



**TRANSPACIFIC
INDUSTRIES GROUP LTD**

FY07 First Half Results Presentation

28 February 2007

Agenda

1	FY07 H1 - Key Achievements
2	FY07 - Full Year Guidance
3	FY07 – H1 Results Analysis
4	Other matters
5	Our Current market position and growth strategy
6	Summary

1. FY07 H1 – Key Achievements

- **EBITDA of \$117.2m** (plus associates NPAT of \$2.0m) resulting in NPAT of \$41.0m (post minorities) –
 - this is in line with broker forecasts
 - \$110.6m from businesses existing at 30 June 06 and Waste Management NZ (WAM)
 - \$6.6m from businesses acquired during the first half
- **Completed 33 acquisitions including –**
 - WAM (3 July 2006)
 - 24 bolt ons previously announced (3 July, 3 August and 8 Nov 2006)
 - **8 bolt ons totaling \$37.5m** – at an average EBITDA multiple under 5 times (announced today)
- **Identified and instigated further acquisitions –**
 - Baxter (completed 3 Jan 2007)
 - Envirowaste (awaiting NZ Overseas Investment Office and Commerce Commission approval)
 - **a further 5 bolts ons are imminent**
 - **a further 26 bolt ons are under confidentiality agreements**

1. FY07 H1 – Key Achievements (con't)

- **Solid Waste division –**
 - now firmly established with WAM, Baxter and 12 bolt ons
 - solid waste division is on budget achieving the forecast synergies
 - acquiring body manufacturers to make waste vehicles for ourselves and to sell to others through our dealership network
- **Energy division –**
 - Completing the hydrogenation facility at Rutherford (official opening in June)
 - Applied for the permit in Victoria
 - looking at sites in Western Australia and Queensland
- **Biodiesel and diesahol –**
 - met with the government re excise relief clarification

2. FY07 - Full Year Guidance

- **Forecast EBITDA revised upward from \$250m to \$280m –**
 - representing \$250m from existing businesses as forecast in the July 06 PDS
 - plus \$30m from acquisitions
- **\$280m excludes any further acquisitions we make from now on -**
 - we will continue to roll out the bolt ons we have under confidentiality agreements and more we have already identified
 - we will pursue larger acquisitions that fit our business
 - we still have approximately \$200m headroom in our existing debt facility
 - we are within all our banking covenants
 - we will seek further funding from the debt and equity markets – but only for large, accretive acquisitions once they are certain
- **Commercial Vehicles will have its best year to date**
- **We will continue to grow –**
 - organically by at least 15%
 - by acquisition

2. FY07 – Full Year Guidance (con't)

A history of meeting forecasts



6

YEAR	MARKET ADVICE	MARKET GUIDANCE EBITDA \$m	ACTUAL RESULT EBITDA \$m
2005	2005 IPO prospectus issued March 05 close to 30 June 2005	69.8	70.9
2006	2005 IPO prospectus but acquisitions during the year increased profits	82.2	82.3
	acquisitions		24.6
	2006 SPS Hybrid PDS issued July 06 so the year ended 30 June 06 was known	106.8	106.9
2007	2006 SPS Hybrid PDS issued July 06 but acquisitions during the year will increase profits	250.0	
	acquisitions	30.0	
	28 Feb 07 market guidance	280.0	

3. FY07 H1 Results Analysis

FY07 results are on track

- FY07 H1 results are in line with budgets
- FY07 H2 results will exceed H1
 - H1 acquisitions will contribute for the full H2
 - Baxter from 3 Jan
 - Hydrogenation
 - Commercial vehicles
 - more bolt ons in H2
 - price increases and other continuing improvements
 - interest (exc acquisitions) was heavier in H1 due to timing of equity proceeds in September 2006



