



PTB GROUP Limited



*Authorised Service Centre &
Commercial Representative*

PTB Group Limited

ABN 99 098 390 991

ASX Code: PTB

Preliminary Final Report Appendix 4E

30 June 2008

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Pacific Turbine Brisbane

INTERNATIONAL AIR PARTS IAP

EROPELICAN

Results for Announcement to the Market

Summary of Financial Information

Extracts from this report for announcement to the market:

	12 months ended 30 June 2008 \$A'000	12 months ended 30 June 2007 \$A'000	Movement \$A'000	Movement %
Revenue from ordinary activities	46,604	40,559	6,045	14.9%
Net profit after tax for the Year attributable to members	3,131	3,589	(458)	(12.8%)
Net profit for the Year attributable to members	3,131	3,589	(458)	(12.8%)

Dividends

Financial Year	Nature	Date paid/ Proposed to be paid	Amount per security Cents	Franked amount per security at 30% tax
30 June 2008	Final - Proposed	N/a	Nil cents	N/a
30 June 2007	Interim – Declared and Paid	30 May 2007	3 cents	Fully Franked
30 June 2006	Final – Declared and Paid	30 November 2006	6 cents	Fully Franked
30 June 2005	Final – Declared and Paid	15 November 2005	6 cents	Fully Franked

Dividend Reinvestment Plan (DRP)

Shareholders may participate in the DRP in respect of all of their Shares entered in the Register or a specific number of Shares. The Board may set a limit on the number of Shares which Shareholders may nominate for Participation in the DRP.

The DRP applies only in respect of an Eligible Dividend payable to a Participant in respect of a fully paid Participating Share.

Highlights of Results

	Current Year 30.6.08 A\$'000	Previous Year 30.6.07 A\$'000
Total Revenue	46,604	40,559
Other Revenue	2,019	214
Expenses	(44,461)	(35,588)
Profit before tax	4,162	5,185
Income tax	(1,031)	(1,596)
Net Profit after tax	3,131	3,589
Cash Assets	667	290
Property, Plant and Equipment	25,291	25,757
Other Assets	56,613	46,178
Liabilities	(42,348)	(36,701)
Net Assets	40,223	35,524
Return on average shareholders funds (%)	8.3%	15.8%
Basic earnings per share (cents/share)	11.86	16.1
Diluted earnings per share (cents/share)	11.85	15.6

CHAIRMAN AND MANAGING DIRECTOR'S REVIEW

Results

Net profit after tax decreased from \$3.6 million in 2006-07 to \$3.1 million in 2007-08, representing a reduction of 12.8 per cent. Basic earnings per share were 11.86 cents (16.1 cents in 2007).

This represents a return on average shareholders' funds of 8.3 per cent (15.8 per cent in 2007).

No dividend will be paid for the June 2008 year (2007: 3 cents). The 2009 year dividend policy will be reviewed late in calendar 2008.

Strategic shift in the Business

The main shift will be that the group will return to concentrating mainly on trading activities and further development of the turbine engine repair and overhaul business. Aircraft acquired will be refurbished and sold or will be parted out to generate profits and cashflow. The rental and financing division will concentrate predominantly on engines: these return in excess of 20% per annum and can be funded relatively easily if used in Australia and New Zealand.

In the event that aircraft can be placed to earn in excess of 20% per annum on a recurring basis, then specific funding will be arranged on a deal-by-deal basis.

During the previous 12 months, major projects such as the Emerald deal have contributed significant but irregular returns. However, a strengthened capital base and increased depth in management resources will be necessary before we enter into any new deals of similar magnitude and complexity. Accordingly we do not expect in the near term to enter into any major new deals of similar magnitude.

The \$US40 million funding pool is still available but unutilised. Before the sub prime crisis the relative availability of bank finance had caused the purchase price of aircraft to increase such that the lease rates did not allow an acceptable return on investment. We rejected a number of potential deals for this reason and this has largely protected the Group from the effects of the sub prime crisis. Our change in strategy to sell the Emerald aircraft rather than leasing them came as a result of this. However, the delays in the ATP settlements since April have impacted on the business and its profitability so we have not totally escaped the sub prime problems.

Historically in times of change, aviation companies such as ourselves with the ability to trade have prospered. Opportunities are generated as operators and financiers exit surplus assets. Provided we can settle the balance of the Emerald aircraft (as we think we can), the Group will be well positioned to take advantage of the fall in certain aviation asset prices.

