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Transpacific Total Refinance

26 October 2011

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Agenda

1. Introduction
2. Impact on Transpacific
3. Outlook for FY2012
4. Entitlement Offer Details
5. Conclusion

Appendix 1. Detailed Financial Information

Appendix 2. Key Risks

1. Introduction

Overview

- Transpacific has undertaken a comprehensive capital review on how best to address its 2012, 2013 and 2014 maturities
- Following the evaluation of a number of options, the Board announced a total refinance involving:
  - Commitments received for a new $1,525m bank debt facility with improved pricing and terms
    - Conditional upon an equity raising of at least $260m
  - Up to approximately $309m Entitlement Offer (underwritten to $260m)
- Major shareholder, Warburg Pincus, has committed to take up its rights of ~$105m and sub-underwrite a further $102m in the raising
  - As a result of this total refinance, Transpacific will have:

  1. Less debt
  2. Longer term debt
  3. Cheaper, simpler debt

  - These initiatives will accelerate Transpacific's deleveraging and boost profitability

Addresses 2012, 2013 and 2014 maturities

> Debt Refinance and Entitlement Offer delivers a simplified and stable capital structure

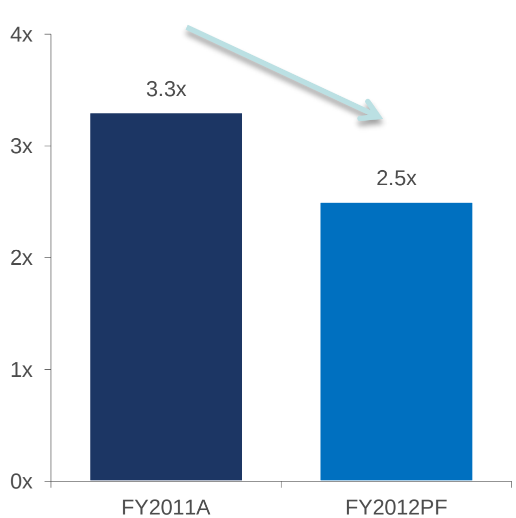
1 Less debt	> Entitlement Offer funds will be used to repay debt > Significantly improved credit metrics > Simplified capital structure
2 Longer term debt	> Increases average debt tenor from 1.9 years to 4.1 years > Results in a well-spread debt maturity profile with no refinancing requirements until November 2014 > Increased facility size provides funding for USPP repayment and possible Convertible Notes redemption
3 Cheaper, simpler debt	> Reduced cost of funding, with annualised interest expense saving of between $21.8m and $24.8m in FY2012 and between $31.3m and $34.3m per annum over the medium term > Savings in interest expense will further enhance the Company's ability to de-gear > Potential to buy back Convertible Notes early

2. Impact on Transpacific

Significantly improved credit metrics

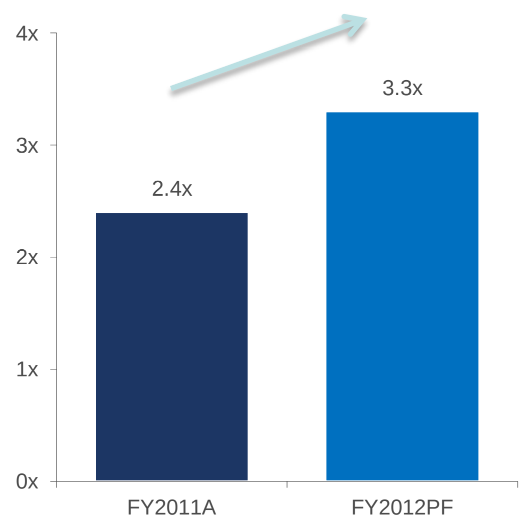
Net Debt / EBITDA[1]

> Less debt



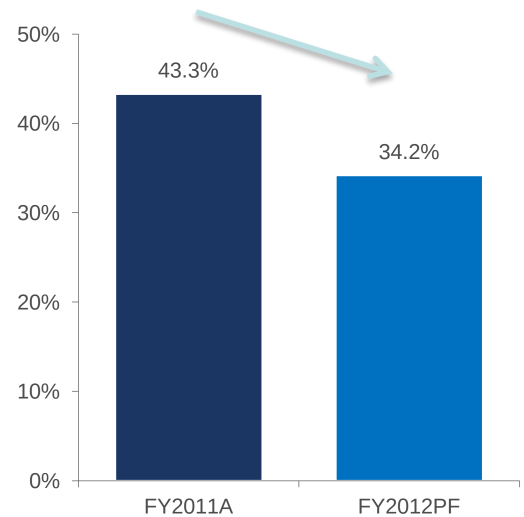
EBITDA Interest Cover[2]

> Cheaper debt



Net Debt / Net Debt + Equity[3]

