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ASX Market Announcements
Australian Securities Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Gowings Releases Annual Report

Wednesday 11th October 2017: Investment Company, Gowing Bros Limited (ASX: GOW) today released its Annual Report for full year ended 31 July 2017, reporting net profit after tax (NPAT) of \$23.2million, an increase of 6% from 2016. More detailed information can be found in that report and on the website www.gowings.com

Gowings Managing Director, John Gowing, said

“We have commenced our 150th year of operations which is a landmark year for a small company established by John Ellis Gowing in 1868. The entrepreneurial spirit of the company has not waned over the years and if anything has accelerated over the last decade as we continue to position the company for a secure, prosperous future.

This years result has been buoyed from further growth in value of the Pacific Coast Shopping Centre portfolio, with significant work undertaken to increase the value of the centres.

Over the last several months there has been a lot of media attention given to the threat to Australian retailers and shopping centre owners over the entrance of Amazon into the Australian market. In spite of this new entrant risk and the prospect of a higher interest rate environment, we have significant development opportunities to add and capture value for shareholders.

Our regional shopping centres, all based on the mid North coast of NSW, continue to evolve with a mix of local and national brands providing a one stop solution with food as well as lifestyle and fashion offerings to remain relevant as the main community hub in the regional towns in which we operate.

Other key developments in the year include acquisitions such as Surf Hardware International and the formation of a consortium to establish the Murray Darling Food Company Group, an organic lamb farm situated in central New South Wales.”

Key highlights, as at July 31st 2017

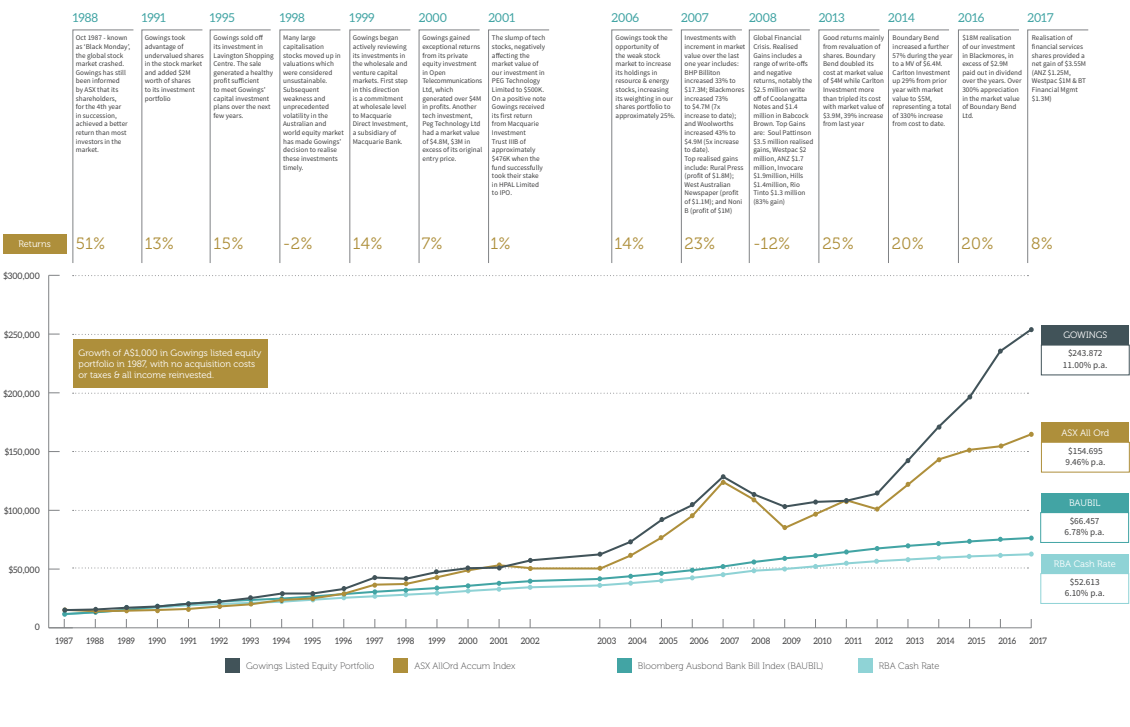
For the year ended	31 July 2017	31 July 2016	31 July 2015	31 July 2014	31 July 2013
Net Assets	\$214.0m	\$198.6m	\$186.8m	\$170.2m	\$157.2m
Net Assets per Share					
- Before tax on unrealised gains	\$4.43	\$4.02	\$3.77	\$3.34	\$2.99
- After tax on unrealised gains	\$3.93	\$3.70	\$3.47	\$3.16	\$2.92
Net profit after tax	\$23.2m	\$22.0m	\$19.1m	\$14.1m	\$7.3m
Earnings per Share	43.29c	40.92c	35.48c	26.10c	13.50c
Dividends per Share	12.0c	12.0c	12.0c	12.0c	11.5c
Total Shareholder Return	13.2%	9.8%	16.3%	15.2%	9.5%

