

Appendix 4D

Half Year Report to the Australian Stock Exchange

Name of Entity	PTB Group Limited
ABN	99 098 390 991
Half Year Ended	31 December 2006
Previous Corresponding Reporting Period	31 December 2005

Results for Announcement to the Market

	\$'000	Percentage increase / (decrease) over previous corresponding period
Revenue from ordinary activities	18,585	172%
Profit / (loss) from ordinary activities after tax attributable to members	2,083	104%
Net profit / (loss) for the period attributable to members	2,083	104%
Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	n/a	n/a
Interim Dividend	3 cents	3 cents
Record date for determining entitlements to the dividends (if any)	27 April 2007	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:		
Refer Half Year Report attached.		

Dividends

Date the dividend is payable	30 May 2007
Record date to determine entitlement to the dividend	27 April 2007
Amount per security	3 cents
Total dividend	\$790,613
Amount per security of foreign sourced dividend or distribution	nil
Details of any dividend reinvestment plans in operation	Shares issued under the DRP will be priced at a 4% discount to the weighted average PTB share price on the books close date and the 4 preceding trading days.
The last date for receipt of an election notice for participation in any dividend reinvestment plans	27 April 2007

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security (cents)	113.59	84.15

Details of entities over which control has been gained or lost during the period.

Refer Half Year Report attached

Details of associates and joint venture entities

Nil

Accounting Standards used for Foreign Entities in compiling the report

N/a

Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input checked="" type="checkbox"/>
The accounts are in the process of being audited or subject to review	<input type="checkbox"/>	The accounts have not yet been audited or reviewed	<input type="checkbox"/>
If the accounts have not yet been audited or subject to review and are likely to be			

subject to dispute or qualification, a description of the likely dispute or qualification:


n/a

If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:

n/a

Attachments Forming Part of Appendix 4D

Attachment #	Details
1	Half Year Report

Signed By (Director)	
Print Name	Craig Baker
Date	28 February 2007

PTB GROUP LIMITED
(Formerly Pacific Turbine Brisbane Ltd)
ABN 99 098 390 991

FINANCIAL REPORT

FOR THE HALF-YEAR ENDED
31 DECEMBER 2006

PTB GROUP LIMITED AND CONTROLLED ENTITIES
(FORMERLY PACIFIC TURBINE BRISBANE LTD)

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of PTB Group Limited ("the Company") and its controlled entities at the end of or during the half-year ended 31 December 2006.

Directors

The names of directors in office at any time during the half-year and up to the date of this report are:

Name	Position
CL Baker	Managing Director (PTB)
SG Smith	Sales and Marketing Director
RS Ferris	Managing Director (IAP) (appointed 21 September 2006)
HR Jones	Director (non-executive) (resigned 25 August 2006)
H Parker	Director (non-executive), Chairman
RJ David	Director (non-executive)
APS Kemp	Alternate Director (for RJ David) (until 25 August 2006)
	Director (non-executive) (appointed 25 August 2006)

Review of Operations

Profit for the period to 31 December 2006 after tax was \$2,083,000. This represented an increase of 104% over the prior period result of \$1,023,000. This was achieved on growth in revenue from \$6,828,000 for the six months to 31 December 2005 to \$18,585,000 for the six months to 31 December 2006.

The current period included trading from IAP Group (acquired for consideration of \$13.55 million on 21 September 2006) and the aircraft and related assets of Emerald Airways Limited (acquired for \$16.25 million on 3 November 2006) which were acquired by PTB for resale.

At period end net assets were \$34,697,000 (June 2006: \$ 9,889,000). The Company paid a fully franked dividend of 6 cents per share (\$1,010,000) during the period.

	31 Dec 2006	31 Dec 2005
	cents	cents
Net tangible asset backing/per share	113.59	84.15
Net tangible asset backing per share, based on 26,353,775 shares on issue (2005: 11,738,632)		

Current Period Result

The result is broadly in line with our forecast. More specifically -

- *PTB Sales*: Under budget because of lower sales and gross margin and higher administration costs. A considerable amount of management time was spent on the corporate events which took place during the period and this had an effect on trading.
- *IAP Sales*: Over budget which was pleasing given the time Steve Ferris had to spend on the Emerald transaction.
- *Emerald Assets*: In line with expectations.
- *Financing and Rentals*: Marginally behind budget due to the bad debt write off of \$139k. This division is poised for substantial growth with a number of Emerald assets entering the asset pool during the next six months.