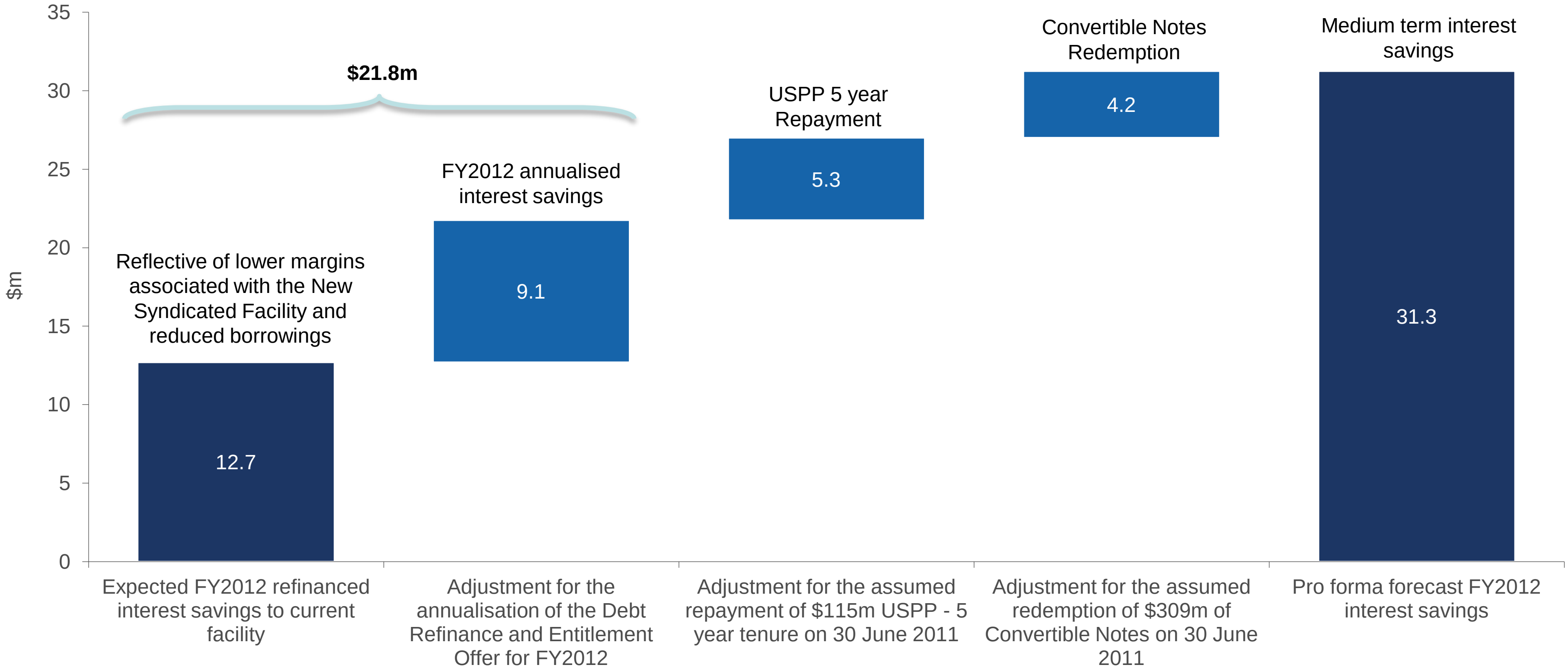
> Lower leverage



Note: The figures above assume $260m is raised under the Entitlement Offer only
1. Pro forma net debt/EBITDA based on 30 June 2011 pro forma balance sheet , adjusted using FY2012PF income statement and cash flow statement
2. Pro forma EBITDA Interest Cover based on FY2012PF net financing costs
3. Pro forma gearing based on 30 June 2011 pro forma balance sheet, adjusted using FY2012PF income statement and cashflow statement