- Total Shareholder Return was 13.2% including the growth in net assets per share plus dividends paid to Shareholders
- Net assets per share increased 10.2% to \$4.43 after the payment of 12c in dividends
- Net assets per share have grown strongly over the past 5 years driven by continued growth in the Pacific Coast Shopping Centre portfolio as well as solid returns achieved in the Equity portfolio, a highlight of which has been the performance of Boundary Bend Limited
- Profit after tax for the year was \$23.2 million, up 6% from 2016. This year's profit was bolstered by the revaluation upwards of the Company's investment in the Pacific Coast Shopping Centre portfolio and capital profit made on share sales within the equity portfolio
- Growth in the Pacific Coast Shopping Centre portfolio. Contributing factors included the commencement of a \$35million upgrade and extension of the property at Coffs Harbour which is due for completion early in 2018, capital works and a successful strategic leasing campaign at Moonee Marketplace
- The equity portfolio also performed strongly with an underlying return of 8% for FY17. Realisation of financial services shares provided a net gain of \$3.55m (ANZ \$1.25m, Westpac \$1m & BT Financial Mgmt. \$1.3m). The growth rate of the Gowings Listed Equity portfolio over the last 30 years has outperformed the ASX all ordinaries index (see graph)



Growth Rate of Listed Equity Portfolio From 1987 To 2017

Gowings has a history of strong results within its listed equity portfolio & has successfully outperformed the ASX by more than 36% over a 30 year investment period.



- During the year Gowings purchased:
 - Surf Hardware International for \$16 million (\$6 million deferred settlement);
 - Sawtell Heights Estate, a DA approved 165 lot residential sub-division in Lyons Road Coffs Harbour for \$9 million
 - The Forestry Department's mixed-use development site in the Jetty Precinct on Harbour Drive Coffs Harbour for \$3 million
- Gowings formed a consortium to establish the Murray Darling Food Company in late 2016, as part of a strategy to build exposure to listed and unlisted Australian agricultural companies.

Final Dividend

For the full year ended 31 July 2017, the Directors have approved a final fully franked LIC dividend of 6c per share (last year 6c per share). Net income for ordinary activities after tax is the principal source of income to pay dividends.

The record date for the dividend will be 12 October 2017 with payment due on 26 October 2017.

The Company will pay a total of 12c in fully franked LIC dividends for the 2017 year.

Outlook

Managing Director, John Gowing, said

“Following the acquisition of Surf Hardware International, Gowings is now a truly global business, albeit in a small way. During the year the Board made the strategic decision that for the Company to continue to grow and prosper over the next 150 years we should leverage our investment expertise and successful track record by allowing wholesale investors to invest alongside Gowings in ventures such as The Murray Darling Food Company. To this end we have initiated the process of applying for an Australian Financial Services Licence for wholesale investors.

As the company completed its 149th year of operations, and is looking forward to celebrating 150 years in 2018, our investment portfolio remains well diversified, providing a solid mix of income and capital growth. This is the first year since the GFC that the Company is near fully invested as we seek to take advantage of sound opportunities that will enhance shareholder wealth over the long term. “

About Gowing Bros. Limited

Gowing Bros. Limited is an investment company whose investment horizon is inter-generational, with an investment philosophy to generate sustainable capital growth and reliable dividends that can provide income for shareholders.

The Company’s origins were in retailing in 1868 and this led to significant property investments being made across Sydney’s CBD. In the 1950’s, a significant re-allocation of capital was made into listed equities. Since then, the Company’s investment portfolio mix has shifted between equities, property and private equity investments according to the prospective outlook for each. Gowing Bros Limited has consistently outperformed the ASX All Ordinaries Accumulation Index over the long-term.

A handwritten signature in black ink, appearing to read 'John Gowing', with a stylized, cursive script.

John Gowing
Managing Director