



PPK GROUP LIMITED

ABN 65 003 964 181

Appendix 4D Half-year report
& half-year accounts
Period ended 31 December 2009

Previous Corresponding Period
31 December 2008

Contents

1. Appendix 4D - Half-year report
2. Half-year accounts, Directors' Report and Audit review report
3. Directors' Report & Declaration
4. Independent Auditor's Review Report & Declaration of Independence

This information is provided to the Australian Securities Exchange (ASX) under ASX Listing Rule 4.2A and should be read in conjunction with the most recent annual financial report.



HIGHLIGHTS OF RESULTS FOR ANNOUNCEMENT TO THE MARKET

(figures are in A\$000s)

	December 2009 \$000s	December 2008 \$000s	Change \$000s	Change %
SALES REVENUE	2,314	2,924	(610)	-21%
RENTAL INCOME FROM INVESTMENT PROPERTIES	1,587	2,478	(891)	-36%
REALISED GAINS FROM INVESTING	1,044	-	1,044	Nil to Profit
REALISED GAIN ON SALE OF INVESTMENT PROPERTY	2,184	-	2,184	Nil to Profit
PROFIT/(LOSS) BEFORE INCOME TAX	4,943	(809)	5,752	Loss to Profit
PROFIT/(LOSS) AFTER TAX ATTRIBUTABLE TO MEMBERS	3,609	(524)	4,133	Loss to Profit
EARNINGS PER SHARE	6.2	(0.9)	7.1	Loss to Profit

DIVIDENDS

HALF YEAR TO 31 DECEMBER 2009 FULLY FRANKED INTERIM DIVIDEND PER SHARE 1.50 cents

HALF YEAR TO 31 DECEMBER 2008 FULLY FRANKED INTERIM DIVIDEND PER SHARE 1.50 cents

RECORD DATE FOR DETERMINING ENTITLEMENT TO DIVIDEND 26 March 2010

DATE DIVIDEND IS PAYABLE 9 April 2010



PPK Group Limited 4D Commentary on Results

PPK Group Limited (**PPK**) is pleased to report an after tax profit of \$3.609 million for the six months ended 31 December 2009. This compares to an after tax loss of \$524,000 in the previous corresponding period, an improvement of \$4.133 million.

The result represents earnings of 6.2 cents per share for the first half of the 2010 year compared to a loss of .9 cents per share for the corresponding six month period in the 2009 year.

The pre tax profit of \$4.943 million, compared to an \$809,000 pre tax loss for the six months ended 31 December 2008 comprises a one-off pre tax capital gain of \$2.184 million from the sale of an industrial property at Virginia Queensland and in addition thereto profits from investing activities, rental income from leased industrial properties and profit from Rambor Pty Ltd, PPK's mining equipment manufacturing subsidiary.

Property

The decision to sell the property at Virginia for \$5.2 million was made after unsuccessful attempts to lease the property following the tenant vacating in February 2009 on expiry of the lease.

The industrial property at Kirrawee has been vacant since the tenant vacated upon expiry of the lease in September 2009 and relocated its business operations to Thailand. Offers received for rental of the property have been unacceptable. PPK however has received a conditional offer of \$8 million for the property, which the Board has resolved to accept and contract terms are currently under negotiation.

The industrial property at Arndell Park has remained vacant since the tenant vacated on 31 August 2009 and litigation continues between PPK and the former tenant. No rental income has been received in relation to this property and all legal costs incurred in respect of the litigation have been expensed as they have been incurred. By agreement with the former tenant, this property is currently being marketed for lease and the Board is confident of a resolution in relation to the property by 31 December 2010.

Investments

During the reporting period, PPK increased its shareholding to above 20% in both Frigrite Limited (**FRR**) and Cool or Cosy Limited (**COS**). Consequently each of these companies is now considered to be an associate of PPK, in the case of FRR as from 26 August 2009 and in the case of COS as from 29 October 2009.

The carrying value of PPK's investment in both FRR and COS was restated at the time each of FRR and COS became an associate giving rise to a one-off investment gain. PPK will now equity account earnings from both FRR and COS from each of the respective dates and take up in its earnings a share of the after tax profits of both FRR and COS for the relevant periods.

In addition as part of its investments strategy, PPK generated profits from the sale of shares held for re-sale.

