Transpacific FY14 Half Year Results Presentation

Robert Boucher – CEO

Stewart Cummins – CFO

14 February 2014

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- **Half year results information -** This presentation contains summary information that should be read in conjunction with TPI's Financial Reports for the half year ended 31 December 2013.

- All amounts are in Australian dollars unless otherwise stated. A number of figures in the tables and charts in the presentation pages have been rounded to one decimal place. Percentages (%) have been calculated on actual whole figures.

- Underlying earnings are categorised as non-IFRS financial information and therefore have been presented in compliance with ASIC Regulatory Guide 230 – Disclosing non-IFRS information, issued in December 2011. Refer to TPI's Directors' Report for the definition of "Underlying earnings". The term EBITDA represents earnings before interest, income tax, and depreciation and amortisation expense and the term EBIT represents earnings before interest and income tax expense.

- This presentation has not been subject to review or audit except as noted on page 16.

Transpacific 2014 Half Year Results

Agenda

Financial Summary and Overview Scorecard Divisional Underlying Results	Robert Boucher, CEO
Financial Management Underlying Adjustments Capital Structure	Stewart Cummins, CFO
Business and Operational Review FY14 Outlook and Priorities	Robert Boucher, CEO
Q&A	
Appendices	

Transpacific 2014 Half Year Results

Financial Summary and Overview

Statutory results (compared to 1H13)

- Total revenue of $1,003 million
- Profit after income tax attributable to ordinary equity holders of $158.6 million
- Earnings per share 10.0 cents

Significant items (after tax)

- $116.9 million profit mainly related to gain on sale of Commercial Vehicles Group

Trading conditions

- Trading conditions in Australia remained subdued
- Australian collection volumes in line with pcp
- Demand for shut down work from the mining and industrial sector has started to recover from the lows experienced in 2H13
- Trading conditions in Auckland and Christchurch regions of New Zealand improving

Business and Operational Review

- 31 of 42 non-core or under-performing businesses closed, sold or contracted for sale
- Plastics Manufacturing business under contract for sale (subject to ACCC clearance)
- Looking to divest New Zealand waste assets
- Number of additional performance improvement initiatives being implemented across the Company

Transpacific 2014 Half Year Results

Key Highlights of Underlying Results[1]

Waste Management Revenue	$920.2m	Up 1.1%
Waste Management Underlying EBITDA	$189.3m	Down 0.5%
Waste Management Underlying EBIT	$103.2m	Up 3.2%
Underlying Net Interest Expense	$42.4m	Down $19.5m
Underlying NPAT[2]	$41.7m	Up 16.5%
Underlying EPS	2.6 cents	Up 16.4%
Underlying Operating Cash Flow[3]	$101.4m	Down 15.5%
Net Debt	$753.9m	Down $223.6m

Note 1: All comparisons against previous corresponding period. Refer to page 17 for reconciliation from statutory profit to underlying profit

Note 2: Attributable to Ordinary Equity Holders

Note 3: Normalised for working capital release on divestment of Commercial Vehicles Group

Transpacific 2014 Half Year Results

Scorecard

Safety	✓	▪ 25% reduction in total recordable injury frequency rate versus pcp
Transformation	✓	▪ Transformation teams in place and actioning improvement initiatives identified in the Business and Operational Review ▪ Changes to Leadership team implemented to better support frontline operations
Sustainable cost savings	✓	▪ $11 million achieved in 1H14 ▪ On track for $20 million cost savings in FY14 and a further $15 million in FY15
Debt reduction	✓	▪ $266 million of debt and interest rate hedges repaid ▪ $290 million of syndicated debt refinanced with improved pricing ▪ Net debt reduced to $754 million at 31 December 2013
Interest expense	✓	▪ $19.5 million reduction in underlying net interest expense ▪ Reduction of over $35 million expected in FY14, $5 million more than AGM guidance
Divestment program	✓	▪ $219 million proceeds from divestment of Commercial Vehicles Group ▪ $13.7 million proceeds from divestment of businesses and sale of surplus properties ▪ Looking to divest New Zealand waste assets
Operational	✗	▪ Cleanaway Post Collections – adverse volume mix and cell construction delays ▪ Industrials Australia Hydrocarbons – results affected by major planned refinery shut down and slippage of export sales into 2H14

Transpacific 2014 Half Year Results

Divisional Underlying Results 1H14 v 1H13

A$ million	Revenue			EBITDA			EBIT		
	1H14	**1H13**	**% change**	**1H14**	**1H13**	**% change**	**1H14**	**1H13**	**% change**
Cleanaway Australia	**467.7**	465.0	0.6%	**98.6**	96.7	2.0%	**50.8**	46.1	10.4%
Industrials Australia	**246.9**	271.0	-8.9%	**44.8**	59.2	-24.3%	**30.3**	42.6	-28.9%
New Zealand (NZ$)	***226.0***	*215.4*	*4.9%*	***52.5***	*47.5*	*10.5%*	***34.3***	*27.3*	*25.5%*
New Zealand (A$)	**199.2**	169.3	17.7%	**46.3**	37.4	23.8%	**30.3**	21.4	41.4%
Associates	**-**	-	-	**4.5**	1.3	244.4%	**4.5**	1.3	244.4%
Corporate & other	**6.4**	5.1	26.1%	**(4.9)**	(4.3)	-12.5%	**(12.7)**	(11.4)	-11.3%
Total Waste Management	**920.2**	910.4	1.1%	**189.3**	190.3	**-0.5%**	**103.2**	100.0	**3.2%**
Businesess disposed									
Commercial Vehicles	**75.7**	228.1	-66.8%	**5.3**	19.8	-73.1%	**5.1**	19.2	-73.5%
Manufacturing	**7.1**	25.9	-72.6%	**0.5**	0.9	-49.0%	**0.5**	0.9	-50.7%
Total Group	**1,003.0**	1,164.4	**-13.9%**	**195.1**	211.0	**-7.5%**	**108.8**	120.1	**-9.5%**
Constant Currency adjustment	***(21.6)***	*(1.2)*	*n/m*	***(5.0)***	*(0.4)*	*n/m*	***(3.4)***	*(0.2)*	*n/m*
Total Group *	**981.4**	1,163.2	**-15.6%**	**190.1**	210.6	**-9.7%**	**105.4**	119.9	**-12.1%**