PTB GROUP LIMITED AND CONTROLLED ENTITIES
(FORMERLY PACIFIC TURBINE BRISBANE LTD)

DIRECTORS' REPORT

Under the accounting standards, engines/aircraft sold from the inventory are treated as sales revenue with the cost of the engine in cost of goods sold while for engines/aircraft sold from the engine pool (classified as property, plant and equipment), the net profit on sale is brought to account as other income.

Details are:

	Half –Year	
	2006	2005
	(\$'000)	(\$'000)
Revenue per income statement	18,585	6,828
Proceeds from disposal of rental engines	637	1,547
Total	19,222	8,375

During the period the Company's cash flow from operating activities was negative \$11,256,000. One of the main contributors to this was the acquisition of the Emerald aircraft and parts for approximately \$16.25 million.

Cash (net of bank overdrafts) totaled \$6,324,000 at 31 December 2006. In addition, the Company had unused lines from its bankers of approximately \$6.6 million.

History and Current Operations

The Company was founded and commenced trading in October 2001. It listed on the Stock Exchange of Newcastle Ltd (NSX) in March 2005. In September 2006 it acquired IAP Group for \$13.55 million. IAP Group is a Sydney-based niche aviation asset management company providing aircraft inventory support, encompassing:

- global supply of aviation parts; and
- global aircraft and engine financing and sales.

Its business operations are highly complementary to PTB Group's business. Steve Ferris, the founder of IAP Group took approximately 80 per cent of the consideration as PTB Group shares. He now holds approximately 25 per cent of the expanded group. PTB Group's management has known and dealt with Steve Ferris for a number of years.

In October 2006 the Company announced it had acquired the aircraft and associated parts of the UK companies Emerald Airways Ltd and Emerald Airways Engineering Ltd for approximately \$16.25 million. The assets acquired comprise five British Aerospace ATP's, 14 HS 748's, 10 Shorts 360's and their related spare parts along with a lease of an engineering facility at the Blackpool airport. The ATP and HS 748 aircraft are assets which IAP Group has a long-term history of trading and managing.

The Emerald aircraft and parts have been classified as inventories. If not sold the Company anticipates that over an 18 month period, they may be deployed as part of the expanding finance and rental arms. If the aircraft and engines are deployed as part of the rental pool they will be reclassified from inventories to property, plant and equipment. The Shorts aircraft and related parts were sold during the 2006 half-year for \$4.0 million while the parts remaining after the deployment of the remaining aircraft will be containerised and shipped back to the IAP Group's warehouse in Australia for processing and, in due course, marketing.

The acquisition was funded by a combination of a \$10 million debt facilities (of which \$2 million came from Steve Ferris) and \$6 million equity.

In December 2006 the Company moved from the NSX to ASX.

PTB GROUP LIMITED AND CONTROLLED ENTITIES
(FORMERLY PACIFIC TURBINE BRISBANE LTD)

DIRECTORS' REPORT

Initiatives During Current Period

The small management team has completed in the current period three major initiatives:

- Acquisition of IAP Group;
- Emerald assets acquisition; and
- The move from NSX to ASX in December 2006 together with a public offer.

IAP Group

- The management of PTB and IAP Group have known each other and completed commercial transactions over a number of years. This has enabled the acquisition and integration to progress smoothly.
- As stated above, the IAP Group results for the three months ended 31 December 2006 are ahead of forecast.
- Belmont Airport land is currently being marketed under tender by Colliers International.
- In addition to three Jetstreams purchased for the Aeropelican operation during the half-year an additional three Jetstream 32 aircraft will be acquired and will become available for lease over the next 12 months. The Company has identified a niche in the region for this class of aircraft.