Mining Equipment Manufacture

Rambor's result for the reporting period was in line with budget but well down on the previous corresponding period. Rambor's sales were affected by the worldwide downturn in the market for mining equipment with no orders from Rambor's Russian or Chinese agents. However recent communications are indicative of a renewal of activity and a commencement of ordering during the second half of this financial year.

Outlook

The Board is confident that the situation with the currently vacant properties at Kirrawee and Arndell Park will be resolved by 31 December 2010.

There are positive signs of a much improved contribution by Rambor in the second half of this financial year.

Investment earnings will depend on the performance of the companies in which PPK has invested, improvements in the economic outlook and the stability of the Australian share market.

In addition to its existing investments in January 2010 PPK invested in and participated as the lead manager of a syndicate for the purchase of 4.013 hectares of prime residential land at Willoughby NSW. This land will be developed over the next three years and the development will include the construction and sale of 76 prestige residential dwellings. PPK having contributed as both an investor and secured lender will be entitled to 18.2% share of the profits from the project.

Dividends

Based on the Board's assessment of the company's core earnings and confidence in the improving earnings outlook, the Board has resolved to pay an interim dividend of 1.5 cents per share fully franked.



PPK GROUP LIMITED

ABN 65 003 964 181

Interim Financial Report
For half-year ended 31 December 2009



**PPK GROUP LIMITED
AND CONTROLLED ENTITIES
ABN 65 003 964 181**

HALF YEAR CONSOLIDATED FINANCIAL STATEMENTS

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of PPK Group Limited and its controlled entities for the half year ended 31 December, 2009.

DIRECTORS

The names of directors in office at any time during or since the financial period are:

Colin Francis Ryan
Glenn Robert Molloy
Raymond Michael Beath
Jury Ivan Wowk
David Alfred Hoff (retired 7 September 2009)

REVIEW OF OPERATIONS

A detailed review of results and operations is included in the Commentary on Results on page 3 of this report.

DIVIDENDS

The Board of Directors has resolved to pay a fully franked interim dividend of 1.5 cents per share.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity during the period.

AUDITORS INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

ROUNDING OF AMOUNTS

The parent entity has applied the relief available to it in ASIC Class Order 98/100 and, accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars.

A handwritten signature in black ink, appearing to read 'C. Ryan', written in a cursive style.

COLIN FRANCIS RYAN
Director

Dated this 23rd day of February 2010



**PPK GROUP LIMITED
AND CONTROLLED ENTITIES
ABN 65 003 964 181**

DECLARATION BY DIRECTORS

The directors of the company declare that:

- a. The accompanying financial statements and accompanying notes, are in accordance with the Corporations Act 2001 and:
 - (i) comply with Accounting Standard AASB134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
 - (ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of performance for the half-year ended on that date.
- b. In the director's opinion, 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 Board of Directors and is signed for and on behalf of the directors by:

A handwritten signature in black ink, appearing to read 'Colin Francis Ryan'.

COLIN FRANCIS RYAN
Director

Dated this 23rd day of February 2010

PPK GROUP LIMITED
Consolidated Income Statement
for the Half-Year Ended 31 December 2009

	Note	CONSOLIDATED ENTITY	
		31 DECEMBER	31 DECEMBER
		2009	2008
		\$000s	\$000s
REVENUES			
Mining equipment manufacture		2,314	2,924
Investment Properties		1,587	2,478
Investment Activities		30	18
Interest received		281	313
Total Revenue	2a	4,212	5,733
OTHER INCOME	2b	4,024	268
EXPENDITURE			
Mining equipment manufacture		(2,225)	(2,186)
Investment Properties		(1,113)	(382)
Investment Activities		(4)	(2,769)
Administrative expenses		(611)	(727)
Net Foreign exchange losses		(15)	-
Finance costs		(456)	(746)
Total Expenditure	2d	(4,424)	(6,810)
Share of profit of associates accounted for using the equity method	2c	1,131	-
Profit (loss) before income tax expense		4,943	(809)
Income tax (expense)/credit attributable to profit		(1,334)	285
Profit (loss) after income tax from continuing operations		3,609	(524)
Earnings per share from continuing operations			
	4	Cents	Cents
Total basic earnings per shares		6.2	(0.9)
Diluted earnings per share		6.2	(0.9)

The above Consolidated Income Statement should be read in conjunction with the accompanying notes

PPK GROUP LIMITED
Consolidated Statement of Comprehensive Income
for the Half-Year Ended 31 December 2009

