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Transpacific Industries Group Ltd

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For Release to Market

Trading Update – FY2010 First Half Earnings

Transpacific Industries Group Ltd ("TPI") continues work on the finalisation of its results for the six months ended 31 December 2009, including review by Transpacific's Auditor, Audit Committee and Board. The results will be released to the market on 24 February 2010.

As indicated at the Annual General Meeting in November 2009, operating conditions for the six months ended 31 December 2009 have been mixed. While the Company's municipal business has performed well, and commodity prices have improved from lows in FY09, market conditions were subdued in some areas, particularly those relating to commercial vehicles, manufacturing, construction and demolition (C&D) and liquid waste.

The Company currently anticipates a first half FY2010 operating EBITDA result between \$197m and \$200m and operating EBIT between \$115m and \$118m. This result is above the second half FY2009 operating EBITDA of \$191.9m, but below the first half FY2009 operating EBITDA of \$255.7m.

Interest expense is expected to be \$86m, broadly consistent with the FY2009 pro forma interest expense provided in Transpacific's entitlement offer prospectus.

As part of the finalisation of its accounts, TPI is also assessing the carrying value of its assets.

Although the improvement in trading performance during first half FY2010 has been modest, the Company is seeing signs of stabilisation in the operating environment.

Mark to Market Items

As indicated in the Prospectus dated 20 July 2009, TPI expects first half FY2010 NPAT to be impacted by a one-off, non-cash mark to market expense of approximately \$10 million on the Warrants issued to Warburg Pincus (WP) as part of the recapitalisation process undertaken in August 2009. Up until the Annual General Meeting in November 2009, these instruments contained a cash settlement feature which required them to be classified as a liability under Australian Accounting Standards, with any movements in fair value to be recorded in the income statement. At the 2009 AGM, shareholders approved the issue or transfer of Shares to WP in settlement of the Warrants, thereby eliminating any cash settlement options. As a result, after the one off expense of approximately \$10 million mentioned above there will be no further impact on future earnings.

TPI also expects a positive impact to first half FY2010 NPAT of approximately \$15 million from the mark to market of interest rate hedges.

About Transpacific Industries Group (ASX: TPI)

Transpacific is the leading Australasian provider of integrated total waste management solutions. Transpacific's operations include solid and liquid waste management, integrated industrial cleaning

services, oil recovery and re-refining, waste segment manufacturing and heavy-duty commercial vehicle sales and support. This integration of waste segment businesses and expertise creates significant value and opportunities for shareholders, customers and employees.

Transpacific's vision is to *Protect the Environment* by providing complete waste services through waste recovery, recycling and re-use, whilst maintaining a strong commitment to safety and reliability.