$31.3m of medium term interest savings

Breakdown of per annum medium term interest savings

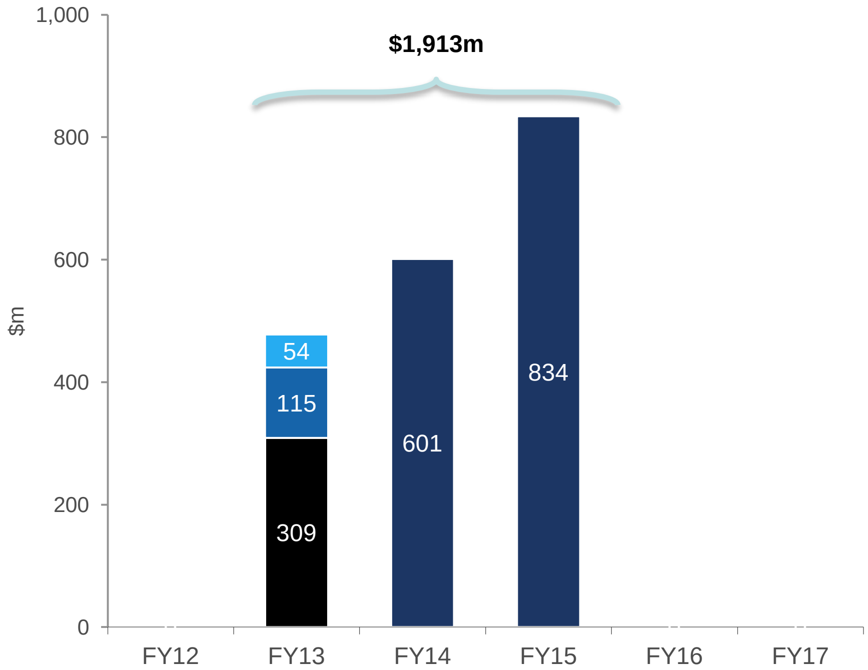


Note: Assumes no retail take-up in the Retail Entitlement Offer such that the total amount raised under the Entitlement Offer is $260m raised under the fully underwritten Institutional Entitlement Offer. If the Entitlement Offer raised $309m, pro forma forecast FY2012 interest savings will be $34.3m. Interest savings includes interest on drawn facilities, commitment fees on undrawn portions, interest rate swap payments, amortisation of capitalised borrowing costs, amortisation of Convertible Note face value discount. Based on 90 day BBSY of 4.80%. USD/AUD exchange rate of 1.00

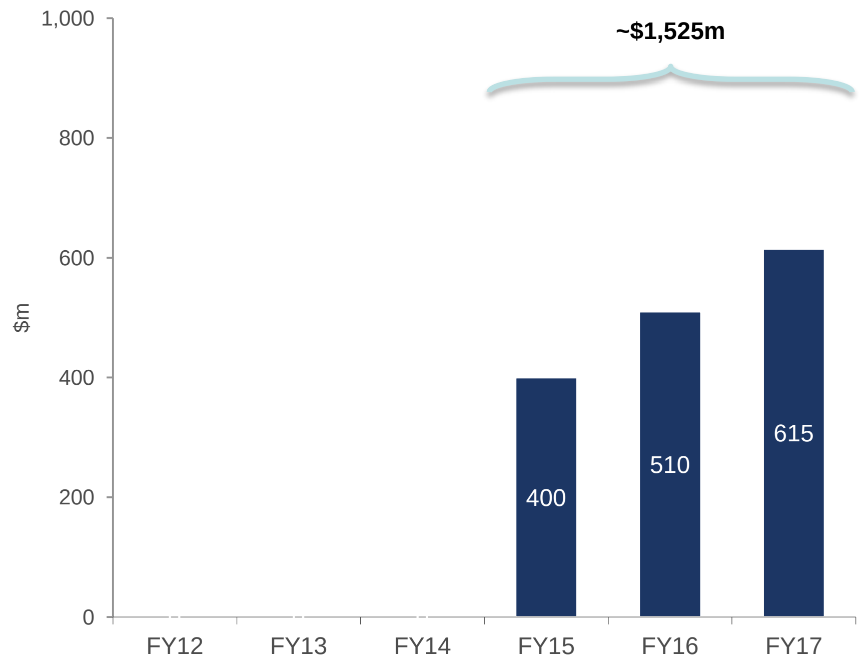
Extends debt maturity profile

> Addresses 2012, 2013 and 2014 maturities

Current



Post refinance



Convertible Notes[1] | USPP – 5 year maturity[2] | USPP – 10 year put option[2] | Syndicated facility debt

1) On 7 December 2012, holders of Convertible Notes have the right to request redemption. However, the final maturity date of the Convertible Notes is 7 December 2014
2) USPP lenders have the right to put the December 2012 and December 2017 debt as at September 2012
3) The difference in facility sizes between current and post refinance represents net equity proceeds received, a reduction in debt and facility size.

Continued focus on cash flow generation

		Plan	Progress
1	**Internal cash generation**	> Net operating cash inflows (after capital expenditure) of \$120m to \$180m to be generated over the next 18 months	> ~\$117m of cash expected to be generated in FY2012, which will be available to pay down debt
2	**Asset rationalisation**	> Divestment of surplus freehold properties and various non-core assets	> Advanced negotiations on sale of property, one small autonomous business unit and two other non-core assets
3	**Working capital improvements**	> Implementation of JD Edwards ERP will allow harmonisation of payment terms > Processing efficiency and renegotiation of terms will provide further benefit	> Review of customer and supplier terms ongoing > Continued rollout of JD Edwards ERP platform
4	**Bonding**	> Conversion of bank guarantees to bonding facilities	> Terms of agreement entered into with 2 insurance bonding providers for \$35m
5	**Headroom**	> Utilisation of headroom under the senior debt facility	> Increased facility limit allows for USPP repayment and redemption of the Convertible Notes prior to their maturities

