23 February 2012

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For release to market

TRANSPACIFIC INDUSTRIES GROUP FY12 INTERIM RESULTS

Transpacific Industries Group (ASX:TPI) today announced a statutory net profit after tax and significant items of $16.5 million for the six months ended 31 December 2011, compared with $31.7 million for the previous corresponding period.

Underlying net profit after tax, excluding significant items, was up 25.2% to $35.2 million.

Highlights of the result compared to the previous corresponding period:

- Group revenue up 5.8% to $1.12 billion
- Group EBITDA up 4.3% to $220.2 million; EBIT up 5.0% to $131.4 million
- Total Waste Management businesses increased revenue by 3.3% and EBITDA by 2.3%
- Commercial Vehicles division increased revenue by 31.0% and EBITDA by 176.2%
- Manufacturing division reported a break even result
- Net Debt reduction of $290.6 million from June 2011 as a result of a successful refinancing in October/November 2011 and operating cash flows of $99.3 million

Kevin Campbell, Chief Executive Officer of Transpacific, said: “Considering the difficult economic conditions in Australia and New Zealand, these results reflect the strengths of our businesses and their leading market positions.

“Our waste management businesses have again achieved both revenue and profit growth, and we are especially pleased with the improved earnings recorded by our Commercial Vehicles division and the progress being achieved in the turnaround of the Manufacturing division.

“The refinancing package successfully completed in November 2011 is allowing us to focus on the business and the operational improvements that can be achieved across all divisions within the Company.

“In the short to medium term, addressing inefficiencies within and across the businesses, improving customer service levels and improvements to our safety performance are priorities.”

Divisional Results

Volumes across our Total Waste Management businesses have shown modest growth over the period with profit margins remaining stable.

The Commercial Vehicles business significantly increased sales of both Western Star and MAN heavy duty vehicles when compared to the previous corresponding period and has been successful in further growing market share.

The actions aimed at turning around the performance of the Manufacturing division are showing positive results.

Capital Structure

During the half, the Company undertook a successful refinancing package comprising:

- a $1,525 million syndicated debt facility; and
- a $309 million renounceable entitlement offer.

The refinancing package resulted in a cheaper, simpler debt structure with average debt maturity increasing to 4.0 years from 1.9 years previously.

Net debt is $1.11 billion at 31 December 2011, down from $1.40 billion at 30 June 2011.

Operating cash flow increased 3.7% to $99.3 million.

Subsequent to 31 December 2011, the Company has bought back $75.6 million of its Convertible Notes at a discount to face value.

As debt reduction remains a key priority for the Company, no interim dividend will be paid.

Outlook

"The forecast contained within the refinancing prospectus issued in October 2011 indicated an EBITDA range of $445-459 million (before significant items) for the current financial year.

"Given the difficult economic conditions that are being experienced in some sectors in Australia and New Zealand, we anticipate the EBITDA result for the year will more likely be towards the lower end of this range," said Mr Campbell.

Investor Briefing

The Company will be holding a teleconference briefing for **shareholders and analysts** on the results at **10.30am Sydney time** (AEDST) today.

Presenters:	CEO Mr Kevin Campbell	
	CFO Mr Stewart Cummins	
Teleconference:	Australia:	1 800 123 296
	International:	+61 2 8314 8370

Quote Conference Code: **4698 8360**

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See following page for detailed Group and Divisional results

Group Results

(Note that categories denoted with * in the table below are before significant items and non-cash performance rights expense)

A$ million	1H 12	1H 11	%
Revenue (excluding interest income)	**1,121.4**	**1,059.9**	**5.8%**
EBITDA incl. associates *	**220.2**	**211.1**	**4.3%**
Depreciation and Amortisation	(88.8)	(85.9)	-3.4%
EBIT *	**131.4**	**125.2**	**5.0%**
Net cash interest	(72.6)	(79.4)	8.6%
Non-cash finance costs	(10.1)	(10.2)	1.0%
Profit before income tax *	**48.7**	**35.6**	**36.8%**
Income tax expense	(13.5)	(7.5)	-80.4%
Profit after income tax (before significant items and non-cash performance rights expense)	**35.2**	**28.1**	**25.2%**
Significant items and non-cash performance rights expense (after tax)	(18.7)	3.6	na
Net profit after income tax	**16.5**	**31.7**	**-48.0%**
Attributable to:			
Ordinary equity holders of the parent	7.8	24.3	
Non-controlling interest	1.3	0.2	
SPS holders	7.4	7.2	

Divisional Results

A$ million	Revenue		EBITDA	
	1H12	% change	1H12	% change
Cleanaway Australia	455.4	6.9%	102.8	3.7%
Industrials Australia	273.0	0.1%	65.1	1.4%
New Zealand	169.2	-0.8%	41.8	3.0%
Associates	-	-	1.3	-43.5%
Total Waste Management	**897.6**	**3.3%**	**211.0**	**2.3%**
Commercial Vehicles	195.6	31.0%	11.6	176.2%
Manufacturing	22.7	-38.1%	(0.1)	na
Corporate & other	5.5	14.6%	(2.3)	na
Total Group	**1,121.4**	**5.8%**	**220.2**	**4.3%**
Total Group (constant currency basis)	**1,121.5**	**5.8%**	**220.4**	**4.4%**