

TRANSPACIFIC INDUSTRIES GROUP LTD

APPENDIX 4D

Half Year Report Reporting period - 31 December 2010

Prior corresponding period – 31 December 2009

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	31/12/10 \$000	Up/down \$000	% movement		31/12/09 \$000
Revenues and other income	1,063,640	Up	7%	from	995,262
Profit from operating activities	31,673	Down	3%	from	32,531
Profit/(loss) after tax attributable to equity holders	31,663	Up	3%	from	30,786
Distribution to step up preference security holders	(7,175)	Up	24%	from	(5,775)
Profit/(loss) after tax attributable to ordinary equity holders	24,293	Down	0%	from	24,345

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 \$24.3million (2009: \$24.3 million).

The 2010 results include a mark to market gain for changes in the fair value of derivative financial instruments of \$7.4 million. The 2009 results include a mark to market gain for change in the fair value of derivative financial instruments of \$22.5 million and a mark to market loss for change in the fair value of warrants (\$10.0 million).

Profit from continuing operations after tax was \$31.7 million (2009: \$30.8 million).

Revenue from continuing operations for the half-year was \$1,063.6 million, an increase of 7% over the previous corresponding half year of \$995.3 million.

Operating conditions for the half year ended 31 December 2010 have been mixed. While the Group's industrials and solid waste business have performed well, market conditions were subdued in some areas, particularly those relating to commercial vehicles and manufacturing.

Further information on performance, including segment performance is included in the 31 December 2010 results briefing.

TRANSPACIFIC INDUSTRIES GROUP LTD

NTA backing

	31 December 10 Cents	30 June 10 Cents
Net tangible asset backing per ordinary security	(21.27)	(21.89)

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

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

During the period Transpacific acquired interests in several businesses totalling \$0.7 million. The results of these businesses on an individual basis are immaterial to the results of the Group.

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.

TRANSPACIFIC INDUSTRIES GROUP LTD

Details of associates and joint venture entities

Name of entity	Notes	% of ownership interest held 31/12/10	% of ownership interest held 31/12/09
Western Resource Recovery Pty Ltd		50%	50%
Total Waste Management Pty Ltd		50%	50%
ERS Co Pty Ltd		49%	49%
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%
Earthpower Technologies Sydney Pty Ltd		50%	50%
Superior Pak Ltd		100%	50%
Waste Disposal Services (unincorporated joint venture)		50%	50%
Transwaste Canterbury Ltd		50%	50%
Garware Environmental Services Private Limited (i)		50%	-

(i) Waste Management Pacific Pty Ltd acquired 50% in December 2010.

TRANSPACIFIC INDUSTRIES GROUP LTD

Dividend disclosures

FY11 interim dividend – The directors have resolved that no interim dividend will be paid. The strategic 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:



(Company Secretary)

Print name: Kellie Smith

Date: 24 February 2011

FINANCIAL REPORT

Half-year Ended 31 December 2010

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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 2010 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

The 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 2010.

Directors

The names of the company's directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated

G T Tilbrook – Non-Executive Chairman

B R Brown – Non-Executive Director and Deputy Chairman

R A Ghatalia – Non-Executive Director

M M Hudson – Non-Executive Director

G D Mulligan – Non-Executive Director (retired 3 November 2010)

B S Allan – Non-Executive Director (retired 3 November 2010)

K G Campbell – Executive Director and Chief Executive Officer (appointed 27 January 2011)

T J Coonan – Executive Director and Chief Executive Officer (resigned 27 January 2011)

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 (2009: \$24.3 million).

The 2010 results include a mark to market gain for changes in the fair value of derivative financial instruments of \$7.4 million. The 2009 results include a mark to market gain for change in the fair value of derivative financial instruments of \$22.5 million and a mark to market loss for change in the fair value of warrants (\$10.0 million).

Profit from continuing operations after tax was \$31.7 million (2009: \$30.8 million).

Revenue from continuing operations for the half-year was \$1,063.6 million, an increase of 7% over the previous corresponding half year of \$995.3 million.