Continued strategic focus

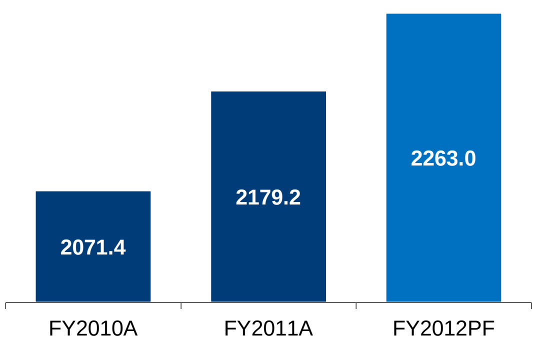
1. Culture and leadership through a streamlined and focused management structure
2. Market leadership with Total Waste Management strategy
3. Improved capital structure via Debt Refinance, Entitlement Offer and working capital optimisation
4. Focus on return on capital through margin enhancement, asset utilisation and site rationalisation programs
5. Improved information through continued rollout of JD Edwards ERP system
6. Enhanced operational health and safety compliance

3. Outlook for FY2012

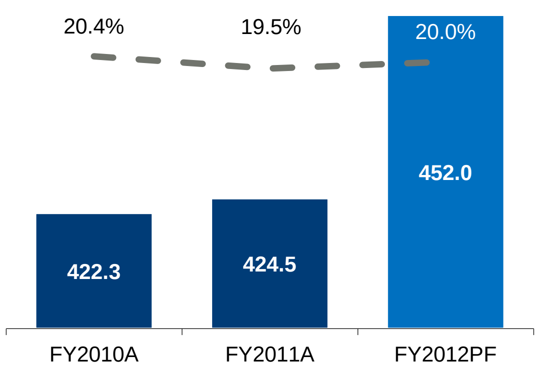
Group performance

- Based on current economic trends and conditions for the sector in Australia and New Zealand, Transpacific remains positive about the outlook for its various businesses in FY2012
  - Despite recent weakness in parts of the economy, core waste management businesses all increased EBITDA during FY2011 and are trading up year to date
  - Turnaround plan for Manufacturing division well advanced and improved profitability from Commercial Vehicles division
  - After first quarter trading, and based on current economic trends and conditions for the sector in Australia and New Zealand, Transpacific is on track to meet its FY2012 forecasts

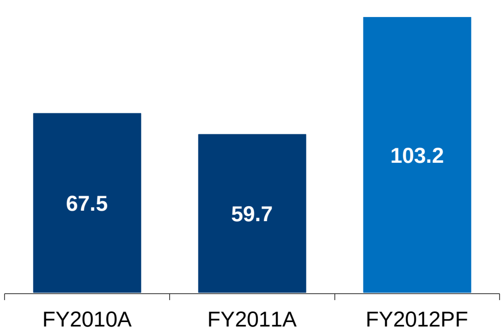
Revenue ($m)



EBITDA (including associates) ($m) and EBITDA margin



Profit after tax before significant items ($m)

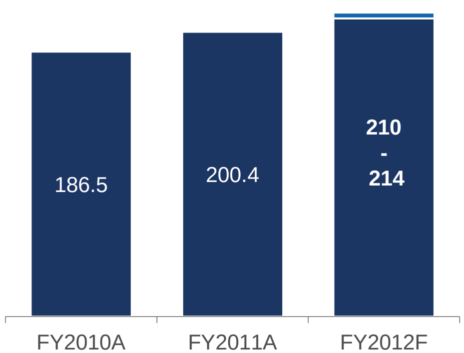


Divisional outlook

Cleanaway

- Contract wins in FY2011 to phase in over FY2012 and FY2013
- Annual growth of GDP plus CPI expected
- Pipeline of opportunities remains positive
- EBITDA margin of 23% to 24% in FY2012

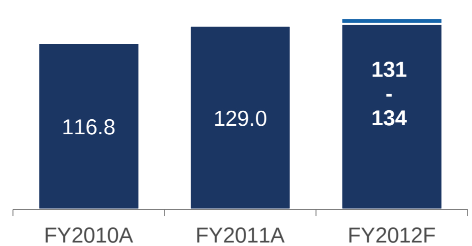
EBITDA ($m)



Industrials

- Margin benefits to be driven by improved asset utilisation and productivity
- Opportunities from resources sector and tightening environmental standards
- Difficult market conditions elsewhere
- EBITDA margin of 23% to 24% in FY2012

