

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

for the half year period ended 31 January 2006

On behalf of the Board of Directors of Gowing Bros. Limited, I am pleased to comment on the results for the six months to 31 January 2006.

NET ASSETS PER SHARE

Our net asset backing per share has increased by 9.9% during the six months from \$3.16 to \$3.40 after adjusting for dividends paid and before tax on unrealised gains (refer "Summary Financial Performance" attached). This increase was driven by a continuing strong performance by our listed Australian equities portfolio which increased in market value by 16% for the six months.

INTERIM DIVIDEND - FULLY FRANKED ELIGIBLE LIC CAPITAL GAINS TAX DIVIDEND

The Directors have declared an interim dividend of 3.5c per share (2005: 3.5c) to be paid on 28 April, 2006. This dividend will be fully franked and paid out of the company's eligible capital gains tax reserve as a LIC capital gains tax dividend.

FINANCIAL PERFORMANCE (refer "Summary Financial Performance" attached)

Net profit after tax of \$2.34m was lower than the \$7.97m recorded in the prior corresponding period. This was primarily due to the inclusion of \$6.45m of realised profits on sale of shares in our long term portfolio being included in the results for that period.

Net investment income was also lower in the current period due to a reduction in mezzanine loan interest earned of \$0.5m. All but one of these loans had matured during the period and been repaid in full.

Property management income was reduced due to lower rental receipts as a result of the appointment of administrators to our major tenant G Retail Ltd.

The appointment of administrators to G Retail Ltd has also necessitated a final non-cash write down of the value of our investment of \$882k and required a write down of associated leasehold improvements of \$600k.

Property development income was higher following the partial realisation of a development project in Kempsey CBD and a pickup in the rate of sales of lots at our Bunya Pines subdivision in Kempsey.

Private equity performed particularly well during the current period with our investment in Crescent Capital generating a realised profit of \$365k and an unrealised gain of \$1,091k.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

ADOPTION OF AIFRS

The first-time adoption of Australian International Financial Reporting Standards (AIFRS) has required several changes to Gowing Bros. Limited's significant accounting policies including:

- Listed Australian equities are now marked to market at the end of each accounting period with the unrealised increments or decrements transferred to the revaluation reserve.
- Private equities are now valued at fair market values following the Australian Private Equity and Venture Capital Association Limited (AVCAL) guidelines with the unrealised gain or loss recorded in the income statement.
- Investment properties are now valued at estimates of fair market value with the unrealised increments or decrements recorded in the income statement.
- Development properties are valued at cost and will be revalued upon completion.
- Deferred taxes at current taxation rates are recognised where applicable on the above transactions.

OUTLOOK

Global economic growth looks set to continue gaining momentum. Even Japan and Germany appear to be rising from their decade long slumps. We are confident that economic growth in China and India will continue.

Australia's economic growth is forecast to slow but still remains fundamentally strong with continued low unemployment and low inflation. Our terms of trade are strengthening and the government will be debt free by the end of the year. Further domestic growth stimulus may be provided with tax cuts and a potential pick up in the housing market.

Our long term portfolio of Australian equities remains biased towards both local and international growth industries. We are increasingly focusing on identifying companies which will benefit in the long term from today's structural shifts and emerging global trends.

We continue to be well positioned to benefit from further growth in the local and world economy due to our diversified portfolio of investments in quality assets spread across listed Australian equities, private equity, prime commercial and retail property and cash on deposit.