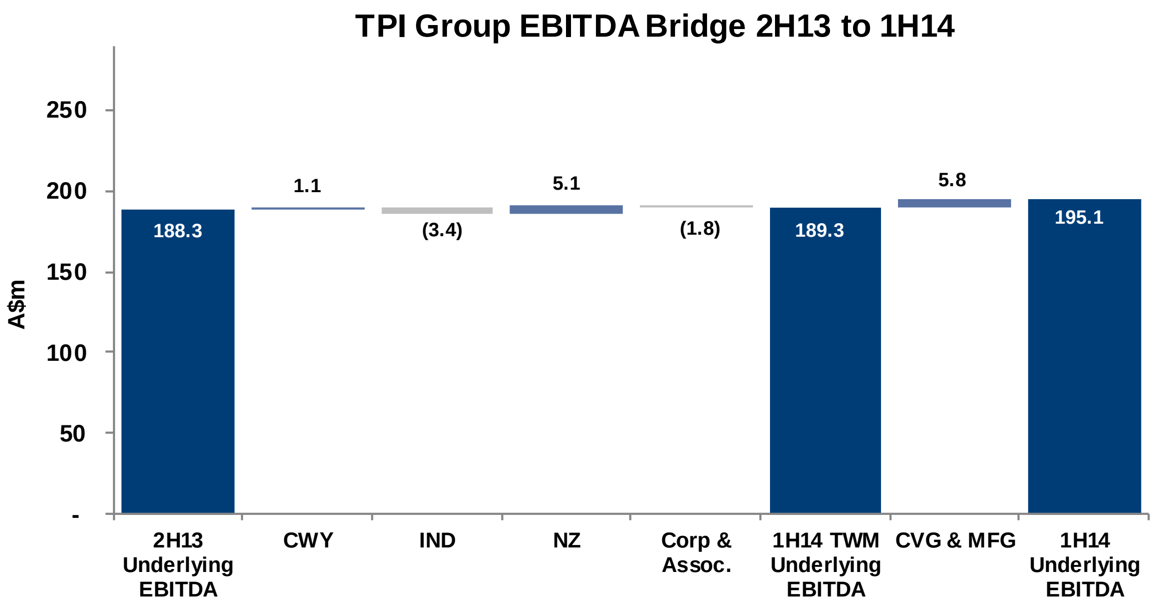
* Constant currency basis

Total Group constant currency is calculated assuming a constant NZ exchange rate from 1H13 to 1H14 of 1.13

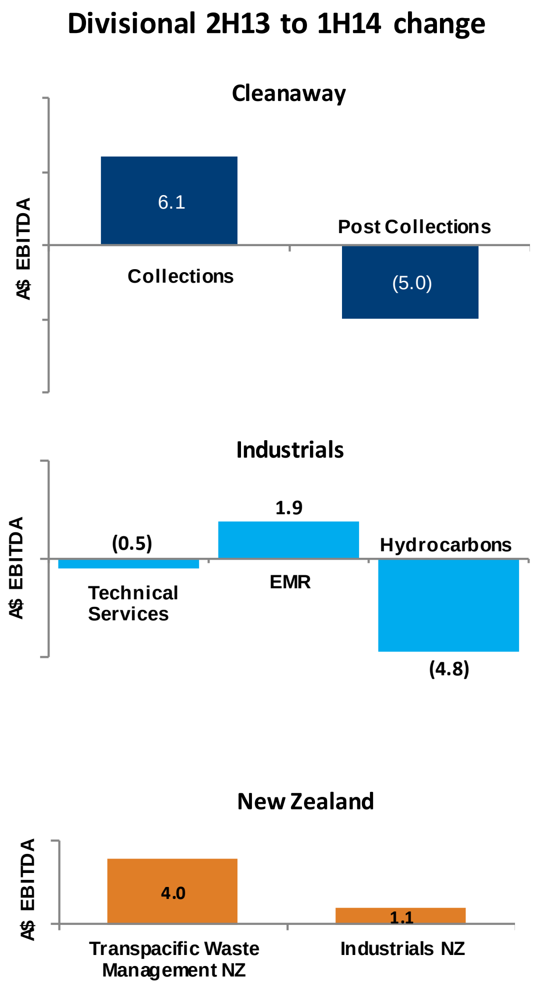
Constant currency reconciliation	1H14 Revenue	1H14 EBITDA	1H14 EBIT
New Zealand in NZ$ million	*226.0*	*52.5*	*34.3*
A$ million @ 1H13 average rate of 1.27	177.6	41.3	26.9
A$ million @ 1H14 average rate of 1.13	199.2	46.3	30.3
Constant currency adjustment	*(21.6)*	*(5.0)*	*(3.4)*

Transpacific 2014 Half Year Results

Divisional Underlying Results 2H13 to 1H14



- Majority of the $11 million of cost savings achieved during the half outweighed by weakness from Post Collections and Hydrocarbons



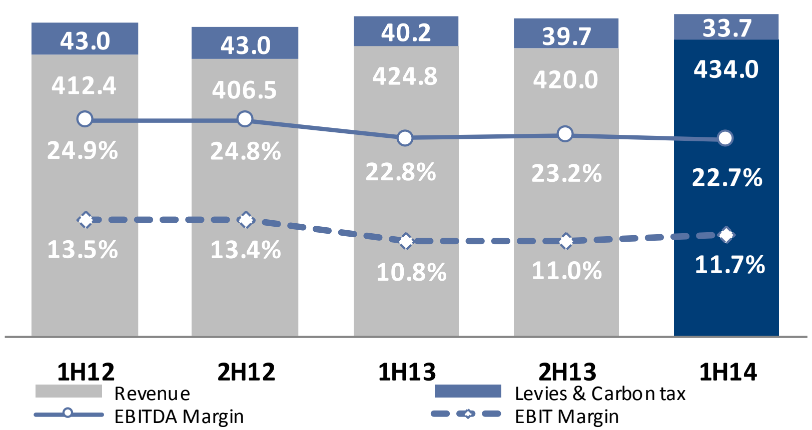
Transpacific 2014 Half Year Results

Cleanaway Australia

A$ million	1H14	2H13	1H13	1H14 v 2H13 % variance	1H14 v 1H13 % variance
Commercial & Industrial	**309.2**	290.0	299.9	6.6%	3.1%
Municipal	**100.5**	99.3	99.7	1.2%	0.8%
Post Collections (excl levies and carbon tax)	**63.8**	70.5	65.0	-9.6%	-1.9%
Levies and carbon tax	**33.7**	39.7	40.2	-15.0%	-16.1%
Total Cleanaway Revenue	**507.2**	499.5	504.8	1.5%	0.5%
Less Intercompany	**(39.5)**	(39.8)	(39.8)	-0.7%	-0.7%
Net Cleanaway Revenue	**467.7**	459.7	465.0	1.8%	0.6%
Net Cleanaway Revenue (excl levies and carbon tax)	**434.0**	420.0	424.8	3.3%	2.2%
EBITDA *	**98.6**	97.5	96.7	1.1%	2.0%
*EBITDA Margin (excl levies and carbon tax) **	***22.7%***	*23.2%*	*22.8%*		
EBIT *	**50.8**	46.3	46.1	9.7%	10.4%
*EBIT Margin (excl levies and carbon tax) **	***11.7%***	*11.0%*	*10.8%*		