Emerald Assets

- Settlement for the purchase of the assets was completed on the 3 November 2006.
- The Shorts aircraft and related parts were sold for \$4.0 million.
- A JAR 145 maintenance approval was granted by the CAA on 31 January 2007.
- A mixture of operating and finance leases and memorandums of understanding for nine HS748's and three ATP's have been signed since 31 December 2006.
- Delivery of three ATP's and six HS748's to customers is expected by June 2007.

ASX Listing and Public Offer

In conjunction with the move of the listing from NSX to ASX in December 2006 the Company offered and issued 2,500,000 shares at \$2. The offer was strongly supported.

Structure in the Future

Under its aviation asset management umbrella PTB Group's operations include initial sale and/or financing, maintenance and spares supply during operational life and extraction of residual value when retired from service in relation to engines, aircraft parts and whole airframes.

This is underpinned by the opportunistic acquisition of aircraft, engines and spares parts.

Going forward from the IAP Group acquisition, PTB Group will have three broad product groupings under its aviation asset management business:

- *PTB Sales:* TPE331 and PT6A turbine engine repair and overhaul in the repair facility in Brisbane and trading in spare parts for engines;
- *IAP Sales:* Spare parts supply and the continued acquisition of aircraft and redundant spares. All aircraft are acquired at a price underwritten by their parts value with a view to resell or reduce to parts; and
- *Financing and Rentals:* Financing by lease, rental or other methods of aircraft and engines, purchase of engines and aircraft for lease, and sale of engines and aircraft from the aircraft and engine pool.

Outlook

PTB's growth will be driven by the growth in financing and rentals with their recurring earnings. The outlook is strong with a number of leased financed assets to be brought on line in the next six months.

To facilitate this growth and future growth the Company requires a larger-scale debt solution to fund the expanding financing and rental pool. We expect to have a facility in place by the end of the financial year. The ASX listing and the increased scale with the IAP Group and Emerald acquisitions are assisting in this process.

The Company continues to work at building its management and financing infrastructure to support the expected recurring earnings growth.

**PTB GROUP LIMITED AND CONTROLLED ENTITIES
(FORMERLY PACIFIC TURBINE BRISBANE LTD)**

DIRECTORS' REPORT

Dividends

The directors have declared a fully franked interim dividend of 3 cents per share. The directors have also declared that the dividend reinvestment plan (DRP) will operate for this dividend. The share price to be used for the DRP will be calculated based on the weighted average price of PTB traded shares on 5 days after record date. A discount of 4% will be applied.

Record date for determining entitlements to the dividend 27 April 2007

Payment date for dividend 30 May 2007

Auditor's Independence Declaration

A copy of the auditor's signed independence declaration as required under section 307C of the Corporations Act 2001 is attached to this report.

Rounding

The Company is of a kind referred to in ASIC Class Order 98/0100 and in accordance with the Class Order, amounts in the directors' report and half-year financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of the directors.



H Parker
Chairman

Brisbane
28 February 2007

Chartered Accountants

Floor 5 National Bank House
255 Adelaide Street Brisbane Q 4000
GPO Box 1144 Brisbane Q 4001
Ph 07 3222 8444 / Fax 07 3221 7779
Website www.jr.com.au
Email jr@jr.com.au

The Directors
PTB Group Limited
47-51 Pandanus Avenue
BRISBANE AIRPORT QLD 4007

Dear Sirs

Auditor's Independence Declaration

As lead engagement partner for the review of the financial report of PTB Group Limited for the half-year ended 31 December 2006, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

JOHNSTON RORKE
Chartered Accountants

K Haiduk

KA HAIDUK
Partner

Brisbane, Queensland
28 February 2007

PTB GROUP LIMITED AND CONTROLLED ENTITIES
(FORMERLY PACIFIC TURBINE BRISBANE LTD)

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

	Note	Half-Year	
		31 December 2006 \$'000	31 December 2005 \$'000
Revenue	2	18,585	6,828
Other income	3	152	449
Changes in inventories		15,971	1,850
Purchase of inventories		(26,231)	(6,272)
Employee benefits expense		(1,819)	(545)
Depreciation and amortisation		(704)	(239)
Airport charges and taxes		(385)	-
Repairs and maintenance		(25)	-
Fuel costs		(242)	-
Bad and doubtful debts		(139)	-
Finance costs		(843)	(88)
Other expenses		(1,320)	(528)
		<u>(15,737)</u>	<u>(5,822)</u>
Profit before income tax expense		3,000	1,455
Income tax expense		(917)	(432)
Profit for the half-year		<u>2,083</u>	<u>1,023</u>
		Cents	Cents
Basic earnings per share	8	11.4	8.7
Diluted earnings per share	8	11.0	8.7

The condensed consolidated income statement should be read in conjunction with the accompanying notes.