A key part in this strategy change is the necessity for the Group to earn its targeted returns on assets employed. Historically we have achieved at least the targeted return level.

Activities covered under PTB Group's Aviation Asset Management Company

The group now has three broad business groupings under its aviation asset management umbrella:

- PTB: TPE331 together with PT6A turbine engine repair and overhaul in the repair facility in Brisbane and trading in spare parts for engines, and engines. The Dart engine line will be added during 2009;
- IAP: Spare parts supply and the continued acquisition of aircraft and redundant spares as well as trading in aircraft. 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: Purchase of engines and aircraft for lease, rental or hire purchase and sale of engines and aircraft from the aircraft and engine pool. As outlined above, it is now expected that engine financing and rentals will make up the majority of the business of this division. Aircraft will only be financed against specific funding.

Commentary on operations during the Year

The Company did not achieve the guidance announced at the November AGM.

The major variances and reasons are set out in the table below:

Division	Actual \$'000	Revised Low Forecast \$'000	Variance \$'000
PTB Business	1,686	2,047	(361)
IAP Business	785	729	56
Emerald Assets	2,747	4,142	(1,395)
Corp Overheads	(1,761)	(1,518)	(243)
Sale of Belmont	1,839	-	1,839
Bad and doubtful debts	(1,134)	-	(1,134)
Profit before Tax	4,162	5,400	(1,238)

PTB Business

The PTB Business was well under budget with its margins on engine and parts trading. The PT6 engine rebuilding section performed well but was let down by a shortage of engineers in the 331 division, resulting in it falling short of its targets. The continued appreciation of the Australian dollar against the US dollar also impacted on margins.

The engine financing and rentals section performed satisfactorily.

Overall we are happy with the management work in revamping the PTB Business and expect a significant improvement in 2009.

The new building referred to below, will provide additional space to continue growing the PTB Business engine repair and overhaul section.

IAP Business

Lower than expected profits on aircraft sales, rentals, and financing were the major reason for IAP's result for the year. With Steve Ferris, the driver of activity in these areas spending so much time on Emerald, IAP suffered. The parts and engine business were ahead of budget. On a positive note, the Aeropelican section recovered in the final part of the year with Qantas withdrawing from the Newcastle route.

Since June 2008, Steve Ferris has been able to spend more time in the IAP business and activity has increased in a number of areas, including the acquisition of two aircraft for parting out. In particular:

- Aeropelican: Following an unsolicited approach, we are in negotiations for the sale of Aeropelican and lease of three J32 aircraft;
- Purchase of Indian ATP turboprop aircraft: The 1993 build aircraft was slightly damaged in a landing accident in India and IAP negotiated and was successful in purchasing the aircraft. The aircraft has been parted out in India as a rebuild project in India was not considered viable. The parts and engines are in transit for resale; and
- Purchase of BA146-200: An Australian based BA146-200 aircraft was purchased from British Aerospace. This is a four-engined Jet aircraft of 1988 vintage. Profitability will be maximised by parting the aircraft out.

These two aircraft will add modern aircraft parts to IAP's trading stock and exchange pool.

Emerald Assets

The main reason for the lower than expected profit was that one of the large freight door ATP freighters expected to be taken up in the 2008 year will now be realised in the 2009 year as the contract was conditional as at 30 June 2008. This was caused by the delay in acceptance by our Middle East customer and settlement is now expected prior to 30 September 2009.

This business will now be reduced in scale and will focus on contract maintenance from early calendar 2009. The EASA 145 approval is a valuable commodity in Europe and opportunities will be sought to maximise this asset. Profitability for the 2009 year is expected to be strong with two ATP passenger aircraft available for sale on completion of their refurbishment and the delivery and sale of the second large freight door ATP to our Middle East customer as detailed above.

Bad Debts

Bad debts expense totalled \$1.13 million attributable to three customers. These three had been customers on open account since PTB Brisbane's incorporation in 2000 and longer with IAP.

We will continue to pursue the Airlink debt which has been written off as evidence suggests the company was trading while insolvent.

We conduct business with second and third tier aviation companies and extending credit is a risk of the business. An engine or engine repair is often of high monetary value with significant margin and credit levels evolving over time. All these operators had been allowed credit on their past payment performance based on eight years of history and had established high credit limits.