*Represent Underlying results

Financial Performance (A$m)



- Cleanaway benefited from cost savings initiated in FY13
- Progressing well in actioning longer term fleet and labour productivity improvement initiatives

Transpacific 2014 Half Year Results

Cleanaway Australia (cont'd)

Commercial & Industrial

A$ million	1H14	1H13	%
Revenue	**309.2**	299.9	3.1%

- Total collection volumes in line with pcp
- Generally recouped cost increases through price rises
- Average commodity prices up on lower recycling volumes
- Major new contract wins and re-wins from Lend Lease, ISPT, Spotlight and Woolworths

Municipal

A$ million	1H14	1H13	%
Revenue	**100.5**	99.7	0.8%

- Focus on contracts with higher margins
- 14 of 20 contracts re-won at improved margins - Low margin/loss makers exited
- New contract wins in Moree, Narrabri, Riverland and Moonee Valley

Post Collections

A$ million	1H14	1H13	%
Revenue	**63.8**	65.0	-1.9%

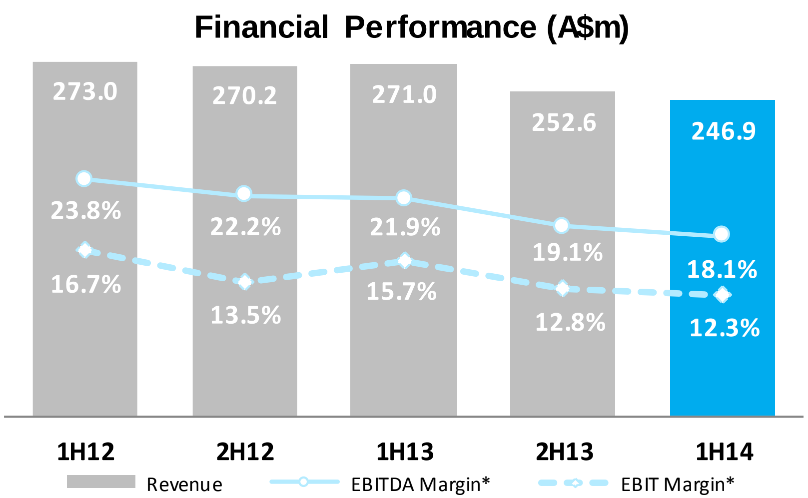
- Total volumes up 4.9% on pcp but flat on 2H13
- QLD and WA volumes up
- NSW and VIC volumes down 32% and 16% respectively reflecting trading conditions in those states
- Cell construction delays


Transpacific 2014 Half Year Results

Industrials Australia

A$ million	1H14	2H13	1H13	1H14 v 2H13 % variance	1H14 v 1H13 % variance
Revenue	**246.9**	252.6	271.0	-2.3%	-8.9%
EBITDA*	**44.8**	48.2	59.2	-7.0%	-24.3%
*EBITDA Margin**	***18.1%***	*19.1%*	*21.9%*		
EBIT*	**30.3**	32.4	42.6	-6.5%	-28.9%
*EBIT Margin**	***12.3%***	*12.8%*	*15.7%*		

*Represent Underlying results



- While the demand for industrial services experienced some recovery in the half, manufacturing and industrial activity remained weak
- Progressing well in actioning longer term fleet and labour productivity improvement initiatives

Note: The sub-segments of the Industrials Australia Division have been changed. The previous sub-segment known as Industrial Solutions has now been replaced by a sub-segment titled Energy, Minerals and Remediation (EMR). Refer to Appendix 6 for Revenue, EBITDA and EBIT results of the new sub-segments on a historical basis, by half, for FY11, FY12 and FY13.

Transpacific 2014 Half Year Results

Industrials Australia (cont'd)

Technical Services

A$ million	1H14	1H13	%
Revenue	**113.9**	113.3	0.5%
EBITDA *	**17.3**	21.9	-21.1%
*EBITDA Margin **	***15.2%***	*19.3%*	
EBIT *	**11.0**	15.2	-27.5%
*EBIT Margin **	***9.7%***	*13.4%*	

Energy, Minerals and Remediation

A$ million	1H14	1H13	%
Revenue	**61.8**	69.5	-11.1%
EBITDA *	**8.5**	10.3	-17.6%
*EBITDA Margin **	***13.7%***	*14.8%*	
EBIT *	**5.4**	6.0	-9.7%
*EBIT Margin **	***8.8%***	*8.6%*	

Hydrocarbons

A$ million	1H14	1H13	%
Revenue	**71.2**	88.2	-19.3%
EBITDA *	**19.0**	27.0	-29.6%
*EBITDA Margin **	***26.7%***	*30.6%*	
EBIT *	**13.9**	21.4	-35.3%
*EBIT Margin **	***19.5%***	*24.3%*	

*Represent Underlying results

- Liquid processing volumes down 5.8% reflecting continued weakness in manufacturing and industrial markets
- Activity in Australian eastern states remained weak
- Contracts secured for refinery conversion work will increase liquid processing volumes in 2H14 and into FY15

- Shut down work has started to recover from the lows experienced in 2H13
- Low level of emergency response work
- Contract for refinery conversion work awarded

- Collection volumes down 4.3% on pcp reflecting greater competition
- Revenue and margins impacted by extended shut down required at Wetherill Park refinery however reliability, efficiency and product quality has now improved
- Increased competition seen in waste oil collection market
- December oil export contract deferred into 2014 due to shipping