PTB GROUP LIMITED AND CONTROLLED ENTITIES
(FORMERLY PACIFIC TURBINE BRISBANE LTD)

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2006

	Note	31 December 2006 \$'000	30 June 2006 \$'000
Current Assets			
Cash and cash equivalents		6,477	1,590
Trade and other receivables		7,697	6,578
Inventories	4	27,473	4,782
Other		667	138
Total Current Assets		42,314	13,088
Non-Current Assets			
Trade and other receivables		1,486	1,329
Property, plant and equipment		21,239	5,278
Deferred tax assets		361	53
Intangible assets		4,761	11
Total Non-Current Assets		27,847	6,671
Total Assets		70,161	19,759
Current Liabilities			
Trade and other payables		4,843	1,670
Borrowings	5	7,629	2,082
Current tax liabilities		1,054	445
Provisions		551	159
Other	6	2,304	43
Total Current Liabilities		16,381	4,399
Non-Current Liabilities			
Borrowings	5	17,193	5,312
Deferred tax liabilities		1,501	70
Provisions		389	89
Total Non-Current Liabilities		19,083	5,471
Total Liabilities		35,464	9,870
Net Assets		34,697	9,889
Equity			
Contributed equity	7	27,896	4,171
Reserves		110	100
Retained profits		6,691	5,618
Total Equity		34,697	9,889

The condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

PTB GROUP LIMITED AND CONTROLLED ENTITIES
(FORMERLY PACIFIC TURBINE BRISBANE LTD)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

	Contributed Equity		Reserve – Share Based Payments \$'000	Retained Profits \$'000	Total \$'000
	Share Capital \$'000	Other Equity Securities \$'000			
At 1 July 2005	3,948	-	75	4,459	8,482
Profit for the period	-	-	-	1,023	1,023
Employee share options	-	-	8	-	8
Dividends paid	40	-	-	(702)	(662)
Value of conversion rights on notes (net of tax)	-	57	-	-	57
At 31 December 2005	3,988	57	83	4,780	8,908
At 1 July 2006	3,988	183	100	5,618	9,889
Profit for the period	-	-	-	2,083	2,083
Employee share options	-	-	10	-	10
Dividends paid	198	-	-	(1,010)	(812)
Issue of share capital (net of transaction costs)	23,527	-	-	-	23,527
At 31 December 2006	27,713	183	110	6,691	34,697

The condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

PTB GROUP LIMITED AND CONTROLLED ENTITIES
(FORMERLY PACIFIC TURBINE BRISBANE LTD)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

	Note	Half-Year	
		31 December 2006 \$'000	31 December 2005 \$'000
Cash Flow From Operating Activities			
Cash receipts in the course of operations		19,852	5,521
Cash payments in the course of operations		(30,184)	(7,196)
Interest received		270	103
Finance costs		(753)	(88)
Income taxes paid		(441)	(429)
Net cash used in operating activities		(11,256)	(2,089)
Cash Flow From Investing Activities			
Purchase of subsidiaries (net of cash acquired)	12	(2,959)	-
Payments for property, plant and equipment		(4,527)	(1,688)
Proceeds on disposal of property, plant and equipment		711	1,547
Deposit paid for property, plant and equipment		(278)	-
Net cash used in investing activities		(7,053)	(141)
Cash Flow From Financing Activities			
Proceeds from borrowings		14,135	1,990
Repayment of borrowings		(2,124)	(1,193)
Repayment of lease liabilities		(17)	(17)
Proceeds from issue of shares		12,940	-
Share issue transaction costs		(665)	-
Proceeds on issue of notes		-	1,449
Dividends paid		(812)	(662)
Net cash provided by financing activities		23,457	1,567
Net increase/(decrease) in cash and cash equivalents held		5,148	(663)
Cash and cash equivalents at the beginning of the half-year		1,176	1,260
Cash and cash equivalents at the end of the half-year		6,324	597

The condensed consolidated cash flow statement should be read in conjunction with the accompanying notes.