J.E. GOWING
Managing Director
Sydney
23 March, 2006



MANAGING DIRECTOR'S REVIEW OF OPERATIONS

SUMMARY FINANCIAL PERFORMANCE

For the six months ending	31 Jan 2006	31 Jan 2005
	\$'000	\$'000
Investment Management	1,882	2,108
Property Management	1,007	1,198
Property Development	273	56
Overheads	(653)	(550)
Operating Profit Before Tax & significant items	2,509	2,812
Significant Items		
- Net distributions from managed private equity	365	59
- Profit on sale of long term listed equities	237	6,450
- Unrealised gain (loss) on private equity	1,091	482
- Realised gain (loss) on investment in G Retail Ltd	(882)	1,848
- Write Down Fixtures & Fittings of terminated leases	(600)	-
- Equity accounted loss of associate (G Retail Ltd)	-	(2,061)
Net Profit from Significant Items	211	6,778
Net Profit Before Tax	2,720	9,590
Income Tax Expense	(374)	(1,617)
Net Profit After Tax	2,346	7,973

MOVEMENT IN MARKET VALUE PER SHARE

For the six months ending	31 Jan 2006	31 Jul 2005
Net Assets at Market Value	\$150,353,000	\$142,573,000
Shares Outstanding	44,267,000	45,082,000
Net Assets Per Share	\$3.40	\$3.16
Reconciliation of Movement in Net Assets Per Share		
Opening Net Assets Per Share	\$ 3.160	\$ 3.100
Less Dividends Paid	\$ 0.065	\$ 0.035
Adjusted Value	\$ 3.095	\$ 3.065
Closing Net Assets Per Share	\$ 3.400	\$ 3.160
Movement - \$ increase (6 months)	\$ 0.305	\$ 0.095
Movement - % increase (6 months)	9.9%	3.1%

* Note: Valuations on which the net assets per share figures above are based are on a pre-tax basis. Private equity values are based on investment managers' most recent valuations. Property valuations are based on management's opinion of fair market value arrived at after consultation with real estate advisors, valuers and joint venture partners.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

in accordance with Listing Rule 4.2A

			\$'000
Revenue from ordinary activities	down 9.4%	to	4,553
Net profit for the period attributable to members	down 70.6%	to	2,340
			Amount per security
Dividends (distributions)			
Interim fully franked LIC Capital gain dividend - 24/04/2006			3.5c
Previous corresponding period			3.5c
Record date for determining entitlements			10 April 2006

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:

At 31 January 2006 a liability was not recognised for payment of the dividend and the dividend is not included in dividends provided for or paid (Note 7). The aggregate amount of the dividend expected to be paid on 24 April 2006 is \$1,549,361.

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 M. T Alscher	(Non-executive Director)
Mr J. G 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.

Auditor's Independence Declaration

A copy of the Independence Declaration given to the Directors by the lead auditor for the review undertaken by HLB Mann Judd is included in page 22.

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



J.E GOWING
Managing Director

Sydney
23 March 2006



INCOME STATEMENT

HALF YEAR ENDED 31 JANUARY 2006

For the six months ended	Notes	Consolidated	
		31 Jan 06 \$'000	31 Jan 05 \$'000
Revenue from continuing operations	3	4,553	5,024
Other income	4	1,238	8,920
Employee expenses		(830)	(688)
Indirect expenses		(1,090)	(1,149)
Borrowing costs expense		(402)	(307)
Depreciation expense		(149)	(149)
Write-down of fixtures and fittings of terminated leases		(600)	-
Share of net losses of associates accounted for using the equity method		-	(2,061)
Profit before income tax expense		2,720	9,590
Income tax expense	6	(374)	(1,617)
Profit from continuing operations		2,346	7,973
Net profit attributable to minority interest		(6)	(17)
Profit attributable to members of Gowing Bros. Limited	7	2,340	7,956
Total changes in equity other than those resulting from transactions with owners as owners		2,340	7,956
Basic earnings per share		5.23 cents	17.59 cents
Diluted earnings per share		5.23 cents	17.59 cents