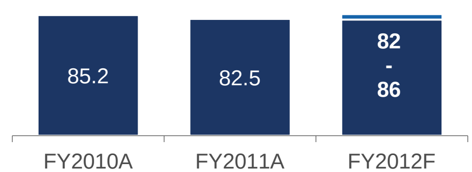
EBITDA ($m)



New Zealand

- Market leadership maintained in FY2011
- Christchurch earthquakes response resulted in an uplift in volume, expected to continue in FY2012
- EBITDA margin of 23% to 24% in FY2012

EBITDA ($m)

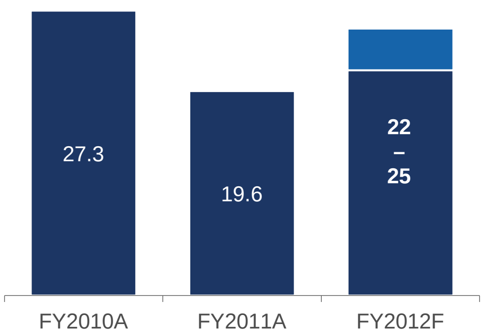


Divisional outlook

> Commercial Vehicles

- > Improved demand for heavy trucks expected to continue into FY2012
- > Market size in FY2012 should equal or exceed that of FY2011
- > EBITDA margin of 6% to 7% in FY2012

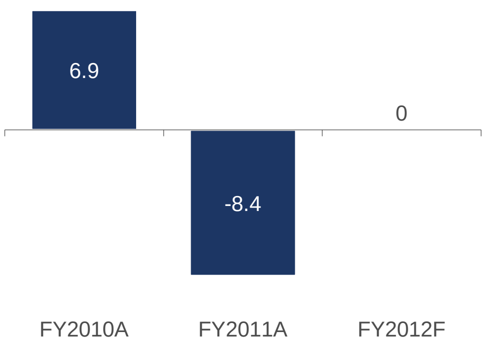
EBITDA ($m)



> Manufacturing

- > Turnaround plan to rationalise products, overhaul product costing and pricing models, explore location efficiencies, improve quality control and streamline management and overheads

EBITDA ($m)



4. Entitlement Offer Details

Entitlement Offer details

- 9 for 14 accelerated renounceable pro rata[1] Entitlement Offer to raise up to approximately $309m comprising:
  - A fully underwritten Institutional Entitlement Offer to raise approximately $260m; and
  - A non-underwritten Retail Entitlement Offer to raise up to approximately $49m
- Up to approximately 618m new Transpacific ordinary shares to be issued (64% of issued capital)
- Offer Price of $0.50 per New Share representing:
  - 27.5% discount to Transpacific's closing price of $0.69 on 25 October 2011; and
  - 18.8% discount to the theoretical ex-rights price of $0.62 (TERP)[2]
- Warburg Pincus has committed to take-up 100% of its prorata entitlement of ~$105m and sub-underwrite a further $102m
- The Institutional Entitlement Offer is fully underwritten

Notes

1. *There will not be any entitlements trading on ASX*
2. *The theoretical ex-rights price is the theoretical price at which Transpacific shares should trade immediately after the ex-date for the Entitlement Offer assuming 100% take-up of the offer. The theoretical ex-rights price is a theoretical calculation only and the actual price at which Transpacific shares trade immediately after the ex date for the Entitlement Offer will depend on many factors and may not be equal to the theoretical ex-rights price. TERP is calculated by reference to Transpacific's closing price of $0.69c on 25 October 2011*

Investment highlights

1 Leading waste management business and vertically integrated operator	> Leading provider of integrated total waste management solutions in Australia and New Zealand > 32 landfills, 48 resource recovery centres and 56 industrial treatment and disposal facilities > Scale of network and services across Australia and New Zealand generates significant cost efficiencies > Comprehensive waste management solution through a vertically integrated chain
2 Exposed to stable long term industry growth dynamics	> Core total waste management business which grew EBITDA at 6.9% between FY2010A and FY2011A > Waste volume and revenue are generally resilient across the economic cycle > Demand for essential services driven by population and economic growth > Municipal collection contracts typically awarded through multi-year contracts
3 High quality management team and independent Board	> Senior management team strengthened following the appointment of Kevin Campbell as CEO and Stewart Cummins as CFO > Majority of independent Non-Executive Directors in line with ASX guidelines
4 Simplified and improved capital structure	> Resolution of Transpacific's 2012, 2013 and 2014 refinancing needs > Increased average debt tenor – 1.9 years to 4.1 years > Reduced borrowing cost > Provides flexibility to redeem or repurchase Convertible Notes early > Enhanced capacity to accelerate the resumption of dividend payments