PTB GROUP LIMITED AND CONTROLLED ENTITIES
(FORMERLY PACIFIC TURBINE BRISBANE LTD)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

1. Basis of Preparation of Half-year Report

This general purpose financial report for the interim half-year period ended 31 December 2006 has been prepared in accordance with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2006 and any public announcements made by PTB Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Company is of a kind referred to in ASIC Class Order 98/0100 and in accordance with the Class Order, amounts in the half-year financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period. The following new accounting policies have also been adopted following the acquisition of the IAP Group (refer note 12).

(a) Revenue

Airline revenue

Airline revenue mainly arises from passenger ticket sales. Revenue is recognised when uplift is performed.

Aircraft rental income

Aircraft rental income from operating leases is recognised on a straight-line basis over the lease term.

(b) Property, plant and equipment

Depreciation on airframes is on a straight-line basis over their estimated useful life, net of residual values. The estimate useful life of airframes is 15 to 20 years.

	Half-Year	
	31 December 2006	31 December 2005
	\$'000	\$'000
2. <u>Revenue</u>		
Sales revenue		
Sale of engines/aircraft	10,401	4,138
Sale of parts	4,854	1,736
Services	416	147
Airline passenger and freight	1,416	-
Rental of engines/aircraft	1,170	642
	18,257	6,663
Other revenue		
Interest		
- Extended credit receivables (hire purchase agreements)	166	80
- Other	104	23
Other	58	62
	18,585	6,828
3. <u>Other Income</u>		
Net gain on disposal of property, plant and equipment	152	449

PTB GROUP LIMITED AND CONTROLLED ENTITIES
(FORMERLY PACIFIC TURBINE BRISBANE LTD)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

	31 December 2006 \$'000	30 June 2006 \$'000
4. <u>Inventories</u>		
Work in progress – at cost	14,622	312
Finished goods – at cost	9,653	4,470
Land held for resale – at cost	3,198	-
	<u>27,473</u>	<u>4,782</u>
<p>Finished goods include aircraft, engines and parts held for sale. Work in progress includes engines and aircraft undergoing reconditioning in preparation for sale as well as incomplete repair jobs. Included at 31 December 2006 in work in progress is \$14,140,000 relating to the Emerald assets being aircraft, engines and related parts which were purchased in November 2006.</p> <p>The land held for resale comprises the Belmont property acquired as part of the business combination (refer note 12).</p>		
5. <u>Borrowings</u>		
Current		
<i>Secured</i>		
Bank overdraft	153	414
Bank loans	2,994	1,010
Finance company loan	3,215	-
Bills payable	1,100	650
Lease liabilities	29	8
	<u>7,491</u>	<u>2,082</u>
<i>Unsecured</i>		
Loans – related parties	138	-
	<u>7,629</u>	<u>2,082</u>
Non Current		
<i>Secured</i>		
Bank loans	5,225	1,031
Finance company loan	5,345	-
Lease liabilities	30	-
	<u>10,600</u>	<u>1,031</u>
<i>Unsecured</i>		
Notes	4,329	4,281
Loans – related parties	2,264	-
	<u>17,193</u>	<u>5,312</u>

Unsecured Notes

During the 30 June 2006 year PTB issued 4,588,800 unsecured notes at \$1 per note raising \$4,589,000 cash. The notes are repayable on 30 November 2008. Nominal interest of 11.5% per annum is payable monthly in arrears. Noteholders also received one option to acquire shares in PTB for every \$3 invested in the notes (being 1,529,600 options). The options are exercisable between 31 May 2008 and the note expiry date of 30 November 2008 at an exercise price of \$1.60 per share. The options are transferable.

