TRANSPACIFIC INDUSTRIES GROUP LTD

APPENDIX 4D

Half Year Report
Reporting period - 31 December 2009

Prior corresponding period – 31 December 2008

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	31/12/09 $000	Up/down $000	% movement		31/12/08 $000
Revenues and other income	**998,106**	Down	16%	from	1,189,901
Profit from operating activities	**32,531**	Down	65%	from	94,042
Profit/(loss) after tax attributable to equity holders	**30,120**	Up	170%	from	(42,583)
Distribution to step up preference security holders	**(5,775)**	Down	43%	from	(10,050)
Profit/(loss) after tax attributable to ordinary equity holders	**24,345**	Up	146%	from	(52,633)

Dividend information
The directors have determined that no interim dividend will be paid.

Brief explanation of any of the figures outlined above necessary to enable figures to be understood:

Consolidated profit after income tax attributable to ordinary shareholders for the half year was $24.3 million, which was 146% above the previous corresponding half year. The prior corresponding half year was negatively impacted by the mark-to-market fair value of interest rate hedges and impairment of available for sale assets.

Profit from operating activities was $32.5 million, which was 65% below the previous corresponding half year. Revenue from continuing operations for the half-year was $998.1 million, a decrease of 16% over the previous corresponding half year.

Operating conditions for the half year ended 31 December 2009 have been mixed. While the Group's municipal business has performed well, and commodity prices have improved from lows in FY2009, market conditions were subdued in some areas, particularly those relating to commercial vehicles, manufacturing, construction and demolition (C&D) and liquid waste.

Further information on performance, including segment performance is included in the 31 December 2009 results briefing.

NTA backing

	31 December 09 Cents	30 June 09 Cents
Net tangible asset backing per ordinary security	**(23.26)**	(109.05)

The businesses owned by TPI are mainly in the services industry and therefore intangible assets represent most of the assets acquired.

NTA backing at 30 June 2009 has been re-stated from (339.42) cents per share as previously reported to (109.05) cents per share. The re-statement takes into account the issue of securities in the current period to allow a consistent comparison.

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

On 1 July 2009 TPI acquired 50% of the units in Western Star Truck Centre Trust (trading as Brisbane Truck Centre), giving TPI 100% ownership from this date.

Details of accounting standards used for foreign subsidiaries

The accounting standards used by foreign subsidiaries are those applicable to the country of incorporation. All accounting policies used by foreign subsidiaries are consistent with the accounting policies of the consolidated entity.

Details of associates and joint venture entities

Name of entity	Notes	% of ownership interest held 31/12/09	% of ownership interest held 31/12/08
Western Resource Recovery Pty Ltd		50%	50%
Total Waste Management Pty Ltd		50%	50%
ERS Co Pty Ltd		49%	49%
Western Star Truck Centre Trust	(i)	100%	50%
Daniels Sharpsmart New Zealand Ltd		50%	50%
Otago Southland Waste Services Ltd		50%	50%
Pikes Point Transfer Station Ltd		50%	50%
Midwest Disposals Limited		50%	50%
Living Earth Limited		50%	50%
Wellington Waste Disposal Pty Ltd		50%	50%
Wonthaggi Recyclers Pty Ltd		50%	50%
Oilstream Partners Pty Ltd		50%	50%
Enviroway Ltd	(ii)	-	50%
Earthpower Technologies Pty Ltd		50%	50%
Superior Pak Ltd		50%	50%
Waste Disposal Services (unincoporated joint venture)		50%	50%

(i) Additional 50% interest acquired 1 July 2009. Now accounted for as a consolidated entity.

(ii) 50% ownership interest sold 30 June 2009.

TRANSPACIFIC INDUSTRIES GROUP LTD

Dividend disclosures

FY10 interim dividend – The directors have resolved that no interim dividend will be paid. The focus is to use free cash flows to reduce debt

Details of dividend reinvestment plans

N/A

Compliance statement regarding Audit

The half-year report has been subject to review. A copy of the half-year financial report and review report is attached.