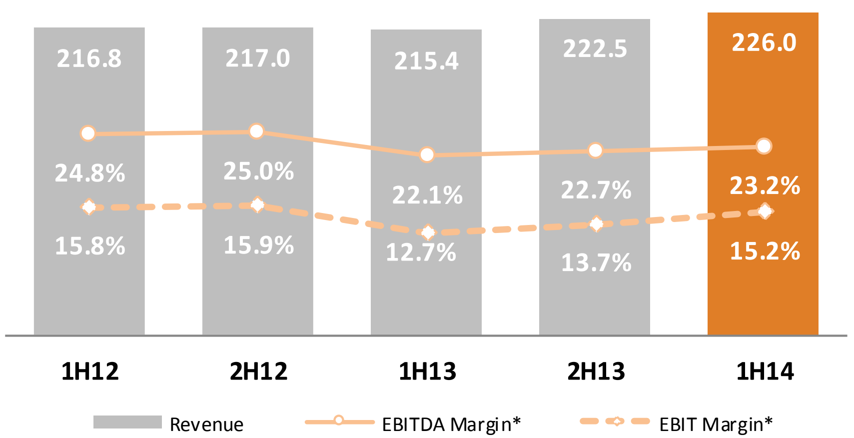
Transpacific 2014 Half Year Results

New Zealand

NZ$ million	1H14	2H13	1H13	1H14 v 2H13 % variance	1H14 v 1H13 % variance
Revenue	**226.0**	222.5	215.4	1.6%	4.9%
EBITDA*	**52.5**	50.5	47.5	4.0%	10.5%
*EBITDA Margin**	***23.2%***	*22.7%*	*22.1%*		
EBIT*	**34.3**	30.6	27.3	12.1%	25.5%
*EBIT Margin**	***15.2%***	*13.7%*	*12.7%*		

*Represent Underlying results

Financial Performance (NZ$m)



- The New Zealand business benefited from sales momentum in 2H13 continuing into 1H14 plus cost savings
- The possible divestment of the New Zealand assets has not impacted trading and management remain focused on the business

Transpacific 2014 Half Year Results

New Zealand (cont'd)

Waste Management NZ

NZ$ million	1H14	1H13	%
Revenue	**182.4**	168.8	8.1%
EBITDA *	**46.1**	41.7	10.6%
*EBITDA Margin **	***25.3%***	*24.7%*	
EBIT *	**28.9**	25.2	14.6%
*EBIT Margin **	***15.8%***	*14.9%*	

*Represent Underlying results

- New Auckland municipal contracts commenced in July 2013
- Christchurch rebuild gaining momentum with increase in housing starts
- Solid growth in landfill volumes
- Expanded post collections position in Wellington

Industrials NZ

NZ$ million	1H14	1H13	%
Revenue	**43.6**	46.6	-6.5%
EBITDA *	**6.4**	5.8	10.1%
*EBITDA Margin **	***14.7%***	*12.4%*	
EBIT *	**5.4**	2.1	153.9%
*EBIT Margin **	***12.5%***	*4.5%*	

- All 17 of the Industrial Services businesses have been sold or closed in the last 8 months
- The Technical Services business remains core and helped to increase earnings




Transpacific 2014 Half Year Results

Key Highlights – Financial Management

Debt

- Debt reduction continues with net debt down to $754 million
- Net interest expense down by $19.5 million or 31%
- $290 million of syndicated debt refinanced with improved pricing

Operating cash flow

- $89.7 million statutory operating cash flow
- $101.4 million operating cash flow including Commercial Vehicles Group cash flow to date of sale
- 12.3% working capital to sales ratio(1) (pcp: 18.8%)

Divestment program

- $219 million proceeds from divestment of Commercial Vehicles Group completed August 2013
- $4.7 million proceeds from divestment of businesses
- $9.0 million from sale of surplus properties
- Exploring possible divestment of New Zealand assets

Note 1: Current trade receivables plus inventories less current creditors divided by revenue from continuing operations for the six months to 31 December 2013

Transpacific 2014 Half Year Results

Group Income Statement – Statutory and Underlying Results

A$ million	Statutory Results		Underlying Adjustments		Underlying Results		
	1H14	1H13	1H14	1H13	1H14	1H13	% change
Revenue from total waste management	**920.2**	910.4	**-**	-	**920.2**	910.4	1.1%
Revenue from businesses disposed	**82.8**	254.0	**-**	-	**82.8**	254.0	-67.4%
Total revenue	**1,003.0**	1,164.4	**-**	-	**1,003.0**	1,164.4	-13.9%
Share of profits in associates	**4.5**	1.3	**-**	-	**4.5**	1.3	244.4%
Expenses (net of other income)	**(814.6)**	(960.4)	**2.2**	5.7	**(812.4)**	(954.7)	-14.9%
EBITDA from total waste management	***187.1***	*184.6*	***2.2***	*5.7*	***189.3***	*190.3*	*-0.5%*
EBITDA from businesses disposed	***5.8***	*20.7*	**-**	-	***5.8***	*20.7*	*-72.0%*
Total EBITDA	**192.9**	205.3	**2.2**	5.7	**195.1**	211.0	-7.5%
Depreciation and amortisation	**(80.8)**	(90.9)	**(5.5)**	-	**(86.3)**	(90.9)	-5.1%
EBIT from total waste management	***106.5***	*94.3*	***(3.3)***	*5.7*	***103.2***	*100.0*	*3.2%*
EBIT from businesses disposed	***5.6***	*20.1*	**-**	-	***5.6***	*20.1*	*-72.1%*
Total EBIT	**112.1**	114.4	**(3.3)**	5.7	**108.8**	120.1	-9.5%
Net interest expense	**(35.7)**	(55.2)	**-**	0.3	**(35.7)**	(54.9)	34.9%
Non-cash finance costs	**(13.1)**	(7.0)	**6.4**	-	**(6.7)**	(7.0)	4.0%
Changes in fair value of derivatives	**0.4**	4.2	**(0.4)**	(4.2)	**-**	-	-
Adjust for profit for the period from discountinued operations	**(42.6)**	(42.0)	**42.6**	42.0	**-**	-	-
Profit before income tax from continuing operations	**21.1**	14.4	**45.3**	43.8	**66.4**	58.2	14.1%
Income tax benefit/(expense)	**(3.6)**	(5.3)	**(12.6)**	(7.4)	**(16.2)**	(12.7)	-27.5%
Profit from continuing operations after income tax	**17.5**	9.1	**32.7**	36.4	**50.2**	45.5	10.3%
Profits for the period from discontinued operations after income tax	**27.4**	32.9	**(27.4)**	(32.9)	**-**	-	-
Gain on sale from disposal of Commercial Vehicle Group after income tax	**122.2**	-	**(122.2)**	-	**-**	-	-
Profit from continuing and discontinued operations after income tax	**167.1**	42.0	**(116.9)**	3.5	**50.2**	45.5	10.3%
Non-controlling interest	**(0.5)**	(0.7)	**-**	-	**(0.5)**	(0.7)	-32.6%
Profit after income tax and minorities	**166.6**	41.3	**(116.9)**	3.5	**49.7**	44.8	11.0%
SPS distribution	**(8.0)**	(9.0)	**-**	-	**(8.0)**	(9.0)	-11.1%
Profit after income tax attributable to ordinary equity holders	**158.6**	32.3	**(116.9)**	3.5	**41.7**	35.8	16.5%
Weighted average number of shares	**1,578.6**	1,578.2			**1,578.6**	1,578.2	
Basic earnings per share (cents)	10.0	2.0			**2.6**	2.3	

Shaded area indicates IFRS disclosures in Interim Financial Statements. The non-IFRS information on this page and page 17 and page 26 have been subject to review by our auditors. Refer page 17 for reconciliation of detailed adjustments from Statutory Profit to Underlying Profit. Refer to pages 3 and 4 of the 31 December 2013 Directors' Report for detailed explanations of Underlying Adjustments and definitions.

