



16 February 2009

**Transpacific Industries Group Ltd**

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Australian Stock Exchange Limited  
Level 5  
Riverside Centre  
123 Eagle Street  
BRISBANE QLD 4000

Attention: Mr Rohan Abeyewardene

Dear Mr Abeyewardene

**Response to price query**

We refer to your letter of 13 February 2009. Our responses to your questions follow:

1. No. However, the Company notes the recent press speculation in relation to private equity groups having approached us, which may have influenced the share price. Please refer to the market update attached where we refer to the Company having commenced a review of its capital structure to consider a range of options on refinancing and reducing existing debt, including discussions with potential cornerstone investors.
2. N/A
3. Net profit before tax for the half year ended 31 December 2008 is expected to be approximately \$93 million (before any significant one-off items), which is approximately 19% below the prior corresponding period. This is attributable to higher interest costs, amortisation of the Company's convertible bond (not applicable to prior corresponding period) and higher depreciation charges.
4. There are no material, abnormal or extraordinary profit items for the half year ended 31 December 2008. Transpacific expects to declare approximately \$46 million in mark-to-market losses before tax in its first half results because of the fall in the value of its investment in other listed securities, principally CMA. These are non-recurring and non-cash accounting adjustments which arise from the AIFRS requirement to "mark-to-market" the value of direct equity holdings, including investments impacted by the crisis in domestic and global equity markets. Transpacific continues to believe in the strategic merit of the investments.
5. No.
6. The Group is in compliance with the listing rules and, in particular, listing rule 3.1

Yours sincerely

A handwritten signature in black ink, appearing to read "T. Coonan", written in a cursive style.

Trevor Coonan  
Executive Director and Chief Executive Officer



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## **For Release to Market**

### **MARKET UPDATE**

Transpacific Industries Group Limited ("Transpacific") today provides an update on the trading performance of its businesses.

#### **Trading Performance**

The trading performance of the Company's businesses were strong for most of the first half of FY09 with EBITDA (before significant one-off items) expected to be approximately 8% up on last year.

Transpacific's core Australian and New Zealand solid and liquid waste business continues to perform strongly and the Company's contract based business is expected to continue to perform well in 2H09.

However, commodity price declines, lower commercial vehicle sale volumes and movements in the A\$:NZ\$ exchange rate have and are expected to adversely impact the Group's financial performance for the first-half and full year of FY09.

#### **Significant one-off items**

Transpacific expects to declare approximately \$46 million in mark-to-market losses before tax in its first half results because of the fall in the value of its investment in other listed securities, principally CMA. These are non-recurring and non-cash accounting adjustments which arise from the AIFRS requirement to "mark-to-market" the value of direct equity holdings, including investments impacted by the crisis in domestic and global equity markets. Transpacific continues to believe in the strategic merit of the investments.

Transpacific does not expect to make any writedowns to the carrying value of other assets on its balance sheet.

#### **Financial Impact**

- EBITDA for the six months ending 31 December 2008 is expected to be approximately \$264 million (before any significant one-off items) which exceeds the prior corresponding period by approximately 8%.
- Net profit before tax is expected to be approximately \$93 million (before any significant one-off items), which is approximately 19% below the prior corresponding period. This is attributable to higher interest costs, amortisation of the Company's convertible bond (not applicable to prior corresponding period) and higher depreciation charges.
- This result is unaudited, preliminary in nature and remains subject to finalisation and approval by the Transpacific Board.

- In view of recent movements in commodity prices and foreign exchange rates, Transpacific is currently reforecasting its full year FY09 result and the market will be updated around the time of the half year result. While the company's underlying waste and environmental businesses remain sound, a continuation of the weakness in commodity prices and foreign exchange rates like that encountered at the end of the first half would adversely affect second half profits.

### **Capital Structure**

The Company has commenced a review of its capital structure and is considering a range of options on refinancing and reducing the existing debt. The Company is in discussions with potential cornerstone investors. The Company has retained financial advisors to assist it with its review.

### **About Transpacific Industries Group (ASX: TPI)**

Transpacific's goal is to protect the environment by providing a complete waste management service through waste recovery, recycling and re-use, whilst maintaining a strong commitment to safety and reliability.

Transpacific is the leading Australasian provider of integrated total waste management solutions with operations in both solid and liquid waste management. The company also provides integrated industrial cleaning services, has a growing energy business comprising the refining of used oil into fuel and an established heavy-duty commercial vehicles business.



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13 February 2009

Ms Kellie Smith  
Company Secretary  
Transpacific Industries Group Ltd  
Level 1  
159 Coronation Drive  
MILTON QLD 4064

By email: [ksmith@transpac.com.au](mailto:ksmith@transpac.com.au)

Dear Kellie

**Transpacific Industries Group Ltd (the "Company")**  
**RE: PRICE QUERY**

We have noted a change in the price of the Company's securities from a closing price of \$2.36 on Wednesday, 11 February 2008 to a high of \$2.90 today at the time of writing.

In light of the price change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

**Australian Securities Exchange**

Australian Stock Exchange  
Sydney Futures Exchange

Australian Clearing House  
SFE Clearing Corporation

ASX Settlement and Transfer Corporation  
Austraclear

3. Is there any reason to think that there may be a change in the operating profit before abnormal items and income tax so that the figure for the half year period ending 31 December 2008 would vary from the previous half year period or any previous guidance provided by the Company by more than 15%? If so, please provide details as to the extent of the likely variation.
4. Is there any reason to think that the Company may record any material abnormal or extraordinary profit for the year ending 31 December 2008? If so, please provide details.
5. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?
6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by e-mail at [rohan.abeyewardene@asx.com.au](mailto:rohan.abeyewardene@asx.com.au) or by facsimile on facsimile number (07) 3832 4114. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour prior to the commencement of trade (i.e. **9.30 a.m. EDST - 8.30 a.m. Brisbane time**) on **Monday, 16 February 2009**.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

### **Listing rule 3.1**

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely

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

Rohan Abeyewardene  
**Adviser, Issuers (Brisbane)**