Over eight years of trading our total bad debts expense, including this year's write-off of \$1.13 million, is less than \$1.6 million. To have three long term customers fail in one year is very unusual. After a review of our current debtors we are not expecting bad debts to be significant this financial year

Corporate Overheads

Corporate overheads costs are ahead of budget due to higher salary and financing costs, offset by lower overall insurance premiums. The higher salary costs were due to additional resources utilised during the initial period of ASX listing and IAP acquisition. Head office staffing levels have reduced for the 2009 financial year. Financing costs included increased legal fees and charges as a result of a higher number of transactions. Insurance premiums were reduced in rate and amount, partially due to the aggregation of the PTB and IAP businesses.

Other Matters

Exchange rate increase

While the group has a natural hedge in respect to its assets and liabilities, the fact that a large part of PTB Group's trading is undertaken in US dollars in US dollar valued assets means that the conversion to Australian dollars has a significant negative impact on the gross margins and sales of the PTB and IAP businesses when the AUD appreciates against the USD.

Sale of Belmont property

Settlement took place in early July 2008 with a \$1.9 million profit being booked on the sale. The Belmont airport was part of IAP's purchase of Ansett's aviation assets.

Brisbane relocation

In November the Company will move into its new combined engineering, warehouse and office facility near Brisbane airport. This will enable the business to once again combine under one roof. The lease on the Brisbane facility expires in January 09 and the engine repair and overhaul division of the business was space constrained. The new facility will enable the expansion of the PT6 and TPE331 engine repair and overhaul business as opportunities develop. The business now has space to add additional engine lines.

In addition, the Dart engine line will be able to be installed. The line was acquired 12 months ago in the UK and has been shipped to Australia for installation. Dart engines are used in a number of aircraft types in which IAP specialises and there are substantial rebuilding work opportunities. IAP has a substantial inventory of dart engine parts. There are only two other significant Dart engine re-builders left in the world.

Balance Sheet and Net Assets

The net asset position has increased from \$9.9 million in 2006 to \$40.2 million as at 30 June 2008 (2007: \$35.5m). This is due to the Group's equity raisings and related acquisitions, and the earnings retained during this period.

Included in net assets are:

- The Emerald assets: These are predominantly aircraft and make up \$15.3 million (2007: \$12.8 million) of Inventories and \$3.3 (2007: \$3.3 million) million of property, plant and equipment. As previously disclosed above, during the next year a significant proportion of the remaining inventory will be refurbished and completed. These assets will either be sold outright to reduce debt and generate working capital, or moved to the financing and rentals pool (classified as plant and equipment non-current assets).
- AASB 139 requires that effective hedges of foreign currency be recognised as a derivative financial instrument in current assets, offset by a hedging reserve in equity. As at 30 June 2008 net assets increased by the \$1.5 million recognised as net effective hedges.

Cashflows

The negative operating cashflow has been predominantly due to the continued investment in inventory across the Group which has been financed by short-term borrowings. As mentioned in previous years, the Group will normally have a negative operating cashflow as short-term debt is utilised to acquire aviation asset inventory which are either sold or placed in the recurring earnings lease and rental pool as non-current assets. The short-term debt is then reduced and substituted with longer-term debt secured over the leased or rented assets.

Management

The Company now has a small team with the financial skills to meet its management and reporting requirements and obligations. The Company continues to work at building the systems and processes to meet the complexities of a multicurrency, multi-country business. In the Operations area the PTB Business has a good team which can handle growth.

The aim is to have good support, financial, and other management staff freeing up the deal doers to spend a greater proportion of their time creating sales and new business.

PTB Group's aviation sector outlook

The Turboprop market has gone from strength to strength since a downturn in 2001.

Airlines have realised that the future was not necessarily in the small regional jets and have flocked back to turboprops due to their fuel efficiency and low operating costs. This is a worldwide phenomenon, where we are seeing major carriers making huge investments in Bombardier, Dash 8 and ATR aircraft to replace both small and large Jet transport aircraft. With the high cost of fuel, this trend seems to be increasing at a staggering rate which has effectively seen the death of the small regional Jet, the aircraft that replaced and squeezed the turboprop out of the same market.

The aviation industry pre 2000 effectively wrote the turboprop off in favour of the Regional Jet and almost all manufacturers ceased production prior to the downturn. Only ATR and Bombardier remained, concentrating on the larger 50+ seat turboprop aircraft. Today the smallest new commercial turboprop available is the 50 seat ATR42 selling at USD 16 million.