	FY07 H1	FY07	FY06 H1	FY06	FY05
All numbers including prior year are in AIFRS	Actual	July 06 PDS	Actual	Actual	Actual
	\$m	\$m	\$m	\$m	\$m
Revenue	546.1	1049.5	280.5	649.5	472.0
EBITDA	117.2	250.0	46.0	106.9	70.2
Depreciation	-27.0	-55.9	-11.3	-24.8	-19.2
EBITA	90.2	194.1	34.7	82.1	51.0
Goodwill amortisation	-	-	-	-	-
EBIT	90.2	194.1	34.7	82.1	51.0
Interest (net)	-37.5	-53.5	-6.5	-16.0	-8.8
NPBT, associates & unusuals	52.7	140.6	28.2	66.1	42.2
Associates NPAT	2.0	3.8	0.9	1.8	1.3
NPBT & unusuals	54.7	144.4	29.1	67.9	43.5
One off costs	-	-	-	-1.0	-4.4
Profits on acquisitions	1.3	-	0.8	1.7	4.7
Options expense	-1.1	-1.6	-0.7	-1.4	-0.2
NPBT	54.9	142.8	29.2	67.2	43.6
Tax expense	-13.4	-37.1	-8.0	-19.1	-12.0
NPAT	41.5	105.7	21.2	48.1	31.6
Minority interests	-0.5	-3.2	-0.2	-0.6	-2.0
NPAT Transpacific	41.0	102.5	21.0	47.5	29.6

3. FY07 H1 Results Analysis (con't)

Sales revenue exceeds pcp by 93% and is 83% of FY06 full year

- Sales revenue is discussed by division



	FY07 H1 Actual	FY06 Actual	FY06 H1 Actual	FY05 Actual
	\$m	\$m	\$m	\$m
Sales				
Liquid	90.5	107.6	42.0	43.8
Energy	46.7	75.4	28.9	62.0
Solid	131.3	-	-	-
Industrial Solutions	126.6	180.7	83.4	129.2
Commercial Vehicles	135.6	270.6	119.5	220.6
Total sales	530.7	634.3	273.8	455.6
Other revenue				
PSO	8.3	6.3	3.2	6.2
Profits on acquisitions	1.3	1.7	0.8	4.7
Net Profit on sale of assets	0.3	0.6	0.6	0.2
Interest	4.1	0.6	0.5	1.1
Other	1.4	6.0	1.4	4.2
Total other revenue	15.4	15.2	6.7	16.4
Total revenue	546.1	649.5	280.5	472.0

3. FY07 H1 Results Analysis (con't) EBITDA & EBITA exceeds pcp in excess of 150%

- FY07 H1 EBITDA and EBITA exceeds FY06 full year by nearly 10% and exceeds pcp by around 150%



	FY07 H1 Actual	FY06 Actual	FY06 H1 Actual	FY05 Actual
	\$m	\$m	\$m	\$m
EBITDA				
Liquid	25.9	28.2	11.5	9.5
Energy	15.3	22.2	9.2	15.9
Solid	43.6	-	-	-
Industrial Solutions	19.6	32.9	16.0	22.2
Commercial Vehicles	12.8	23.6	9.3	22.6
Total EBITDA	117.2	106.9	46.0	70.2
EBITA				
Liquid	20.8	21.8	8.8	6.5
Energy	12.4	17.2	6.9	10.5
Solid	32.7	-	-	-
Industrial Solutions	12.0	20.1	10.2	12.3
Commercial Vehicles	12.3	23.0	8.8	21.7
Total EBITA	90.2	82.1	34.7	51.0