Operating conditions for the half year ended 31 December 2010 have been mixed. While the Group's industrials and solid waste business have performed well, market conditions were subdued in some areas, particularly those relating to commercial vehicles and manufacturing.

Significant Changes in the State of Affairs

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

Subsequent to 31 December 2010, the following events have arisen:

- The Group has been invited to enter into discussions regarding a proposed class action by certain investors who acquired TPI shares in the period between 29 August 2007 and 16 February 2009. If any proceedings are commenced with respect to this matter the Company will vigorously defend them.
- The Group was impacted by flooding in Queensland in January 2011. As a result, two businesses have been disrupted and certain assets have been destroyed or damaged. No adjustment has been made to the carrying value of assets or liabilities or commitments as at 31 December 2010. Management is confident that the Group has adequate insurance cover in place and no net material loss is expected from the events. The Group has also seen increased activity associated with the subsequent clean up and recovery operations.

Other than the matters set out above, there has not arisen in the interval between the end of the half year and the date of this report any other 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 2011 in accordance with a resolution of the Board of Directors.



G T Tilbrook

Chairman

Brisbane, 24 February 2011

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 2010, 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.

A handwritten signature in blue ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in blue ink that reads 'Mike Reid'.

Mike Reid
Partner
24 February 2011

Statement of financial position

As at 31 December 2010

CONSOLIDATED			
NOTES	31 DECEMBER 2010 \$'000	30 JUNE 2010 \$'000	
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents	74,650	140,954	
Trade and other receivables	284,309	276,790	
Current tax assets	14,570	14,520	
Inventories	180,867	157,019	
Derivative financial instruments	692	18,635	
Other assets	14,894	12,298	
TOTAL CURRENT ASSETS	569,742	620,216	
<i>Non-current assets</i>			
Investments accounted for using the equity method	28,168	18,987	
Other financial assets	17,630	23,942	
Property, plant and equipment	1,076,894	1,128,009	
Intangible assets	2,343,050	2,412,865	
Deferred tax assets	40,400	43,280	
TOTAL NON-CURRENT ASSETS	3,506,382	3,627,083	
TOTAL ASSETS	4,076,124	4,247,299	
LIABILITIES			
<i>Current liabilities</i>			
Trade and other payables	235,138	214,084	
Borrowings	9	39,711	47,269
Employee benefits	49,027	42,791	
Provisions	15,144	20,667	
Derivative financial instruments	42,017	31,440	
Other	20,432	19,659	
TOTAL CURRENT LIABILITIES	401,469	375,910	
<i>Non-current liabilities</i>			
Borrowings	9	1,523,921	1,654,924
Deferred tax liabilities	-	-	2,961
Employee benefits	6,871	6,871	9,774
Deferred government grants	1,045	1,045	1,136
TOTAL NON-CURRENT LIABILITIES	1,531,837	1,668,795	
TOTAL LIABILITIES	1,933,306	2,044,705	
NET ASSETS	2,142,818	2,202,594	
EQUITY			
Issued capital	8	1,821,646	1,821,646
Reserves	-	(18,454)	56,823
Retained earnings	-	89,108	64,815
Parent entity interest	-	1,892,300	1,943,284
Non Controlling interest	-	672	9,464
Step up preference security holders	-	249,846	249,846
TOTAL EQUITY	2,142,818	2,202,594	

