TRANSPACIFIC INDUSTRIES GROUP LTD

29 June 2011

For Release to Market

Results of Impairment Review

Transpacific Industries Group Ltd ("TPI") today advised that as part of its year end accounting and audit process it has substantially progressed the review of the carrying value of its non-current assets including intangibles foreshadowed in its 7 June 2011 ASX announcement.

Following completion of this review, the Company expects to book a non-cash write-down on the carrying value of intangible assets of between A$225 million and A$250 million as a significant item in its full year 2011 accounts. This is in addition to the A$5.5 million write-down on its interest in CMA Corporation Ltd and the A$1.8 million restructuring charge for TPI's Manufacturing division announced on 7 June 2011.

The majority of the impairment charge relates to:

- Manufacturing Division (approx. A$40-45 million) – This impairment relates to TPI's announcement of its plan to restructure its manufacturing operations to stabilise performance and position the division for future growth. Accordingly, all goodwill relating to past acquisitions of manufacturing businesses will be written off.

- New Zealand Division (approx. A$180-200 million) – This impairment relates to a non-cash write-down of goodwill arising solely from the need to apply a more conservative future growth rate to the NZ division given the difficulties facing the New Zealand economy, both generally and as a consequence of its recent natural disasters.

  This planned write-down does not reflect TPI New Zealand's current business performance, which continues to be strong. It remains an integral part of TPI's total waste management service offering.

The Company also reaffirms its previous guidance of a full year operating EBITDA result of between A$420 million and A$430 million, excluding significant items and mark-to-market adjustments, as follows:

A$ million	**Full year ending 30 June**	
	2011 outlook	**2010**
EBITDA including share of associates' profits excluding significant items and mark-to-market adjustments	420 – 430	424.4
Net profit after tax before significant items and mark-to-market adjustments and before SPS distributions	59 – 66	69.4
Net profit / (loss) attributable to TPI ordinary shareholders including significant items and mark-to-market adjustments and after SPS distributions	(209) – (177)	59.0

Attached to this announcement is a detailed TPI business update report that will be used during investor briefings.

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2011 Business Update

> Kevin Campbell, CEO

> Stewart Cummins, CFO

> June 2011

Draft

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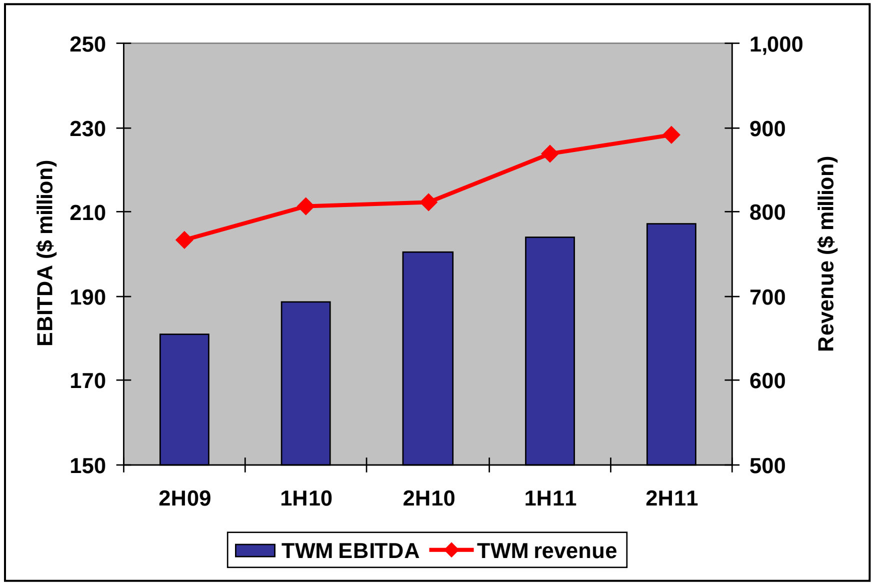
Agenda

1. TPI – A Growth Business
2. Update on Board and Management Changes
3. Strategic Overview
4. 2011 Trading Update
5. 2012 Outlook
6. Balance Sheet
7. Asset Impairments
8. Summary

1. TPI – A Growth Business

> TPI has proven itself to be a robust and resilient growth business since the 2009 recapitalisation (and prior)

