PPK GROUP LIMITED

ABN 65 003 964 181

Appendix 4D Half-year report
& half-year accounts
Period ended 31 December 2007

Previous Corresponding Period
31 December 2006

Contents

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)

TOTAL REVENUES & OTHER INCOME FROM CONTINUING OPERATIONS	UP	74.8	%	TO	6,907
PROFIT FROM CONTINUING OPRATIONS BEFORE INCOME TAX	UP	214.4	%	TO	2,603
PROFIT BEFORE INCOME TAX	DOWN	77.6	%	TO	2,603
PROFIT AFTER TAX ATTRIBUTABLE TO MEMBERS	DOWN	72.5	%	TO	1,880
EARNINGS PER SHARE	DOWN	70.2	%	TO	3.1 cents

2008 FULLY FRANKED INTERIM DIVIDEND PER SHARE	3.25c
2007 FULLY FRANKED INTERIM DIVIDEND PER SHARE	3.25c
RECORD DATE FOR DETERMINING ENTITLEMENT TO DIVIDEND	17 March 2008
DATE DIVIDEND IS PAYABLE	28 March 2008

COMMENTARY ON RESULTS

This is the first reporting period that does not include results for discontinued operations following the sale of the packaging business in September 2006 and York Precision Plastics Pty Limited in May 2007.

Profit after tax from continuing operations for the six (6) month period ending 31 December 2007 was $1.880 million which included rental and investment income and revenue from PPK's manufacturing company Rambor Pty Ltd ("Rambor").

This translates to Earnings Per Share (EPS) for the period of 3.1 cents per share.

PPK continued to make strategic investments during the period which investments are more fully outlined in the Review of Operations.

The accounting treatment in respect of these investments, and the impact of required adjustments in the current reporting period, is outlined below:

- When these investments are by way of convertible notes and options, they are classified as derivatives in the Balance Sheet. Adjustments to the fair value of derivatives are included in the Condensed Income Statement, and a gain from such an adjustment of $1.234 million is included in this period.

- When investments are by way of shares, they are classified as financial assets in the Balance Sheet. Adjustments to the fair value of financial assets are not included in the Condensed Income Statement, but are adjusted through other reserves. When the financial assets are sold the reserve is written back and the gain or loss is included in the Condensed Income Statement. A gain of $1.289 million on the sale of shares is included in the Condensed Income Statement in this period.

The above adjustments to fair value reflect the position as at 31 December 2007.

Since this time there has been significant volatility in the Australian share market. If this volatility continues for a sustained period, it could impact on the value attributed to these investments in future reporting periods.

Investments in private companies Ezi-Automation and Vend-Tech Solutions totalling $248,000 have been written down to zero as at 31 December 2007.

PPK's manufacturing business, Rambor, delivered an improved profit performance for the six (6) months to 31 December 2007 compared with the prior comparative period. Unexpected delay in the introduction of new products to market, however, hindered the business' capacity to achieve budgeted sales and profit during this time. The receipt of orders from customers for these and other products early in the second half year is expected to provide Rambor with the opportunity of improving its overall performance for the full year.

During the reporting period:

- the on-market share buy-back announced by PPK on 16 October 2006, and approved by PPK shareholders on 21 November 2006 ("Subsequent On Market Share Buy Back") ended on 21 November 2007;

- PPK acquired 184,381 shares at a cost of $151,561 under the Subsequent On Market Share Buy Back; and

- PPK announced a further on market buy back scheme for the purchase of up to 10% of the issued capital of the Company on 19 December 2007 ("Existing On-Market Share Buy Back"). The Existing On-Market Share Buy Back commenced on 7 January 2008. At the date of this report, and since commencement of the Existing On-Market Share Buy Back, PPK has acquired an additional 694,393 shares at a cost of $569,403.14 thereby reducing the number of PPK shares on issue at the present time to 60,338,648.

The Directors have resolved to pay a fully franked dividend of 3.25 cents per share on 28 March 2008 for the six (6) months to 31 December 2007.

PPK GROUP LIMITED

ABN 65 003 964 181

Interim Financial Report

For half-year ended 31December 2007

PPK GROUP LIMITED
AND CONTROLLED ENTITIES
ACN 003 964 181

INTERIM FINANCIAL REPORT

DIRECTORS' REPORT

Your directors submit the financial accounts of the consolidated entity consisting of PPK Group Limited and its controlled entities for the half year ended 31 December, 2007.

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

REVIEW OF OPERATIONS

PPK Group Limited ("PPK") now reports on segments under which it operates, namely:

<u>Property and other investments</u>

PPK has long term leases for six (6) of its properties of which:

- five (5) are leased to the purchaser of the packaging business; and
- the remaining property is leased to the purchaser of York Precision Plastics Pty Ltd.

These leases provide an increasing yearly income stream for the group.

The property at Seven Hills in New South Wales became vacant late in the reporting period. This property was previously occupied by JWS Plastics Pty Ltd. It is expected that the Seven Hills property will be sold in the second half of the current financial year.

PPK continues to explore opportunities to make strategic investments.

During the reporting period, PPK:

- purchased an additional 2,659,968 shares in Frigrite Limited (ASX Code: FRR) at a cost of $1,384,667 thereby increasing the total number of FRR shares held by PPK to 6,393,295 (or 12.45% of the issued capital of FRR);
- disposed of 6,000,000 shares in Industrea Limited (ASX Code: IDL) resulting in a realised gain on sale of $1.289 million and reducing the balance of shares held by PPK in IDL to 1,750,000;
- acquired 2,000,000:
  - convertible notes partly paid at a cost of $500,000 with the balance of $500,000 due to be paid in the next reporting period; and
  - options with an exercise price of $0.60 cents per option,

  issued and granted respectively by Allied Brands Limited (ASX Code: ABQ)
- acquired 1,250,000 convertible notes at a cost of $1,250,000, and 6,250,000 options with an exercise price of $0.15 cents per share, issued and granted respectively by Cool or Cosy Limited (ASX Code: COS).

Derivatives in the form of the convertible notes and options in Industrea Limited, Allied Brands and Cool or Cosy Limited contributed an unrealised profit of $1,234,000 which profit arose from a restatement to fair value of these derivatives during the reporting period. The accounting treatment in respect of these derivatives is outlined in the Commentary on Results.

PPK:

- is now the largest single shareholder in both Frigrite Limited and Cool or Cosy Limited;
- is actively involved in the management of Cool or Cosy Limited through the appointment of the PPK Managing Director and Company Secretary to the Cool or Cosy Limited Board; and
- will continue to explore suitable investment opportunities which have the potential to add value for its shareholders.

Mining equipment manufacture

During the reporting period, Rambor:

- continued to develop new products for the market which products will be available for sale in the second half of the current financial year;
- participated in the largest coal mining equipment exhibition in China held in Beijing in late November 2007 which participation has provided encouraging opportunities for the growth of the Rambor business in this region; and
- commenced on-going discussions with mining equipment manufacturers in China to explore the possibility of a future manufacturing joint venture.

Based on these initiatives and current orders from customers, Rambor is expected to deliver an improved operating performance in the second half of the year.

DIVIDENDS

The Board of Directors has resolved to pay a fully franked interim dividend of 3.25 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.

AFTER BALANCE DATE EVENTS

Since 31 December 2007, there has been significant volatility in the Australian share market. If this volatility continues for a sustained period, it could impact on the value attributed to PPK investments in future reporting periods.

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 economic entity in subsequent periods.

AUDITORS INDEPENDECE 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.

COLIN FRANCIS RYAN
Director

Dated this 26th day of February 2008

PPK GROUP LIMITED
AND CONTROLLED ENTITIES
ACN 003 964 181

DECLARATION BY DIRECTORS

The directors of the company declare that:

1. The financial statements, comprising the Income Statement, Balance Sheet, Cash Flow Statement, Statement of Changes in Equity and accompanying notes, are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standard AASB134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

   (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of performance for the half-year ended on that date.

2. 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:

COLIN FRANCIS RYAN
Director

Dated this 26th day of February 2008

PPK GROUP LIMITED

Condensed Income Statement

for the Half-Year Ended 31 December 2007

	Note	CONSOLIDATED ENTITY 31 DECEMBER 2007 $000s	31 DECEMBER 2006 $000s
Sales Revenue		1,700	1,179
Cost of sales		(1,049)	(685)
GROSS PROFIT		651	494
Interest Received		397	104
Gain on sale of financial assets		1,289	-
(Loss) on sale of fixed assets		-	(6)
Net Foreign exchange (losses)/gains		(15)	(32)
Rent From Investment Properties		2,251	2,107
Other income		1,270	567
Warehouse & Distribution expenses		(24)	(8)
Selling Expenses		(54)	(119)
Administrative expenses		(2,304)	(1,416)
Finance costs		(610)	(863)
Writedown of investments		(248)	-
PROFIT BEFORE INCOME TAX EXPENSE	2	2,603	828
Income tax expense attributable to profit		(723)	(367)
PROFIT AFTER INCOME TAX FROM CONTINUING OPERATIONS		1,880	461
Profit after income tax from discontinued operations		-	6,393
PROFIT AFTER INCOME TAX		1,880	6,854
Profit attributable to minority equity interests		-	(12)
Net profit after income tax attributable to members of the parent entity		1,880	6,842
Earnings per share (cents per share)			
Continuing Operations		3.1	0.7
Discontinued Operations	4	0.0	9.7
Total basic earnings per shares		3.1	10.4
Diluted earnings per share	4	3.1	10.4

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

PPK GROUP LIMITED

Condensed Balance Sheet

for the Half-Year Ended 31 December 2007

	Note	CONSOLIDATED ENTITY 31 DECEMBER 2007 $000s	 30 JUNE 2007 $000s
CURRENT ASSETS			
Cash		842	624
Trade & other receivables		1,101	915
Inventories		1,033	741
Loans receivable - secured		2,000	2,000
Other		256	362
TOTAL CURRENT ASSETS		5,232	4,642
NON-CURRENT ASSETS			
Financial assets		6,369	6,697
Investment Property		41,260	41,256
Other Property, plant and equipment		2,185	2,187
Deferred tax assets		1,215	1,276
Intangible assets		902	913
Derivatives		3,875	890
Other		5,298	5,612
TOTAL NON-CURRENT ASSETS		61,104	58,831
TOTAL ASSETS		66,336	63,473
CURRENT LIABILITIES			
Trade & other payables		760	1,164
Interest Bearing Liabilities		2,096	1,374
Current tax liabilities		620	3,254
Provisions		88	357
Other		60	343
TOTAL CURRENT LIABILITIES		3,624	6,492
NON-CURRENT LIABILITIES			
Interest Bearing Liabilities		16,742	8,434
Deferred tax liabilities		1,366	1,117
Provisions		455	471
TOTAL NON-CURRENT LIABILITIES		18,563	10,022
TOTAL LIABILITIES		22,187	16,514
NET ASSETS		44,149	46,959
SHAREHOLDERS' EQUITY			
Contributed equity		33,418	33,573
Reserves		1,076	567
Retained earnings		9,655	12,819
TOTAL SHAREHOLDERS' EQUITY		44,149	46,959

The above Condensed Balance Sheet should be read in conjunction with the accompanying notes

PPK GROUP LIMITED
Condensed Cash Flow Statement
for the Half-Year Ended 31 December 2007

	CONSOLIDATED ENTITY	
	31 DECEMBER 2007	31 DECEMBER 2006
	$000s	$000s
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	3,658	28,748
Cash payments to suppliers and employees	(3,658)	(26,785)
Interest received	397	104
Dividends Received	23	-
Income tax paid	(3,263)	(131)
Other taxes paid	(143)	(577)
Net cash provided by operating activities	(2,986)	1,359
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of subsidiaries	-	46,152
Proceeds from sale of property, plant & equipment	-	29
Purchase of property, plant and equipment	(413)	(146)
Payment for purchase of investments	(3,144)	(573)
Proceeds from sale of investments	3,480	-
Purchase of intangible assets	(37)	(57)
Net cash (used in) investing activities	(114)	45,405
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans advanced	(50)	-
Shares repurchased	(155)	(4,939)
Proceeds from borrowings	8,495	-
Repayment of borrowings	(206)	(37,271)
Loans repaid	149	-
Dividends paid	(5,044)	(2,555)
Interest and costs of borrowings	(610)	(1,013)
Net cash (used in) / provided by financing activities	2,579	(45,778)
Net (decrease) in cash held	(521)	986
Cash at the beginning of the financial year	(377)	(1,387)
Cash at the end of the financial period	(898)	(401)

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

PPK GROUP LIMITED
Condensed Statement of Changes in Equity
for the Half-Year Ended 31 December 2007

	Issued capital $'000	Retained earnings $'000	Other reserves $'000	Total $'000	Minority interest $'000	Total equity $'000
At 1 July 2006	38,885	7,270	32	46,187	151	46,338
Fair value adjustment in listed securities			-	-		-
less deferred tax impact			-	-		-
Total income & expense recognised directly in equity	-	-	-	-	-	-
Profit for the period		6,842		6,842	-	6,842
Dividends paid		(2,555)		(2,555)		(2,555)
Share buyback	(4,939)			(4,939)		(4,939)
Sale of subsidiary			(24)	(24)	(151)	(175)
Foreign currency translation differences			(57)	(57)		(57)
At 31 December 2006	**33,946**	**11,557**	**(49)**	**45,454**	**-**	**45,454**
Fair value adjustment in listed securities			799	799		799
less deferred tax impact			(240)	(240)		(240)
Total income & expense recognised directly in equity	-	-	559	559	-	559
Profit for the period		3,269		3,269		3,269
Dividends paid		(2,007)		(2,007)		(2,007)
Share buyback	(373)			(373)		(373)
Foreign currency translation differences			57	57		57
At 30 June 2007	**33,573**	**12,819**	**567**	**46,959**	**-**	**46,959**
Fair value adjustment in listed securities	-		1,175	1,175		1,175
Less sale of listed securities			(449)	(449)		(449)
Less deferred tax impact	-		(217)	(217)		(217)
Total income & expense recognised directly in equity	-	-	509	509	-	509
Profit for the period		1,880		1,880	-	1,880
Dividends paid		(5,044)		(5,044)		(5,044)
Share buyback	(155)			(155)		(155)
At 31 December 2007	**33,418**	**9,655**	**1,076**	**44,149**	**-**	**44,149**

The above Condensed 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 2007

NOTE 1

BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS

This general purpose financial report for the interim half-year reporting period ended 31 December 2007 has been prepared in accordance with Australian Accounting Standard 134 "Interim Financial Reporting" and the Corporations Act 2001.
The half year report has 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.

This interim report does not include all the notes of the type normally included in an annual financial report 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 report. Accordingly, this interim financial report is to be read in conjunction with the annual report for the year ended 30 June 2007 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 this interim financial report 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 report does not include full disclosures of the type normally included in the annual financial report.

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 25th February 2008

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this interim financial report are the same as those applied by PPK Group Limted in its annual financial report as at and for the year ended 30 June 2007.

	Notes	CONSOLIDATED ENTITY 31 DECEMBER 2007 $000s	31 DECEMBER 2006 $000s
NOTE 2			
REVENUE, OTHER INCOME & EXPENSES FROM OPERATIONS			
(a) REVENUE			
Sale of goods		1,700	1,179
Other Revenue :			
Interest received		397	104
Deferred income		-	2
Rental income		2,251	2,107
Gain on sale of available for sale financial assets		1,289	-
		5,637	3,392
(b) OTHER INCOME			
Sundry income		12	107
Fair value adjustment on derivatives		1,235	460
Dividends received		23	-
		1,270	567
(c) EXPENSES			
Amortisation - leased assets		-	52
- intangibles		48	10
Total Amortisation		48	62
Depreciation - buildings		240	216
- plant and equipment		171	342
		411	558
Foreign currency translation losses		15	31
Interest paid		610	1,013
(d) INDIVIDUALLY SIGNIFICANT ITEMS			
Gain on sale of available for sale financial assets		1,289	-
Gain on sale of Plastics Packaging business		-	8,740
Fair value adjustment on derivatives		1,235	460
Write down in investments		(248)	-
		2,276	9,200

NOTE 3

DIVIDENDS

Dividends paid		
Final ordinary dividend of 3.25c per share - 100% franked	1,987	2,555
(2006 3.75c per share - 100% franked)		
Special dividend of 5c per share - 100% franked	3,057	0
	5,044	2,555

	Notes	CONSOLIDATED ENTITY 31 DECEMBER 2007 $000s	31 DECEMBER 2006 $000s

NOTE 4
EARNINGS PER SHARE

		2007	2006
Basic earnings per share (cents per share)		3.1	9.7
Diluted earnings per share		3.1	10.4
(a) Reconciliation of Earnings to Net Profit			
Earnings used in calculating Basic EPS		1,880	6,842
Earnings used in calculating Diluted EPS		1,880	6,842
(b) Weighted average number of ordinary shares outstanding during the period used in calculation of basic EPS		61,084,433	65,996,640
Potential ordinary shares assumed to have been issued for no consideration		-	-
Weighted average number of ordinary shares outstanding during the year used in calculation of diluted EPS		61,084,433	65,996,640

(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.

NOTE 5

SEGMENT INFORMATION

(a) Half Year ended 31 December 2007

Business Segments	Mining Equipment Manufacturing $000s	Property & Other Investments $000s	Total $000s
Primary Segment			
Sales Revenue	1,700	-	1,700
Rental income	-	2,251	2,251
Other Revenue	6	2,950	2,956
Total Revenue	1,706	5,201	6,907
Segment result	63	2,540	2,603
Unallocated interest			-
Consolidated operating profit before income tax			2,603
Income tax (expense) / benefit			(723)
Consolidated operating profit from ordinary activities after income tax			1,880

(b) Half Year ended 31 December 2006

Business Segments	Discontinued Plastics Packaging $000s	Discontinued Custom Plastics $000s	Mining Equipment Manufacturing $000s	Property & Other Investments $000s	Total $000s
Primary Segment					
Sales Revenue	13,268	10,322	1,179	-	24,769
Rental income	-	-	-	2,107	2,107
Other Revenue	2	-	-	104	106
Total Revenue	13,270	10,322	1,179	2,211	26,982
Segment result	10,222	563	6	2,245	13,036
Unallocated corporate costs					(882)
Unallocated interest					(541)
Consolidated operating profit before income tax					11,613
Income tax (expense) / benefit					(4,759)
Consolidated operating profit from ordinary activities after income tax					6,854

(c) The consolidated entity operates wholly within Australia.

(d) The consolidated entity had the following 4 business segments

- The discontinued Plastics packaging segment primarily manufactured bottles and closures and imported and distributed trigger sprays.
- The Property & investment segment owns the properties from which the disconitinued businesses carried out their manufacturing operations.
  These properties were retained and leased at commercial rents to the purchasers of the discontinued businesses.
  This segment also owns primarily listed and some unlisted investments from which it earns income and capital growth
- The discontinued Custom plastics segment manufactures extruded acrylic and imports and distributes cast acrylic for lighting and industrial applications.
- The Mining equipment segment manufactures portable underground mining equipment.

(e) Segment accounting policies are the same as the consolidated entity's policies described in note 1.

NOTE 6

EVENTS SUBSEQUENT TO REPORTING DATE

Since 31 December 2007, there has been significant volatility in the Australian share market. If this volatility continues for a sustained period, it could impact on the value attributed to PPK Investments in future reporting periods.