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 2010

CONSOLIDATED			
	NOTES	HALF-YEAR ENDED 31 DECEMBER 2010 \$'000	HALF-YEAR ENDED 31 DECEMBER 2009 \$'000
CONTINUING OPERATIONS			
Revenue	2	1,063,640	995,262
Cost of sales		(362,868)	(347,509)
Gross profit		700,772	647,753
Other income	2	546	-
Employee expenses		(303,832)	(281,930)
Depreciation and amortisation expenses		(85,856)	(81,865)
Financing costs	3	(91,194)	(86,716)
Repairs and maintenance		(50,775)	(49,309)
Fuel purchases		(33,357)	(31,517)
Leasing charges		(12,569)	(11,398)
Freight costs		(12,857)	(12,657)
Other expenses		(79,205)	(59,830)
Profit from operating activities		31,673	32,531
Share of net profits of associates accounted for using the equity method		2,304	554
Change in fair value of derivative financial instruments	3	7,386	22,526
Change in fair value of warrants	3	-	(10,029)
Profit/(Loss) before income tax		41,363	45,582
Income tax (expense)/benefit		(9,700)	(14,796)
Profit/(Loss) from continuing operations after income tax		31,663	30,786
Attributable to:			
Ordinary Equity holders of the parent		24,293	24,345
Non Controlling interest		195	666
Step up preference security holders		7,175	5,775
Profit/(Loss) from continuing operations after income tax		31,663	30,786

Statement of comprehensive income (continued)

For the Half-Year Ended 31 December 2010

				CONSOLIDATED	
				HALF-YEAR ENDED	HALF-YEAR ENDED
				31 DECEMBER 2010	31 DECEMBER 2009
				\$'000	\$'000
	NOTES				
Profit/(Loss) for the period (from previous page)			31,663		30,786
Other comprehensive income					
Cash Flow Hedges:					
Net movements taken to equity (net of tax)			(1,757)		1,297
Translation of foreign operation:					
Exchange differences taken to equity			(74,859)		9,798
Revaluation of assets:					
Revaluation of available for sale assets taken to equity (net of tax)			(906)		7,432
Net income recognised directly in equity					
			(77,522)		18,527
Total comprehensive income for the period					
			(45,859)		49,313
Attributable to:					
Ordinary Equity holders of the parent			(53,229)		42,872
Non Controlling interest			195		666
Step up preference security holders			7,175		5,775
Total comprehensive income for the period					
			(45,859)		49,313
Earnings per share for profit attributable to the ordinary equity holders of the parent:					
Basic earnings per share (cents per share)	8		2.5		2.5
Diluted earnings per share (cents per share)	8		2.5		2.5

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 2010

	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 2010	1,770,058	51,588	39,499	60,892	884	(994)	(43,458)	64,815	1,943,284	9,464	249,846	2,202,594
Profit for period								24,293	24,293	195	7,175	31,663
Other comprehensive income			(906)			(1,757)	(74,859)		(77,522)			(77,522)
Total comprehensive income for the half-year	-	-	(906)	-	-	(1,757)	(74,859)	24,293	(53,229)	195	7,175	(45,859)
Transactions with owners in their capacity as owners									-			-
Share based payment					2,245				2,245			2,245
Issue of Ordinary Shares									-			-
Distribution to Step up Preference Securities											(7,175)	(7,175)
Deconsolidation of associate										(8,987)		(8,987)
Transaction costs									-			-
Balance at 31 Dec 2010	1,770,058	51,588	38,593	60,892	3,129	(2,751)	(118,317)	89,108	1,892,300	672	249,846	2,142,818
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

Statement of cash flows

For the Half-Year Ended 31 December 2010

	CONSOLIDATED	
	HALF-YEAR ENDED 31 DECEMBER 2010 \$'000	HALF-YEAR ENDED 31 DECEMBER 2009 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers (inclusive of GST)	1,170,515	1,125,740
Payments to suppliers and employees (inclusive of GST)	(997,026)	(919,382)
	173,489	206,358
Other revenue	6,773	3,738
Interest received	1,611	593
Interest paid	(78,404)	(81,735)
Income taxes paid	(7,662)	(21,801)
NET CASH PROVIDED BY OPERATING ACTIVITIES	95,807	107,153
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchase of businesses, including deferred settlement	(4,241)	(3,714)
Payments for property, plant and equipment	(65,004)	(56,554)
Proceeds from disposal of listed shares	5,396	-
Proceeds from disposal of property, plant and equipment	3,423	4,212
NET CASH (USED IN) INVESTING ACTIVITIES	(60,426)	(56,056)
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution to SPS Unit holders	(7,175)	(5,775)
Dividends received from associates	1,811	992
Net movement in trade and vendor finance	3,194	(34,620)
Proceeds from issue of equity	-	801,080
Payment of debt and equity raising costs	(1,054)	(48,564)
Proceeds from borrowings	-	360
Repayment of borrowings	(76,836)	(704,117)
Repayment of derivatives	-	(29,169)
Repayment of lease liabilities	(19,892)	(12,141)
Repayment of loans to/from related parties	(634)	(116)
NET CASH FROM FINANCING ACTIVITIES	(100,586)	(32,070)
NET INCREASE/(DECREASE) IN CASH HELD	(65,205)	19,027
Cash at the beginning of the half-year	140,954	70,115
Effects of exchange rate changes on cash	(1,099)	427
CASH AT THE END OF THE HALF-YEAR	74,650	89,569

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

Notes to the Condensed Consolidated Financial Statements

For the Half-Year Ended 31 December 2010

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 2010 in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

Basis of preparation

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 2010, except for the adoption of new standards and amendments to existing standards noted below which had 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.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and effective for the current reporting period. The following new Standards and amendments to existing standards are effective for the financial year ending 30 June 2011:

AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project – Applies to annual reporting periods on or after 1 July 2010.

Amends a number of pronouncements as a result of the IASB's 2008-2010 cycle of annual improvements to provide clarification of certain matters including:

- the measurement of non-controlling interest in a business combination
- transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised AASB 3 Business Combinations (2008)
- transition requirement for amendments arising as a result of AASB 127 Consolidated and Separate Financial Statements.

Interpretation 19 Extinguishing Liabilities with Equity Instruments and AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19 – Applies to annual reporting periods on or after 1 July 2010.

Interpretation 19 requires the extinguishment of a financial liability by the issue of equity instruments to be measured at fair value (preferably using the fair value of the equity instruments issued) with difference between the fair value of the instruments issued and the carrying value of the liability extinguished being recognised in profit or loss. The Interpretation does not apply where the conversion terms were included in the original contract or to common control transaction.

Notes to the Condensed Consolidated Financial Statements

For the Half-Year Ended 31 December 2010 (continued)

1 Summary of Significant Accounting Policies (continued)

AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project – Applies to annual reporting periods on or after 1 January 2011.

Amends a number of pronouncements as a result of the IASB's 2008-2010 cycle of annual improvements. Key amendments includes:

- Financial statement disclosures – clarification of content of statement of changes in equity (AASB 101), financial instrument disclosures (AASB 7) and significant events and transactions in interim reports (AASB 134)
- Interpretation 13 – fair value of award credits
- AASB 1 – accounting policy changes in year of adoption and amendments to deemed cost (revaluation basis, regulatory assets)

AASB 2010-5 Amendments to Australian Accounting Standards – Applies to annual reporting periods on or after 1 January 2011.

This standard makes numerous editorial amendments to a range of Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the International Accounting Standards Board. These amendments have no major impact on the requirements of the amended proposals.

AASB 124 Related Party Disclosures (2009, AASB 2009-12 Amendments to Australian Accounting Standards – Applies to annual reporting periods on or after 1 January 2011.

Amends the requirements of the previous version of AASB 124 to, provide a partial exemption from related party disclosure requirements for government-related entities, clarifies the definition of a related party and includes the requirement to disclose commitments involving related parties.

Notes to the Condensed Consolidated Financial Statements

For the Half-Year Ended 31 December 2010 (continued)

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 2010 \$'000	HALF-YEAR ENDED 31 DECEMBER 2009 \$'000
(i) Revenue		
Sale of goods and rendering of services	1,047,249	982,862
Product Stewardship Oil benefits	7,948	8,069
Interest revenue	1,611	593
Other revenue	6,832	3,738
	1,063,640	995,262
(ii) Other income/Other expenses		
Gain/(Loss) on disposal of property, plant and equipment	546	(409)

3 Significant Items of Revenue and Expense

REVENUES

Other revenue in 2011 includes a write back of onerous customer contracts in New Zealand of \$2.1 million (2009: nil).