Sign here: Kellie Smith

(Company Secretary)

Print name: Kellie Smith

Date: 24 February 2010

Transpacific Industries Group Ltd

ABN 74 101 155 220

FINANCIAL REPORT

Half-year Ended 31 December 2009

Contents

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 2009 and any public announcements made by Transpacific Industries Group Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Directors' Report

Your directors present their report on the consolidated entity consisting of Transpacific Industries Group Ltd and the entities it controlled at the end of, or during, the half-year ended 31 December 2009.

Directors

The names of the directors of Transpacific Industries Group Ltd during or since the end of the half-year are as follows. Directors were in office for this entire period unless otherwise stated.

T E Peabody – Executive Chairman
T J Coonan – Executive Director and Chief Executive Officer
B R Brown – Non-Executive Director and Deputy Chairman
G D Mulligan – Non-Executive Director
B S Allan – Non-Executive Director
R A Ghatalia – Non-Executive Director (appointed 1 September 2009)
G T Tilbrook – Non-Executive Director (appointed 3 September 2009)
M M Hudson – Non-Executive Director (appointed 14 September 2009)
H W Grundell – Executive Director (resigned 3 September 2009)

The office of company secretary is held by K L Smith.

Review of Operations

Consolidated profit after income tax attributable to ordinary shareholders for the half year was $24.3 million, which was 146% above the previous corresponding half year. The prior corresponding half year was negatively impacted by the mark-to-market fair value of interest rate hedges and impairment of available for sale assets.

Profit from operating activities was $32.5 million, which was 65% below the previous corresponding half year.

Revenue from continuing operations for the half-year was $998 million, a decrease of 16% over the previous corresponding half year.

Operating conditions for the half year ended 31 December 2009 have been mixed. While the Group's municipal business has performed well, and commodity prices have improved from lows in FY2009, market conditions were subdued in some areas, particularly those relating to commercial vehicles, manufacturing, construction and demolition (C&D) and liquid waste.

Significant Changes in the State of Affairs

In August 2009 the Group concluded a major recapitalisation process resulting in additional equity and long-term extensions to our syndicated debt facilities. The syndicated debt maturities have been extended into new four and five year tranches due in July 2013 and July 2014. The Group's financial covenants were also renegotiated with syndicate banks and USPP investors. There were no significant changes in the state of affairs of the Group since the commencement of the half year other than as set out in this Directors' report.

Directors' Report (continued)

Subsequent Events

There has not arisen in the interval between the end of the half year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

Rounding of Amounts

The Company is an entity to which ASIC Class order 98/0100 applies. Accordingly, amounts in the financial statements have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

Signed this 24th day of February 2010 in accordance with a resolution of the Board of Directors.

Terry E. Peabody

T E Peabody
Chairman
Brisbane, 24 February 2010

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Auditor's Independence Declaration to the Directors of Transpacific Industries Group Limited

In relation to our review of the financial report of Transpacific Industries Group Limited for the half-year ended 31 December 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Mike Reid
Partner
24 February 2010

Statement of financial position

As at 31 December 2009

	NOTES	CONSOLIDATED 31 DECEMBER 2009 $'000	CONSOLIDATED 30 JUNE 2009 $'000
ASSETS			
Current assets			
Cash and cash equivalents		89,569	70,115
Trade and other receivables		293,078	352,103
Current tax assets		25,536	10,058
Inventories		190,216	151,757
Derivative financial instruments		3,581	41,346
Other assets		16,879	10,822
TOTAL CURRENT ASSETS		618,859	636,201
Non-current assets			
Investments accounted for using the equity method		20,717	18,096
Other financial assets		28,717	21,195
Property, plant and equipment		1,119,626	1,092,233
Intangible assets		2,412,867	2,415,357
Derivative financial instruments		2,092	-
Deferred tax assets		82,320	67,695
TOTAL NON-CURRENT ASSETS		3,666,339	3,614,576
TOTAL ASSETS		4,285,198	4,250,777
LIABILITIES			
Current liabilities			
Trade and other payables		225,046	251,648
Borrowings	9	78,403	2,421,678
Employee benefits		41,130	34,198
Provisions		17,226	17,075
Derivative financial instruments		574	67,408
Other		20,374	39,934
TOTAL CURRENT LIABILITIES		382,753	2,831,941
Non-current liabilities			
Borrowings	9	1,644,291	32,801
Deferred tax liabilities		32,207	20,205
Employee benefits		10,497	8,178
Derivative financial instruments		24,793	-
Deferred government grants		1,227	1,318
TOTAL NON-CURRENT LIABILITIES		1,713,015	62,502
TOTAL LIABILITIES		2,095,768	2,894,443
NET ASSETS		2,189,430	1,356,334
EQUITY			
Issued capital	8	1,821,637	1,092,971
Reserves		69,491	(9,928)
Retained earnings		30,124	5,779
Parent entity interest		1,921,252	1,088,822
Non Controlling interest		18,332	17,666
Step up preference security holders		249,846	249,846
TOTAL EQUITY		2,189,430	1,356,334