PTB GROUP LIMITED AND CONTROLLED ENTITIES
(FORMERLY PACIFIC TURBINE BRISBANE LTD)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

5. Borrowings (continued)

Bank Overdraft, Bank Loans and Bills Payable

The bank overdraft, bank loans and bills payable are secured by way of a registered mortgage over PTB's receivables and inventories, a fixed and floating charge over IAP's assets and undertakings, and first registered mortgages over the Warriewood and Belmont properties.

Finance Company Loan

During the 31 December 2006 half-year PTB received a loan from a finance company of \$8,263,000. The loan is repayable in quarterly instalments of \$833,000. Nominal interest of 13% per annum is payable quarterly in arrears. The following security has been provided by PTB:

- Mortgage over the shares held by PTB in PTB Emerald Pty Ltd and the bank account.
- Mortgage over the aircraft held by PTB Emerald Pty Ltd
- A charge over the assets and rights of PTB Emerald Pty Ltd.

The loan terminates on 30 September 2009.

Loans – Related Parties

Loans from related parties comprise mainly a loan of \$2,000,000 from Steve Ferris (director) to PTB Emerald Pty Ltd. The loan is repayable on 16 December 2011. The loan is subordinated to the finance company loan. Nominal interest of 10% per annum is payable monthly in arrears. The loan is unsecured.

Lease Liabilities

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default. Certain finance leases and hire purchase liabilities are secured over the assets subject to the finance agreements.

6. Other Liabilities

	31 December 2006 \$'000	30 June 2006 \$'000
Deferred revenue	304	43
Advance from developer	2,000	-
	<hr/> 2,304	<hr/> 43

Prior to acquisition, IAP Group received a \$2 million advance from a third party developer with the right to pursue rezoning of the Belmont property to residential and/or commercial, and, if achieved, the development of the property by subdivision and sale of subdivided lots. The Group's intention is to repay this advance upon sale of the property.

PTB GROUP LIMITED AND CONTROLLED ENTITIES
(FORMERLY PACIFIC TURBINE BRISBANE LTD)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

7. Contributed Equity	31 December 2006	30 June 2006
	\$'000	\$'000
Share Capital		
26,353,775 ordinary shares fully paid (June 2006: 11,738,632 ordinary shares fully paid)	27,713	3,988
Other equity securities		
Value of conversion rights (net of tax)	183	183
	<u>27,896</u>	<u>4,171</u>

Movements in Share Capital	Note	No of shares	Issue Price	\$'000
			\$	
Opening balance 1 July 2006		11,738,632		3,988
Dividend reinvestment scheme	(a)	99,571	1.99	198
Options exercised	(b)	19,998	1.00	20
Consideration for business combination	(c)	6,908,054	1.60	11,053
Private share placement	(d)	3,150,020	1.53	4,820
Private share placement	(d)	1,937,500	1.60	3,100
Public offer	(e)	2,500,000	2.00	5,000
Share issue costs (net of tax)				(466)
Closing balance 31 December 2006		<u>26,353,775</u>		<u>27,713</u>
Opening balance 1 July 2005		11,703,897		3,948
Dividend reinvestment scheme	(a)	34,735	1.15	40
Closing balance 31 December 2005		<u>11,738,632</u>		<u>3,988</u>

(a) Issue of ordinary shares pursuant to dividend reinvestment scheme.

(b) Ordinary shares issued to employees on exercise of options for cash.

(c) In September 2006, 6,908,054 ordinary shares were issued at \$1.60 for the purchase of IAP Group Pty Ltd (refer note 12 for further information).

(d) In August and September 2006, 3,150,020 ordinary shares were issued at \$1.53 to sophisticated and professional investors raising \$4,820,000 cash. In November 2006, a further 1,937,500 ordinary shares at \$1.60 were issued to investors under a subscription agreement raising \$3,100,000 cash.

(e) In December 2006, 2,500,000 ordinary shares were issued at \$2.00 per share pursuant to a prospectus dated 8 November 2006, raising \$5,000,000 cash.

Options

As at 31 December 2006 the parent entity granted 140,000 options to employees. These options have an exercise price of \$1.60, expiry date of 20 February 2010 and vest one third each year on the anniversary of the grant date. The fair value of the options has been determined as \$141,960, which will be recognised as an expense over the vesting period.

In addition, as noted above 19,998 employee options previously granted were exercised during the half-year.