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

**GOWING BROS. LIMITED**

ABN 68 000 010 471

GOWING BROS
Investing Together for a Secure Future**BALANCE SHEET**

HALF YEAR ENDED 31 JANUARY 2006

For the six months ended	Notes	Consolidated	
		31 Jan 06 \$'000	31 Jul 05 \$'000
Current Assets			
Cash assets		5,543	9,962
Receivables		706	1,599
Investment loans		1,260	3,591
Other financial assets (at fair value through profit or loss)		-	882
Investment Properties		51,401	-
Tax assets		344	-
Other		478	419
Total Current Assets		59,732	16,453
Non-Current Assets			
Receivables		340	360
Other financial assets (at fair value through profit or loss)		83,679	68,697
Available for sale financial assets		7,396	5,894
Investment loans		141	1,294
Development properties		5,035	5,247
Investment properties		7,088	58,785
Plant & equipment		220	944
Tax assets		674	669
Other		6	3
Total Non-Current Assets		104,579	141,893
Total Assets		164,311	158,346
Current Liabilities			
Payables		836	1,001
Interest bearing liabilities		-	610
Tax liabilities		-	673
Total Current Liabilities		836	2,284
Interest bearing liabilities		11,850	12,550
Tax liabilities (including tax on unrealised gains)		12,595	9,281
Provisions		87	65
Total Non-Current Liabilities		24,532	21,896
Total Liabilities		25,368	24,180
Net Assets		138,943	134,166
Equity			
Parent Entity Interest			
Contributed equity		4,819	7,110
Reserves		64,332	56,688
Retained profits	7	69,777	70,359
Total parent entity interest		138,928	134,157
Minority interest in controlled entities	8	15	9
Total Equity		138,943	134,166

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

**STATEMENT OF CHANGES IN EQUITY**

HALF YEAR ENDED 31 JANUARY 2006

For the six months ended	Consolidated	
	31 Jan 06	31 Jan 05
	\$'000	\$'000
Total equity at the beginning of the half year	134,166	122,842
Profit attributable to shareholders for the half year	2,346	7,973
Revaluation of investments, net of tax provided	3,062	1,543
	139,574	132,358
Transactions with shareholders in their capacity as shareholders:		
Contributions of equity, net of issue costs	2,291	867
Dividends paid	(2,922)	(1,581)
Total equity at the end of the half year attributable to shareholders	138,943	131,644

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

**STATEMENT OF CASH FLOWS**

HALF YEAR ENDED 31 JANUARY 2006

For the six months ended	Consolidated	
	31 Jan 06	31 Jan 05
	\$'000	\$'000
Cash Flows from Operating Activities		
Receipts from customers (inclusive of GST)	3,219	3,536
Payments to suppliers & employees (inclusive of GST)	(2,463)	(2,444)
Dividends received	1,564	1,461
Interest received	1,015	856
Borrowing costs	(399)	(294)
Income taxes paid	(760)	(1,331)
Net Cash Inflows (Outflows) from Operating Activities	2,176	1,784
Cash Flows from Investing Activities		
Payments for purchases of plant & equipment	(26)	(30)
Payments for purchases of equity investments	(7,656)	(4,539)
Payments for purchase of property	(1,131)	(5,263)
Proceeds from sale of plant & equipment	-	-
Proceeds from sale of equity investments	6,836	20,700
Proceeds from sale of property & other assets	2,016	989
Loans to other entities	(108)	(1,628)
Proceeds from loan repayments	-	-
Net Cash Inflows (Outflows) from Investing Activities	(69)	10,229
Cash Flows from Financing Activities		
Proceeds from borrowings	-	353
Proceeds from issues of shares	-	4
Payments for shares bought back	(2,291)	(904)
Repayment of lease liabilities	(443)	(260)
Repayment of borrowings	(870)	(667)
Dividends paid	(2,922)	(1,206)
Net Cash Inflows (Outflows) from Financing Activities	(6,526)	(2,680)
Net Increase (Decrease) in Cash Held	(4,419)	9,333
Cash at the beginning of the financial year	9,962	2,778
Cash at the end of the financial year	5,543	12,111
Non-cash financing activities	-	-
Reconciliation of cash		
Cash at bank and on hand	5,543	12,149
Deposits at call	-	-
Bank overdraft	-	(38)
Total cash at end of period	5,543	12,111

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS

HALF YEAR ENDED 31 JANUARY 2006

1. BASIS OF PREPARATION OF HALF YEAR FINANCIAL REPORT

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 134: Interim Financial Reporting and other applicable Accounting Standards and other mandatory professional reporting requirements.

