



**PPK GROUP LIMITED**

ABN 65 003 964 181

Appendix 4D Half-year report  
& half-year accounts  
Period ended 31 December 2012

Previous Corresponding Period  
31 December 2011

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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.

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## HIGHLIGHTS OF RESULTS FOR ANNOUNCEMENT TO THE MARKET

	31 December 2012 \$000s	31 December 2011 \$000s	Change \$000s	Change %
SALES REVENUE	2,190	4,079	(1,889)	-46%
RENTAL INCOME	1,423	1,031	392	38%
REALISED GAINS FROM INVESTING	157	35	122	349%
PROFIT BEFORE INCOME TAX EXPENSE	1,306	1,247	59	5%
PROFIT BEFORE TAX ATTRIBUTABLE TO OWNERS OF PPK GROUP LTD	1,158	1,247	(89)	-7%
PROFIT AFTER TAX ATTRIBUTABLE TO OWNERS OF PPK GROUP LTD	862	957	(95)	-10%
EARNINGS PER SHARE	cents 1.7	cents 1.8	cents (0.1)	-6%

### DIVIDENDS

2013 FULLY FRANKED INTERIM DIVIDEND PER SHARE	1.50 cents
2012 FULLY FRANKED INTERIM DIVIDEND PER SHARE	1.00 cent
RECORD DATE FOR DETERMINING ENTITLEMENT TO DIVIDEND	14 March 2013
DATE DIVIDEND PAYABLE	22 March 2013



## **COMMENTARY ON RESULTS**

PPK Group Limited (**PPK**) has recorded a profit attributable to the members of \$862,000 after tax for the 2013 first half as compared to \$957,000 for the 2012 first half.

Having recouped prior year losses and now with sufficient retained earnings, the directors have resolved to pay a 1.5 cents per share fully franked dividend which will be payable on 22 March 2013.

PPK's industrial properties, property development and financing divisions performed well.

### **Industrial Properties**

A Lease was signed on the Arndell Park property during the reporting period and both the Arndell Park and Dandenong properties are now leased by strong established tenants and provide a full rental return.

The Seven Hills property is being refurbished and Heads of Agreement have been signed for a new Lease to commence on 1 April 2013 subject to the Lessee confirming acceptable development approval conditions which is not expected to be an issue.

### **Property Development**

Negotiations are continuing in relation to either a redevelopment or an on-sale of the Nerang Street Southport Project site.

The Bundaberg (Queensland) and Elizabeth Vale (South Australia) retirement villages are performing to expectations and showing a strong return on investment. They are providing a regular income stream whilst arrangements are made for strata titling and re-sale.

The Kiah Willoughby Project continues to progress well. PPK's share of profit for the reporting period from the sale of the first 13 homes of the 14 homes in Stage 1 was \$493,000. Construction work is progressing on the 16 Stage 2 homes, the sales of which will settle in the first half of the 2014 financial year.

Development approvals have issued for the 46 Stage 3 and 4 homes and construction work is scheduled to commence in the latter part of the 2013 calendar year with completion and settlement in the 2015 financial year.

This project will continue to provide a strong profit stream in the 2014 and 2015 financial years.

### **Financing**

Regular interest payments at premium rates continue to be received on the secured mortgage funding provided by PPK Finance Pty Ltd to the retirement village operator and mining services industry operator borrowers.

**Rambor**

In line with other businesses in the mining services sector, Rambor had a difficult first half with a minimal pre-tax profit contribution of \$77,000 to PPK's first half profit (as compared to a pre-tax profit contribution of \$983,000 in the first half in FY 2012).

However there are now strong signs of a recovery in sales and profitability for Rambor for the second half of FY 2013.

**Generally**

Present indications are for a continuing and steady improvement in earnings, dividend payment capacity and return to shareholders.



**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, 2012.

### **DIRECTORS**

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

Jury Ivan Wowk  
Glenn Robert Molloy  
Raymond Michael Beath  
Graeme Douglas Webb  
David Alfred Hoff (as alternate for Raymond Michael Beath)

### **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 cent 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 'Jury Ivan Wowk', written over a series of parallel diagonal lines.

