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Company Announcements Office
Australian Securities Exchange Limited

For Immediate Release to the Market

CHAIRMAN'S ADDRESS

2008 ANNUAL GENERAL MEETING

Performance Overview

PPK Group reported an after tax profit of \$607,000 equivalent to an earnings per share of 1.0c, for the year ended 30th June 2008.

The result was impacted by the significant volatility of the Australian Share Market throughout the year, particularly in the second half. The value of PPK's strategic investments in public companies was impaired by the adjustments required by the relevant accounting standards.

Rental income of \$4.3 million remained constant with the exception of one property which remained vacant for 8 months. This property was leased in July 2008 for 7 years with a 5 year option to a long established manufacturing company.

PPK's manufacturing business, Rambor Pty Ltd, delivered a significant improvement in its performance over the prior year. Sales increased from \$2.8 million to \$4.25 million and profit before tax increased from \$187,000 to \$650,000.

During the reporting period, PPK:

- On 21 November 2007 concluded the on market share buy back approved by shareholders on 21 November 2006.
- On 19 December 2007 announced the current on market share buy back of up to 10% of the issued capital of PPK, which permits the buy back of up to 5.4 million PPK shares. As at 17 November 2008 PPK has acquired 2,975,258 shares.





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Dividends

In September 2007 PPK paid a special fully franked dividend of 5 cents per share to shareholders. The Board also declared an interim and final dividend of 3.25 cents per share, fully franked, thereby maintaining the yearly dividend of 6.5 cents fully franked.

Strategic Direction

As a legacy of the sale of its plastic products manufacturing businesses, Plaspak and York Precision Plastics, PPK retains a solid portfolio of rented industrial properties situated in prime metropolitan locations in Sydney, Brisbane and Melbourne. It is the Board's intention to pursue profitable investment opportunities by leveraging off the property portfolio. However, the Board is not necessarily committed to the retention of each and every property and constantly reviews the particular circumstances of each property, including location and lease terms. Accordingly an opportunity to realise a property may be taken if it arises and the circumstances are considered to warrant a sale. The properties are all valued in PPK's balance sheet at historical purchase cost less accumulated depreciation.

As shareholders are aware, PPK has undertaken a number of strategic investments. Investments are sought where there is a perceived opportunity to make a profit because the target is either:

- Under-performing, distressed, undercapitalised but capable of rehabilitation;
- A company with a sound business plan and capable people to implement the plan; or
- Undercapitalised but with exciting new technology potential.

PPK takes an active role with these investments in adding capital and expertise and in setting business plans.

With Industrea Limited, PPK's original investment has been largely sold at a profit. The active involvement in Allied Brands Limited has been successful, although the current state of the market continues to impact on PPK's value from this investment.

In the cases of both Frigrite Limited and Cool or Cosy Limited, PPK's involvement remains active and we are represented on the Boards of both these companies. The Cool or Cosy Limited technology is at a prototype stage.





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PPK is able to confirm that it remains in negotiation with Frigrite Limited regarding a refinancing proposal for that company. Various terms of the proposed refinancing were sent out in Frigrite's 2008 Annual Report. Whilst a number of the previously proposed terms remain current, some have also been varied. In broad terms, the proposal continues to involve:

- Convertible note debt capital raising for up to \$8 million with options also being issued to note holders; and
- Equity capital raising involving Frigrite's shareholders, which raising is being underwritten by PPK to \$2 million.

Various other terms of the proposal remain incomplete and are subject to confidentiality restraints. Accordingly, PPK is unable to comment further at this stage. However upon finalisation or further developments, appropriate disclosure will be made to PPK shareholders and the market.

We also make small investments from time to time in public companies that are undervalued at the time of purchase with a view to trading these stocks as they rise in value. The value of these traded stocks is limited by the Board to a total amount invested of \$500,000 at any one time. PPK currently has investments with a cost of \$227,000 as at the date of this meeting.

Future Performance

Given the nature of PPK's investments and the varying times that will apply to the cycle of the investment through to exit, PPK's annual results will be variable. This is particularly so in the current volatile global markets.

However PPK has a stable yearly income from rental properties which in the 2009 year will be \$4.9 million. Rambor Pty Limited is also performing extremely well with sales for 4 months ended 31st October of \$1.8 million and profit before tax of \$609,000. It has new products that have recently been released and have gained market acceptance and in September 2008 signed a 3 year supply agreement with a Chinese mining equipment manufacturer for supply of products to Asia and India. The recent fall in the Australian Dollar has also enabled it to be more competitive in the US market.

Economic Outlook

All companies, in the current economic crisis, face turbulent and uncertain times. PPK is also not immune to the effects of this global crisis and downturn in the World's and Australia's economic outlook.





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However with low bank debt, property assets that are recorded in the balance sheet at historical cost, first class manufacturing tenants of our rental properties, a growing business in Rambor Pty Limited and a medium to long term view of strategic investments, the Board remains committed to delivering long term sustainable returns to shareholders.

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

Colin Ryan
Chairman