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of comprehensive income

For the Half-Year Ended 31 December 2009

	NOTES	CONSOLIDATED HALF-YEAR ENDED 31 DECEMBER 2009 $'000	CONSOLIDATED HALF-YEAR ENDED 31 DECEMBER 2008 $'000
CONTINUING OPERATIONS			
Revenue	2	998,106	1,189,474
Cost of sales		(353,921)	(461,910)
Gross profit		644,185	727,564
Other income	2	-	427
Employee expenses		(281,930)	(284,281)
Depreciation and amortisation expenses		(81,865)	(69,061)
Financing costs	3	(86,716)	(102,823)
Repairs and maintenance		(49,309)	(47,273)
Fuel purchases		(31,517)	(41,289)
Leasing charges		(11,398)	(11,504)
Freight costs		(12,657)	(11,813)
Other expenses		(56,262)	(65,905)
Profit from operating activities		32,531	94,042
Share of net profits of associates accounted for using the equity method		554	756
Impairment of available-for-sale assets	3	-	(46,310)
Change in fair value of financial instruments	3	12,497	(98,959)
Profit/(Loss) before income tax		45,582	(50,471)
Income tax (expense)/benefit		(14,796)	9,570
Profit/(Loss) from continuing operations after income tax		30,786	(40,901)
Attributable to:			
Ordinary Equity holders of the parent		24,345	(52,633)
Non Controlling interest		666	1,682
Step up preference security holders		5,775	10,050
Profit/(Loss) from continuing operations after income tax		30,786	(40,901)

Statement of comprehensive income (continued)

For the Half-Year Ended 31 December 2009

		CONSOLIDATED	
	NOTES	HALF-YEAR ENDED 31 DECEMBER 2009 $'000	HALF-YEAR ENDED 31 DECEMBER 2008 $'000
Profit/(Loss) for the period (from previous page)		30,786	(40,901)
Other comprehensive income			
Cash Flow Hedges:			
Net movements taken to equity		1,297	(7,319)
Translation of foreign operation:			
Exchange differences taken to equity		9,798	45,905
Revaluation of assets:			
Revaluation of available for sale assets taken to equity		7,432	2,910
Net income recognised directly in equity		18,527	41,496
Total comprehensive income for the period		49,313	595
Attributable to:			
Ordinary Equity holders of the parent		42,872	(11,137)
Non Controlling interest		666	1,682
Step up preference security holders		5,775	10,050
Total comprehensive income for the period		49,313	595
Earnings per share for profit attributable to the ordinary equity holders of the parent:			
Basic earnings per share (cents per share)	8	2.5	-5.6
Diluted earnings per share (cents per share)	8	2.5	-5.6

The above Statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the Half-Year Ended 31 December 2009

