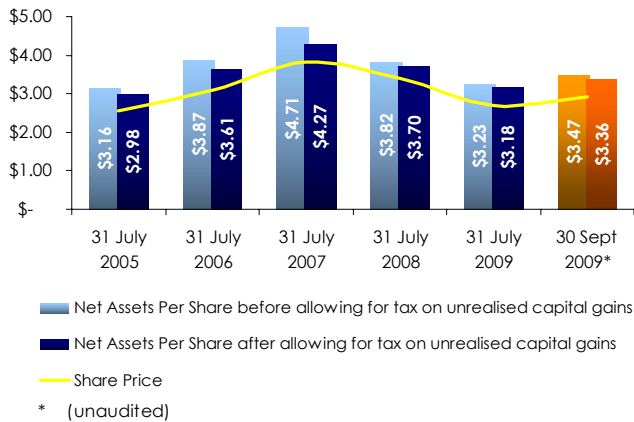


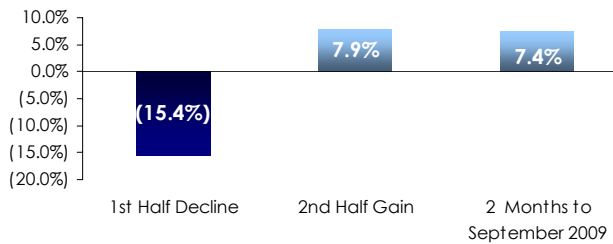


Prudence Pays Dividends

Net Assets Per Share after Dividends Paid



Portfolio Return: A Tale of Two Halves



Gowings' net assets per share declined by 8.9% to \$3.23 for the year ending 31 July 2009 after allowing for 25c in dividends paid (10c ordinary + 15c special: Total \$10,647,095). Refer shareholder return table adjacent.

Shareholders will recall that during the last 18 months, Gowings realised the majority of its long term investments and re-invested the proceeds into bonds in order to protect capital. Since March 2009, we have been systematically reinvesting back into the listed equity market as it became apparent that financial system stability and a recovery was emerging. The ensuing rise in listed equities saw the company claw back its 1st half decline of 15.4% to 8.9% by year end.

Further gains have since been recorded post year end with **net assets per share increasing 7.4% to \$3.47 for the 2 month period to 30 September 2009.**

At year end, the company's portfolio was weighted 59% listed equities, 23% cash, 9% managed private equity and 9% property. A full listing of the portfolio can be seen in the 'Gowings At A Glance' schedule on the last page.

Our portfolio allocation is a reflection of both our cautiously optimistic attitude and also having set aside funds for specific investments that we are currently reviewing.

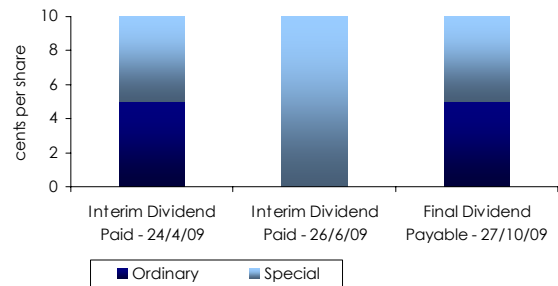
Shareholder Returns

| For the period ending | 30 Sep 2009 | 31 Jul 2009 | 31 Jul 2008 | 31 Jul 2007 |
|--------------------------------|---------------|---------------|----------------|---------------|
| | Per Share | Per Share | Per Share | Per Share |
| Opening net assets * | \$3.23 | \$3.82 | \$4.71 | \$3.87 |
| Closing net assets * | \$3.47 | \$3.23 | \$3.82 | \$4.71 |
| (Decrease) / increase | \$0.24 | (\$0.59) | (\$0.89) | \$0.84 |
| + Ordinary div. paid | - | \$0.10 | \$0.10 | \$0.10 |
| + Special div. paid | - | \$0.15 | \$0.10 | - |
| Total return | \$0.24 | (\$0.34) | (\$0.69) | \$0.94 |
| Total return % | 7.4% | (8.9%) | (14.6%) | 24.3% |
| S&P ASX 200 Accumulation Index | 13.2% | (10.2%) | (15.6%) | 25.3% |

* Before allowing for tax on unrealised gains

5c Final + 5c Special Dividends

2009 Record Dividends of 30c



A record amount of 30c in dividends (\$12,776,514) were paid or declared in relation to the 2009 year. As announced, a 5c final LIC dividend and 5c special LIC dividend was declared and is payable on 27 October 2009. The payment of these dividends will effectively utilise the remaining balance of the company's LIC franking credits.

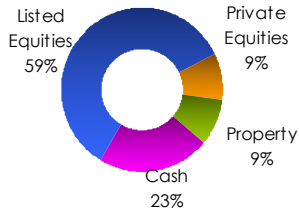
The significant amount of special dividends paid in recent times were generated from capital profits accumulated over many years (including pre-CGT gains) but only realised in the past 18 months.

