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FOR RELEASE TO MARKET

TRANSPACIFIC INDUSTRIES GROUP HALF YEAR FY15 RESULTS

Transpacific Industries Group Ltd ("Transpacific" ASX:TPI) today announced a statutory loss after tax attributable to ordinary equity holders of $41.7 million for the six months ended 31 December 2014, down from the $158.6 million profit recorded in the previous corresponding period.

The statutory loss after tax includes a total of $64.5 million in underlying adjustments after tax, which mainly comprise the impairment of the Hydrocarbons business, costs associated with the fleet grounding which occurred in August 2014 and an additional gain on the sale of the New Zealand business.

Underlying net profit after tax attributable to ordinary equity holders was $22.8 million, a decrease of 45.3% on the previous corresponding period. The decrease primarily reflects the sale of the Commercial Vehicles and New Zealand businesses last year and the current period decline in revenues in the Industrials business from lower oil selling prices and general market pressures in a difficult environment for service providers to the mining and industrial markets.

Underlying Australian waste management earnings before interest and tax was $57.5 million, a decrease of 17.1% on the previous corresponding period (excluding discontinued operations). The majority of this decline relates to the performance of the Industrials business during the period.

Strategic Overview

"Transpacific has a comprehensive multi-year strategy which will generate benefits over the next 12-18 months. The strategy revolves around four key platforms:

- Price and volume growth
- Improving landfill capacity and increasing internalisation rates
- Maximising our productivity
- Targeting tuck-in acquisitions

Over the past six months we have commenced a number of initiatives specifically aimed at delivering on this strategy" Transpacific Chief Executive Officer Bob Boucher said today.

"During the period, we completed pilot programs aimed at increasing volumes and prices in our Commercial & Industrial solid waste collection markets. The results from these pilot programs have been successful and we are now in the implementation phase of rolling these programs out across the rest of our operations.

"To lead these programs I have recently appointed David Aardsma to the role of Executive General Manager of Growth. David is a highly experienced sales and marketing executive with over 40 years' experience in the US waste management industry at Waste Management Inc. and has a proven track record of building, transforming and motivating world-class sales and marketing teams. He is ideally suited to helping us achieve our growth goals.

"The appointment of David is also an indication of the further development and strengthening of our management team through the appointment of senior managers with relevant industry experience.

"In December 2014, we announced the acquisition of the Melbourne Regional landfill business, an acquisition which is an integral component of our overall strategy. This transaction secures our long term position in the important Melbourne market, will increase our waste internalisation rates and in turn drive enhanced cash flows and returns. The ACCC has advised it will not oppose the acquisition and completion is expected shortly".

Financial Overview

- Statutory loss per share of 2.6 cents compared to earnings per share of 10 cents in the previous corresponding period
- Underlying earnings per share of 1.4 cents, down from 2.6 cents in the previous corresponding period
- Revenue from the Australian waste management businesses was $689.5 million, down 4.2%
- Underlying EBITDA from the Australian waste management businesses of $121.8 million, down 12.7%
- $250 million Step-up Preference Securities redeemed on 30 September 2014
- $123.4 million in net debt
- $81.7 million of operating cash flow

Underlying adjustments

Underlying adjustments totalled $82.7 million before tax ($64.5 million after tax).

$77.5 million of this amount resulted from the Company's impairment of the Hydrocarbons business. This business collects, refines and recycles used mineral oils and the impairment charge reflects the large decrease experienced in the price of fuel and base oil over the past six months, as well as an expectation of a slow increase in prices over a number of years.

The remaining underlying adjustments comprise:

- $16.5 million representing the financial impact of the decision taken to ground the heavy vehicle fleet nationally on 19 August 2014, after one of our trucks was involved in a fatal traffic accident in South Australia
- $9.0 million representing additional gain on sale following finalisation of the completion accounts of the New Zealand business which was sold on 30 June 2014
- $2.3 million net gain on the disposal of investments and changes in fair value of derivatives

Dividend

An interim dividend of 0.7 cents per share (pcp: Nil) has been declared.

The dividend will be fully franked and paid on 1 April 2015 to shareholders on the register at 27 February 2015.

The Company will consider re-instating the Dividend Reinvestment Plan for any future dividends.

Divisional Overview

Cleanaway

Compared to the previous corresponding period, revenues and EBITDA declined 2.4% and 2.5% respectively. However, the Cleanaway division reported improved results when compared to the second half of FY14 with revenue increasing 2.7% to $456.3 million and EBITDA 5.5% to $96.2 million.

While market activity remains subdued, the collections businesses (comprising Commercial & Industrial and Municipal) have shown an increase in EBITDA compared to the second half of last year. Commercial & Industrial revenues, particularly in the key front lift segment, experienced a small improvement when compared to the second half of last year as the success of the pilot pricing program had a positive impact on margins. It is expected that the new sales and pricing programs that are being rolled out across the Company over the next twelve months will continue to improve the results from the Commercial & Industrial business.

The Post Collections business also improved results compared to the second half of last year, as total volumes grew and margins improved.

Industrials

The Industrials division continued to experience difficult market conditions. Revenue declined 7.2% which resulted in a 28.9% decline in EBITDA compared to the previous corresponding period. Compared to the second half of FY14, revenues declined 3.8% and EBITDA 29.8%.

