5,547)
Investment properties – realised gain on disposal	124	-
Investment properties – unrealised fair value gains	173	-
Development properties – realised gains on disposal	100	458
Other	257	1,059
	6,415	7,981
Total segment revenue and income	17,482	16,287
Segment result		
Cash and fixed interest	1,468	4,566
Listed equities	4,121	5,928
Private equities	1,307	(5,211)
Investment properties	2,756	(611)
Development properties	38	439
Other	(1,739)	(326)
	7,951	4,785
Income tax (expense) credit	(1,376)	1,458
Net profit after tax	6,575	6,243
3. OPERATING PROFIT		
Profit from continuing operations before income tax expense includes the following specific items:		
Depreciation	78	74
Interest expense	2,044	930



NOTES TO THE FINANCIAL STATEMENTS

	31 July 2010	31 July 2009
	\$000	\$000

4. INCOME TAX

Prima facie tax expense on the net profit at 30%	2,385	1,436
Tax effect of permanent differences:		
Non-assessable income	(62)	(2,357)
Non-deductible expenses	-	1
Income tax incentive	-	(10)
Franked dividends	(837)	(452)
Under/(over) provision for taxable income in prior year	(110)	(76)
	1,376	(1,458)

5. RETAINED PROFITS

Retained profits at the beginning of the financial year	40,696	52,937
Net profit attributable to members of Gowing Bros. Limited	6,575	6,243
Aggregate of amounts transferred (to) from reserves	-	(7,856)
Dividends provided for or paid	(6,753)	(10,628)
	40,518	40,696

6. EARNINGS PER SHARE (EPS)

Earnings reconciliation:		
Net profit	6,575	6,243
Basic and diluted earnings	6,575	6,243

Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share.	47,476,364	42,516,500
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At balance date there were no options on issue.



NOTES TO THE FINANCIAL STATEMENTS

	31 July 2010	31 July 2009
	\$000	\$000

7. NTA BACKING

NTA per ordinary security before tax on unrealised gains	\$3.09	\$3.23
NTA per ordinary security after tax on unrealised gains	\$3.04	\$3.18

The company is a long term investor and does not intend to dispose 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.

8. DIVIDENDS

	CENTS PER SHARE	TOTAL AMOUNT \$000	DATE OF PAYMENT
The following dividends were declared and paid by the entity:			
Interim dividend 31 January 2010	5.0c	2,495	23 April 2010
Special dividend 31 July 2009	5.0c	2,129	27 October 2009
Final dividend 31 July 2009	5.0c	2,129	27 October 2009
Special dividend	10.0c	4,251	26 June 2009
Interim dividend 31 January 2009	5.0c	2,126	24 April 2009
Special dividend 31 January 2009	5.0c	2,126	24 April 2009

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

Final Dividend 31 July 2010	5c	22 October 2010
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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 2010 and will be recognised in subsequent financial reports.

The Dividend Reinvestment Plan (DRP) will be suspended for the current dividend.



NOTES TO THE FINANCIAL STATEMENTS

9. 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 2010 %	31 July 2009 %	31 July 2010 \$000	31 July 2009 \$000
Joint Ventures:				
Bunya Pines Estate Joint Venture	50	50	(17)	75
Regional Retail Properties	50	50	145	160
Elrington Partnership	50	50	11	(10)
Yarrawonga Joint Venture	50	50	55	364
			194	589

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

	No. quoted	Total No.
Ordinary Securities:		
Opening balance	42,588,378	42,513,419
Increase dividend reinvestment plan	1,759,849	74,959
Increase rights issue	5,543,986	-
	49,892,213	42,588,378

11. COMMENTS BY DIRECTORS

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

As noted above, the increase in profits is primarily due to increased rental income from investment property purchases and reduced impairment charges on the listed equity portfolio from the prior year.

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.

Financial markets have remained stable since year end. Significant movements in share prices may have a material effect on the value of the portfolio.

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

The Company has sufficient franking credits (\$13.6 million) to fully frank all dividends that have been declared.

Annual Meeting

The Annual Meeting will be held on Thursday, 25 November 2010.