

Robin Levison, Executive Chairman
PPK Group Ltd Annual General Meeting
25-11-14, Sydney, Australia

EXECUTIVE CHAIRMAN'S REVIEW



2013/14 in Review

Financial Performance & Management

- NPAT Y/E 30/6/14: \$2.52M (up 6%)
- Raised \$4.88M to acquire the COALTRAM business
- Net assets increased by \$7.0M to \$37.4M
- Dividend: of 1.5cps interim (prior year 1.5cps), 2.0cps final (prior year 2.0), all fully franked

Operating progress on multiple fronts

- Company transformation
- Acquisitions
 - Coaltrams
 - MONEx (Engine Management Systems – now have complete OEM manufacture and service capacity)
 - Bought Exlec (hazardous area electrical capability)
- New Chairman, leadership team
- Selective successful divestment of certain investment assets
 - Arndell Park property (sold Oct 2014, \$12.24M)
 - Holdings in retirement villages (sold Nov 2014, \$8.2M [PPK component 50%])
 - Dandenong property (under negotiation, \$12.5M)
 - Kiah Willoughby housing development close to completion

PPK Group Ltd – Location Update

General strategy is to have a lean (no more than 10 people) head office, with our people as close to our customers as possible

During the year we acquired the Coaltrams manufacture and service facility in Tomago (Hunter Valley), opened a service facility in Wollongong (Illawarra) and relocated our Head Office to Brisbane.

In October 2014 we proudly opened our Beijing office.



Ongoing Strategy

Mining Equipment & Alternators

PPK's strategy is to focus on the manufacture, assembly, sale, service, hire and support of specialised underground mining equipment, with particular focus on 'high-gas' underground coal mining

The Australian coal industry is currently experiencing difficult conditions – many coal mines are struggling financially – paradoxically record tonnes are being mined

PPK's plan in this climate is to focus on what we can control:

1. Creating (through acquisition and ongoing development) a suite of world leading products that help our customers operate safely
2. Supporting our customers by providing and then maintaining and developing our products
3. Expanding our markets (both domestically and internationally – with particular focus on China) for the export of Australian products and the import of Chinese products
4. Carefully managing our business to be both heavily 'customer centric' and as lean as possible

Ongoing Strategy

Mining Equipment & Alternators PRODUCTS

COALTRAM

Specialist underground LHD (Load-Haul-Dump) machines, Mining Equipment Alternators



RAMBOR

Underground mine portable roof-bolters, rib drills and strata support equipment



Ongoing Strategy

Mining Equipment & Alternators MARKETS



PPK is looking to expand our markets (both domestically and internationally – with particular focus on China) for both:

- a) the export of Australian products, and
- b) the import of appropriate specification Chinese products into Australia

Financial Outlook

- PPK Group's financial performance is driven by both the Mining Equipment, Alternators and Rambor businesses, and our portfolio of real estate and other investments.
- The latter earns both operating returns and capital returns upon sale of these investments. By their very nature any return (good or bad) generated from the sale of real estate and other investments is 'lumpy', difficult to forecast timing, and can have comparatively large impacts on the results for any financial year.
- PPK constantly reviews its investments. At any one time a number of our portfolio of investments may be under negotiation for disposal. This is the case at the moment.
- Thus – PPK is not in a position to provide guidance for the current half or financial year. PPK is conscious of its continuous disclosure requirements and will update the market as and when such events occur or sales are realised.