Times have come full circle and the high cost of fuel has made airlines look again at the turboprop, but they are now faced with little choice and very tight availability. This has resulted in driving Turboprop prices up - in some cases up to three times what we saw immediately after 9/11.

Low time, well cared for aircraft are in short supply and hard to source. There is only a very limited supply of fewer than 50 seat aircraft and this pool is continually diminishing as older aircraft are retired. Supply is further hampered as soon after 2001, many of the "newer" turboprops were snapped up by the freight market. These are now dedicated freighters and no longer available to cycle through the passenger networks. No new aircraft are coming in to top up this pool except in the 50+ range.

The 19 seat sector is in the biggest short supply. These are in demand from both the smaller passenger operator and the freighter market. The power plant for most 19 seat aircraft is the P&W PT6 engine or the Honeywell TPE331 engine, both products extensively handled by PTB. The 19 to 50 seat market is also dominated by 1970's, 80's and 90's build aircraft that cannot be replaced, regardless of funding. Many smaller operators and freight operators rely upon this size aircraft and we are now seeing even 1950's turboprop aircraft flying in Australia carrying freight. Unthinkable just five years ago.

From our point of view this is all good news for the PTB Group as there is a limited amount of spares and engines in the marketplace and the demand for parts and support can only increase. The values of inventory is climbing as the larger manufacturers are unwilling to make small production runs of new parts.

The primary focus for the group is aircraft and engines in the Turbo Prop market and the group is well placed to continue to build business in this section of the market. Our existing inventories are the largest within Australia and our extensive experience in this sector bode well for our growth in the coming year.

PTB GROUP LIMITED AND CONTROLLED ENTITIES

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	Consolidated	
	2008	2007
	\$'000	\$'000
Revenue	46,604	40,559
Other income	2,019	214
Cost of goods sold	(24,380)	(21,640)
Employee benefits expense	(5,294)	(4,017)
Depreciation and amortisation	(2,234)	(1,770)
Airport charges and taxes	(2,343)	(1,499)
Repairs and maintenance	(685)	(326)
Fuel costs	(1,483)	(783)
Bad and doubtful debts	(1,135)	(158)
Finance costs	(2,833)	(1,930)
Other expenses	(4,074)	(3,455)
Total expenses	(44,461)	(35,588)
Profit before income tax expense	4,162	5,185
Income tax expense	(1,031)	(1,596)
Profit for the year	3,131	3,589
	Cents	Cents
Basic earnings per share	11.86	16.1
Diluted earnings per share	11.85	15.6

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

PTB GROUP LIMITED AND CONTROLLED ENTITIES

BALANCE SHEET

AS AT 30 JUNE 2008

	Consolidated	
	2008	2007
	\$'000	\$'000
Current Assets		
Cash and cash equivalents	667	290
Trade and other receivables	17,614	9,763
Inventories	26,725	26,835
Derivative financial assets	1,770	-
Current tax receivables	517	21
Other	544	370
Total Current Assets	47,837	37,279
Non-Current Assets		
Trade and other receivables	3,914	4,254
Property, plant and equipment	25,295	25,757
Deferred tax assets	1,075	456
Intangible assets	4,334	4,341
Other	116	138
Total Non-Current Assets	34,734	34,946
Total Assets	82,571	72,225
Current Liabilities		
Trade and other payables	4,744	4,956
Borrowings	15,827	7,034
Current tax liabilities	1,423	635
Provisions	826	644
Other	2,998	2,389
Total Current Liabilities	25,818	15,658
Non-Current Liabilities		
Borrowings	14,397	19,066
Deferred tax liabilities	1,734	1,642
Provisions	202	335
Other	197	-
Total Non-Current Liabilities	16,530	21,043
Total Liabilities	42,348	36,701
Net Assets	40,223	35,524
Equity		
Contributed equity	27,963	27,956
Reserves	1,724	163
Retained profits	10,536	7,405
Total Equity	40,223	35,524