**JURY IVAN WOWK**  
Director

Dated this 22nd day of February 2013

Grant Thornton Audit Pty Ltd  
ACN 130 913 594

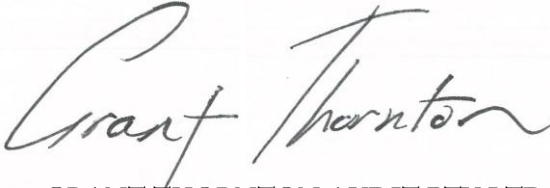
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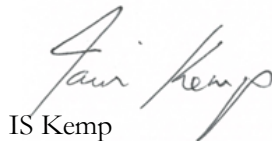
**Auditor's Independence Declaration  
To The Directors of PPK Group Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of PPK Group Limited for the half-year ended 31 December 2012, 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.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



IS Kemp  
Partner - Audit & Assurance

Sydney, 22 February 2013

**PPK GROUP LIMITED**  
**Consolidated Statement of Comprehensive Income**  
**for the Half-Year Ended 31 December 2012**

		CONSOLIDATED ENTITY	
		31 December	31 December
		2012	2011
Note		\$000s	\$000s
<b>REVENUES</b>			
	Mining equipment manufacture	2,190	4,079
	Investment Properties	1,423	1,031
	Investment Activities	31	50
	Interest receivable	1,121	681
	<b>Total Revenue</b>	<b>4,765</b>	<b>5,841</b>
	<b>OTHER INCOME</b>	193	451
<b>EXPENDITURE</b>			
	Mining equipment manufacture	(2,116)	(3,106)
	Investment Properties	(457)	(313)
	Investment Activities	(184)	(49)
	Administrative expenses	(723)	(866)
	Finance costs	(673)	(711)
	<b>Total Expenditure</b>	<b>(4,153)</b>	<b>(5,045)</b>
	Share of profit of associates accounted for using the equity method	501	-
	<b>Profit before income tax expense</b>	<b>1,306</b>	<b>1,247</b>
	Income tax (expense) attributable to profit	(296)	(290)
	<b>Profit after income tax</b>	<b>1,010</b>	<b>957</b>
	<b>Profit after tax is attributable to:</b>		
	Owners of PPK Group Limited	862	957
	Non-controlling interests	148	-
		<b>1,010</b>	<b>957</b>
<b>OTHER COMPREHENSIVE (LOSS) INCOME</b>			
	Changes in fair value on available-for-sale financial assets	(151)	(181)
	Provision for income tax on changes in fair value	45	54
	Realised gain (loss) on sale of available-for-sale financial assets transferred to profit or loss from the asset revaluation reserve	(36)	-
	Provision for income tax thereon	10	-
	<b>Other comprehensive (loss) income net of income tax</b>	<b>(132)</b>	<b>(127)</b>
	<b>Total Comprehensive Income for the half year</b>	<b>878</b>	<b>830</b>
	<b>Total Comprehensive Income for the half year is attributable to:</b>		
	Owners of PPK Group Limited	730	957
	Non-controlling interests	148	-
		<b>878</b>	<b>957</b>
	<b>Earnings per share from continuing operations</b>	<b>Cents</b>	<b>Cents</b>
	<b>Total basic earnings per shares</b>	<b>1.7</b>	<b>1.8</b>
	<b>Diluted earnings per share</b>	<b>1.7</b>	<b>1.8</b>

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 2012**

	CONSOLIDATED ENTITY	
	31 December	30 June
	2012	2012
	\$000s	\$000s
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	2,224	9,079
Trade and other receivables	1,543	2,696
Inventories	1,122	1,162
Other current assets	629	323
Financial assets at fair value through profit or loss	-	327
<b>TOTAL CURRENT ASSETS</b>	<b>5,518</b>	<b>13,587</b>
<b>NON-CURRENT ASSETS</b>		
Trade and other receivables	14,720	6,276
Investments in associated entities - equity accounted	501	9
Financial assets	792	756
Investment Properties	30,353	27,276
Other Property, plant and equipment	1,073	1,273
Deferred tax assets	1,429	1,589
Intangible assets	1,622	1,413
<b>TOTAL NON-CURRENT ASSETS</b>	<b>50,490</b>	<b>38,592</b>
<b>TOTAL ASSETS</b>	<b>56,008</b>	<b>52,179</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	746	695
Interest Bearing Liabilities	500	925
Current tax liabilities	-	422
Provisions	296	311
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,542</b>	<b>2,353</b>
<b>NON-CURRENT LIABILITIES</b>		
Interest Bearing Liabilities	24,535	20,500
Deferred tax liabilities	101	29
Provisions	97	89
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>24,733</b>	<b>20,618</b>
<b>TOTAL LIABILITIES</b>	<b>26,275</b>	<b>22,971</b>
<b>NET ASSETS</b>	<b>29,733</b>	<b>29,208</b>
<b>SHAREHOLDERS' EQUITY</b>		
Contributed equity	28,811	29,016
Reserves	(65)	67
Retained earnings	985	123
Capital and reserves attributable to owners of PPK Group Ltd	29,731	29,206
Non-controlling interests	2	2
<b>TOTAL EQUITY</b>	<b>29,733</b>	<b>29,208</b>