The number of options to purchase ordinary shares in the parent entity are as follows:

	31 Dec 2006	30 June 2006	Exercise	
	No. of Options	No. of Options	Price	Expiry Date
Directors options	550,000	550,000	\$1.15	10 March 2008
Employee share options	120,002	140,000	\$1.00	19 November 2008
Employee share options	140,000	-	\$1.60	20 February 2010
Note Options	1,529,600	1,529,600	\$1.60	30 November 2008

PTB GROUP LIMITED AND CONTROLLED ENTITIES
(FORMERLY PACIFIC TURBINE BRISBANE LTD)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

8. <u>Earnings Per Share</u>	Half-year	
	2006 cents	2005 cents
Basic earnings per share	11.4	8.7
Diluted earnings per share	11.0	8.7
	Number of Shares	Number of Shares
Weighted average number of shares used in calculating basic earnings per share	18,224,837	11,712,581
Effect of dilutive securities:		
• Options	784,495	8,039
Weighted average number of ordinary shares and potential ordinary shares used in calculating diluted earnings per share	19,009,332	11,720,620

9. Controlled Entities

The condensed consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

Name	Country of Incorporation	Equity Holding 2006	Equity Holding 2005
PTB Finance Limited*	Australia	100%	100%
PTB Rentals Australia Pty Ltd *	Australia	100%	100%
Pacific Turbine, Inc ▽	USA	100%	100%
PTB (Emerald) Pty Ltd ◆	Australia	100%	-
Aircraft Maintenance Services ♣	United Kingdom	100%	-
IAP Group Australia Pty Ltd ⤴	Australia	100%	-
Aeropelican Air Services Pty Ltd ⤴	Australia	100%	-

* Incorporated 14 October 2005

▽ Incorporated 29 September 2005

◆ Incorporated 4 October 2006

♣ Incorporated 6 November 2006

⤴ Purchased as part of business combination (refer note 12)

10. Segment Information

The Group operates predominantly in the following business segments:

- Aircraft Transport – Operation of Aeropelican Air Services
- Aircraft and Engines Sales and Rentals – Repair, rental and sale of aircraft, engines and related parts (including hire purchase agreements)

PTB GROUP LIMITED AND CONTROLLED ENTITIES
(FORMERLY PACIFIC TURBINE BRISBANE LTD)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

10. Segment Information (continued)

Primary reporting – business segments

2006	Aircraft Transport \$'000	Aircraft & Engines Sales/ Rentals \$'000	Elimination \$'000	Total \$'000
Revenue	1,416	17,011	(128)	18,299
Other income	-	152	-	152
Total segment revenue and other income	1,416	17,163	(128)	18,451
Unallocated revenue				286
Total revenue and other income				18,737
Segment results	116	4,371	-	4,487
Unallocated revenue less unallocated expenses				(1,487)
Profit before income tax				3,000
Income tax expense				(917)
Net profit				2,083
2005				
Revenue	-	6,725	-	6,725
Other income	-	449	-	449
Total segment revenue and other income	-	7,174	-	7,174
Unallocated revenue				103
Total revenue and other income				7,277
Segment results	-	1,807	-	1,807
Unallocated revenue less unallocated expenses				(352)
Profit before income tax				1,455
Income tax expense				(432)
Net profit				1,023

11. Dividends

	Half-Year	
	31 December 2006 \$'000	31 December 2005 \$'000
Dividends paid during the half-year		
Final dividend of 6 cents (2005: 6 cents) per share fully franked paid 15 December 2006 (2005: 15 November 2005)	1,010	702

Dividends paid in cash or satisfied by the issue of shares under the dividend reinvestment scheme during the half-year were as follows:

Paid in cash	812	662
Satisfied by the issue of shares	198	40
	1,010	702

PTB GROUP LIMITED AND CONTROLLED ENTITIES
(FORMERLY PACIFIC TURBINE BRISBANE LTD)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

11. Dividends (continued)

	Half-year	
	31 December 2006	31 December 2005
	\$'000	\$'000
Dividends not recognised at the end of the half-year		
Since the end of the 2006 half-year the directors have recommended the payment of an interim dividend of 3 cents (2005: nil) per fully paid ordinary share, fully franked based on tax paid at 30%. The aggregate amount of the proposed interim dividend expected to be paid on 30 May 2007, but not recognised as a liability at the end of the half-year, is	791	-
	791	-

12. Business Combination

(a) Summary of acquisition

On 21 September 2006 the parent entity acquired 100% of the issued share capital of IAP Group Australia Pty Ltd (IAP). Included in the IAP group is its subsidiary Aeropelican Air Services Pty Ltd.