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

PTB GROUP LIMITED AND CONTROLLED ENTITIES

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2008

Consolidated	Contributed Equity		Reserves		Retained Profits	Total
	Issued Capital	Other Equity Securities	Share Based Payments	Hedging Reserve		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2006	3,988	183	100	-	5,618	9,889
Profit for the period	-	-	-	-	3,589	3,589
Employee share options	-	-	63	-	-	63
Dividends paid	257	-	-	-	(1,802)	(1,545)
Value of conversion rights on notes (net of tax)	23,528	-	-	-	-	23,528
At 30 June 2007	27,773	183	163	-	7,405	35,524
Profit for the period	-	-	-	-	3,131	3,131
Employee share options	-	-	78	-	-	78
Dividends paid	-	-	-	-	-	-
Issue of share capital (net of transaction costs)	7	-	-	-	-	7
Recognition of effective cashflow hedge	-	-	-	1,483	-	1,483
At 30 June 2008	27,780	183	241	1,483	10,536	40,223

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

PTB GROUP LIMITED AND CONTROLLED ENTITIES

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

	Consolidated	
	2008	2007
	\$'000	\$'000
Cash Flow From Operating Activities		
Cash receipts in the course of operations	40,840	37,224
Cash payments in the course of operations	(40,343)	(49,529)
Interest received	596	574
Finance costs	(2,136)	(2,613)
Income taxes paid	(1,289)	(1,070)
Net cash used in operating activities	(2,332)	(15,414)
Cash Flow From Investing Activities		
Purchase of subsidiaries (net of cash acquired)	-	(2,959)
Payments for property, plant and equipment	(3,684)	(5,916)
Proceeds on disposal of property, plant and equipment	2,309	819
Net cash used in investing activities	(1,375)	(8,056)
Cash Flow From Financing Activities		
Proceeds from borrowings	13,852	16,442
Repayment of borrowings	(8,372)	(5,595)
Repayment of lease liabilities	(161)	(231)
Proceeds from issue of shares	7	12,953
Share issue transaction costs	-	(683)
Dividends paid	-	(1,545)
Net cash provided by financing activities	5,326	21,341
Net increase/(decrease) in cash and cash equivalents	1,619	(2,129)
Cash and cash equivalents at the beginning of the year	(952)	1,176
Cash and cash equivalents at the end of the year	667	(953)

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

Notes to the Preliminary Final Report

1. Basis of accounting

This Preliminary Final Report has been prepared in accordance with ASX listing rule 4.3A. The required information has been presented in this report for PTB Group Limited and its controlled entities for the year ended 30 June 2008. This report is currently in the process of being audited and the Directors are not aware of any dispute or qualification that is likely to arise.

The Preliminary Final Report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRSs), other authoritative pronouncements of the Australian Accounting Standards Board Interpretations and the *Corporations Act 2001*. Only that information deemed relevant for the purposes of listing rule 4.3A has been included for the purposes of the Preliminary Final Report.

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the Preliminary Final Report of PTB Group Limited complies with International Financial Reporting Standards (IFRS).

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of PTB Group Limited as at 30 June 2008 and the results of all subsidiaries for the year then ended. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

The accounting policies adopted in this report have been consistently applied by each entity in the consolidated entity, and are consistent with those in the previous year.

2. Other notes to the Preliminary Final Report

(a) Retained Profits	2008	2007
	\$'000	\$'000
Retained profits at the beginning of the year	7,405	5,618
Profit for the year	3,131	3,589
Dividends	-	(1,802)
Retained profits at the end of the year	<u>10,536</u>	<u>7,405</u>

(b) Subsidiaries

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

Name	Country of Incorporation	Equity Holding	
		30.6.08	30.6.07
PTB Finance Limited ⁽¹⁾	Australia	100%	100%
PTB Rentals Australia Pty Ltd ⁽¹⁾	Australia	100%	100%
Pacific Turbine, Inc ⁽²⁾	USA	100%	100%
PTB (Emerald) Pty Ltd ⁽³⁾	Australia	100%	100%
Aircraft Maintenance Services Ltd ⁽⁴⁾	United Kingdom	100%	100%
IAP Group Australia Pty Ltd ⁽⁵⁾	Australia	100%	100%
Aeropelican Air Services Pty Ltd ⁽⁵⁾	Australia	100%	100%
International Air Parts UK Limited ⁽⁶⁾	United Kingdom	100%	100%
PTB Emerald Limited ⁽⁷⁾	United Kingdom	100%	100%
PTB Asset Management Pty Ltd ⁽⁸⁾	Australia	100%	100%

⁽¹⁾ Incorporated 14 October 2005

⁽²⁾ Incorporated 29 September 2005

⁽³⁾ Incorporated 4 October 2006

⁽⁴⁾ Incorporated 6 November 2006

⁽⁵⁾ Purchased as part of business combination on 21 September 2006.