This half-year financial report does not include all the notes of the type normally included in an annual financial report. It is recommended that this half-year financial report be read in conjunction with the 31 July 2005 annual financial report and any public announcements made by the company and its controlled entities during the half-year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

This interim financial report is the first Gowing Bros. Limited interim financial report to be prepared in accordance with AIFRS. AASB 1 First time Adoption of Australian Equivalents to International Financial Reporting Standards has been applied in preparing these financial statements.

Financial statements of Gowing Bros. Limited until 31 July 2005 had been prepared in accordance with previous Australian Generally Accepted Accounting Principles (AGAAP). AGAAP differs in certain respects from AIFRS. When preparing the Gowing Bros. Limited interim financial report for the half year ended 31 January 2006, management has amended certain accounting and valuation methods applied in the previous AGAAP financial statements to comply with AIFRS.

Reconciliations and descriptions of the effect of transition from previous AGAAP to AIFRSs on the group's equity and its net income are given in Note 14.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets, financial assets at fair value through profit or loss and investment property.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

HALF YEAR ENDED 31 JANUARY 2006

	Property Operations \$'000	Investments \$'000	Intersegment Eliminations \$'000	Consolidated \$'000
2. SEGMENT INFORMATION				
Business Segments - Half year to 31/1/2006				
Revenue from outside the consolidated entity	2,493	2,060	-	4,553
Intersegment revenue	32	-	(32)	-
Total revenue	2,525	2,060	(32)	4,553
Share of net profits of associates	-	-	-	-
Total segment revenue	2,525	2,060	(32)	4,553
Segment result	1,929	791	-	2,720
Income tax expense	-	-	-	(374)
Net profit	1,929	791	-	2,346

Business Segments - Half year to 31/1/2005

Revenue from outside the consolidated entity	2,520	2,504	-	5,024
Intersegment revenue	27	-	(27)	-
Total revenue	2,547	2,504	(27)	5,024
Share of net profits of associates	-	(2,061)	-	(2,061)
Total segment revenue	2,547	443	(27)	2,963
Segment result	1,374	8,216	-	9,590
Income tax expense	-	-	-	(1,617)
Net profit	1,374	8,216	-	7,973

NOTES TO THE INTERIM FINANCIAL STATEMENTS

HALF YEAR ENDED 31 JANUARY 2006

For the six months ended	Consolidated	
	31 Jan 06	31 Jan 05
	\$'000	\$'000
3. REVENUE		
Revenue From Continuing Operations		
Interest	476	962
Dividends	1,563	1,461
Rent	1,862	2,058
Other investment income	197	316
Other property income	340	212
Other income	115	15
Revenue from continuing operations	4,553	5,024
4. OTHER INCOME		
Fair value gains on other financial assets at fair value through profit or loss	575	2,260
Net gain on sale of available for sale financial assets	236	6,521
Net gain on disposal of property plant and equipment	174	139
Net gain on disposal of other assets	253	-
	1,238	8,920

5. OPERATING PROFIT

Individually Significant Items

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

Private equity investment distributions	-	59
Share of net loss of associate (G Retail Ltd)	-	(2,061)
Fair value gains on other financial assets at fair value through profit or loss	575	2,260
Net gain on sale of available for sale financial assets	236	6,521
Write-down of fixtures and fittings of terminated leases	(600)	-