Warburg Pincus' participation

- Warburg Pincus has committed to invest up to $207m via
  - ~$105m through participation in the Entitlement Offer
  - $102m through sub-underwriting New Shares in the Institutional Entitlement Offer
- Ultimate holding of between 33.9% and 49.9% on completion of the Entitlement Offer

Impact of the Entitlement Offer on Warburg Pincus' shareholding

	Entitlement Offer raises $260m		Entitlement Offer raises $309m	
	Minimum	Maximum	Minimum	Maximum
Percentage of total issued capital pre Entitlement Offer	33.9%	33.9%	33.9%	33.9%
New Shares through participation in the Institutional Entitlement Offer	209	209	209	209
New Shares through sub-underwriting $102m of the Institutional Entitlement Offer	-	204	-	204
Total New Shares acquired under the Entitlement Offer	**209**	**413**	**209**	**413**
Percentage of total issued capital post Entitlement Offer	**36.2%**	**49.9%**	**33.9%**	**46.8%**

Entitlement Offer timetable

Event	Date
Institutional Entitlement Offer	Wednesday, 26 October to Thursday 27 2011
Institutional Shortfall Bookbuild	Friday, 28 October 2011
Prospectus lodged with ASIC and ASX	Monday, 31 October 2011
Record Date for the Entitlement Offer	7.00pm on Monday, 31 October 2011
Retail Entitlement Offer opens	Tuesday, 1 November 2011
Institutional Settlement Date of the Institutional Entitlement Offer and the Institutional Shortfall Bookbuild	Monday, 7 November 2011
Allotment of New Shares under the Institutional Entitlement Offer and Institutional Shortfall Bookbuild	Tuesday, 8 November 2011
New Shares issued under the Institutional Entitlement Offer commence trading on ASX	Tuesday, 8 November 2011
Retail Entitlement Offer closes	5.00pm on Friday, 18 November 2011
Retail Shortfall Bookbuild	Wednesday, 23 November 2011
Retail Settlement Date of the Retail Entitlement Offer and Retail Shortfall Bookbuild	Tuesday, 29 November 2011
Allotment of New Shares under the Retail Entitlement Offer and the Retail Shortfall Bookbuild	Wednesday, 30 November 2011
New Shares issued under the Retail Entitlement Offer commence trading on ASX	Thursday, 1 December 2011

The above timetable is indicative only and subject to change. The commencement of quotation of New Shares is subject to confirmation from ASX. Transpacific, in conjunction with the Joint Lead Managers and subject to the Corporations Act, the ASX Listing Rules and other applicable laws, has the right to vary any of the above dates and times without notice. In particular, Transpacific reserves the right to extend the Retail Closing Date, to accept late Applications either generally, or in particular cases, or to withdraw all or part of the Entitlement Offer without prior notice. All times mentioned in the above table are references to Sydney time

5. Conclusion

Conclusion

> Capital initiatives announced today will provide Transpacific with:

1. Less debt
2. Longer term debt
3. Cheaper, simpler debt

> Entitlement Offer is the catalyst for the new $1,525m bank debt facility on favourable pricing and terms

> Provides additional flexibility to build on strong market positions and take advantage of further organic growth opportunities in our core waste management businesses

Appendix 1: Detailed Financial Information

Pro forma earnings

$m	FY2010A	FY2011A	FY2012F	FY2012PF
Revenue	2,071.4	2,179.2	2,263.0	2,263.0
EBITDA	420.9	419.5	447.0	447.0
EBITDA (incl. income from associates)	422.3	424.5	452.0	452.0
Depreciation & amortisation	(168.6)	(174.7)	(178.0)	(178.0)
EBIT (incl. income from associates)	253.7	249.8	274.0	274.0
Interest revenue	2.6	2.8	1.7	1.7
Interest expense[1]	(176.0)	(179.8)	(157.1)	(138.5)
Profit before tax and significant items	80.3	72.8	118.6	137.2
Profit after tax (before significant items)	67.5	59.7	91.5	103.2
Significant items	5.2	(340.2)	(32.3)	-
NPAT from ordinary operations	**72.7**	**(280.5)**	**59.2**	**103.2**
Minority interests	(1.6)	(1.3)	(2.0)	(2.0)
SPS distributions	(12.1)	(14.7)	(16.7)	(16.7)
NPAT attributable to Transpacific Shareholders	**59.0**	**(296.5)**	**40.5**	**84.5**

Notes:
1) The capital structure initiatives will result in the Company reducing its total debt by at least $210m and reducing its annual interest expense by at least $31m on a pro-forma basis assuming the Debt Refinance, Entitlement Offer, USPP Repayment and Convertible Notes Redemption had occurred on 30 June 2011. The FY2012F interest expense includes $12.7m of interest expense savings related to the impact of the Debt Refinance and Entitlement Offer from 30 November 2011 to 30 June 2012. The additional $18.6m of pro forma interest expense savings in FY2012PF compared to FY2012F comprises:
- *$9.1m assuming the Debt Refinance and Entitlement Offer occurred on 30 June 2011;*
- *$5.3m assuming USPP Repayment on 30 June 2011; and*
- *$4.2m assuming Convertible Notes Redemption were redeemed on 30 June 2011.*