Transpacific 2014 Half Year Results

Statutory Profit Reconciliation to Underlying Profit

A$ million	1H14	1H13
Statutory Profit From Continuing and Discontinued Operations After Income Tax (Attributable to Ordinary Equity Holders)	**158.6**	32.3
Costs associated with implementation of the transformation program	**3.9**	-
Net (gain)/loss from disposal of investments	**(1.7)**	5.7
Total Underlying Adjustments to EBITDA	**2.2**	5.7
Reversal of depreciation and amortisation expense for New Zealand	**(5.5)**	-
Total Underlying Adjustments to EBIT	**(5.5)**	-
Write off of establishment costs associated with former debt facilities	**6.4**	-
Changes in fair value of derivative financial instruments	**(0.4)**	(4.2)
Accelerated amortisation of Convertible Notes and redemption costs	**-**	0.3
Total Underlying Adjustments to Finance Costs	**6.0**	(3.9)
Total Underlying Adjustments to Income Tax	**2.6**	1.7
Gain on sale of Commercial Vehicles Group after items transferred from reserves and income tax	**(122.2)**	-
Underlying Profit After Income Tax (Attributable to Ordinary Equity Holders)	**41.7**	35.8

Note: Refer to pages 3 and 4 of the 31 December 2013 Directors' Report for detailed explanations of the above Underlying Adjustments

- Statutory profit of $158.6 million includes the gain on sale of the Commercial Vehicles Group
- The gain on sale was upgraded to reflect final balance sheet position and provisional tax estimates

Transpacific 2014 Half Year Results

Balance Sheet

A$ million	31 Dec 13 [1]	30 Jun 13	31 Dec 12
Assets			
Cash	**71.7**	76.2	30.9
Receivables	**293.9**	282.6	281.5
Inventories	**22.3**	165.2	176.2
Other current assets	**22.7**	28.0	20.3
Property, plant and equipment	**1,076.9**	1,084.4	1,222.0
Land held for sale	**7.6**	7.7	6.9
Intangible assets	**1,915.1**	1,862.8	1,989.1
Other non-current assets	**119.6**	129.5	91.6
Total Assets	**3,529.8**	3,636.4	3,818.5
Liabilities			
Creditors	**192.4**	264.9	238.6
Borrowings	**825.6**	1,053.7	1,067.1
Other liabilities	**280.7**	310.5	316.2
Total Liabilities	**1,298.7**	1,629.1	1,621.9
Net Assets	**2,231.1**	2,007.3	2,196.5

Note 1: Refer to Appendix 7 for reconciliation to Statutory Balance Sheet classification as presented on page 9 of the interim Consolidated Financial Report

- Receivables and intangible assets increased by AUD/NZD FX rates
- Inventories reduction on sale of Commercial Vehicles Group
- Creditors reduction on sale of Commercial Vehicles Group
- Net Debt/Underlying EBITDA gearing level at 1.90 (pcp: 2.39)

Transpacific 2014 Half Year Results

Cash Flows

A$ million	1H14	1H13
Underlying EBITDA incl. associates	**195.1**	211.0
Less share of associates profit	**(4.5)**	(1.3)
Change in operating assets and liabilities	**(26.5)**	(22.2)
Remediation of landfills	**(4.0)**	(4.6)
Underlying adjustments	**(6.4)**	-
Net interest paid	**(37.9)**	(55.5)
Income taxes (paid)/received	**(14.4)**	(7.4)
Cash from Operating Activities *	**101.4**	120.0
Capital expenditure	**(71.5)**	(88.6)
Net proceeds from investing and asset sales *	**232.7**	10.0
Dividends received from Associates	**5.1**	2.1
Cash from Investing Activities *	**166.3**	(76.5)
Net repayment of debt facilities including leases and hedges	**(265.9)**	(81.8)
Distributions to SPS holders	**(8.0)**	(9.0)
Cash from Financing Activities	**(273.9)**	(90.8)
Net (Decrease) in Cash Over Prior Year	**(6.2)**	(47.3)

* Note: $11.7 million of Cash from Operating Activities from the Commercial Vehicles Group has been reclassified as Cash from Investing Activities for statutory purposes. On a like-for-like basis, operating cash flow in 1H14 is $101.4 million.

- Net cash interest paid continues to reduce – down $17.6 million or 31.7%
- Capital expenditure spend

A$ million	1H14	1H13
Cleanaway	**37.3**	42.3
Industrials	**14.0**	26.5
New Zealand	**15.6**	10.6
Commercial Vehicles	**0.3**	0.2
Corporate & Property	**4.3**	9.0
Total Capex	**71.5**	88.6

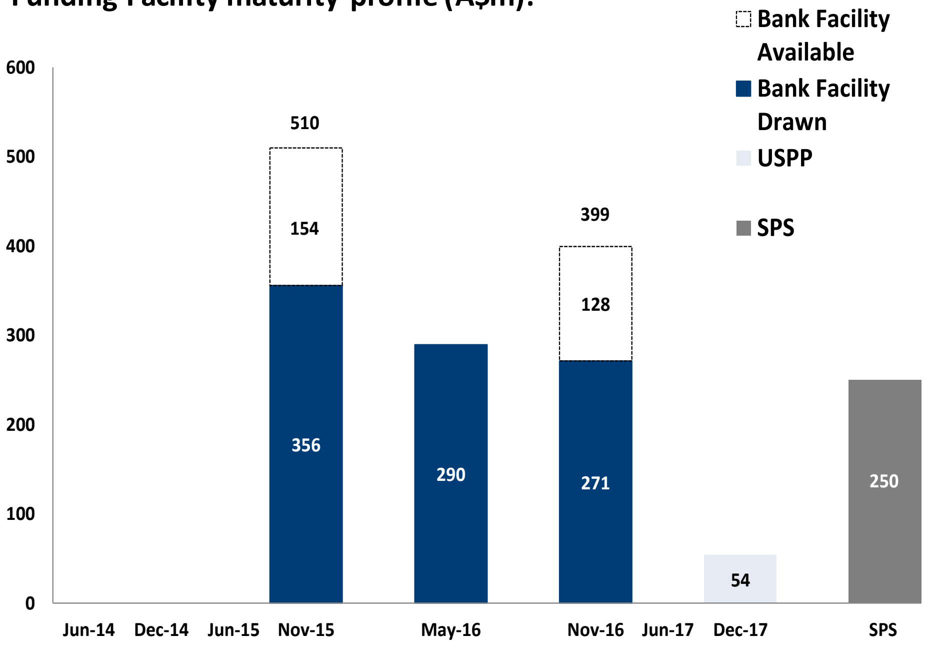
Transpacific 2014 Half Year Results

Capital Structure

Net Debt comprises:

A$ million	31 Dec 14	30 Jun 13	31 Dec 12
Current interest bearing liabilities	**22.3**	21.5	36.5
Non current interest bearing liabilities	**803.3**	1,032.2	1,030.6
Gross debt	**825.6**	1,053.7	1,067.1
Cash and cash equivalents	**(71.7)**	(76.2)	(30.9)
Net debt	**753.9**	977.5	1,036.2

Funding Facility maturity profile (A$m):



- Gross debt reduced by $228.1 million, being $240.0 million repayments offset by $11.9 million in non-cash amortisation
- At 31 December 2013 the Company had $282 million of headroom under banking facilities (30 June 2013: $270 million)
- Average debt maturity 2.4 years (30 June 2013: 2.5 years)
- Continue to assess options to increase tenor and diversify funding sources

Transpacific 2014 Half Year Results

Business and Operational Review

The Company is actioning its transformation program

Key areas of focus	Progress
1. Portfolio strategy	▪ 31 of the 42 businesses identified as either non-core or under-performing have been closed, sold or contracted for sale ▪ $13.7 million received in 1H14 with another NZ$10 million realised in January 2014 related to NZ Industrials businesses sold ▪ Sale of Plastics Manufacturing business under contract, subject to ACCC clearance ▪ Looking to divest New Zealand waste assets
2. Performance improvement	▪ Changes to Leadership Team implemented to better support frontline operations ▪ Senior operational and corporate management will be consolidated in Melbourne ▪ Transformation teams in place and actioning performance improvement initiatives
3. Capital allocation	▪ Capital structure options (including dividends) under review ▪ Looking at Australian growth opportunities

Transpacific 2014 Half Year Results

FY14 Outlook and Priorities

Outlook	▪ Australian and New Zealand trading conditions expected to remain consistent with those experienced in the first half
Performance improvement	▪ Delivering on the next phase of the sustainable cost savings targets – a further $20 million in FY14 and on target for additional $15 million in FY15 ▪ Additional performance improvement benefits to flow from implementing the findings of the Business and Operational Review
Divestments and asset sales	▪ Looking to divest New Zealand waste assets ▪ Complete sale or closure of remaining 11 of 42 businesses to realise total proceeds of $30+ million in FY14
Debt reduction and interest cost savings	▪ Debt reduction will continue ▪ Reduce total interest costs by over $35 million in FY14 ▪ Exploring options to increase tenor and diversify funding sources
Capital allocation	▪ Potential redemption of $250 million Step-up Preference Securities ▪ Further options will be assessed, including resumption of dividend and Australian growth opportunities

Appendices

Transpacific 2013 Financial Year Results

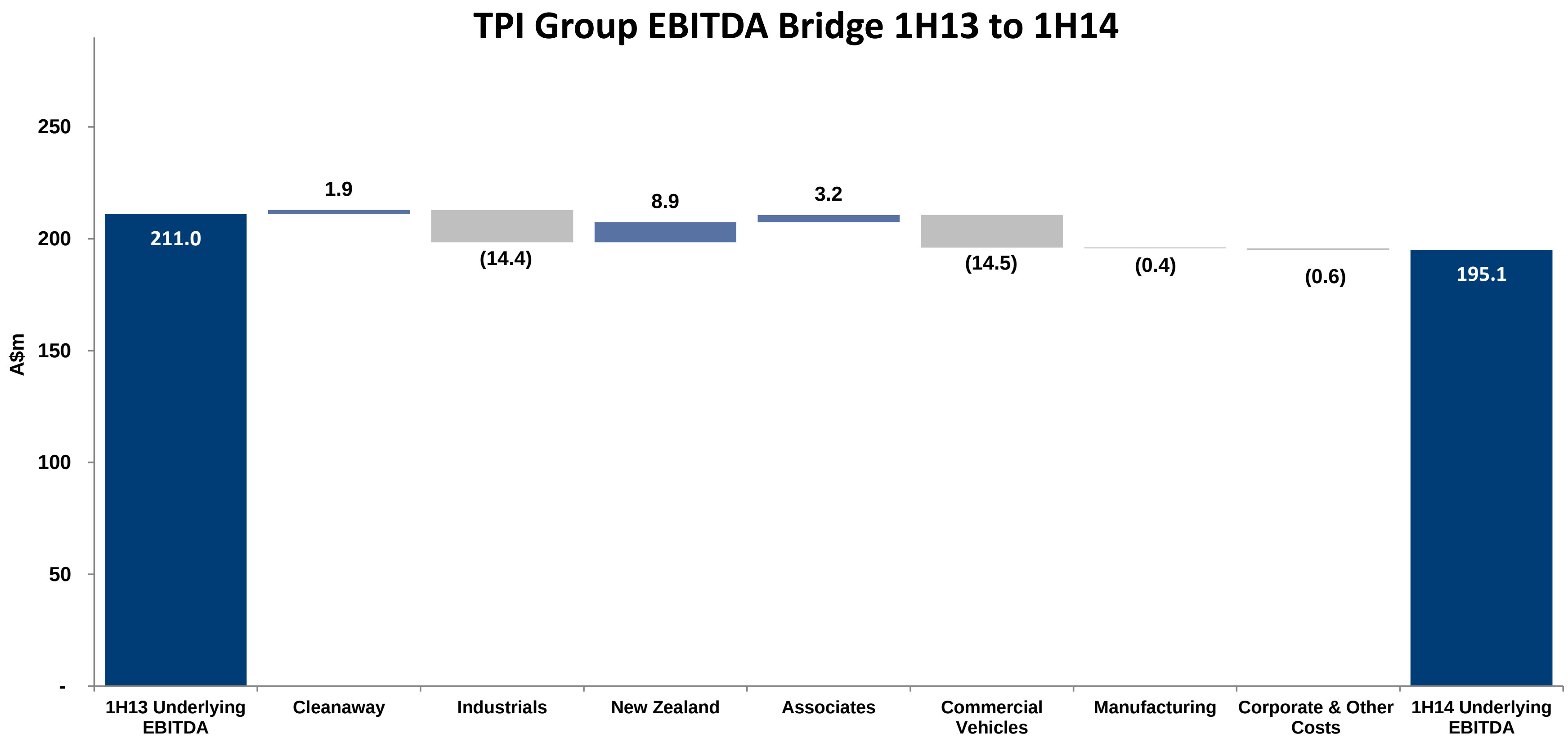
Appendix 1: Capital Structure – Net Finance Costs

A$ million	Statutory		Underlying	
	1H14	1H13	1H14	1H13
Interest expense				
Bank interest	**22.1**	27.4	**22.1**	27.4
Hedging	**6.2**	10.1	**6.2**	10.1
Commitment fees, Guarantee and Bond fees	**3.8**	4.5	**3.8**	4.5
10YR USPP Notes	**2.9**	2.9	**2.9**	2.9
Finance leases	**2.0**	3.5	**2.0**	3.5
Convertible Notes and 5YR USPP Notes	**-**	7.6	**-**	7.3
Total interest expense	**37.0**	56.0	**37.0**	55.7
Interest received	**(1.3)**	(0.8)	**(1.3)**	(0.8)
Net interest expense	**35.7**	55.2	**35.7**	54.9
Non-cash finance costs				
Amortisation of borrowing costs	**4.2**	5.1	**4.2**	5.1
Present value for landfill remediation provision	**2.5**	1.9	**2.5**	1.9
Other	**6.4**	-	-	-
Total non-cash finance cost	**13.1**	7.0	**6.7**	7.0
Total net finance costs	**48.8**	62.2	**42.4**	61.9

Total interest costs will decline by over $35 million in FY14

Transpacific 2014 Half Year Results

Appendix 2: Group Underlying EBITDA 1H13 to 1H14



Transpacific 2014 Half Year Results

Appendix 3: Underlying Divisional EBITDA Adjustments

A$ million	Statutory Results		Underlying Adjustments		Underlying Results		% change
	1H14	1H13	1H14	1H13	1H14	1H13	
Cleanaway Australia	**98.6**	96.7	**-**	-	**98.6**	96.7	2.0%
Industrials Australia	**44.8**	52.1	**-**	7.1	**44.8**	59.2	-24.3%
New Zealand	**48.0**	38.8	**(1.7)**	(1.4)	**46.3**	37.4	23.8%
Share of profits in associates	**4.5**	1.3	**-**	-	**4.5**	1.3	244.4%
Corporate	**(8.8)**	(4.3)	**3.9**	-	**(4.9)**	(4.3)	-12.5%
Total Waste Management	**187.1**	184.6	**2.2**	5.7	**189.3**	190.3	-0.5%
Commercial Vehicles	**5.3**	19.8	**-**	-	**5.3**	19.8	-73.1%
Manufacturing	**0.5**	0.9	**-**	-	**0.5**	0.9	-49.0%
EBITDA	**192.9**	205.3	**2.2**	5.7	**195.1**	211.0	-7.5%
Depreciation and amortisation	**(80.8)**	(90.9)	**(5.5)**	-	**(86.3)**	(90.9)	-5.1%
EBIT	**112.1**	114.4	**(3.3)**	5.7	**108.8**	120.1	-9.4%

Note: Refer to page 17 for reconciliation of detailed adjustments from Statutory results to Underlying results.

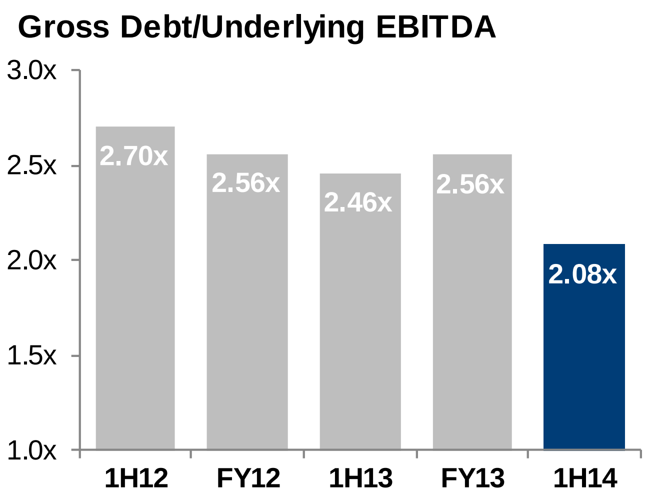
Transpacific 2014 Half Year Results

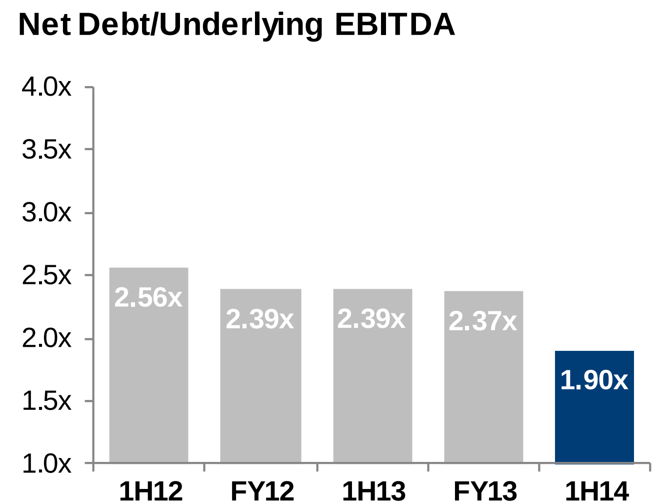
Appendix 4: Divisional Underlying Results 1H14 v 2H13

