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TRANSPACIFIC STRENGTHENS FINANCIAL POSITION WITH COMPREHENSIVE RE-FINANCING PACKAGE

Transpacific Industries Group Ltd (ASX: TPI) today announced a comprehensive re-financing package that will strengthen its financial position and address debt maturities in 2012, 2013 and 2014.

The key components of the re-financing package are:

- **$1,525 million facility to replace existing $1,435 million facility – extending average debt maturity to 4.1 years from 1.9 years, reducing interest expense significantly and enabling repayment of US Private Placement securities (USPPs) and possible redemption of convertible notes ahead of their maturity or put date.**
- **Up to approximately $309 million renounceable entitlement offer, underwritten to $260 million, with proceeds utilised to reduce debt**.

"This re-financing package will reduce borrowings, extend our debt profile and decrease interest expense significantly in turn, allowing us to maximise profitability," said Mr Gene Tilbrook, Chairman of Transpacific. "It will also give us the flexibility to build on our strong market positions and take advantage of the organic growth opportunities in our core waste management businesses."

"As a result of this total re-financing package Transpacific will have less debt and that debt will be simpler, cheaper and longer term".

"We will continue to focus on reducing the company's debt through increased operational cash flow, reductions in working capital and possible divestment of surplus properties and non-core assets".

"Based on current economic trends and conditions for the sector in Australia and New Zealand, the outlook for our company remains positive. We are forecasting EBITDA of $452 million and profit before tax and significant items of $119 million for the year ending 30 June 2012, compared with EBITDA of $425 million and profit before tax and significant items of $73 million for FY 2011. Our first quarter's trading indicates that we are on track to meet this forecast," Mr Tilbrook said.

New $1,525 million facility

The new $1,525 million syndicated debt facility will improve Transpacific's credit metrics considerably. It will increase the average maturity of the company's debt to 4.1 years from 1.9 years, with maturities ranging from three to five years and no re-financing requirements until November 2014.

The new facility, which is conditional upon completion of the entitlement offer, will also reduce Transpacific's funding costs, leading to an annualised interest saving of between $21.8 million and $24.8 million in FY2012 and between $31.3 million and $34.3 million in subsequent years.

The increase in the facility will provide Transpacific with the flexibility to buy back its $309 million convertible notes and its 5 and 10 year USPP borrowings early.

Entitlement offer

The accelerated renounceable pro-rata entitlement offer of new shares, which will rank equally with the company's existing shares, will raise approximately up to approximately $309 million which will be used to reduce debt.

The offer consists of a fully underwritten institutional component to raise approximately $260 million and a retail component, which will not be underwritten, to raise approximately $49 million.

Transpacific's largest shareholder, WP X Holdings B.V. has committed up to $207 million to take up its entitlement in full and to sub-underwrite a portion of the institutional component.

Transpacific's directors also intend to take up their entitlements.

Eligible Transpacific shareholders are being invited to subscribe for 9 new shares for every 14 Transpacific ordinary shares held at 7 pm Sydney time on Monday 31 October 2011 at a price of $0.50 per new share. The offer price represents a 27.5 per cent discount to the closing price for Transpacific shares of $0.69 on Tuesday 25 October 2011 and an 18.8 per cent discount to the theoretical ex-rights price of $0.62 on the same date.

Transpacific's shares have been placed in a trading halt while the institutional component of the offer is completed.

Details of the entitlement offer will be despatched to eligible shareholders on Thursday 3 November 2011. Meanwhile, information is available on Transpacific's website www.transpacific.com.au or from the Transpacific shareholder information line on 1300 658 745 (local call cost within Australia) or +61 3 9415 4262 (from outside Australia) between 8:30am and 5:00pm (Sydney time) Monday to Friday during the entitlement offer.

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