⁽⁶⁾ Incorporated 18 October 2006

⁽⁷⁾ Incorporated 13 October 2006

⁽⁸⁾ Incorporated 21 June 2007

All subsidiaries are 100% owned by PTB Group Limited which is incorporated in Australia. All share capital consists of ordinary shares in each company.

All subsidiaries except for PTB Finance Limited and Pacific Turbine Inc have been granted relief from the necessity to prepare financial reports in accordance with Class Order 98/1418 issued by the Australian Securities and Investments Commission.

(c) Business Combination

There were no business combinations during the current year.

(d) Profit ratios

	Current period	Previous period
Profit before tax/revenue Profit before tax as a percentage of revenue	8.93%	12.8%
Profit after tax/equity interests Profit after tax as attributable to members as a percentage of equity at the end of the period	7.8%	10.1%

(e) Net tangible assets backing per security (NTA)

	Current period	Previous period
Net tangible assets backing per ordinary security	\$1.36	\$1.18

(f) Segment Information

Business Segments (Primary Reporting)

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).

	Aircraft Transport \$'000	Aircraft & Engines Sales/Rentals \$'000	Elimination \$'000	Total \$'000
2008				
Segment revenue				
Sales to external customers	7,238	33,866	-	41,104
Intersegment sales	-	827	(827)	-
Total sales revenue	7,238	34,693	(827)	41,104
Other revenue/income	9	2,010	-	2,019
Total segment revenue	7,247	36,703	(827)	43,123
Unallocated revenue				5,500
Consolidated revenue				48,623
Segment result				
Segment Profit/(Loss)	(239)	4,324	-	4,085
Unallocated revenue less unallocated expenses				(77)
Profit before income tax				4,162
Income tax expense				(1,031)
Profit for the year after tax				3,131
Assets				
Segment assets	3,449	72,370	-	75,819
Unallocated assets				6,752
Total assets				82,571
Liabilities				
Segment liabilities	2,729	6,239	-	8,968
Unallocated liabilities				33,380
Total liabilities				42,348
Other segment information				
Acquisition of property, plant and equipment, intangibles and other non-current segment assets	66	3,768	-	3,834
Unallocated				31
Total acquisitions				3,865
Depreciation and amortisation expense	343	1,865	-	2,208
Unallocated				19
Total depreciation and amortisation				2,227

(f) Segment Information (continued)

	Aircraft Transport \$'000	Aircraft & Engines Sales/Rentals \$'000	Elimination \$'000	Total \$'000
2007				
Segment revenue				
Sales to external customers	4,164	35,600	-	39,764
Intersegment sales	-	382	(382)	-
Total sales revenue	4,164	35,982	(382)	39,764
Other revenue/income	-	1,009	-	1,009
Total segment revenue	4,164	36,991	(382)	40,773
Unallocated revenue				-
Consolidated revenue				40,773
Segment result				
Segment Profit/(Loss)	(326)	8,630	-	8,304
Unallocated revenue less unallocated expenses				(3,119)
Profit before income tax				5,185
Income tax expense				(1,596)
Profit for the year after tax				3,589
Assets				
Segment assets	4,313	64,235	-	68,548
Unallocated assets				3,677
Total assets				72,225
Liabilities				
Segment liabilities	954	5,665	-	6,619
Unallocated liabilities				30,082
Total liabilities				36,701
Other segment information				
Acquisition of property, plant and equipment, intangibles and other non-current segment assets	348	22,538		22,886
Unallocated				57
Total acquisitions				22,943
Depreciation and amortisation expense	290	1,469	-	1,759
Unallocated				17
Total depreciation and amortisation				1,776

(h) Cash Flow Information

	Consolidated	
	2008 \$'000	2007 \$'000
(a) Reconciliation of Cash and Cash Equivalents		
Cash and cash equivalents assets – cash at bank and on hand	1,192	290
Bank overdraft	(525)	(1,243)
	667	(953)
(b) Reconciliation of Net Cash Flow from Operating Activities to Net Profit for the Year:		
Profit for the year	3,131	3,589
Depreciation and amortisation	2,234	1,770
(Gain)/loss on disposal of property, plant and equipment	(209)	(214)
Share-based payments	78	63
Interest capitalised	696	-
Unrealised foreign currency movements	(1,118)	-
Other	32	61
Changes in operating assets and liabilities, net of effects from purchase of controlled entities (Increase)/decrease in:		
Receivables**	(7,541)	(4,885)
Inventories	110	(17,774)
Deferred tax assets*	(619)	(153)
Other assets	(152)	(15)
Increase/(decrease) in:		
Trade payables and accruals	594	1,836
Employee benefits	49	104
Deferred revenue	-	274
Current tax liabilities	292	124
Deferred tax liabilities*	91	555
Net cash flow from operating activities	(2,332)	(14,666)