For the half-year ended 31 Dec 2009	Ordinary shares	Convertible note	Asset Revaluation Reserve	Warrant Reserve	Employee equity benefits reserve	Cash flow hedge reserve	Foreign currency translation reserve	Retained earnings	Owners of the parent	Non – controlling interest	Step up Preference Securities	Total
	$,000	$,000	$,000	$,000	$,000	$,000	$,000	$,000	$,000	$,000	$,000	$,000
At 30 June 2009	1,041,383	51,588	36,753	-	590	(2,120)	(45,151)	5,779	1,088,822	17,666	249,846	1,356,334
Profit for period								24,345	24,345	666	5,775	30,786
Other comprehensive income			7,432			1,297	9,798		18,527			18,527
Total comprehensive income for the half-year	-	-	7,432	-	-	1,297	9,798	24,345	42,872	666	5,775	49,313
Transactions with owners in their capacity as owners									-			-
Transfer of warrants to equity settlements				60,892					60,892			60,892
Issue of Ordinary Shares	750,218								750,218			750,218
Distribution to Step up Preference Securities											(5,775)	(5,775)
Transaction costs	(21,552)								(21,552)			(21,552)
Balance at 31 Dec 2009	1,770,049	51,588	44,185	60,892	590	(823)	(35,353)	30,124	1,921,252	18,332	249,846	2,189,430
At 30 June 2008	919,450	51,951	33,048	-	6,371	7,038	(56,464)	272,806	1,234,200	23,545	249,846	1,507,591
Profit/(Loss) for period								(52,633)	(52,633)	1,682	10,050	(40,901)
Other comprehensive income			2,910			(7,319)	45,905		41,496			41,496
Total comprehensive income for the half-year	-	-	2,910	-	-	(7,319)	45,905	(52,633)	(11,137)	1,682	10,050	595
Transactions with owners in their capacity as owners												
Transfer to issued capital	8,400				(8,400)							
Exercise of executive share options	13,803								13,803			13,803
Exercise of share options	13,529								13,529			13,529
Part settlement of business combinations	30,801								30,801			30,801
Dividend Reinvestment Plan and Underwrite	49,440								49,440			49,440
Part settlement of convertible notes	6,601								6,601			6,601
Transaction costs	(618)								(618)			(618)
Buy back equity component of convertible note		(363)							(363)			(363)
Dividend Paid								(29,621)	(29,621)			(29,621)
Distribution to Step up Preference Securities											(10,050)	(10,050)
Reduction in non-controlling interest										(7,671)		(7,671)
Balance at 31 Dec 2008	1,041,406	51,588	35,958	-	(2,029)	(281)	(10,559)	190,552	1,306,635	17,556	249,846	1,574,037

Statement of cash flows

For the Half-Year Ended 31 December 2009

	CONSOLIDATED	
	HALF-YEAR ENDED 31 DECEMBER 2009 $'000	HALF-YEAR ENDED 31 DECEMBER 2008 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers (inclusive of GST)	1,125,740	1,270,605
Payments to suppliers and employees (inclusive of GST)	(919,383)	(1,054,761)
	206,357	215,844
Other revenue	3,738	7,968
Interest received	593	1,453
Interest paid	(81,735)	(97,165)
Income taxes paid	(21,801)	(22,596)
NET CASH PROVIDED BY OPERATING ACTIVITIES	107,153	105,504
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchase of equity and other investments, net of cash acquired	-	(97)
Payments for purchase of businesses	(3,714)	(53,144)
Payments for property, plant and equipment	(56,554)	(81,638)
Proceeds from disposal of property, plant and equipment	4,212	545
NET CASH (USED IN) INVESTING ACTIVITIES	(56,056)	(134,334)
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution to SPS Unit holders	(5,775)	(10,050)
Dividends received from associates	992	774
Dividends to non controlling shareholders	-	(1,048)
Ordinary equity dividends paid	-	(29,621)
Dividend reinvestment plan and underwrite	-	6,871
Net movement in trade and vendor finance	(34,620)	23,700
Proceeds from issue of equity	801,080	69,901
Payment of debt and equity raising costs	(48,564)	(619)
Proceeds from borrowings	360	70,121
Repayment of borrowings	(704,117)	(75,131)
Repayment of hedges	(29,169)	-
Buyback of convertible bond	-	(18,325)
Repayment of lease liabilities	(12,141)	(11,123)
Loans to related parties	-	(8,292)
Repayment of loans to/from related parties	(116)	(3,653)
NET CASH FROM FINANCING ACTIVITIES	(32,070)	13,505
NET INCREASE/(DECREASE) IN CASH HELD	19,027	(15,325)
Cash at the beginning of the half-year	70,115	58,126
Effects of exchange rate changes on cash	427	1,342
CASH AT THE END OF THE HALF-YEAR	89,569	44,143

The above Statement of cash flows should be read in conjunction with the accompanying notes.