EXPENSES

Financing costs includes \$3.3 million (2009: \$3.3 million) of amortisation on convertible notes and \$4.4 million (2009: \$3.9 million) amortisation of deferred borrowing costs.

Other costs includes \$1.5 million impairment of customer contracts (2009 nil).

OTHER

During the half year ended 31 December 2010 the Group posted a \$7.4 million (2009: \$22.5 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.

The prior corresponding half year was also negatively impacted by a (\$10.0) million 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.

Notes to the Condensed Consolidated Financial Statements

For the Half-Year Ended 31 December 2010 (continued)

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 Chief Executive Officer.

During the half year the Group restructured the organisation to drive business profitability, efficiencies and synergies and to share information and resources.

The consolidated entity now comprises the following three business streams:

- Transpacific Industrials
- Transpacific Solid Waste and Recycling
- Commercial Vehicles and Manufacturing

The above business streams comprise the following divisions:

Transpacific Industrials

- Technical Services – collection, treatment, processing and recycling of liquid and hazardous waste, including industrial waste, grease trap waste, oily waters and used mineral and cooking oils in packaged and bulk forms.
- Industrial Services – services include industrial cleaning, vacuum tanker loading, site remediation, sludge management, parts washing, concrete remediation, CCTV, corrosion protection, asbestos removal and refractory services.
- Hydrocarbons – refining and recycling of used mineral oils to produce fuel oils and base oils. Manufacture of bituminous based applications and coatings.

Transpacific Solid Waste and Recycling

- Collections – municipal, residential, commercial and industrial collection services for all types of solid waste streams, including general waste, recyclables, construction and demolition waste and medical and washroom services.
- Post collections – ownership and management of advanced waste treatment facilities, waste transfer stations, resource recovery and recycling facilities, secure product destruction, quarantine treatment operations and landfills.
- Commodities trading – sale of recovered paper, cardboard, metals and plastics to the domestic and international marketplace, ensuring the long-term sustainability of our limited natural resources.

Commercial Vehicles and Manufacturing

- Importation and distribution – independent importer and distributor of Western Star, MAN, Foton and Dennis Eagle truck chassis and associated parts and MAN bus chassis and associated parts.
- Manufacturing – manufacturer and servicing of vehicle bodies, parts washers, plastic and steel bins, and waste compaction units to support our own operations as well as our clients.

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

Notes to the Condensed Consolidated Financial Statements

For the Half-Year Ended 31 December 2010 (continued)

4 Segment Information (continued)

	SEGMENT REVENUE		SEGMENT RESULT	
	HALF-YEAR ENDED		HALF-YEAR ENDED	
	31 Dec 2010 \$'000	31 Dec 2009 \$'000	31 Dec 2010 \$'000	31 Dec 2009 \$'000
Transpacific Industrials				
Technical Services	108,467	99,105	10,181	7,224
Industrial Services	132,166	123,995	4,849	1,588
Hydrocarbons	85,404	75,224	13,012	12,362
Industrials NZ	42,188	38,549	1,044	352
Transpacific Solid Waste and Recycling				
Transpacific Cleanaway (Australia)	459,542	402,232	7,446	1,593
Transpacific Waste Management (New Zealand)	131,512	131,561	25,892	23,414
Commercial Vehicles and Manufacturing				
Commercial Vehicles	151,875	156,274	2,323	4,500
Manufacturing	58,149	59,125	(3,440)	(392)
Other	-	19	-	138
	1,169,303	1,086,084	61,307	50,779
Eliminations	(111,998)	(95,153)	-	-
Unallocated revenue	6,335	4,331	-	-
Unallocated Interest	-	-	(20,136)	(11,526)
Unallocated Other	-	-	(7,194)	(6,168)
Changes in fair value of financial instruments	-	-	7,386	12,497
Consolidated revenue	1,063,640	995,262		
Profit/(Loss) before income tax expense			41,363	45,582
Income tax benefit/(expense)			(9,700)	(14,796)
Profit/(Loss) for the period			31,663	30,786