Based on 90 day BBSY of 4.80% and an USD/AUD exchange rate of 1.00

FY2012F EBITDA by division

> FY2012F EBITDA is forecast to be $452.0, being the mid-point of $445m and $459m divisional EBITDA range

$m	FY2010A	FY2011A	FY2012F
Cleanaway	186.5	200.4	210 – 214
Industrials	116.8	129.0	131 – 134
New Zealand	85.2	82.5	82 – 86
Associate income	1.4	5.0	5
Total Waste Management	**389.9**	**416.9**	**428 – 439**
Commercial Vehicles	27.3	19.6	22 – 25
Manufacturing	6.9	(8.4)	-
Other	(1.8)	(3.6)	(5)
Total EBITDA	**422.3**	**424.5**	**445 – 459**

Pro forma balance sheet

$m	30 June 2011 Actual	Net proceeds of the Entitlement Offer	Debt repayment / write off of borrowing costs	Convertible Note redemption	USPP repayment	30 June 2011 Pro forma
Cash	88.7	209.9	(209.9)	-	-	88.7
Receivables	310.9	-	-	-	-	310.9
Inventory	131.6	-	-	-	-	131.6
Property, plant and equipment	1,029.4	-	-	-	-	1,029.4
Intangibles	2,062.0	-	-	-	-	2,062.0
Other Assets	93.3	3.3	4.6	1.0	-	102.2
Total Assets	**3,715.9**	**213.2**	**(205.3)**	**1.0**	**-**	**3,724.8**
Payables	230.3	-	-	-	-	230.3
Current Borrowings	85.2	-	(50.0)	-	-	35.2
Non-current Borrowings	1,405.5	(38.9)	(144.5)	26.1	19.8	1,268.0
Other Liabilities	158.6	-	-	-	(19.8)	138.8
Total Liabilities	**1,879.6**	**(38.9)**	**(194.5)**	**26.1**	**-**	**1,672.3**
Total Equity	**1,836.3**	**252.1**	**(10.8)**	**(25.1)**	**-**	**2,052.5**

Appendix 2: Key Risks

Key risks

Key risks associated with an investment in Transpacific	
Environmental regulations	Transpacific's operations are subject to extensive federal, state and local environmental laws and regulations in Australia and New Zealand. These laws and regulations set various standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for violation of such standards. A general increase in the community's environmental awareness and expectations of operations in the waste management industry may have the effect of increasing environmental laws and regulations or the severity of penalties for non-compliance. Significant liability could be imposed on Transpacific for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage (including in certain cases damage caused by previous owners of property acquired by Transpacific) or non-compliance with environmental laws or regulations. Major non-compliance with environmental laws or regulations may require Transpacific to incur significant costs and may have an adverse impact on Transpacific's reputation and capability to secure additional work, impacting financial performance and cashflows.
Planning regulations	Transpacific's operations are subject to extensive planning laws and regulations in Australia and New Zealand administered and regulated by local authorities and other government agencies. These laws, regulations, permits and licences granted by the relevant regulators establish various standards about the types of operations that can be undertaken and the manner in which they are undertaken. In the event that these laws, regulations, permit and licence conditions are not complied with, Transpacific faces the possibility of prosecution, significant fines and penalties. Further, there is the potential that operations cannot be continued on the relevant site, or that significant capital expenditure is required to ensure compliance with planning requirements, or a permit or licence is suspended, revoked, terminated or otherwise not renewed. If this were to occur it may result in significant adverse financial impacts for Transpacific.
ERP system implementation	Transpacific is in the process of implementing a new ERP system to consolidate a large number of legacy financial systems. Due to the complex nature of such an implementation, the timetable and approach has been revised several times during the implementation to date and the total cost of the project has been revised upwards. Any further delays with implementation are likely to result in additional costs being incurred. This may impact the timing of when Transpacific starts to generate cost savings and business benefits from the new system and may impact the financial condition of Transpacific.
Interest rates	As a significant borrower of funds, Transpacific is potentially exposed to adverse interest rate movements that may increase the financial risk inherent in its business. Changes may have an adverse effect on the business, cashflows, financial condition or results of operations of Transpacific.
Exchange rates	Transpacific has significant operations in New Zealand. Movements in the A\$:NZ\$ exchange rate can adversely affect the A\$ translated financial performance of Transpacific in relation to its New Zealand operations. A \$216 million A\$:NZ\$ dual currency tranche may be entered into as part of the New Syndicated Facility Agreement, which may provide a hedge against New Zealand income.
Competition	The market share of the Company's competitors may increase or decrease as a result of various factors such as securing major new contracts, developing new technologies or adopting pricing strategies specifically designed to gain market share. These competitive actions may reduce the prices that Transpacific is able to charge for its services and products or may reduce Transpacific's activity levels, both of which would negatively impact the financial performance of Transpacific and its cashflows.

