



GROUP LIMITED

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Company Announcements Office
Australian Securities Exchange Limited

For Release to the Market

Dear Sir and Madam

First Half 2010 Earnings

PPK Group Limited ("PPK") advises of an earnings downgrade, a loss before tax of \$800,000 to \$900,000, for the six months to December 2010.

A profit before tax and impairments of \$3.5 million for the half will be reduced by impairments of \$4.2 million in respect of PPK's investments in listed companies Allied Brands Limited ("ABQ"), Frigrite Limited ("FRR") and Intelligent Solar Limited ("ISL") (formerly Cool or Cosy Limited).

ABQ entered Voluntary Administration on 27th October 2009. As announced in the November 2009 Chairman's address, PPK will reduce the carrying value of its investment in ABQ to nil. There will be impairments of \$92,000 for the value of its shares, and \$864,000 for the value of its Convertible Notes.

The two operating subsidiaries of FRR entered Voluntary Administration on 18 January 2011. The value of FRR shares held by PPK will be written down from \$2.7m to nil at 31 December 2010. PPK also holds Convertible Notes of \$2 million out of a total of \$8 million issued by FRR. The Convertible Notes are secured by fixed and floating charges over FRR and its two subsidiaries, and a mortgage over real estate located at Cheltenham. The charges and mortgage are second ranking behind security held by FRR's banker, however at the time of entering administration there was no indebtedness to FRR's banker. Information presently available to PPK indicates that Noteholders in FRR should be repaid in full and accordingly the Convertible Notes will continue to be held at their full value of \$2 million at 31 December 2010.

The investment in ISL will be written down to its listed value at 31 December 2010.

As regards its property portfolio, PPK advises it has agreed to an extension of the existing lease over its property at Dandenong South, Victoria for a further 4 years from 31 August 2011.

For further information, contact Jury Wowk on 9334 8455.

Yours faithfully
PPK GROUP LIMITED

Jury Wowk
Director



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