NOTES TO THE INTERIM FINANCIAL STATEMENTS

HALF YEAR ENDED 31 JANUARY 2006

For the six months ended	Consolidated	
	31 Jan 06 \$'000	31 Jan 05 \$'000
6. INCOME TAX		
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	2,720	9,590
Prima facie tax expense on the net profit at 30%	816	2,877
Tax effect of permanent differences:		
Non-assessable income	187	(17)
Share of net loss of associate	-	618
Non-deductible expenses	(4)	33
Revaluation of current assets	-	(1,065)
Accounting (profit)/loss on disposal of other financial assets	599	(1,935)
Tax profit/(loss) on disposal of other financial assets	(599)	1,488
Franked dividends	(635)	(421)
(Over) under provision for taxable income in prior year	10	39
Income tax expense	374	1,617

7. RETAINED PROFITS

Retained profits at the beginning of the financial period	70,359	21,342
Net profit attributable to members of Gowing Bros. Limited	2,340	7,946
Aggregate of amounts transferred from reserves		1,536
Dividends provided for or paid	(2,922)	(3,106)
Retained profits at end of the financial period	69,777	27,718

8. MINORITY INTEREST

Interest in		
Contributed equity	-*	-*
Retained profits (losses)	15	9
	15	9

* Interest in contributed equity is \$500



NOTES TO THE INTERIM FINANCIAL STATEMENTS

HALF YEAR ENDED 31 JANUARY 2006

	Consolidated	
For the six months ended	31 Jan 06	31 Jan 2005
9. RATIOS		
Profit before tax/revenue		
Consolidated profit from continuing operations before tax as a percentage of revenue	59.7%	190.9%
Profit after tax/equity interests		
Consolidated net profit from continuing operations after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	1.7%	5.9%
Earnings per share (EPS)		
Basic earnings per share and diluted earnings per share based on operating profit after income tax		
Basic earnings per share	5.23 cents	17.59 cents
Diluted earnings per share	5.23 cents	17.59 cents
	\$'000	\$'000
Reconciliation of earnings used in calculating earnings per share:		
Net profit	2,346	7,973
Net profit attributable to minority interest	(6)	(17)
Earnings used in calculating basic earnings per share	2,340	7,956
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share and diluted earnings per share		
	44,701,783	45,235,011
NTA backing		
NTA per ordinary security before tax on unrealised gains ^{1*}	\$3.40	\$3.10
NTA per ordinary security after tax on unrealised gains ^{2*}	\$3.14	\$2.91

1. The NTA per share at market value is before providing for deferred tax on unrealised gains on its private equities, long term investment portfolio and revaluation of investment properties. The company is a long term investor and does not intend on disposing its long term investment portfolio. Private equities are deemed to be short term and available for sale. Valuations are based on managements best estimations of market prices referring to ASX prices, private equity manager reports, and with reference to the most recent property valuations and consultation with real estate advisors.

2. Under current accounting standards, the company is required to provide for tax on any gains that would arise on such a theoretical disposal.

Options

No options on issue at the time of this report.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

HALF YEAR ENDED 31 JANUARY 2006

10. CONTROL GAINED OVER ENTITIES HAVING MATERIAL EFFECT

Name of entity (or group of entities)	NIL
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

11. DIVIDENDS

Date the dividend is payable	28 April 2006
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)	10 April 2006

	Amount per security	Franked amount per security at 30% tax
Interim dividend: Current year to 31 January 2006:		
24/04/2006 Fully franked dividend	3.5c	3.5c
Interim dividend: Previous year to 31 January 2005:		
22/04/2005 Fully franked dividend	3.5c	3.5c
Final dividend paid on all securities during the period		
	Half year to 31 Jan 2006 \$'000	Half year to 31 Jan 2005 \$'000
Ordinary securities	2,922	1,580
Preference securities	-	-
Other equity instruments	-	-
Total	2,922	1,580

Dividend plans in operation:

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS

HALF YEAR ENDED 31 JANUARY 2006

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:

For the six months ended	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss)	
	31 Jan 2006	31 Jan 2005	31 Jan 2006 \$'000	31 Jan 2005 \$'000
Equity accounted associates, and joint venture operations:				
Associates				
G Retail Limited*	-	19.58%	-	(2,061)
Joint Venture Operations				
Macleay Retail Development	50.00%	50.00%	164	(2)
Bunya Pines Estate Joint Venture	50.00%	50.00%	174	143
Regional Retail Properties	50.00%	-	(29)	-
Total			309	(1,920)

* G Retail Ltd was an equity accounted associate until 31/10/04.