Key risks

Suppliers and joint ventures	Transpacific has a number of suppliers and is involved in a number of joint ventures. If a contract counterparty, such as a major supplier or joint venture partner, terminates an agreement or fails to fulfil its obligations under an agreement, Transpacific may choose to or may be forced to lose the benefit of the agreement and may not be able to obtain similarly favourable terms upon entry into replacement agreements (if at all). This could have an adverse effect on Transpacific's financial performance and cashflows.
Legal claims	Transpacific is exposed to potential legal and other claims or disputes in the course of its businesses, including a potential class action, contractual disputes, property damage and personal liability claims, as well as governmental enquiries and investigations with respect to its operations.
Capital expenditure	Transpacific's forecasts are based on assumptions in relation to the level of capital expenditure required to improve, maintain or replace assets and cater for future business growth. Actual capital expenditure may vary from forecast. Unplanned capital expenditure may also be required as a result of changes in the environmental regulations that apply to Transpacific.
Gearing	The use of leverage may enhance shareholders' returns, but it may also increase the risk of loss. When economic conditions deteriorate, such as rising interest rates and/or margins, severe economic downturns, availability of credit or further deterioration in the condition of debt and equity markets, this may have a disproportionate affect on Transpacific compared to an issuer with lower levels of leverage.
Loss of key personnel	Transpacific's operations are dependent upon the continued performance, efforts, abilities and expertise of its key management personnel. The loss of services of such personnel could have an adverse effect on the operations of Transpacific as the Company may not be able to recruit suitable replacements for key personnel within a short timeframe.
Occupational health and safety	Transpacific's operations involve risk to both property and personnel. A health and safety incident may lead to a serious injury or death, which may result in reputational damage and ability to operate with consequential effects to Transpacific's financial performance and position.
Industrial disputes	Transpacific's operations are dependent upon a stable workforce. Transpacific is exposed to the risk of industrial disputes arising from claims for higher wages or better conditions which could disrupt parts of Transpacific's business and may have an adverse impact upon the Company's operating and financial performance and cashflows.
Manufacturing turnaround plan	The manufacturing division is currently subject to a major turnaround plan to rationalise products, operations and management structures, and improve quality controls. Management has announced a five point turnaround plan in respect of the manufacturing division, which is currently being implemented. If this plan is not able to be implemented as expected, the manufacturing division may have an adverse affect on the financial performance of Transpacific.
Impact of a price on carbon	On 12 October 2011, the Clean Energy Bill 2011 was passed by the House of Representatives. Based on this legislation, the potential incremental cost impact to Transpacific by way of increased input and other costs is not yet known. In addition, any change to the legislation or the interpretation of the legislation may have an adverse impact on the financial performance of Transpacific.

Key risks

Tax	Any change to the current rate of company income tax in jurisdictions where Transpacific operates will impact on Shareholder returns. Any changes to the current rates of income tax applying to individuals and trusts will similarly impact on Shareholder returns.
Insurance	Transpacific currently has in place a number of insurance policies which allow it to transfer part of its risk to an insurer. Transpacific cannot guarantee that it will be able to maintain or renew the current insurance policies due to a number of reasons, which may include inappropriate pricing, policy terms or conditions. The occurrence of an event that is not fully covered, or covered at all, by insurance, may have an adverse effect on Transpacific's future financial performance and position.
Asset impairment and use	Transpacific sells its services and products to individuals, companies and government authorities in Australia and New Zealand. Changes in general macroeconomic factors may result in customers changing spending patterns or their level of consumption, which may have an adverse impact on the demand for Transpacific's services and products, operating and financial performance and cashflows.
Risks associated with the Entitlement Offer	
Dilution	If you do not participate in the Entitlement Offer, your percentage ownership in Transpacific will decrease.
Inability to complete the Entitlement Offer	A termination event of the Underwriting Agreement may be triggered prior to the Institutional Settlement Date. If the Agreement is triggered and $260m (representing the underwritten Institutional Entitlement Offer) is unable to be raised, Transpacific may be required to renegotiate the terms of the Debt Refinancing.
General and other risks	
Share market fluctuations	The market price of Transpacific Shares may rise or fall due to a number of factors. Such market fluctuations may have a material adverse effect on the market price of the Transpacific Shares.
Liquidity and realisation	Low levels of potential buyers or sellers of the Shares may affect or cause volatility in the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares.