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19 July 2018

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

GOWINGS new Debt Facility and Interest Rate Hedging Strategy

Gowing Bros Limited (ASX:GOW) is pleased to announce it has entered into a new single debt facility with the CBA for \$116m which is a consolidation of the existing secured bank loans for the Gowings owned and operated Pacific Coast Shopping Centres. The debt facility is for a period of 5 years.

This new facility provides GOW with access to an additional \$30million revolving line of credit to use for new and existing developments which potentially includes the Sawtell Commons – Residential Subdivision and the Solitary 30 – development site, in the Jetty precinct of Coffs Harbour.

The existing multiple interest rate hedges with varying expiry dates have now been closed out. A new hedge that aligns with the maturity date for \$60.2million of the new facility has been entered into at a lower rate. This will result in a one-off reduction to this year's after tax profit of \$1.12million. However, we will benefit from approximately \$600k reduced annual interest rate charge on each of the 5 years going forward.

The single debt facility provides GOW with the flexibility to restructure assets within its group structure.

GOW is now well positioned to deploy additional capital to its existing asset portfolio to maximise shareholder value.

A handwritten signature in black ink, appearing to read "John Gowing".

John Gowing
Managing Director

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