Gowing Bros. Ltd holding was reduced to 19.58% after a rights issue completed by G Retail Ltd on 29/12/2004 and this current financial asset is included at market value in the consolidated balance sheet.

13. ISSUED AND QUOTED SECURITIES AT END OF CURRENT PERIOD

	No.quoted	Total No.
Ordinary securities		
Opening Balance	45,081,822	45,081,822
Changes during current period		
(a) Increases through issues		
(b) Decreases through returns of capital, buybacks	(814,358)	(814,358)
Closing Balance	44,267,464	44,267,464

NOTES TO THE INTERIM FINANCIAL STATEMENTS

HALF YEAR ENDED 31 JANUARY 2006

14. EXPLANATION OF TRANSITION TO AIFRS

The company has analysed AIFRS key changes resulting from adoption are set out below:

(i) Investment Properties

Investment properties are initially measured at cost and subsequently adjusted to fair value with changes in fair value reflected in the income statement.

(ii) Long term Investments

Interests in current listed securities are brought to account at market value, with change in market value reflected in the long term asset revaluation reserve.

(iii) Investments deemed short term and available for sale

Private equities are revalued at fair market value with changes recorded in the income statement along with realised gains and losses.

(iv) Income Tax

Under the balance sheet approach, income tax on the profit for the year comprises current and deferred taxes. Income tax will be recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it will be recognised in equity.

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted at reporting date together with any adjustments to tax payable in respect of those previous years.

Deferred tax is provided using the balance sheet method providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes. The amount of deferred tax provided will be based on the expected manner of realisation of the asset or settlement of the liability using tax rates enacted or substantively enacted at reporting date. A deferred tax asset will be recognised only to the extent that it is probable the future taxable profits will be available against which the asset can be utilised. Deferred tax assets will be reduced to the extent it is no longer probable that the related tax benefit will be utilised.

These are the consolidated entity's first financial statements for part of the period covered by the first AIFRS annual consolidated financial statements prepared with Australian Accounting Standards - AIFRSs.



GOWING BROS. LIMITED

ABN 68 000 010 471

G O W I N G B R O S

NOTES TO THE INTERIM FINANCIAL STATEMENTS

HALF YEAR ENDED 31 JANUARY 2006

Reconciliation of equity

	Previous GAAP	Effect of transition of AIFRS	AIFRS	Previous GAAP	Effect of transition of AIFRS	AIFRS	Previous GAAP	Effect of transition of AIFRS	AIFRS
	1 August 2004			31 January 2005			31 July 2005		
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Current assets	12,161	-	12,161	19,033	-	19,033	16,453	-	16,453
Non-current assets - other financial assets	38,346	29,392	67,738	30,754	36,428	67,182	36,081	38,510	74,591
Non-current assets - investment properties	57,723	2,529	60,252	62,056	2,529	64,585	56,256	2,529	58,785
Non-current assets - other	1,947	-	1,947	3,153	-	3,153	8,517	-	8,517
Total assets	110,177	31,921	142,098	114,996	38,957	153,953	117,307	41,039	158,346
Current liabilities	3,359	-	3,359	2,741	-	2,741	2,284	-	2,284
Non-current liabilities - deferred tax	780	4,614	5,394	963	8,427	9,390	876	8,405	9,281
Non-current liabilities - other	10,505	-	10,505	10,180	-	10,180	12,615	-	12,615
Total liabilities	14,644	4,614	19,258	13,884	8,427	22,311	15,775	8,405	24,180
Net assets	95,533	27,307	122,840	101,112	30,530	131,642	101,532	32,634	134,166
Equity -contributed equity	7,799	-	7,799	7,322	-	7,322	7,110	-	7,110
Reserves	68,645	24,990	93,635	68,645	27,940	96,585	25,965	30,723	56,688
Retained profits	19,089	2,317	21,406	25,128	2,590	27,718	68,448	1,911	70,359
Outside equity interest	-	-	-	17	-	17	9	-	9
Total equity	95,533	27,307	122,840	101,112	30,530	131,642	101,532	32,634	134,166