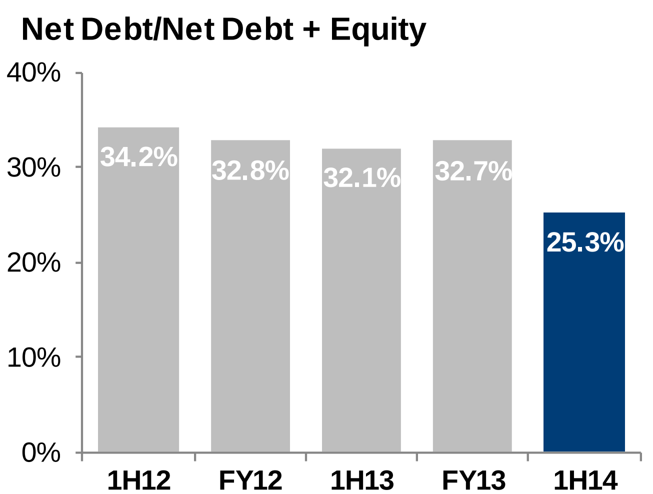
A$ million	Revenue			EBITDA			EBIT		
	1H14	**2H13**	**% change**	**1H14**	**2H13**	**% change**	**1H14**	**2H13**	**% change**
Cleanaway Australia	**467.7**	459.7	1.7%	**98.6**	97.5	1.1%	**50.8**	46.3	9.7%
Industrials Australia	**246.9**	252.6	-2.3%	**44.8**	48.2	-7.0%	**30.3**	32.4	-6.5%
New Zealand (NZ$)	***226.0***	*222.5*	*1.6%*	***52.5***	*50.5*	*4.0%*	***34.3***	*30.6*	*12.1%*
New Zealand (A$)	**199.2**	181.7	9.7%	**46.3**	41.2	12.3%	**30.3**	25.1	20.7%
Associates	**-**	-	-	**4.5**	4.2	6.6%	**4.5**	4.2	6.6%
Corporate & other	**6.4**	6.2	3.0%	**(4.9)**	(2.8)	-71.9%	**(12.7)**	(13.9)	8.7%
Total Waste Management	**920.2**	900.2	2.2%	**189.3**	188.3	**0.5%**	**103.2**	94.1	**9.6%**
Businesess disposed									
Commercial Vehicles	**75.7**	217.7	-65.2%	**5.3**	16.0	-66.6%	**5.1**	15.4	-66.9%
Manufacturing	**7.1**	11.7	-39.1%	**0.5**	(3.1)	-115.2%	**0.5**	(3.1)	-115.0%
Total Group	**1,003.0**	1,129.6	**-11.2%**	**195.1**	201.2	**-3.0%**	**108.8**	106.4	**2.2%**

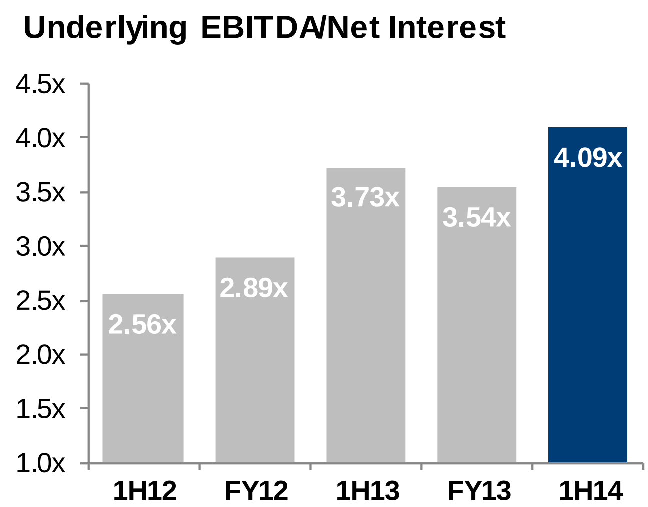
Transpacific 2014 Half Year Results

Appendix 5: Capital Structure – Credit Metrics









Note: Underlying EBITDA is used in the calculation of credit metrics as it is considered to better reflect the ongoing position of the Group

Transpacific 2014 Half Year Results

Appendix 6: Industrials Division Segment Results

	1H11	2H11	FY11	1H12	2H12	FY12	1H13	2H13	FY13	1H14
Technical Services										
Revenue	126.0	124.6	**250.5**	120.9	113.6	**234.5**	113.3	108.3	**221.6**	113.9
EBITDA	28.0	28.8	**56.8**	28.0	22.5	**50.5**	21.9	17.8	**39.7**	17.3
EBIT	20.3	17.5	**37.9**	19.8	13.3	**33.2**	15.2	10.7	**25.8**	11.0
Energy, Minerals and Remediation (EMR)										
Revenue	59.9	56.6	**116.6**	61.1	64.7	**125.8**	69.5	60.9	**130.4**	61.8
EBITDA	11.2	7.8	**19.0**	9.2	7.4	**16.6**	10.3	6.6	**16.9**	8.5
EBIT	5.3	1.5	**6.8**	3.5	-0.5	**3.0**	6.0	3.3	**9.3**	5.4
Hydrocarbons										
Revenue	86.8	93.2	**180.0**	91.1	91.9	**183.0**	88.2	83.4	**171.6**	71.2
EBITDA	25.0	28.2	**53.2**	27.9	30.1	**58.0**	27.0	23.8	**50.8**	19.0
EBIT	18.7	22.5	**41.1**	22.2	23.8	**45.9**	21.4	18.4	**39.9**	13.9
Total Division										
Revenue	272.7	274.4	**547.1**	273.0	270.2	**543.2**	271.0	252.6	**523.6**	246.9
EBITDA	64.2	64.8	**129.0**	65.1	60.0	**125.1**	59.2	48.2	**107.4**	44.8
EBIT	44.3	41.5	**85.8**	45.5	36.6	**82.1**	42.6	32.4	**75.0**	30.3

Note 1: Represents adjusted Underlying segment results following creation of Energy, Minerals, and Remediation (EMR) Division.

Transpacific 2014 Half Year Results

Appendix 7: Balance Sheet Reconciliation

A$ million	31 Dec 13 [1]	Assets classified as held for sale	31 Dec 13 [2]	30 Jun 13 [2]
Assets				
Cash	**71.7**	-	**71.7**	**76.2**
Receivables	**293.9**	53.8	**240.1**	**282.6**
Inventories	**22.3**	1.9	**20.4**	**165.2**
Other current assets	**22.7**	2.7	**20.0**	**28.0**
Property, plant and equipment	**1,076.9**	233.8	**843.1**	**1,084.4**
Land held for sale	**7.6**	0.7	**6.9**	**7.7**
Intangible assets	**1,915.1**	641.2	**1,273.9**	**1,862.8**
Assets classified as held for sale	**-**	-	**954.6**	**-**
Other non-current assets	**119.6**	20.5	**99.1**	**129.5**
Total Assets	**3,529.8**	954.6	**3,529.8**	**3,636.4**
Liabilities				
Creditors	**192.4**	40.5	**151.9**	**264.9**
Borrowings	**825.6**	-	**825.6**	**1,053.7**
Liabilities associated with assets classified as held for sale	**-**	-	**100.5**	**-**
Other liabilities	**280.7**	60.0	**220.7**	**310.5**
Total Liabilities	**1,298.7**	100.5	**1,298.7**	**1,629.1**
Net Assets	**2,231.1**	854.1	**2,231.1**	**2,007.3**

Note 1: Balance sheet as presented on page 18 of this presentation

Note 2: Balance sheet as shown on page 9 of the interim Consolidated Financial Report