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 2012**

	CONSOLIDATED ENTITY	
	31 December	31 December
	2012	2011
	\$000s	\$000s
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	4,098	5,696
Cash payments to suppliers and employees	(3,448)	(4,176)
Proceeds from sale of financial assets at fair value through profit or loss	360	-
Interest received	677	217
Dividends received	31	50
Income tax paid	(473)	(93)
Interest and costs of borrowings	(673)	(711)
Net cash provided by operating activities	572	983
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investment property	(3,116)	-
Purchase of property, plant and equipment	(126)	(167)
Payments for purchase of available-for-sale financial assets	(1,257)	(2,061)
Payments for investments in associate entities	-	-
Redemption of convertible notes	-	1,963
Proceeds from sale of available-for-sale financial assets	1,919	1,385
Purchase of intangible assets	(225)	-
Net cash provided by (used in) investing activities	(2,805)	1,120
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loans advanced	(8,071)	(837)
Loans repaid	44	-
Shares repurchased	(205)	(645)
Proceeds from borrowings	1,850	-
Proceeds from other loans	2,185	-
Dividends paid	-	(781)
Net cash provided by (used in) financing activities	(4,197)	(2,263)
Net increase (decrease) in cash held	(6,430)	(160)
Cash at the beginning of the financial period	8,654	8,607
Cash at the end of the financial period	2,224	8,447

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 2012**

	Issued capital \$'000s	Retained earnings \$'000s	Other reserves \$'000s	Total Attributable to Owners of PPK Group Ltd \$'000s	Non-controlling Interests \$'000s	Total Equity \$'000s
<b>At 1 July 2011</b>	29,782	(122)	122	29,782	-	29,782
<b>Total comprehensive income for the half year</b>		957		957	-	957
Profit (loss) for the period						
<b>Other comprehensive income</b>						
Fair value adjustment on available-for-sale financial assets			(181)	(181)	-	(181)
less deferred tax impact			54	54	-	54
<b>Total comprehensive income for the half year</b>		957	(127)	830	-	830
<b>Transactions with owners in their capacity as owners</b>						
Dividends paid		(781)		(781)	-	(781)
Share buyback	(645)			(645)	-	(645)
	(645)	(781)		(1,426)	-	(1,426)
<b>At 31 December 2011</b>	<b>29,137</b>	<b>54</b>	<b>(5)</b>	<b>29,186</b>	<b>-</b>	<b>29,186</b>
<b>Total comprehensive income for the half year</b>						
Profit (loss) for the period		586	-	586	8	594
<b>Other comprehensive income</b>						
Fair value adjustment on available-for-sale financial assets expensed on impairment			(163)	(163)	-	(163)
less deferred tax impact			49	49	-	49
Fair value adjustment on available-for-sale financial assets			265	265	-	265
less deferred tax impact			(79)	(79)	-	(79)
<b>Total comprehensive income for the half-year</b>		586	72	658	8	666
<b>Transactions with owners in their capacity as owners</b>						
Dividends paid		(517)		(517)	-	(517)
Trust distributions to non-controlling interests				-	(8)	(8)
Share buyback	(121)			(121)	-	(121)
Changes in holding of non-controlling interests				-	2	2
	(121)	(517)	-	(638)	(6)	(644)
<b>At 30 June 2012</b>	<b>29,016</b>	<b>123</b>	<b>67</b>	<b>29,206</b>	<b>2</b>	<b>29,208</b>
<b>Total comprehensive income for the half year</b>						
Profit/(loss) for the period		862		862	148	1,010
<b>Other comprehensive income</b>						
Fair value adjustment on available-for-sale financial assets			(151)	(151)	-	(151)
less deferred tax impact			45	45	-	45
Realised gain on sale of available-for-sale financial assets			(36)	(36)	-	(36)
Less deferred tax impact			10	10	-	10
<b>Total comprehensive income for the half year</b>	-	862	(132)	730	148	878
<b>Transactions with owners in their capacity as owners</b>						
Dividends paid		-		-	-	-
Trust distributions due to non-controlling interests				-	(148)	(148)
Share buyback	(205)			(205)	-	(205)
<b>At 31 December 2012</b>	<b>28,811</b>	<b>985</b>	<b>(65)</b>	<b>29,731</b>	<b>2</b>	<b>29,733</b>

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 2012**

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

These general purpose financial statements for the half-year reporting period ended 31 December 2012 has been prepared in accordance with Australian Accounting Standard 134 "Interim Financial Reporting" and the Corporations Act 2001.