Notes to the Condensed Consolidated Financial Statements

For the Half-Year Ended 31 December 2010 (continued)

5 Dividends and Distributions

	HALF-YEAR ENDED 31 DECEMBER 2010		HALF-YEAR ENDED 31 DECEMBER 2009	
	Amount per share	Total \$'000	Amount per share	\$'000
<i>Recognised (paid) amounts</i>				
Fully paid ordinary shares				
Final dividend	-	-	-	-
Step-up preference securities				
Period ended 30 September: fully franked at 30% tax rate	\$2.87	7,175	\$2.31	5,775
<i>Unrecognised (proposed and declared amounts)</i>				
Fully paid ordinary shares				
Interim dividend	-	-	-	-
Step-up preference securities				
Period ended 31 March: fully franked at 30% tax rate	\$3.00	7,500	\$2.54	6,335

The directors have resolved not to pay an interim dividend to ordinary shareholders.

6 Business Combinations

During the half year the consolidated entity acquired a business and a joint venture. These acquisitions cost \$0.7 million and are immaterial to the Group.

7 Commitments, Contingent liabilities and Contingent assets

The Taxation authorities in Australia and New Zealand are currently undertaking reviews of the Group's tax position in both countries. The reviews are at preliminary stages and accordingly it is too early to identify the adjustments that may arise, if any.

There have been no other material changes to the commitments, contingent liabilities or contingent assets of the consolidated entity subsequent to the year ended 30 June 2010.

Notes to the Condensed Consolidated Financial Statements

For the Half-Year Ended 31 December 2010 (continued)

8 Issued Capital

	31 DECEMBER 2010 \$000	30 JUNE 2010 \$000
Ordinary shares		
Issued and fully paid	1,770,058	1,770,058
Convertible notes		
Equity component	51,588	51,588
	1,821,646	1,821,646
Movements in ordinary shares on issue	No. of shares	\$000
At 1 July 2010	960,638,735	1,770,058
Issued during the financial year:		
Issue of Ordinary Shares	-	-
	960,638,735	1,770,058

9 Financing Facilities

The facility limits and maturity profile of the Group's main financing facilities as at 31 December 2010 are as follows:

Financing facility		\$ Amount	Maturity Date
Syndicated facility	4 year tranche	\$601 million	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 **

Total facilities and maturity profile remain unchanged from June 2010.

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

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

Notes to the Condensed Consolidated Financial Statements

For the Half-Year Ended 31 December 2010 (continued)

10 Non-cash Financing and Investing Activities

During the period the Group acquired plant and equipment with an aggregate fair value of \$5.7 million (2009 - \$52.1 million) by means of finance lease.

As at 1 July 2010 the Group deconsolidated Transwaste Canterbury Ltd from the group results and is now equity accounting the associate. The impact of the deconsolidation on the Group's net assets was a reduction of \$9m.

11 Subsequent Events

Subsequent to 31 December 2010, the following events have arisen:

- The Group has been invited to enter into discussions regarding a proposed class action by certain investors who acquired TPI shares in the period between 29 August 2007 and 16 February 2009. If any proceedings are commenced with respect to this matter the Company will vigorously defend them.
- The Group was impacted by flooding in Queensland in January 2011. As a result, two businesses have been disrupted and certain assets have been destroyed or damaged. No adjustment has been made to the carrying value of assets or liabilities or commitments as at 31 December 2010. Management is confident that the Group has adequate insurance cover in place and no net material loss is expected from the events. The Group has also seen increased activity associated with the subsequent clean up and recovery operations.

The financial effect, if any, of the above matters is unable to be quantified at this time.

Other than the matters set out above, there has not arisen in the interval between the end of the half year and the date of this report any other 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.

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 2010 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.



G T Tilbrook
Chairman



K G Campbell
Director

Brisbane, 24 February 2011

Report on the Half-Year Financial Report

To the members of Transpacific Industries Group Limited

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 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for 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 of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 2010 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:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.



Ernst & Young
Brisbane
24 February 2011



Mike Reid
Partner