> TPI's Total Waste Management businesses (Cleanaway, Industrials and New Zealand) have achieved CAGR revenues of 6.3% and CAGR EBITDA of 5.6% over the past 2.5 years
  – Total TPI performance has been 3.9% CAGR for both revenue and EBITDA over the same time period



> Cash flow from operations has been positive since the 2009 recapitalisation, with TPI repaying $209 million of debt
  – $87 million of the reduction in net debt has occurred in the current financial year

2. Update on Board and Management Changes

> TPI's Board renewal process continues

- Ray Smith was appointed in April 2011 and, as the past CFO of Smorgon Steel for 11 years, brings a wealth of financial and commercial experience

> Kevin Campbell was appointed CEO on 27 January 2011

> Stewart Cummins was appointed CFO on 23 May 2011

> A new General Manager Procurement is due to join TPI in August 2011 with a significant cost reduction mandate

> The significant depth of experience within TPI's divisional management teams continues to benefit the organisation, and under the streamlined structure announced on 7 June 2011 all Heads of operating divisions now report directly to the CEO

TPI Management Structure

CEO

Operational

- **Cleanaway**
  - Municipal
  - C&I
  - C&D
  - Comm-odities
- **Industrials**
  - Hydro-carbons
  - Industrial Services
  - Technical Services
  - Manu-facturing*
- **New Zealand**
  - Solids
    - Municipal
    - C&I
    - C&D
  - Industrials
    - Industrial Services
    - Technical Services
- **Commer-cial Vehicles**

Functional

- **CFO**
  - Accounting
  - Insurance
  - IT
  - Shared Services
  - Tax
  - Treasury
- **Company Secretary**
  - OHS&E
- **HR**
  - Projects
    - JDE
- **Legal**
  - Risk
    - Internal Audit
- **Marketing**
  - Strategic Procure-ment

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* From June 2011

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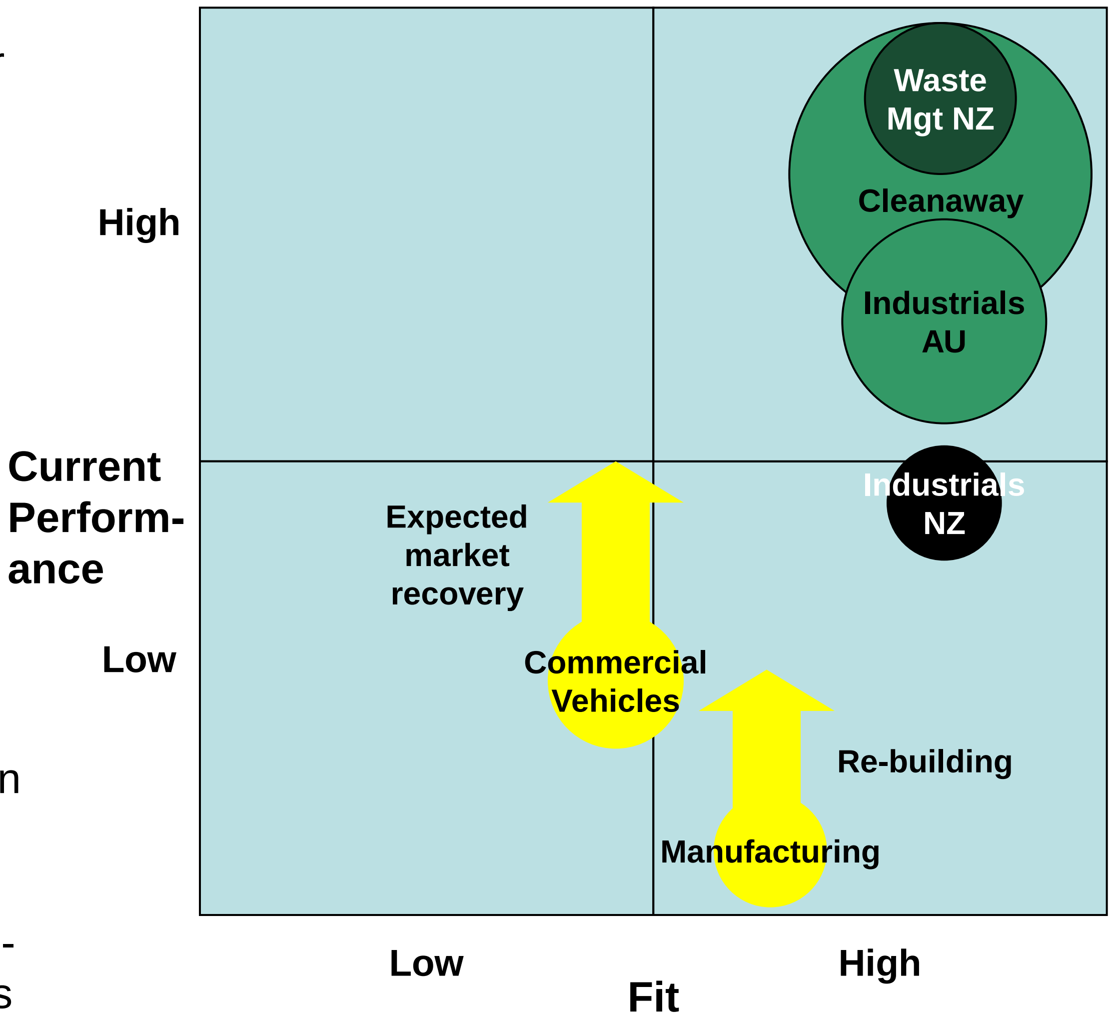
3. Strategic Overview