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 economic 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

Equity Securities Issued

	Half-year		Half-year	
	2007	**2006**	**2007**	**2006**
	Shares	**Shares**	**$'000**	**$'000**
Issues of Ordinary Shares During the Half-Year				
Exercise of options	-	-	-	-

NOTE 9

DISCONTINUED OPERATIONS

On 28 June 2006 a conditional contract was signed for the sale of the plastic packaging business of Plaspak. The effective date of the sale was 1 September 2006. The consideration for the sale was $50 million less lease liabilities taken over by Plaspak Holdings Ltd (the purchaser). The sale received shareholder approval at a meeting held on 16 August 2006 and settled on 1 September 2006. On 29 June 2007 the sale of the custom plastics division was settled with effect from 31 May 2007. Sale price was $9.25m and equates to approximately to the net asset value. Of this price $6.8m was funded via vendor finance. Financial information relating to the discontinued operation is set out below and in the Segment Reporting note 5

The financial performance of the discontinued operations for the half year which is included in the Income statement for the period is as follows:

	CONSOLIDATED ENTITY	
	31 DECEMBER 2007	**31 DECEMBER 2006**
	$000s	$000s
Revenue from ordinary activities	-	23,590
Cost of sales	-	(16,527)
GROSS PROFIT	-	7,063
Profit / (Loss) on sale of assets	-	8,937
Foreign exchange (losses) / gains	-	1
Other revenues from ordinary activities	-	28
Warehouse & Distribution expenses	-	(1,835)
Selling Expenses	-	(1,211)
Administrative expenses	-	(2,048)
Finance costs	-	(150)
PROFIT FROM DISCONTINUING OPERATIONS BEFORE INCOME TAX	-	10,785
Income tax expense	-	(4,392)
PROFIT FROM DISCONTINUING OPERATIONS AFTER INCOME TAX	-	6,393

The net cash flows of the discontinuing operations which have been incorporated into the statement of cash flows are as follows:

Net cash inflow (outflow) from ordinary activities	-	1,864
Net cash inflow (outflow) from investing activities	-	(335)
Net cash inflow (outflow) from financing activities	-	(1,521)
Net increase in cash generated by discontinuing operations	-	8

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

NTA Backing	Current period	Previous corresponding period
Net tangible asset backing per share	72.3 cents	72.1 cents

The above NTA backing per share is based on Land & Buildings being held at historical cost and excludes the impact of a revaluation of Land & Buildings to current market value which, based on the most recent valuation of $56.6m and allowing for capital gains tax of $5.7m, would have the effect of increasing effective NTA backing per share by 15.7 cents to 88.0 cents.

DIVIDENDS

Interim dividend resolved to be paid	3.25 cents / share fully franked
Date dividend is payable	28 March 2008
Record date	17 March 2008

	Current Period	**Previous Corresponding Period**
Interim Dividend	3.25 cents	3.25 cents

The amount of retained profits and reserves that could be distributed as fully franked dividends from franking credits that exist at 31 December 2007 is $10,307,012.

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

`	**Half Year Ended 31-Dec-07 $000s**	**Half Year Ended 31-Dec-06 $000s**
Amount of interim dividend payable - fully franked	1,983	2,004

Both current and prior year dividends were fully franked.

ORDINARY SHARES ON ISSUE	**NUMBER**
Number of securities on issue at beginning of year	61,186,227
Shares repurchased through approved on market share buy back	(184,381)
	61,001,846

OPTIONS

There were no options outstanding as at balance date.

BDO Kendalls

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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 condensed balance sheet as at 31 December 2007, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a statement 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 (in order for the disclosing entity to lodge the half-year financial report with the Australian Securities and Investments Commission).

Directors' Responsibility for the Half-Year Financial Report

The directors of PPK Group Limited 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 designing, implementing and maintaining internal control 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 an Interim 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the disclosing entity's financial position as at 31 December 2007 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*, provided to the directors of PPK Group Limited on 26 February 2008, would be in the same terms if provided to the directors as at the date of this auditor's review report.

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 2007 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.

BDO Kendalls

BDO Kendalls
Chartered Accountants

W Basford
Partner

Dated Sydney this 26th day of February 2008

BDO Kendalls

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**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 2007, 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.

W. Basford
Partner

BDO Kendalls
BDO Kendalls

Dated Sydney this 26th day of February 2008