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 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 are to be read in conjunction with the annual report for the year ended 30 June 2012 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 2012.

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 was authorised for issue in accordance with a resolution of the directors on 19th February 2013

	<b>31 December 2012 \$000s</b>	<b>31 December 2011 \$000s</b>
<b>Note 2. Revenue, Other Income &amp; Expenses from Operations</b>		
<b>(a) REVENUE</b>		
Sale of goods	2,190	4,079
Rental income from investment properties	1,423	1,031
Interest receivable	1,121	681
Dividends received - other parties	31	50
	<b>4,765</b>	<b>5,841</b>
<b>(b) OTHER INCOME</b>		
Net gain on disposal of property, plant & equipment	3	-
Net gain on sale of available-for-sale financial assets	157	35
Foreign currency translation gain (loss)	(1)	1
Reversal of doubtful debts provision - other receivables	-	64
Reversal of impairment other receivables - convertible notes	-	150
Sundry Income	34	201
	<b>193</b>	<b>451</b>
<b>(c) SHARE OF PROFIT FROM ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD</b>		
Share of profit from associates accounted for under the equity method	501	-

**PPK GROUP LIMITED**  
**Notes to and Forming Part of the Accounts**  
**For the Half year Ended 31 December 2012**

	<b>31 December 2012 \$000s</b>	<b>31 December 2011 \$000s</b>
<b>Note 2. (cont.) Revenue, Other Income &amp; Expenses from Operations</b>		
<b>(d) EXPENSES</b>		
Amortisation - intangibles	16	16
Cost of sales - mining equipment manufacture	1,402	2,351
Depreciation - investment properties	156	156
- plant and equipment	212	263
	368	419
Interest paid	673	711
Impairment of available-for-sale financial assets	-	35
Doubtful debts - trade receivables	(1)	6
Defined contribution superannuation expense	116	124
Employment benefit expense	1,139	1,225
Rental expense on operating lease	85	120

**Note 3. Dividends**

**Dividends paid**

No Final ordinary dividend was paid for 2012 year (2011 1.50c per share - 100% franked)	-	781
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**Dividends declared after half year ended 31 December 2012**

Interim ordinary dividend of 1.50c per share - 100% franked (2011 1.00c per share - 100% franked)	766	519
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The group has sufficient franking credits to allow up to \$9,102,000 in dividends to be distributed as fully franked from franking credits that exist at 31 December 2012.

**Note 4. Earnings Per Share**

	<b>Cents</b>	<b>Cents</b>
Basic earnings per share (cents per share)	1.7	1.8
Diluted earnings per share	1.7	1.8
	<b>\$000s</b>	<b>\$000s</b>

(a) Reconciliation of Earnings to Net Profit attributable to owners of PPK Group Ltd

Earnings used in calculating Basic EPS	862	957
Earnings used in calculating Diluted EPS	862	957
	862	957

(b) Weighted average number of ordinary shares outstanding during the period used in calculation of basic EPS

<b>Number</b>	<b>Number</b>
51,414,675	53,344,187
51,414,675	53,344,187

(c) Classification of Securities

The only securities that have been classified as potential ordinary shares and included in calculation of diluted EPS are options outstanding.

**PPK GROUP LIMITED**  
**Notes to and Forming Part of the Accounts**  
**For the Half year Ended 31 December 2012**

	31 December 2012 Number	31 December 2011 Number
<b>Note 5. Ordinary Shares on Issue</b>		
<b>Movement in number of ordinary shares</b>		
Number of securities on issue at beginning of period	51,625,430	53,812,779
Shares repurchased through approved on market share buy back	<u>(537,932)</u>	<u>(1,864,171)</u>
	<u>51,087,498</u>	<u>51,948,608</u>
	\$000s	\$000s
<b>Movement in share capital</b>		
Balance at the beginning of the financial period	29,016	29,782
Shares repurchased through approved on market share buy back	<u>(205)</u>	<u>(645)</u>
	<u>28,811</u>	<u>29,137</u>

During the half-year reporting period the company repurchased shares on market under an approved buy back scheme.