3. FY07 H1 Results Analysis (con't)

More Acquisition EBITDA to come



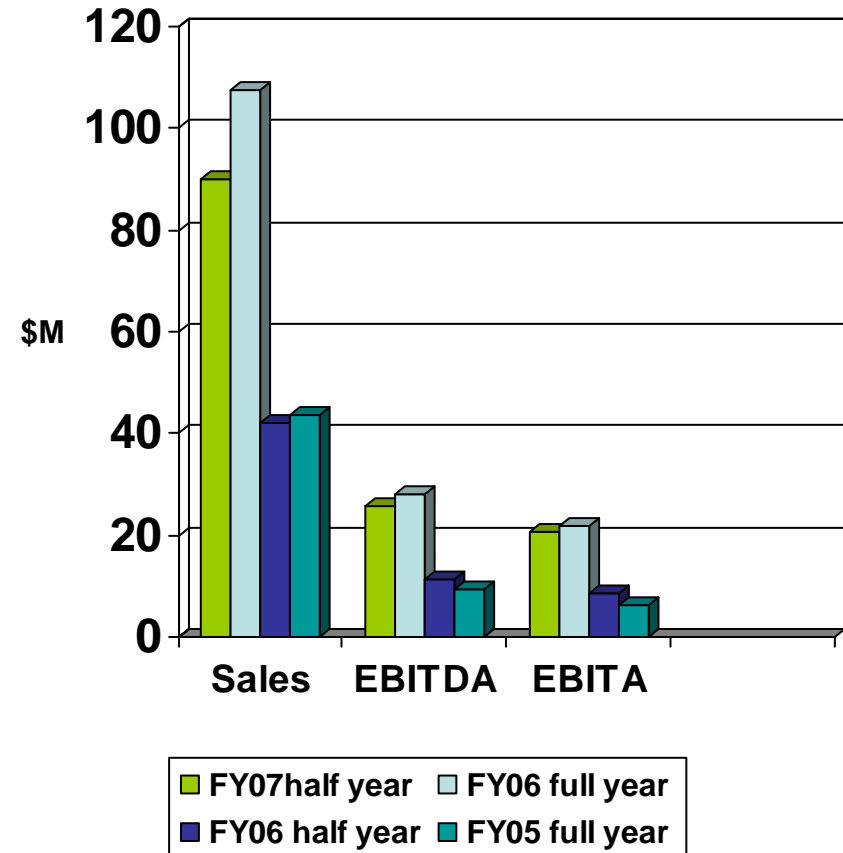
EBITDA \$m	Liquid	Energy	Solid	Industrial solutions	CVG	Total
FY06 Actual	28.2	22.2	-	32.9	23.6	106.9
FY07 PDS						250.0
FY07 H1 Actual from existing businesses	24.9	14.5	41.1	17.3	12.8	110.6
Acquisitions	1.0	0.8	2.5	2.3	-	6.6
Total FY07 H1 Actual	25.9	15.3	43.6	19.6	12.8	117.2

- PDS forecasts excluded EBITDA from any acquisitions. This table shows the incremental EBITDA from acquisitions