	CONSOLIDATED ENTITY	
	31 DECEMBER	31 DECEMBER
	2009	2008
	\$000s	\$000s
Net Profit (loss) for the half year	3,609	(524)
OTHER COMPREHENSIVE INCOME		
Changes in fair value on available-for-sale financial assets	251	-
Provision for income tax on changes in fair value	(75)	-
Unrealised impairment losses on available-for-sale financial assets transferred to the income statement from the asset revaluation reserve	-	313
Provision for income tax thereon	-	(94)
Realised gain on sale of available-for-sale financial assets transferred to the income statement from the asset revaluation reserve	(146)	-
Provision for income tax thereon	44	-
Other comprehensive income net of income tax	74	219
Total Comprehensive Income (loss) for the half year	3,683	(305)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes

PPK GROUP LIMITED
Consolidated Statement of Financial Position
for the Half-Year Ended 31 December 2009

	CONSOLIDATED ENTITY	
	31 DECEMBER	30 JUNE
	2009	2009
	\$000s	\$000s
CURRENT ASSETS		
Cash and cash equivalents	4,324	191
Trade & other receivables	1,516	2,261
Inventories	1,441	1,423
Other current assets	2,846	355
TOTAL CURRENT ASSETS	10,127	4,230
Assets classified as held for sale	703	703
TOTAL CURRENT ASSETS	10,830	4,933
NON-CURRENT ASSETS		
Trade & other receivables	3,901	2,331
Investments in associated companies - equity accounted	5,203	-
Financial assets	2,029	2,411
Investment Properties	31,996	35,137
Other Property, plant and equipment	1,698	2,027
Deferred tax assets	1,733	2,200
Intangible assets	808	857
Derivatives	263	288
TOTAL NON-CURRENT ASSETS	47,631	45,251
TOTAL ASSETS	58,461	50,184
CURRENT LIABILITIES		
Trade & other payables	532	692
Interest Bearing Liabilities	-	178
Current tax liabilities	704	730
Provisions	193	688
TOTAL CURRENT LIABILITIES	1,429	2,288
NON-CURRENT LIABILITIES		
Interest Bearing Liabilities	18,000	12,100
Deferred tax liabilities	447	318
Provisions	33	29
TOTAL NON-CURRENT LIABILITIES	18,480	12,447
TOTAL LIABILITIES	19,909	14,735
NET ASSETS	38,552	35,449
SHAREHOLDERS' EQUITY		
Contributed equity	31,249	31,249
Reserves	65	(9)
Retained earnings	7,238	4,209
TOTAL SHAREHOLDERS' EQUITY	38,552	35,449

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes

PPK GROUP LIMITED
Consolidated Statement of Cash Flows
for the Half-Year Ended 31 December 2009

	CONSOLIDATED ENTITY	
	31 DECEMBER	31 DECEMBER
	2009	2008
	\$000s	\$000s
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	4,663	5,828
Cash payments to suppliers and employees	(3,831)	(3,439)
Interest received	228	261
Dividends Received	30	18
Income tax paid	(796)	(856)
	<hr/>	<hr/>
Net cash provided by operating activities	294	1,812
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investment property	5,106	-
Proceeds from sale of plant & equipment	60	-
Purchase of property, plant and equipment	(112)	(164)
Payments for purchase of available-for-sale financial assets	(965)	(453)
Payments for investments in associate companies	(2,393)	-
Payments for investments in derivatives	(395)	-
Payments for convertible notes	(1,877)	(302)
Proceeds from sale of available-for-sale financial assets	2,152	-
Purchase of intangible assets	-	(57)
	<hr/>	<hr/>
Net cash provided by (used in) investing activities	1,576	(976)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans advanced	(2,572)	(677)
Shares repurchased	-	(784)
Proceeds from borrowings	5,900	-
Repayment of borrowings	(23)	(4,172)
Loans repaid	149	7,213
Dividends paid	(580)	(1,889)
Interest and costs of borrowings	(456)	(746)
	<hr/>	<hr/>
Net cash provided by (used in) financing activities	2,418	(1,055)
Net increase (decrease) in cash held	4,288	(219)
Cash at the beginning of the financial period	36	(1,161)
	<hr/>	<hr/>
Cash at the end of the financial period	4,324	(1,380)

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

PPK GROUP LIMITED
Consolidated Statement of Changes in Equity
for the Half-Year Ended 31 December 2009