**Options**

There were no options outstanding at balance date

**Note 6. Events Subsequent To Reporting Date**

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 7. Contingent Liabilities / Assets**

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

**Note 8. Net Tangible Asset Backing**

	Cents	Cents
Net tangible asset backing per share	<u>55.0</u>	<u>54.8</u>

The above NTA backing per share excludes the effect of the three industrial properties being revalued to their most recent independent valuation of \$29.7m and allowing for capital gains tax of \$1.1m. An independent valuation was last undertaken in May 2010. This would have the effect of increasing effective NTA backing per share by 8.6 cents to 63.6 cents (2011 by 8.5 cents to 63.3 cents).

Retirement villages purchased in May 2012 by the Easy Living Unit Trust and in October 2012 by the Easy Living Bundaberg Trust are considered by the Directors to have a fair value, equal to their costs of \$3.2m and \$3.0m respectively and are not included in the valuation of \$29.7m or in the above calculation.

**PPK GROUP LIMITED**  
**Notes to and Forming Part of the Accounts**  
**For the Half year Ended 31 December 2012**

**Note 9. Segment Information**

- The **Investment property segment** owns three industrial properties and two retirement villages.
- The **Investment** segment owns primarily listed and some unlisted investments, it has also made loans from which earns interests. Investments in associate companies are included in this segment.
- The **Mining equipment** segment manufactures portable underground mining equipment.

**Half Year ended 31 December 2012**

Business Segments	Investment Properties \$000s	Investing \$000s	Mining Equipment Manufacturing \$000s	Total \$000s
<b>Primary Segment</b>				
Sales Revenue	-	-	2,190	2,190
Rental income	1,423	-	-	1,423
Gain on sale of available-for-sale financial assets	-	157	-	157
Sundry Income	33	-	3	36
Reversal of provisions	-	-	-	-
Interest Received	-	1,121	-	1,121
Dividends Received	-	31	-	31
<b>Total revenue and other income</b>	<b>1,456</b>	<b>1,309</b>	<b>2,193</b>	<b>4,958</b>
Segment result	999	1,125	77	2,201
<b>Reconciliation of earnings to net profit attributable owners of PPK Group Ltd</b>				
<b>Amounts not included in segment result but reviewed by the Board</b>				
Share of profit from associates accounted for using the equity method				501
Unallocated corporate income & expenses				(723)
Unallocated interest income & expense				(673)
<b>Consolidated operating profit before income tax</b>				<b>1,306</b>
Non-controlling interests share of after tax profit				(148)
Income tax (expense)				(296)
<b>Consolidated operating after income tax attributable to owners of PPK Group Ltd</b>				<b>862</b>

**Half Year ended 31 December 2011**

Business Segments	Investment Properties \$000s	Investing \$000s	Mining Equipment Manufacturing \$000s	Total \$000s
<b>Primary Segment</b>				
Sales Revenue	-	-	4,079	4,079
Rental income	1,031	-	-	1,031
Gain on sale of available-for-sale financial assets	-	35	-	35
Reversal of provisions	-	214	-	214
Sundry Income	-	192	10	202
Interest Received	-	678	3	681
Dividends Received	-	50	-	50
<b>Total revenue and other income</b>	<b>1,031</b>	<b>1,169</b>	<b>4,092</b>	<b>6,292</b>
Segment result	910	928	983	2,821
<b>Reconciliation of earnings to net profit attributable owners of PPK Group Ltd</b>				
<b>Amounts not included in segment result but reviewed by the Board</b>				
Share of profit from associates accounted for using the equity method				-
Unallocated corporate income & expenses				(866)
Unallocated interest income & expense				(708)
<b>Consolidated operating profit before income tax</b>				<b>1,247</b>
Income tax (expense)				(290)
<b>Consolidated operating after income tax attributable to owners of PPK Group Ltd</b>				<b>957</b>



**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 2012 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 'Jury Ivan Wowk', written over a faint horizontal line.

**JURY IVAN WOWK**  
Director

Dated this 22nd day of February 2013

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### **Independent Auditor's Review Report To the Members of PPK Group Limited**

We have reviewed the accompanying half-year financial report of PPK Group Limited (“Company”), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors’ declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year’s end or from time to time during the half-year.

#### **Directors’ responsibility for the half-year financial report**

The directors of PPK Group Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### **Auditor’s responsibility**

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report 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 half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the PPK Group Limited consolidated entity’s financial position as at 31 December 2012 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 complied with the independence requirements of the Corporations Act 2001.

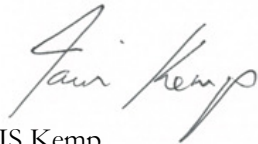
**Conclusion**

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 2012 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.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



IS Kemp  
Partner - Audit & Assurance

Sydney, 22 February 2013