* net of amounts charged or credited directly to equity

** excluding non-operating items

Directors

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

Name	Position
H Parker	Director (non-executive), Chairman
CL Baker	Managing Director (Group)
RS Ferris	Managing Director (IAP Division)
APS Kemp	Director (non-executive)
SG Smith	Sales and Marketing Director (PTB Division) – resigned 30 November 2007
RJ David	Director (non-executive) - resigned 22 February 2008
R Blumberg	Director (non-executive) - appointed 4 July 2007 - resigned 22 February 2008

Information on Current Directors

Harvey Parker (Non-Executive Chairman)

Harvey Parker was born in 1943 and has had a distinguished career spanning several industries. He has experience in the aviation industry as Managing Director of New Zealand Post and the Airpost Joint Venture. Presently he is the Chairman and also serves on the audit and remuneration committees of the Company.

He is presently Chairman of DWS Advanced Business Solutions Limited (since 9 May 2006) and Director of Riding for the Disabled Association of Victoria limited. During the past three years Mr Parker was also the Chairman of Intermoco Limited (until February 2008), a Director of the Volante Group (until April 2006). He has held no other Director positions with other listed companies in the last three years.

Craig Louis Baker CA, BCA (Managing Director - Group)

Craig Baker was born in 1946 and has had extensive experience in the aviation industry. He is a qualified accountant and has been involved in aviation businesses as a General Manager, Director and Finance Manager for over 20 years. Along with Hugh Jones, he was involved in the development of Airwork (NZ) Limited which has grown to become a major aviation provider in New Zealand with annual sales in excess of \$80 million.

Craig's duties involve the overall management of the Group. He has held no other Director positions with other listed companies in the last three years.

Royston Stephen (Steve) Ferris B.Sc (Managing Director – IAP Division)

Steve Ferris was born in the UK in 1960. He graduated from Bristol University in 1981 with a Bachelor of Science. He incorporated the IAP Group in 1987 and has grown the company in a successful manner by utilising his vast knowledge of the aviation industry.

Steve is based in Sydney and is the Managing Director of the IAP Group operations. He has held no other Director positions with other listed companies in the last three years.

Andrew Peter Somerville Kemp B.Com, CA

Andrew graduated in Commerce from the University of Melbourne and is a chartered accountant. After working for KPMG and Littlewoods Chartered Accountants in Melbourne and Sydney, he joined AIFC, the merchant banking affiliate of the ANZ Banking Group, in Sydney in 1978. From 1979 until 1985, Andrew was Queensland Manager of AIFC.

Andrew joined the North Queensland based Coutts Group as general manager early in 1985, and continued with this group until January 1987 when he formed Huntington Group.

Since 1980, Andrew has been involved in a range of listings, acquisitions and divestments. He has structured and implemented the ASX listing of eleven companies. He has advised clients on a wide range of investments and divestments over the last 20 years.

Andrew is currently a Director of the following listed companies: Silver Chef Limited (from April 2005), Trojan Equity Limited (from May 2005) and SCV Group Limited (from March 2004). He was previously a Director of S8 Limited from February 2004 until January 2007.

He is a member of the audit and remuneration committees of the Company.

Information on Company Secretary

James Barbeler was appointed as the Chief Financial Officer from 28 May 2007, and Company Secretary on 15 June 2007. James has a Bachelor of Business (Accountancy) from Queensland University of Technology, a MBA with an IT major, and is a Member of the Institute of Chartered Accountants. James has over 20 years experience in all aspects of financial accounting, auditing, treasury, Board, and statutory reporting.

James has held various positions including Audit Manager in a Chartered Accounting firm, and CFO, Company Secretary, and CEO of various agribusiness and commercial entities in both public and private companies.

Compliance Statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act.
2. This statement does give a true and fair view of the matters disclosed
3. The financial statements are in the process of being audited.
4. The Company has a formally constituted audit committee.

PTB Group Limited



HARVEY PARKER
Chairman



CRAIG BAKER
Managing Director

Dated 28th August 2008