	Issued capital \$'000	Retained earnings \$'000	Available-for-sale investment reserve \$'000	Option reserve \$'000	Total equity \$'000
At 1 July 2008	32,033	6,428	(160)	8	38,309
Total comprehensive income for the half-year					
Profit/(loss) for the period		(524)			(524)
Other comprehensive income					
Fair value adjustment on available-for-sale financial assets expensed on impairment			313		313
less deferred tax impact			(94)		(94)
Total comprehensive income for the half-year	-	(524)	219		(305)
Transactions with owners in their capacity as owners					
Dividends paid		(1,889)			(1,889)
Share buyback	(784)				(784)
Foreign currency translation differences			-	-	-
	(784)	(1,889)	-	-	(2,673)
At 31 December 2008	31,249	4,015	59	8	35,331
Total comprehensive income for the half-year					
Profit/(loss) for the period		1,064			1,064
Other comprehensive income					
Fair value adjustment on available-for-sale financial assets expensed on impairment			155		155
less deferred tax impact			(46)		(46)
Fair value adjustment on available-for-sale financial assets			(264)		(264)
less deferred tax impact			79		79
Total comprehensive income for the half-year	-	1,064	(76)	-	988
Transactions with owners in their capacity as owners					
Dividends paid		(870)			(870)
At 30 June 2009	31,249	4,209	(17)	8	35,449
Total comprehensive income for the half-year					
Profit/(Loss) for the period		3,609			3,609
Other comprehensive income					
Fair value adjustment on available-for-sale financial assets			251		251
less deferred tax impact			(75)		(75)
Realised gain on sale of available-for-sale financial assets			(146)		(146)
Less deferred tax impact			44		44
Total comprehensive income for the half-year	-	3,609	74	-	3,683
Transactions with owners in their capacity as owners					
Dividends paid		(580)			(580)
At 31 December 2009	31,249	7,238	57	8	38,552

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

PPK GROUP LIMITED
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

Note 1. Basis of Preparation of Half-Year Financial Statements

These general purpose financial statements for the half-year reporting period ended 31 December 2009 has been prepared in accordance with Australian Accounting Standard 134 "Interim Financial Reporting" and the Corporations Act 2001. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The half year statements have been prepared on an accrual basis and is based on historical cost basis, except for derivatives and financial assets for which the fair value basis of accounting has been applied.

These half year financial statements do not include all the notes of the type normally included in an annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these interim financial statements is to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by PPK Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies and methods of computation have generally been followed in these interim financial statements as compared with the most recent annual financial report. AASB 134: Interim Financial Reporting generally only requires disclosure of accounting policies that have changed from those used in the prior annual reporting period.

The half-year statements do not include full disclosures of the type normally included in the annual financial report.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these interim financial statements are the same as those applied by PPK Group Limited in its annual financial report as at and for the year ended 30 June 2009, except as follows:

Associate Companies accounted for using the equity method of accounting

During the half year, PPK Group Limited (PPK) acquired additional shares in Frigrite Limited (FRR) and Cool or Cosy Limited (COS). As a consequence of these purchases these companies are now considered to be associates of the consolidated entity and are accounted for using the equity method of accounting. The effect of this is that the carrying value of the investment in the associate is restated at it's fair value at the time they became an associate and a share of the post acquisition after tax profits of the associates is included in the income statement of the consolidated entity.

On 26th August 2009 PPK subscribed to a new issue of shares in FRR and from that time PPK has held 31.82% of the share capital of FRR. The consolidated entities investment in FRR has been equity accounted from 26th August 2009.

On 29 October 2009 PPK purchased 500,000 shares in Cool or Cosy Limited that took it holding in that company to 20.28%.

The consolidated entity's investment in COS has been equity accounted from 29th October 2009. A subsequent purchase of 250,000 shares in COS has taken the consolidated entities holding in COS to 20.67% at the end of the financial half year.

Refer to note 2c for the details of the amounts that have been included as income as a result of equity accounting FRR and COS.

The parent entity has applied the relief available under ASIC Class Order 98/100 and accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar.