The acquired businesses contributed revenues of \$ 4,781,000 and net profit after tax of \$546,000 to the Group for the period from acquisition to 31 December 2006. If the acquisition had occurred on 1 July 2006 the consolidated revenue and consolidated profit for the half-year ended 31 December 2006 would have been \$23,969,000 and \$1,778,000 respectively.

Details of the purchase consideration and the assets and liabilities acquired and goodwill are as follows:

	\$'000
Purchase consideration (refer to (b) below):	
Cash paid	2,500
Issue of shares	11,053
Direct costs relating to acquisition	199
Total purchase consideration	13,752
Fair value of net identifiable assets acquired (refer to (c) below)	9,001
Goodwill (refer to (c) below)	4,751

(b) Outflow of Cash

	\$'000
Outflow of cash to acquire subsidiary net of cash acquired	
Cash consideration	2,699
Less: Balances acquired	
Cash	10
Bank overdraft	(270)
	(260)
Outflow of cash	2,959

PTB GROUP LIMITED AND CONTROLLED ENTITIES
(FORMERLY PACIFIC TURBINE BRISBANE LTD)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

12. Business Combination (continued)

(c) Assets and liabilities acquired

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount \$'000	Fair value \$'000
Cash	10	10
Trade and other receivables	1,170	1,170
Other assets	125	125
Inventories	6,042	6,720
Property, plant and equipment	10,469	12,669
Trade and other payables	(1,395)	(1,395)
Borrowings	(6,144)	(6,144)
Provision for employee benefits	(627)	(627)
Current tax liability	(121)	(121)
Deferred tax liability (net)	(1,334)	(1,334)
Other liabilities	(2,072)	(2,072)
Net assets	<u>6,123</u>	<u>9,001</u>

The initial accounting for the above business combination has been determined provisionally as the fair values assigned to certain assets and liabilities, have only been determined provisionally.

The goodwill recognised on the acquisition is attributable to skills, product knowledge, industry reputation and technical ability in aircraft, aircraft parts and selected turbine engines that the IAP Group will bring to the group. IAP's expertise in these segments of aviation will enable the Group to grow the business into different product lines not traditionally traded by PTB. The increased scale of business should also assist in securing larger – scale debt solutions to fund the expansion of the financing and rental businesses. These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured.

**PTB GROUP LIMITED AND CONTROLLED ENTITIES
(FORMERLY PACIFIC TURBINE BRISBANE LTD)**

DIRECTORS' DECLARATION

In the opinion of the directors:

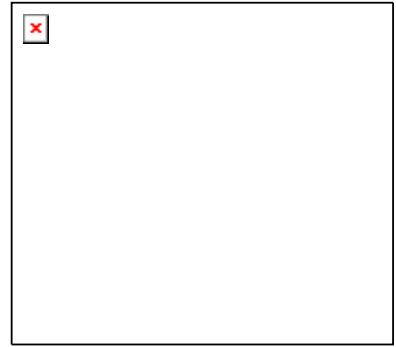
- (a) the attached financial statements and notes are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that PTB Group Limited 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 directors.



H Parker
Chairman

Brisbane
28 February 2007



INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of PTB Group Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of PTB Group Limited, which comprises the condensed consolidated balance sheet as at 31 December 2006, and the condensed consolidated income statement, condensed consolidated statement of changes in equity and condensed consolidated 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 company and the entities it controlled at the end of the half-year or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of PTB 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 consolidated entity's financial position as at 31 December 2006 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 PTB 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*.

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 PTB 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 2006 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.

JOHNSTON RORKE
Chartered Accountants



KA HAIDUK
Partner

Brisbane, Queensland
28 February 2007