1 Summary of Significant Accounting Policies

Statement of compliance

This half-year general purpose financial report has been prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. It is recommended that the half-year financial report be read in conjunction with the most recent annual financial report. It is also recommended that the half-year financial report be considered together with any public announcements made by Transpacific Industries Group Ltd and its controlled entities during the half-year ended 31 December 2009 in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted, which is the Company's functional currency.

The following new standards and amendments to existing standards are effective for the financial year ending 30 June 2010:

- AASB 3 *Business Combinations* (revised 2008) and AASB 127 *Consolidated and Separate Financial Statements* (revised 2008)

These standards make a number of amendments to the accounting for business combinations and consolidations, including re quiring acquisition costs to be expensed, the clarification of the accounting treatment for changes in ownership interests and the fair value measurement of contingent consideration in the statement of financial position at acquisition date with subsequent changes reflected in the income statement. These accounting standards are applied prospectively on acquisitions complete on or after 1 July 2009.

- AASB 101 *Revised Presentation of Financial Statements*

As a result of the adoption of AASB 101, the Statement of Changes in Equity is now presented separately as a primary statement. The Statement of Recognised Income and Expense now forms part of the Statement of Comprehensive Income. There has also been a change in terminology from minority interests to non-controlling interests.

The accounting policies applied in these interim financial statements are consistent with those set out and applied in the Group's Annual Report for the year to 30 June 2009, except for the adoption of new standards and amendments to existing standards noted above, which have no impact on the measurement of the results or financial position of the Group. Prior year comparatives have been adjusted to comply with current year presentation where appropriate.

2 Revenue and Expenses

Profit before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the entity:

	CONSOLIDATED	
	HALF-YEAR ENDED 31 DECEMBER 2009 $'000	HALF-YEAR ENDED 31 DECEMBER 2008 $'000
(i) Revenue		
Sale of goods and rendering of services	985,706	1,164,272
Product Stewardship Oil benefits	8,069	7,440
Interest revenue	593	1,453
Other revenue	3,738	16,309
	998,106	1,189,474
(ii) Other income/Other expenses		
Gain/(Loss) on disposal of property, plant and equipment	(409)	427

3 Significant Items of Revenue and Expense

REVENUE

Profit on repurchase of convertible notes during the half year ended 31 December 2009 totalled nil (2008: $8.7 million)

EXPENSES

Financing costs includes $3.3 million (2008: $3.5 million) of amortisation on convertible notes and $3.9 million (2008 $4.2 million) amortisation of deferred borrowing costs.

OTHER

During the half year ended 31 December 2009 the Group posted the following:

- A $22.5 million (2008: $(99.0 million)) fair value adjustment to interest rate swap instruments in accordance with AASB139 *Financial Instruments*. This is a non-cash accounting adjustment arising from the requirement to "mark-to-market" the value of interest rate swap instruments.
- A $(10.0 million) (2008: nil) fair value adjustment to the value of the warrants issued to WP X Holdings B.V. as part of the recapitalisation process concluded in August 2009. Up until the Annual General Meeting of the Company in November 2009, these instruments contained a cash settlement feature which required them to be classified as a liability under AASB 139 *Financial Instruments*, 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. This expense has been treated as non-deductible for taxation purposes.

The prior corresponding half year was also impacted by a $46.3 million impairment loss before tax as a result of the fall in the value of its investment in other listed securities.

4 Segment Information

BUSINESS SEGMENTS

Under AASB 8, a condition for identifying an operating segment is that it is a component of the entity whose results are regularly reviewed by each entity's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance ('the management approach'). The chief operating decision maker for the Group is considered to be the Executive Chairman.

The consolidated entity comprises the following main business segments:

Liquid waste management	Includes collection, transportation, treatment and sale or disposal of liquid waste
Energy	Includes collection, transportation, treatment and sale or disposal of waste mineral oil and cooking oil
Industrial solutions	Includes industrial cleaning, high pressure water blasting and manufacture and lease out of parts washers
Solid waste management	Includes collection, transportation, recycling & disposal of solid waste
Commercial vehicles	Importation and distribution of commercial vehicles and parts
Other	Includes the manufacturing and biosolids divisions. These have not been disclosed separately as they are not individually material

Inter-segment pricing is determined on an arm's length basis.