The interim financial report were authorised for issue in accordance with a resolution of the directors on 23rd February 2010

PPK GROUP LIMITED
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

CONSOLIDATED ENTITY
31 DECEMBER **31 DECEMBER**
2009 **2008**
 \$000s \$000s

NOTE 2

REVENUE, OTHER INCOME & EXPENSES FROM OPERATIONS

(a) REVENUE

Sale of goods	2,314	2,924
Rental income from investment properties	1,587	2,478
Interest received	281	313
Dividends received - other parties	30	18
	4,212	5,733

(b) OTHER INCOME

Net gain on disposal of investment property	2,184	-
Net gain on sale of available-for-sale financial assets	1,044	-
Fair value adjustment on sale of available-for-sale financial assets	40	-
Fair value adjustment on derivatives	514	-
Foreign currency translation gains	-	263
Sundry Income	242	5
	4,024	268

(c) SHARE OF PROFIT FROM ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD

Fair value adjustment to carrying value of available-for-sale financial assets at the time the entities became associates - before tax.	580	-
Share of after tax profit from associates accounted for under the equity method	551	-
	1,131	-

(d) EXPENSES

Amortisation - intangibles	49	59
Depreciation - buildings	237	243
- plant and equipment	237	195
	474	438
Fair value adjustment on derivatives	-	1,347
Foreign currency translation losses	15	-
Interest paid	456	746
Impairment of available-for-sale financial assets	-	1,414
Impairment - trade receivables	6	6
- other receivables	462	-

(e) INDIVIDUALLY SIGNIFICANT ITEMS

Gains or (losses)

Net gain on disposal of investment property	2,184	-
Net gain on sale of available-for-sale financial assets	1,044	-
Fair value adjustment on derivatives	514	(1,347)
Fair value adjustment/(Impairment) of available-for-sale financial assets	40	(1,414)
	3,782	(2,761)

NOTE 3

DIVIDENDS

Dividends paid

Final ordinary dividend of 1.00c per share - 100% franked (2008 3.25c per share - 100% franked)	580	1,889
	580	1,889

Dividends declared after half year ended 31 December 2009

Interim ordinary dividend of 1.50c per share - 100% franked (2008 1.50c per share - 100% franked)	870	870
	870	870

The amount of retained profits and reserves that could be distributed as fully franked dividends from franking credits that exist at 31 December 2009 is \$7,238,000

We anticipate that dividends will be fully franked for the foreseeable future.

	CONSOLIDATED ENTITY	
	31 DECEMBER	31 DECEMBER
	2009	2008
Notes	\$000s	\$000s

NOTE 4

EARNINGS PER SHARE

Basic earnings per share (cents per share)	6.2	(0.9)
Diluted earnings per share	6.2	(0.9)
<hr/>		
(a) Reconciliation of Earnings to Net Profit		
Earnings used in calculating Basic EPS	3,609	(524)
Earnings used in calculating Diluted EPS	3,609	(524)
<hr/>		
(b) Weighted average number of ordinary shares outstanding during the period used in calculation of basic EPS	58,006,650	58,532,643
Potential ordinary shares assumed to have been issued for no consideration	-	-
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Weighted average number of ordinary shares outstanding during the year used in calculation of diluted EPS	58,006,650	58,532,643
<hr/>		

NOTE 5

ORDINARY SHARES ON ISSUE

Number of securities on issue at beginning of year	58,006,650	59,252,613
Shares repurchased through approved on market share buy back	-	(1,245,963)
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Number of securities on issue at the end of the period	58,006,650	58,006,650
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There were no options outstanding at balance date

NOTE 6
SEGMENT INFORMATION

The group has adopted AASB 8 Operating Segments from 1 July 2009 whereby segment information is presented using a "management approach", i.e. segment information is provided on the same basis as information used for internal reporting purposes by the chief operating decision makers. There has been no changes to the reporting segments following the amendment to the standard. Information regarding segment assets is not provided to the Directors. As such, the group has early adopted the amendment to AASB 2009-5 so that segment asset information need not be disclosed.

Operating segments have been determined on the basis of reports reviewed by the Directors. The Directors are considered to be the chief operating decision makers of the group. The reportable segments are as follows:

- The **Investment property segment** owns the properties from which the Group previously carried out its manufacturing operations. These properties were retained and leased at commercial rents to the purchasers of those businesses.
- The **Investment segment** owns primarily listed and some unlisted investments and has also made loans from which earns income and capital growth. Investments in associate companies are included in this segment.
- The **Mining equipment segment** manufactures portable underground mining equipment.