The Dividend Reinvestment Plan is being underwritten by Taylor Collison in order to provide additional capital for high yielding investment opportunities currently under review.

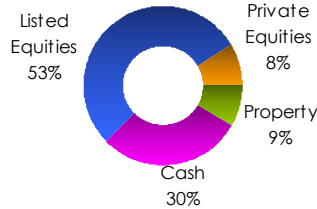
The directors' goal is pay future dividends at current levels being the 5c interim and 5c final, which should grow over time in line with growth in the underlying distributable earnings of the company.



31 July 2009



30 Sept 2009



1. Listed Equities 53%

We began re-investing into the Australian equity market in March 2009 as stability returned to the global financial system and economies, as set out below.

| March | April | May | June | July |
|-------|-------|-----|------|------|
| LEI | BOQ | ANZ | ANZ | AGK |
| QBE | BSL | APZ | CSL | ANZ |
| SEK | CBA | BHP | IVC | CBA |
| TLS | CRG | BSL | QBE | IFN |
| WOW | CSL | CSL | MQG | IVC |
| | HIL | OST | RIO | IPL |
| | IPL | PBG | | MQG |
| | NAB | SEK | | NAB |
| | MOC | | | ORG |
| | OST | | | QBE |
| | PRG | | | RIO |
| | WAN | | | TLS |
| | WES | | | WES |
| | WDC | | | WBC |
| | WBC | | | WPL |

Our investment strategy is to select companies which exhibit as many of the following qualities as possible;

- will come out of this crisis in a more dominant market position
- have access to capital and solid balance sheets
- have the ability to pay high dividends
- are in sectors which will benefit from the economic recovery and stimulus measures
- will benefit from the Australian economy and the strength of the Australian dollar
- will benefit from the ongoing growth of the Chinese economy
- did not require recapitalisation given the strength of their underlying cashflows

2. Cash 30%

Gowings has significantly reduced its cash weighting to 30% from 75% at half year end. Having a high cash weighting helped us to avoid the last market crash in March 2009.

Towards the end of March 2009, we began reinvesting into Australian listed equities as it became apparent that a global recovery was underway.

3. Property Investments 9%

Property prices have continued to fall as expected and certain sectors such as retail property are now presenting compelling investment opportunities.

In the current low interest rate environment and with the Australian economy having held up so well, we believe it is the right time in the cycle to be acquiring high yielding investment grade properties using low cost funds.

4. Managed Private Equity 8%

There was only one realisation during the year being the Macquarie Wholesale Co-investment Fund which sold the "Golden Circle" business and returned 2.3x our capital invested.

Subsequent to year end, we are pleased to announce that Crescent Capital sold the "Simply Squeezed" juice business and returned 1.6x our capital invested.

Our private equity managers have been very conservative over the past 12 months in reducing the valuations of their portfolio companies. During the year, managers have focused on reducing costs and debt and the investee companies are now in a strong position to benefit from the current recovery.

We anticipate that private equity valuations will lift over the next 12 months in line with the recent recovery in listed equity valuations.



GOWINGS

Investing together for a secure future

Newsletter & Update

As at 30 September 2009

Outlook

With the world narrowly averting a complete financial and economic meltdown in March 2009, it is remarkable to see the current strength of the turnaround just 6 months later.

Whilst there still remains much cause for concern, particularly in the US and Europe, there is also cause to be optimistic about a global recovery and in particular, for Australia.

Australia has been protected by our strong banking system, government stimulus measures, interest rate cuts, low unemployment, housing recovery and of course, our exports to China. It is extraordinary that Australia was the only developed economy not to officially fall into a recession at a time when other national economies were imploding.

China deserves a lot of credit for its large and timely stimulus measures which saw its economy quickly pick back up to its long term 8% growth levels. China's economy is expected to lift higher next year which will again be of benefit to the Australian economy.

Whilst we remain optimistic about the Australian economy and our Asian neighbours, we are cognisant that the US and Europe are still in very deep downturns. In particular, US unemployment is still rising and is at a level that is twice as high as any of the last 5 recessions over the past 30 years.

We are currently focused on making investments that deliver a balance between capital growth and consistent maintainable dividends.

Since year end, we have realised several lower yielding investments to build up liquidity (war chest) to enable us to make further investments in high yielding opportunities, several of which are in the final stages of evaluation and negotiation.

About Gowings

INVESTMENT OBJECTIVE

To maximise and protect shareholder wealth over the long term.

INVESTMENT PHILOSOPHY

Investments are made across different asset classes to take advantage of changing cycles. This greatly assists to outperform the equity market during periods of cyclic downturn or volatility.

Investments are made in assets which have the potential to deliver superior growth over the long term when that growth is not reflected in today's asset prices. Investments are made on a risk return basis with higher returns required for more risky assets. An investment is sold when its outlook becomes uncertain or it becomes significantly overvalued.