NOTES TO THE INTERIM FINANCIAL STATEMENTS

HALF YEAR ENDED 31 JANUARY 2006

Reconciliation of profit

	Effect of			Effect of		
	Previous GAAP	transition of AIFRS	AIFRS	Previous GAAP	transition of AIFRS	AIFRS
for the six months ended	31 January 2005			31 July 2005		
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Revenue from ordinary activities	21,827	(16,803)	5,024	32,494	(21,784)	10,710
Other income	-	8,920	8,920	-	7,811	7,811
Cost of investments sold	(9,971)	9,971	-	(13,305)	13,305	-
Cost of property sold	(243)	243	-	(668)	668	-
Cost of plant and equipment sold	-	-	-	-	-	-
Investment property related expenses	-	-	-	(1,771)	-	(1,771)
Employee expenses	(688)	-	(688)	(1,507)	-	(1,507)
Public company expenses	-	-	-	(278)	-	(278)
Indirect expenses	(1,149)	-	(1,149)	(518)	-	(518)
Borrowing costs expense	(307)	-	(307)	(798)	-	(798)
Depreciation expense	(149)	-	(149)	(300)	-	(300)
Revaluation of investments	1,849	(1,849)	-	(347)	-	(347)
Fair value losses on other financial assets at fair value through the profit or loss	-	-	-	-	(609)	(609)
Share of net losses of associates accounted for using the equity method	(2,061)	-	(2,061)	(2,061)	-	(2,061)
Profit from ordinary activities before income tax expense	9,108	482	9,590	10,941	(609)	10,332
Income tax expense	(1,472)	(145)	(1,617)	(1,137)	183	(954)
Net profit	7,636	337	7,973	9,804	(426)	9,378
Net profit attributable to outside equity interest	(17)	-	(17)	(9)	-	(9)
Net profit attributable to members of Gowing Bros. Limited	7,619	337	7,956	9,795	(426)	9,369
Net increase (decrease) in asset revaluation reserve	-	-	-	-	-	-
Total changes in equity other than those resulting from transactions with owners as owners	7,619	337	7,956	9,795	(426)	9,369

NOTES TO THE INTERIM FINANCIAL STATEMENTS

HALF YEAR ENDED 31 JANUARY 2006

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 (\$9.6 million) to fully frank all dividends that have been declared.



DIRECTORS' DECLARATION

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

- (a) the financial statements and notes set out on pages 6 to 20 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 January 2006 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.
- (b) 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 the directors.

J.E GOWING
Managing Director
Sydney
23 March 2006

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 2006, 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
23 March 2006

**GOWING BROS LIMITED
ABN 68 000 010 471
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 2006, as set out on pages 6 to 21.

The financial report includes the financial statements of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year. The company'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 134 "Interim Financial Reporting", other mandatory professional reporting requirements in Australia and statutory requirements, 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 company to meet its obligations to lodge the financial report with the Australian Securities and Investments Commission.

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. We have given to the directors of Gowing Bros. Limited a written Auditor's Independence Declaration, a copy of which is included on page 22 of this report.

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 2006 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; and
- (b) other mandatory professional reporting requirements in Australia.



B V ROSE
Partner

Sydney
23 March 2006



HLB MANN JUDD
(NSW Partnership)
Chartered Accountants