

30 October 2015

Transpacific Industries Group Ltd

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FOR RELEASE TO MARKET
COST REDUCTION PROGRAM

Transpacific industries Group Ltd (ASX:TPI) today announces that it has commenced implementation of a program to simplify its current operating model which is supported by a cost reduction program.

The new operating model allows for a clearer focus on empowering staff, reducing management layers and overall complexity across the Company.

Consistent with the new operating model the Company is also moving to one customer facing brand and implementing an organisational restructure.

Further details of the actions being taken by the Company are more fully described in the CEO's address to the 2015 Annual General Meeting, which has been issued to the ASX announcement platform today.

These steps to improve operational performance will result in a significant realignment of the cost base.

Commenting on that realignment, Mr Vik Bansal, CEO of Transpacific said: "We currently expect that by June 2017, the cost base of the company will be permanently reduced by \$30 million on a continual twelve month run rate. These cost reductions will be achieved by reducing our corporate and administrative costs across the entire organisation and comprise of both labour and non-labour costs.

"However, our customer facing areas such as drivers, customer service and sales staff will not be included in these cost reductions. These people are key to our initiatives to drive revenue growth.

"Whilst many of the actions to implement the cost reduction program are in progress, we will be utilising the savings in FY16 to reinvest on further improving our systems, teams and processes that must be in place to align with our operating model and defend and grow our market share.

Mr Bansal also made the following comments in relation to how trading is progressing in the current year: "At the time of release of our 2015 financial results we commented that we did not anticipate we would see any improvement in trading conditions over the coming year but expected that both the Cleanaway and Industrial businesses would report increased earnings.

"While trading conditions have been consistent with our expectations, we continue to expect that both of our operating divisions will increase earnings this year."

Investor and Media Relations:

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Investor Briefing

The Company will be holding a teleconference briefing for **shareholders and analysts** on the change in operating model and cost reduction program at **3.00pm Sydney time (AEDST)** today.

Presenters: CEO – Mr Vik Bansal
CFO – Mr Brendan Gill

Teleconference: Australia: 1 800 123 296
International: +61 2 8038 5221

Quote Conference Code: 6507 2995

Transpacific Industries Group Ltd (ASX code: TPI) is Australia’s leading waste management company, operating a national network of unique collection, processing, treatment and landfill assets from over 200 locations across Australia. Our philosophy is that all waste is a resource and we aim to incorporate recovery, recycling and reuse throughout our operations and those of our clients. Our mission is to make a sustainable future possible for all our stakeholders.