Segment Performance
Half Year ended 31 December 2009

	Investment Properties \$000s	Investing \$000s	Mining Equipment Manufacturing \$000s	Total \$000s
Revenue and other income				
Sales Revenue	-	-	2,314	2,314
Rental income	1,587	-	-	1,587
Net gain on disposal of rental property	2,184	-	-	2,184
Gain on sale of available-for-sale financial assets	-	1,044	-	1,044
Fair value adjustment on derivatives	-	514	-	514
Fair value adjustment on sale of available-for-sale financial assets	-	40	-	40
Sundry Income	-	241	1	242
Interest Received	-	257	-	257
Dividends Received	-	30	-	30
Total revenue and other income	3,771	2,126	2,315	8,212
Segment net profit before tax	2,658	2,122	75	4,855
Reconciliation of segment result to group net profit before tax				
Amounts not included in segment result but reviewed by the Board				
Share of profit from associates accounted for using the equity method				1,131
Unallocated corporate income & expenses				(611)
Unallocated interest income & expense				(432)
Consolidated operating profit before income tax				4,943
Income tax benefit / (expense)				(1,334)
Consolidated operating profit from ordinary activities after income tax				3,609

Segment Performance
Half Year ended 31 December 2008

	Investment Properties \$000s	Investing \$000s	Mining Equipment Manufacturing \$000s	Total \$000s
Revenue and other income				
Sales Revenue	-	-	2,924	2,924
Rental income	2,478	-	-	2,478
Interest Received	-	177	1	178
Dividends Received	-	23	-	23
Other Revenue	-	-	6	6
Total revenue and other income	2,478	200	2,931	5,609
Segment net profit (loss) before tax	2,087	(2,573)	735	249
Reconciliation of segment result to group net profit before tax				
Amounts not included in segment result but reviewed by the Board				
Unallocated corporate income & expenses				(465)
Unallocated interest income & expense				(593)
Consolidated operating profit before income tax				(809)
Income tax (expense) / benefit				285
Consolidated operating profit (loss) from ordinary activities after income tax				(524)

NOTE 7
EVENTS SUBSEQUENT TO REPORTING DATE

Investment in Associate

On Friday 19th February 2010 the Federal Government announced changes to the Home Insulation Scheme. It is anticipated that these changes will impact upon our associate company Cool or Cosy Ltd.

Cool or Cosy Ltd released a statement to the market on 22 February 2010 stating that it;

- * *is currently assessing the likely impact these changes will have on its business;*
- * *is awaiting further information regarding details of the proposed new scheme; and*
- * *will provide the market with more detailed information following receipt of this information and completion of its assessment.*

The Directors of PPK are unable to quantify the effect, if any, this may have on the group's investment in the company.

Investment Property

PPK has received a conditional offer of \$8 million for the purchase of the industrial property located at Kirrawee. The Board has resolved to accept and contract terms are currently under negotiation.

No other matters or circumstances have arisen since the end of the period which significantly affected the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent periods.

NOTE 8
CONTINGENT LIABILITIES / ASSETS

There has been no change in contingent liabilities since the last annual reporting date

NOTE 9
NET TANGIBLE ASSET BACKING

	Current period	Previous corresponding period
Net tangible asset backing per share	65.1 cents	59.4 cents

The above NTA backing per share excludes the effect if Land & Buildings were revalued to their most recent Directors' valuation of \$40.2m and allowing for capital gains tax of \$2.7m. An independent valuation was last undertaken in July 2006.

This would have the effect of increasing effective NTA backing per share by 7.6 cents to 72.7 cents (2008 by 18.3 cents to 77.7 cents).



Tel: +61 2 9286 5555
Fax: +61 2 9286 5599
www.bdo.com.au

Level 19, 2 Market St
Sydney NSW 2000
GPO Box 2551 Sydney NSW 2001
Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of PPK Group Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of PPK Group Limited, which comprises the consolidated statement of financial position as at 31 December 2009, and the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a description of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 20X1 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of PPK Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's review report was made.

Conclusion

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 of PPK Group Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

A handwritten version of the BDO logo in black ink, with the letters 'BDO' in a stylized, cursive script.

BDO Audit (NSW-VIC) Pty Ltd

A handwritten signature in black ink, appearing to read 'Wayne Basford', written in a cursive style with a long horizontal stroke extending to the right.

Wayne Basford

Director

Dated in Sydney this 23rd day of February 2010

DECLARATION OF INDEPENDENCE BY WAYNE BASFORD TO THE DIRECTORS OF PPK GROUP LIMITED

As lead auditor for the review of PPK Group Limited for the half-year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of PPK Group Limited and the entities it controlled during the period.



Wayne Basford

Director

BDO Audit (NSW-VIC) Pty Limited

Dated in Sydney this 23rd day of February 2010