- TPI has an integrated, total waste management model
  - Network of landfills, transfer stations and recycling facilities
  - Maximises recovery from waste and realisation of commodity value
  - Minimises waste to landfills
  - Optimises transportation
- TPI is also a leading provider of critical services to industry
- Some market recovery expected in Commercial Vehicles
- Manufacturing requires a major re-build to generate adequate returns



TPI Strategic Initiatives

Stream	Key Initiatives	Milestones
1. Culture & leadership	• Employee engagement with "One TPI" vision • Streamlined and focused management structure	• Employee engagement measures
2. Market leadership	• Total Waste Management strategy • Carbon strategy • Explore Alternative Waste Technologies	• Growth above GDP + CPI • Transfer energy efficiency IP from TPI NZ to TPI AU • Ongoing feasibility of AWT
3. Improve capital structure	• Refinancing program: cut debt, rationalise debt facilities, and shrink margins • Working capital optimisation • Site rationalisation	• Targeted debt reductions, consolidate banking, and negotiate lower margins • $25-50 million W/C reduction • Divestment of up to 5 sites
4. Focus on Return On Capital	• Margin enhancement and asset utilisation programs	• $10+ million pa of cost reductions from FY12 • Higher productivity from people and equipment
5. Improve information	• Group-wide rollout of JD Edwards ERP by FY13 – Midway through 3 stage rollout over 2011/12 • Deploy Business Intelligence system	• Reporting efficiency and accuracy, and admin cost savings of $5+ million pa
6. Enhance OHS&E compliance	• Fostering a "Safety First" culture for all TPI staff	• Reduce frequency, severity and cost of incidents

4. 2011 Trading Update

> TPI's business model remains fundamentally sound, with the Total Waste Management businesses across Australia and New Zealand performing to expectation

  – The Cleanaway Division has won significant new business and re-won Municipal business in 2H11 at comparable margins, and held its own on existing C&I work

  – The Industrials Division has consolidated its position in the industrial, mining and oil & gas sectors for both recurrent contract and emergency response services, with steady market share across Hydrocarbons, Industrial and Technical Services

  – New Zealand has delivered robust NZD profit growth underpinned by greater specialist waste treatment work orders, a focus on internal process efficiency and ongoing support to the Christchurch earthquake recovery activities

  – The Commercial Vehicles Division has suffered from a cyclical downturn in the heavy duty vehicle market but its dominant Western Star and MAN brands stand to benefit when transport companies resume larger scale fleet replacement

  – The Manufacturing Division has under-performed and is subject to a major turnaround program at present

2011 Forecast Divisional EBITDA

> Total Waste Management revenues have grown at circa 9-10% over 2010
  – Incremental revenue to EBITDA conversion has been in the range of ~15-20%

> Corporate costs for 2011f contain several genuine one-time costs, viz.
  – $3.2 million back charge from VWA re 2008 workers comp
  – $1.5 million in separation payments to former executives

A$ million	2010	2011f	
Cleanaway	186.5	199 to 201	+7%
Industrials	116.8	127 to 129	+10%
New Zealand @ 2010 FX	78	83 to 85	+8%
Transwaste Canterbury	7*	--*	
Less 2011 FX impact	--	(3) to (4)	
Total Waste Management EBITDA	**388.3**	**405 to 411**	**+5%**
Commercial Vehicles	27.2	17 to 19	
Manufacturing	6.9	(2) to 0	
Corporate	0.3	(5) to (7)	
Associates	1.4	5**	
EBITDA	**424.4**	**420 to 430**	**+0%**

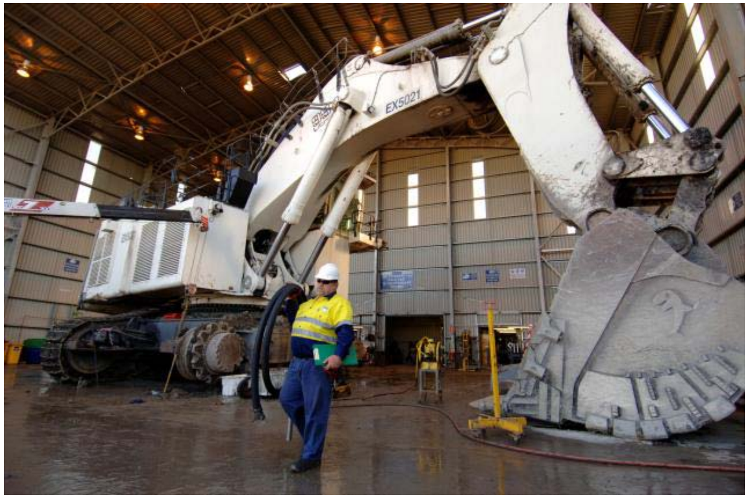
* FY10 NPAT contribution A$1.6 million; de-consolidated for FY11

** Transwaste Canterbury's FY11f NPAT contribution will be ~A$2.7 million

Cleanaway

- TPI remains competitive in the Municipal market with retention of existing contracts and new business wins offsetting lost business
  - Second half tender performance has improved with positive run rate into FY12
- C&I business faces continued competition for contract renewals in FY12
  - Margin pressure remains but scope for productivity gains to mitigate impact
- Improving paper and cardboard volumes on the back of increasing demand for recyclable services
- Focus on asset efficiency and utilisation within all business units

Industrials



> Hydrocarbons has seen >5% growth in collected volumes over FY11 together with a favourable product mix

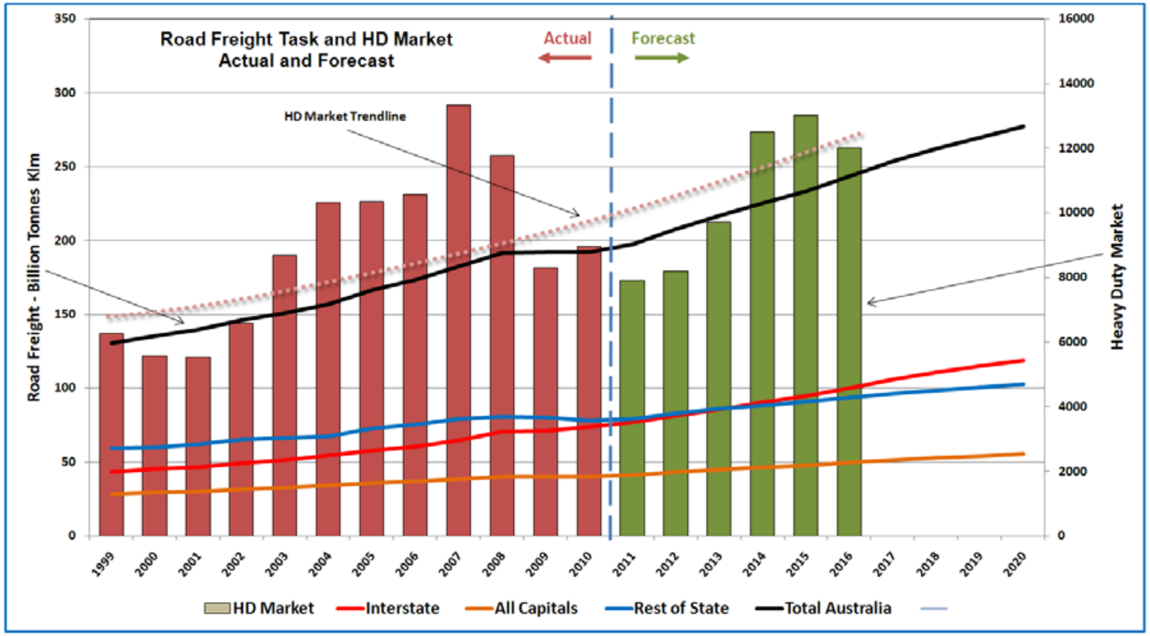
> Industrial Services is showing solid double digit EBITDA improvement through a combination of revenue growth, improved labour recovery and better equipment utilisation

> Technical Services has maintained its market share in an otherwise subdued industrial sector, with the focus on efficiency in all key operating facilities

New Zealand

- Christchurch Earthquake and one off projects have added ~2.5% to FY11 revenues
- Strong EBITDA growth supported by volumes and commodities prices
- Competitive pressure impacting margins in Transpacific Waste Management has been compensated by efficiency and other gains
- Transpacific Industrials margins and earnings improved through cost reduction and differentiating on compliance and service
- NZ economy remains flat but outlook is positive for FY12

Commercial Vehicles



Source: TPI

According to the Bureau of Infrastructure, Transport & Regional Economics, the Australian road freight task is expected to grow by ~3% per annum until at least 2030

- The heavy duty truck market is at a low point in the cycle post-GFC, with the impact of Federal Government stimulus spending now past
  - The cycle will turn as fleet replacement becomes necessary
- Stock levels in the TPI system have moderated
- CVG has expanded its product range in FY11 to now offer Dennis Eagle and Foton
- Lower EBITDA margin in FY11 (albeit 2H much better), and well positioned for expected up-turn in FY12/13

Manufacturing

- The Manufacturing Division is subject to a major turnaround program at present and is now under the management control of TPI's Industrials COO
- Every cost line in the business and every product line is being reviewed
- The cost reduction program to be led by the new General Manager Procurement will include key Manufacturing suppliers in Australia, New Zealand and Asia within scope
- The overhead cost structure will be right-sized to match the residual Manufacturing business

5. 2012 Outlook

> TPI remains positive about the economy and about its market position in Total Waste Management services

  – Growth in Australian Total Waste Management revenues should run in line with the rule of thumb “GDP + CPI” formula, while New Zealand could exceed this through its involvement in the Christchurch recovery

> Commercial Vehicles Division order book and market intelligence suggests FY12 should equal or exceed FY11, with a return to trend growth patterns beyond this

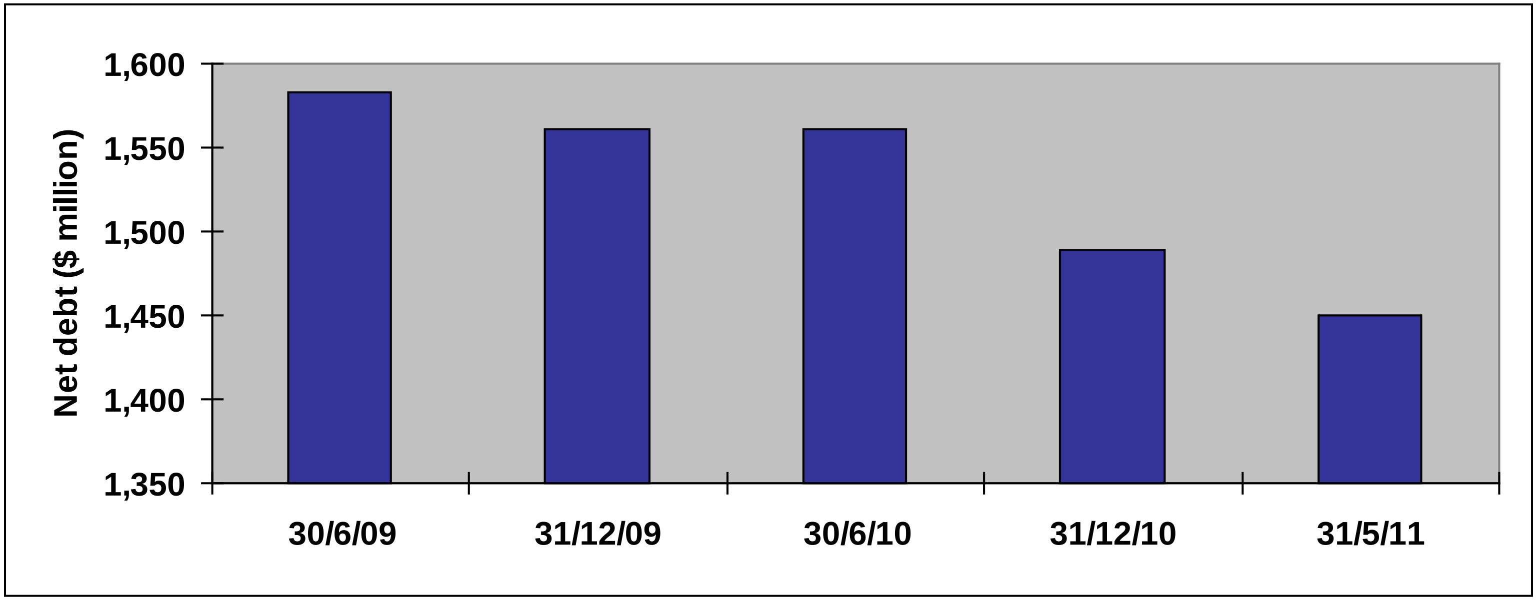
> The Manufacturing Division is in turnaround mode and must get back to a cash profit position quickly

> Significant corporate costs in FY11 were one-offs

> TPI’s FY12 operating cash flow target is for an inflow of $260-300 million, with circa $160-200 million planned for capital expenditure projects