The Hydrocarbons business reported lower waste oil collection volumes, revenues and EBITDA. A decline in mining activity, particularly in Queensland and general market conditions for waste oil collections resulted in volume declines. The business has also been impacted by the major downturn experienced in the sales price of both fuel and base oil during the period as international oil prices fell.

Volumes in the higher margin hazardous liquids business declined in line with reduced activity levels in the manufacturing, mining and industrial markets and shows little signs of improvement. Market pressures across the sector increased as overall levels of available liquid volumes declined.

The Industrial division is undertaking a number of restructuring programs across all its business to mitigate the downturn in market activity. These include the review of a fee based structure for oil collection, the consolidation of processing facilities and the re-scaling of the business.

Management Comments

Mr Boucher said, “In the coming period we will accelerate the pace of projects that support the four key components of our strategy.

“This will include the next phase of our fleet management processes which have been, and will continue to be, improved following the grounding of our heavy vehicle fleet in August 2014; the aggressive roll out of the sales volume and pricing programs; as well as our system and process improvements. These initiatives will result in one-off costs of approximately $14 million in the second half and will lay a solid platform for future growth.

“We will also continue to take a disciplined approach towards the various value adding tuck-in opportunities that are currently under review.

“Our new procurement program has started to deliver clearly measurable benefits. Additionally we have made the decision to simplify our systems environment by moving to one ERP solution enabling more effective back office services.

“Commenting on the outlook for FY15, Mr Boucher said “Based upon our current forecasts, we do not expect any improvement in market conditions for the remainder of this financial year, particularly in the resources and industrial segments.

“We believe our Cleanaway division will show increased underlying earnings in the second half, which will include part year earnings from the Melbourne Regional landfill acquisition, however, our Industrials division is expected to continue to experience volatile market conditions with underlying earnings expected to be lower than those reported in the first half.”

Investor Briefing

The Company will be holding a teleconference briefing for **shareholders and analysts** on the results at **9.30am Sydney time** (AEST) today.

Presenters:	CEO Mr Robert Boucher
	CFO Mr Brendan Gill
Teleconference:	Australia: 1 800 123 296
	International: +61 2 8038 5221

Quote Conference Code: 7060 2262

Investor and Media Relations

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Appendix 1. Reconciliation from Statutory Profit After Tax to Underlying Profit After Tax

A$ million	1H15	1H14
Statutory (Loss)/Profit From Continuing and Discontinued Operations After Income Tax (Attributable to Ordinary Equity Holders)	**(41.7)**	158.6
Costs associated with the fleet grounding	**15.5**	-
Costs associated with the Group transformation program	**-**	3.9
Net proceeds and costs from acquisition and disposal of investments	**(1.9)**	(1.7)
Impairment of assets	**77.5**	-
Total Underlying Adjustments to EBITDA	**91.1**	2.2
Costs associated with the fleet grounding (depreciation)	**1.0**	-
Reversal of depreciation and amortisation expense for New Zealand	**-**	(5.5)
Total Underlying Adjustments to Depreciation	**1.0**	(5.5)
Write off of establishment costs associated with former debt facilities	**-**	6.4
Changes in fair value of derivative financial instruments	**(0.4)**	(0.4)
Total Underlying Adjustments to Finance Costs	**(0.4)**	6.0
Tax impacts of Underlying Adjustments to EBITDA, EBIT and finance costs	**(18.2)**	2.6
Gain on sale from disposal of Commercial Vehicles Group after items transferred from reserves and income tax	**-**	(122.2)
Gain on sale from disposal of NZ businesses after items transferred from reserves and income tax	**(9.0)**	-
Total Gain on Sale from Divestments	**(9.0)**	(122.2)
Total Underlying Adjustments	**64.5**	(116.9)
Underlying Profit After Income Tax (Attributable to Ordinary Equity Holders)	**22.8**	41.7

Appendix 2. Divisional Underlying Results

A$ million	Revenue			EBITDA			EBIT		
	1H15	1H14	% change	1H15	1H14	% change	1H15	1H14	% change
Cleanaway	**456.3**	467.7	-2.4%	**96.2**	98.6	-2.4%	**50.5**	50.8	-0.6%
Industrials	**229.1**	246.9	-7.2%	**31.8**	44.8	-28.9%	**17.0**	30.3	-43.9%
Associates	**-**	-	-	**0.6**	1.0	-36.4%	**0.6**	1.0	-36.4%
Corporate & other	**4.1**	5.1	-20.0%	**(6.8)**	(4.9)	-38.5%	**(10.6)**	(12.7)	16.4%
Australian Waste Management	**689.5**	719.7	**-4.2%**	**121.8**	139.5	**-12.7%**	**57.5**	69.4	**-17.1%**
Businesses Disposed									
Commercial Vehicles	-	75.7	n/m	-	5.3	n/m	-	5.1	n/m
Manufacturing	-	7.1	n/m	-	0.5	n/m	-	0.5	n/m
New Zealand (incl associates)	-	199.2	n/m	-	49.8	n/m	-	33.8	n/m
Other	-	1.3	n/m	-	-	n/m	-	-	n/m
Total Group	**689.5**	1,003.0	**-31.3%**	**121.8**	195.1	**-37.6%**	**57.5**	108.8	**-47.1%**