4 Segment Information (continued)

	SEGMENT REVENUE		SEGMENT RESULT	
	HALF-YEAR ENDED		HALF-YEAR ENDED	
	31 Dec 2009 $'000	31 Dec 2008 $'000	31 Dec 2009 $'000	31 Dec 2008 $'000
Liquid Waste management	103,619	123,442	5,815	17,685
Energy	80,480	76,139	13,038	13,861
Industrial Solutions	147,338	162,013	3,262	10,280
Solid Waste management	533,792	573,513	25,020	48,220
Commercial Vehicles	156,274	240,574	4,500	21,943
Other	67,425	69,722	(856)	3,974
	1,088,928	1,245,403	50,779	115,963
Eliminations	(95,153)	(65,329)	-	-
Unallocated revenue	4,331	9,400	-	-
Unallocated Interest	-	-	(11,526)	(16,995)
Unallocated Other			(6,168)	(4,170)
Impairment of available-for-sale assets	-	-	-	(46,310)
Changes in fair value of financial instruments	-	-	12,497	(98,959)
Consolidated revenue	998,106	1,189,474		
Profit/(Loss) before income tax expense			45,582	(50,471)
Income tax benefit/(expense)			(14,796)	9,570
Profit/(Loss) for the period			30,786	(40,901)

4 Segment Information (continued)

	Segment Assets	
	Half-Year Ended	
	31 Dec 2009 $'000	31 Dec 2008 $'000
Liquid Waste management	188,826	193,777
Energy	140,019	143,486
Industrial Solutions	245,768	280,982
Solid Waste management	1,667,167	1,679,486
Commercial Vehicles	199,033	247,534
Other	133,277	121,171
	2,574,090	2,666,436
Assets recognised on consolidation - unallocated	1,381,943	1,54]5,601
Unallocated	191,979	136,564
Sub-total of assets	4,148,012	4,348,601
Deferred tax asset	82,320	75,424
Investment in associates	20,717	23,277
Available for sale financial assets	28,476	27,149
Derivative assets	5,673	1,033
Total Assets	4,285,198	4,475,484

5 Dividends and Distributions

	HALF-YEAR ENDED 31 DECEMBER 2009		HALF-YEAR ENDED 31 DECEMBER 2008	
	Amount per share	Total $'000	Amount per share	$'000
Recognised (paid) amounts				
Fully paid ordinary shares				
Final dividend	-	-	10.1c	29,621
Step-up preference securities				
Period ended 30 September	$2.31	5,775	$4.02	10,050
Unrecognised (proposed and declared amounts)				
Fully paid ordinary shares				
Interim dividend	-	-	-	-
Step-up preference securities				
Period ended 31 March	$2.54	6,335	$3.60	9,000

The directors have resolved not to pay an interim dividend.

6 Business Combinations

During the half year the consolidated entity acquired a business and an entity. Individually these acquisitions are not material.

The aggregated fair value of the identifiable assets and liabilities of these acquisitions as at their dates of acquisition being provisionally recognised are:

	CONSOLIDATED	
	RECOGNISED ON ACQUISITION $'000	CARRYING VALUE $'000
Cash and Cash equivalents	1,002	1,002
Prepayments	83	83
Inventories	30,814	30,814
Other	3,392	3,392
Property, plant and equipment	4,396	4,396
	39,687	39,867
Trade creditors and other payables	(30,551)	(30,551)
Employee entitlements	(1,879)	(1,879)
Lease Liability	(152)	(152)
Loans	(3,499)	(3,499)
Other	(1,976)	(1,976)
	(38,057)	(38,057)
Fair value of net assets	1,630	1,630
Goodwill arising on acquisition	1,976	
Total consideration paid	3,606	
Consideration:		
Cash	3,606	
Total consideration paid	3,606	
The cash outflow on acquisition is as follows:		
Net cash acquired with the business	1,002	
Cash Paid	(3,606)	
	(2,604)	

7 Commitments, contingent liabilities and contingent assets

There have been no material changes to the commitments, contingent liabilities or contingent assets of the consolidated entity subsequent to the year ended 30 June 2009 except as noted below:

- Capital Commitments as at 31 December 2009 of $27.7 million (all payable within one year).