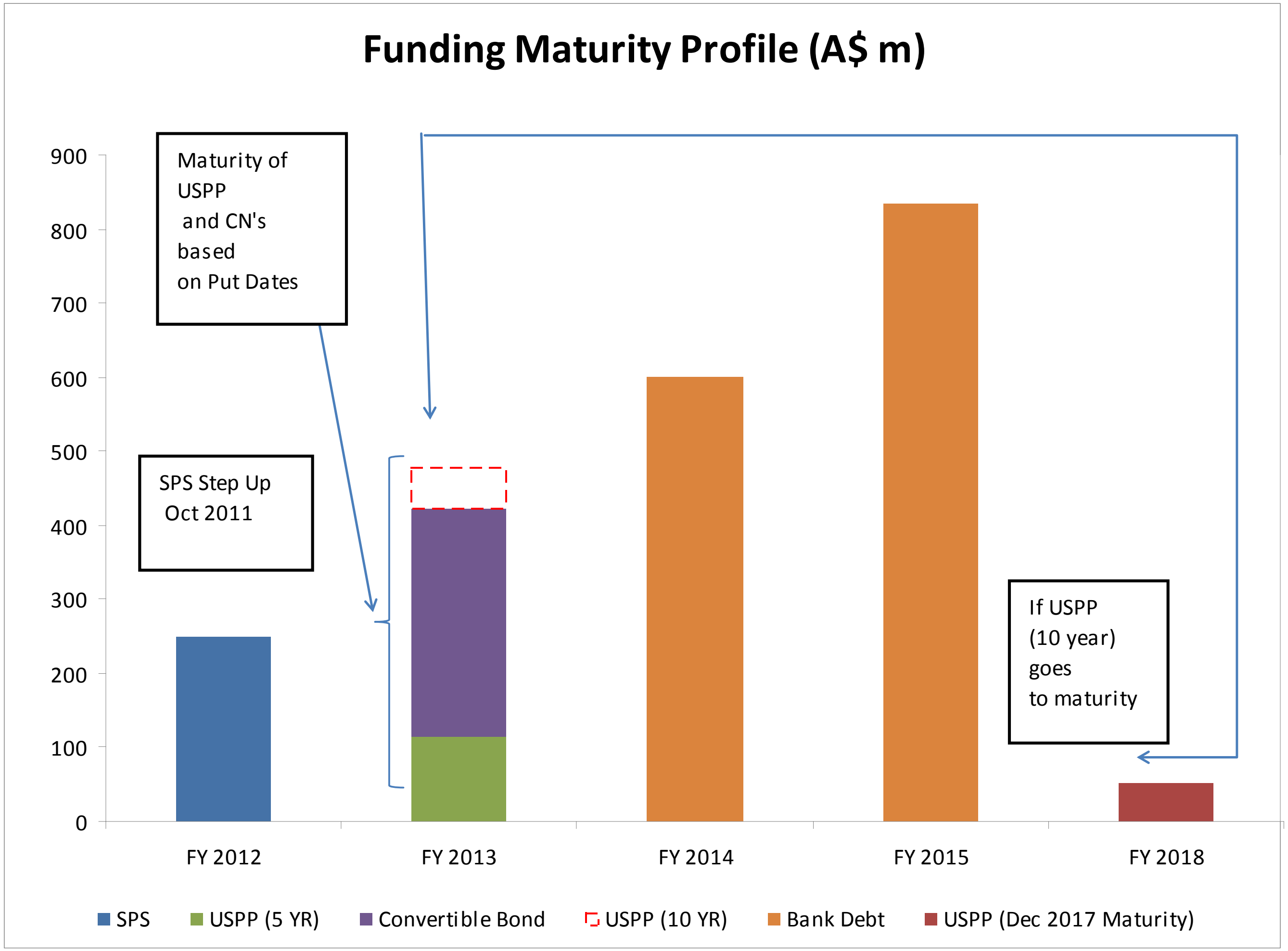
6. Balance Sheet

- > Debt reduction is TPI's number one priority
  - – TPI has reduced its net debt by $209 million since mid 2009 (post-recap), with $87 million of this reduction occurring in the current financial year



- > TPI's Step-up Preference Shares are perpetual in nature and the Company plans to step these up in October 2011 as they are a cost-effective source of funding

6. Balance Sheet (cont'd)



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6. Balance Sheet (cont'd)

TPI plans to address its upcoming debt maturities through a range of initiatives including:

1. **Net operating cash inflows** of $120-180 million to be generated over the next 18 months (after allowance for $160-200 million per annum of capital expenditure)

2. **Site rationalisation** involving the divestment of up to 5 surplus freehold property assets (excluding the Tullamarine landfill site) and could generate up to $20-30 million in cash

3. **Working capital improvements** of up to $25-50 million, equivalent to a 5-10% efficiency factor on TPI's receivables, payables and inventories

4. **Conversion** of up to $40 million of bank guarantees currently issued under the senior debt facility over to bonding facilities at a comparable (or better) cost

5. **Utilisation** of up to $200 million of existing headroom under the senior debt facility

6. Balance Sheet (cont'd)

> TPI is in compliance with its banking covenants
  - There are no market capitalisation covenants in any of TPI's debt facilities

> TPI has strong relationships with the members of its bank syndicate

7. Asset Impairments

- TPI has substantially progressed its review of the carrying value of its non-current assets including intangibles as part of the year end accounting and audit process

- The Company expects to book a non-cash write-down on intangibles of between $225 million and $250 million as a significant item in its FY11 accounts

- The majority of the impairment charge relates to:
  1. Manufacturing Division, $40-45 million – this business will record a small EBITDA loss in FY11 and is currently being restructured
  2. New Zealand Division, $180-200 million – solely due to a change in the terminal growth rate reflecting uncertainties in the New Zealand economy, and does not reflect TPI New Zealand's current business performance which continues to be strong

- These impairment charges do not affect the future prospects or expected cash flows of the business

8. Summary

> TPI's two key objectives are debt reduction and performance improvement

> The key strategic imperatives for TPI management are:

1. Culture and leadership
2. Maintaining market leadership with the Total Waste Management solution
3. Improving TPI's capital structure
4. Focusing the business on maximising Return on Capital
5. Improving availability of business information for better decision-making
6. Enhancing OHS&E compliance

> TPI's funding position remains sound and the Company has numerous options available to it for meeting upcoming debt maturities

Thank you for your time

> Kevin Campbell, CEO

> Stewart Cummins, CFO

> June 2011

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