As a long term investor, we seek to maximise our returns over time through the power of compound interest and minimising tax and transaction costs.

At Gowings, all the board of directors and management are shareholders giving rise to our commitment to "investing together for a secure future"



GOWINGS

Investing together for a secure future

Newsletter & Update

As at 30 September 2009

Gowings "At A Glance"

| | 30 September 2009 | 31 July 2009 |
|---------------------------------------|--------------------|--------------------|
| | \$ | \$ |
| 1. CASH | | |
| Cash and term deposits | 50,425,000 | 6,808,000 |
| Commonwealth Government Securities | - | 30,163,000 |
| Total Cash | 50,425,000 | 36,971,000 |
| 2. EQUITIES | | |
| Australian Equity Portfolio | | |
| National Australia Bank* | 6,011,000 | 10,219,000 |
| ANZ Banking Group | 5,707,000 | 4,336,000 |
| Westpac Banking Corp | 5,145,000 | 4,251,000 |
| Commonwealth Bank | 5,071,000 | 4,194,000 |
| Telstra* | 4,987,000 | 5,119,000 |
| QBE Insurance Group | 4,764,000 | 2,984,000 |
| Woolworths | 4,271,000 | 2,071,000 |
| Blackmores | 4,218,000 | 3,276,000 |
| BHP Billiton* | 4,109,000 | 4,088,000 |
| Metcash | 4,095,000 | 1,969,000 |
| Carlton Investments | 2,841,000 | 2,567,000 |
| Wesfarmers | 2,384,000 | 2,326,000 |
| Westfield Group | 2,293,000 | 510,000 |
| Woodside Petroleum* | 2,085,000 | 3,839,000 |
| CSL | 2,075,000 | 1,894,000 |
| ARB Corporation | 1,380,000 | 922,000 |
| United Group Limited | 1,274,000 | 690,000 |
| Infigen Energy | 1,185,000 | 516,000 |
| Origin Energy | 1,142,000 | 1,015,000 |
| Bank of Queensland | 1,133,000 | 619,000 |
| AMP | 1,108,000 | - |
| Other holdings* | 10,499,000 | 22,838,000 |
| Total Australian Equities | 77,777,000 | 80,243,000 |
| International Equity Portfolio | | |
| | \$AUD | \$AUD |
| Deere & Co | 663,000 | 718,000 |
| Warehouse Group | 529,000 | 474,000 |
| Veolia Environment SA | 501,000 | 473,000 |
| Delegats Group | 433,000 | 374,000 |
| Textron | 323,000 | 244,000 |
| Nokia | 237,000 | 223,000 |
| Other holdings | - | - |
| Total Global Equities | 2,486,000 | 2,506,000 |
| Total Equity Portfolio | 80,463,000 | 82,749,000 |
| Total Cash & Equities | 130,888,000 | 119,720,000 |

*Denotes full or partial sale of holding during the period

| | 30 September 2009 | 31 July 2009 |
|--|--------------------|--------------------|
| 3. MANAGED PRIVATE EQUITIES | | |
| Macquarie Whole Sale Co-Investment Fund | 3,535,000 | 3,532,000 |
| AMP PEFIIIA | 608,000 | 608,000 |
| ANZ Business Equity Fund | 3,796,000 | 3,796,000 |
| Crescent Capital Partners II LP | 1,779,000 | 2,124,000 |
| Crescent Capital Partners Growth Fund* | - | - |
| Everest Babcock & Brown Opportunity Fund | 675,000 | 700,000 |
| MEIF | 2,395,000 | 2,395,000 |
| MEIF loan | (1,024,000) | (1,024,000) |
| Other Investments | 577,000 | 577,000 |
| Total | 12,341,000 | 12,708,000 |
| 4. PROPERTY PORTFOLIO | | |
| Retail* | 5,122,000 | 5,110,000 |
| Commercial | 4,151,000 | 4,151,000 |
| Industrial | 1,425,000 | 1,425,000 |
| Residential | 2,655,000 | 2,655,000 |
| Property Development | 2,339,000 | 2,539,000 |
| Borrowings | (13,047,000) | (13,317,000) |
| Total | 2,645,000 | 2,563,000 |
| 5. OTHER | | |
| Working capital, loans receivable, provisions | 1,734,000 | 2,651,000 |
| Net assets before tax on unrealised gains | 147,608,000 | 137,642,000 |
| Estimated provision for tax on unrealised gains | (4,344,000) | (2,202,000) |
| Net assets after tax on unrealised gains | 143,264,000 | 135,440,000 |
| Shares Outstanding | 42,588,378 | 42,588,378 |
| Net Assets per share before estimated tax on unrealised gains | \$ 3.47 | \$ 3.23 |
| Net Assets per share after allowing for estimated tax on unrealised gains | \$ 3.36 | \$ 3.18 |