8 Issued Capital

	31 DECEMBER 2009 $000	30 JUNE 2009 $000
Ordinary shares		
Issued and fully paid	1,770,049	1,041,383
Convertible notes		
Equity component	51,588	51,588
	1,821,637	1,092,971

Movements in ordinary shares on issue	No. of shares	$000
At 1 July 2009	310,981,126	1,041,383
Issued during the financial year:		
Issue of Ordinary Shares	649,657,609	750,218
Equity Raising Costs		(21,552)
	960,638,735	1,770,049

Earnings per Share

Earnings per share at 31 December 2008 has been re-stated from (17.3) cents per share as previously reported to (5.6) cents per share. The re-statement takes into account the issue of securities in the current period to allow a consistent basis of comparison.

9 Financing facilities

On 5 August 2009 the Company raised $801 million through the settlement of a placement of shares, Institutional Entitlement Offer, Institutional Entitlement Bookbuild and pre-funded Retail Entitlement Offer (the Equity Raising). Full details are set out in a retail entitlement prospectus dated 20 July 2009.

The recapitalisation resulted in the issue of 649,657,609 fully paid ordinary shared and 71,637,326 warrants.

The warrants were issued to WP X Holdings BV and have an exercise price of $1.20 in three tranches:

- 23,879,109 warrants exercisable from 5 August 2010
- 23,879,109 warrants exercisable from 1 July 2011.
- 23,879,108 warrants exercisable from 1 July 2012.

The terms and conditions of the warrants contain provisions for the adjustment of the exercise price, the underlying entitlement and other terms of the warrants upon the occurrence of certain dilutive events. The warrants expiry date is 30 June 2014 unless it is brought forward upon the occurrence of certain events.

The equity raising proceeds were used to repay $704 million of syndicated bank debt, and close out certain out-of-the-money interest rate hedges (face value $500 million) at a cost of $29.2 million.

The existing $2,095 million syndicated debt facility was amended and restated as a $1,435 million facility through the repayment of $704 million, and the terms of the syndicated debt were extended into new four and five year tranches, with no syndicated debt refinancing required until July 2013.

The USPP and syndicated debt has been classified as non-current at 31 December 2009 following the waiver of the default by the banks and USPP noteholders and the extension of the syndicated facility.

The facility limits and maturity profile of the Group's main financing facilities as at 31 December 2009 are as follows:

Financing facility		$ Amount	Maturity Date
Syndicated facility	4 year tranche	$601million	July 2013
	5 year tranche	$834 million	July 2014
USPP	5 year tenure	$115 million	December 2012 *
	10 year tenure	$54 million	December 2017 *
Convertible Notes		$309 million	December 2014 **

* The USPP lenders have the right to put the debt as at September 2012.

** The Convertible note holders have the right to request redemption in December 2012.

10 Non-cash financing and investing activities

During the period the Group acquired plant and equipment with an aggregate fair value of $52.1 million (2008 - $46.3 million) by means of finance lease. These acquisitions are not reflected in the cash flow statement.

11 Subsequent events

No matter or circumstance has arisen since 31 December 2009 that has significantly affected, or may significantly affect the operations of the consolidated entity, the results of those operations in future financial years, or the state of affairs of the consolidated entity in subsequent financial years.

Directors' Declaration

In the directors' opinion:

(a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that Transpacific Industries Group Ltd 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.

T E Peabody
Chairman

T J Coonan
Director

Brisbane, 24 February 2010

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To the members of Transpacific Industries Group Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half year financial report of Transpacific Industries Group Limited, which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company 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 establishing and maintaining internal controls 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 Interim and Other Financial Reports 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 2009 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 Transpacific Industries Group Limited and the entities it controlled during the half-year, 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*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

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 Transpacific Industries Group Limited is not in accordance with the *Corporations Act 2001*, including:

i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the 6 months ended on that date; and

ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Mike Reid
Partner
Brisbane
24 February 2010