3. FY07 H1 Results Analysis (con't)

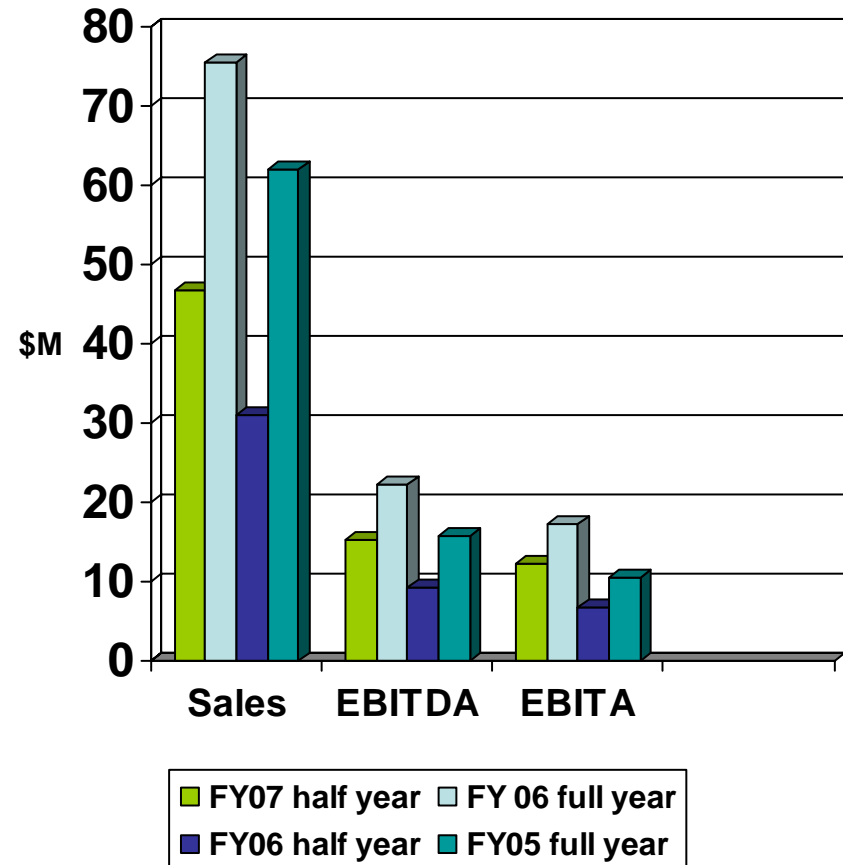
Liquid Waste Management assisted by WAM

- FY07 half year results are just short of FY06 full year results
- WAM's liquid divisions assisted growth in this division
- EBITDA margins improved - FY07 H1 overall 28.8% v FY06 26.2% (FY05: 21.7%) reflecting gains from acquisition synergies



3. FY07 H1 Results Analysis (con't) Energy delivers strong H1 results

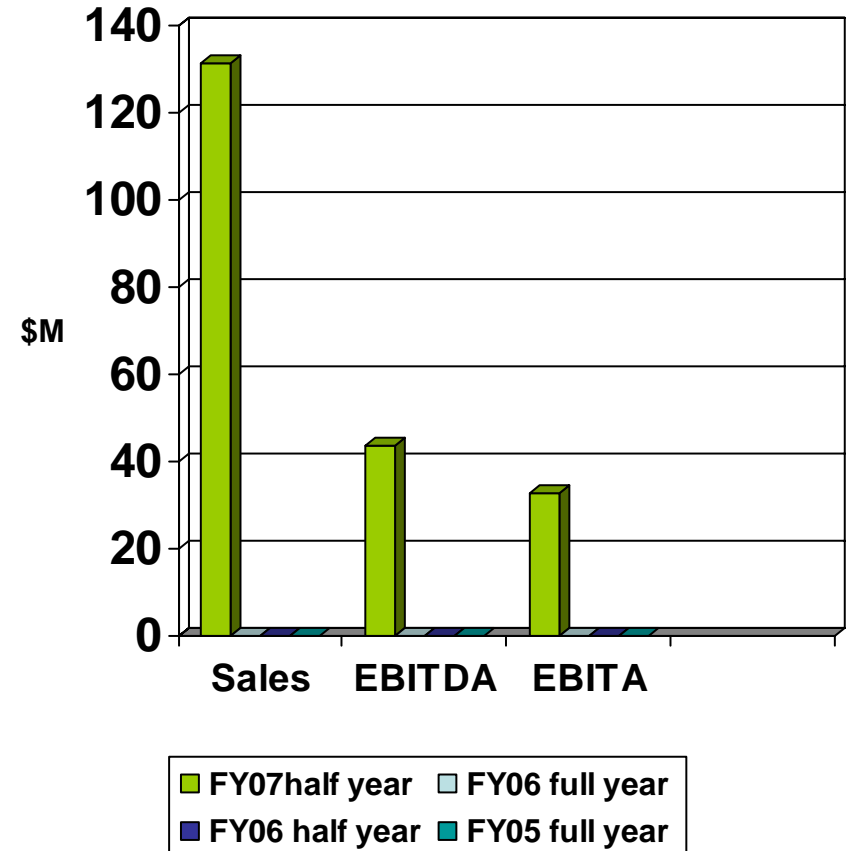
- FY07 H1 results are circa 60% of FY06 full year
- EBITDA margins improved – FY07 H1 overall margin 32.7% v FY06 29.4% (FY05: 25.6%) reflecting higher selling prices and cost reductions
- Hydrogenation will benefit this division in FY07 H2



3. FY07 H1 Results Analysis (con't)

Introducing - Solid Waste Management

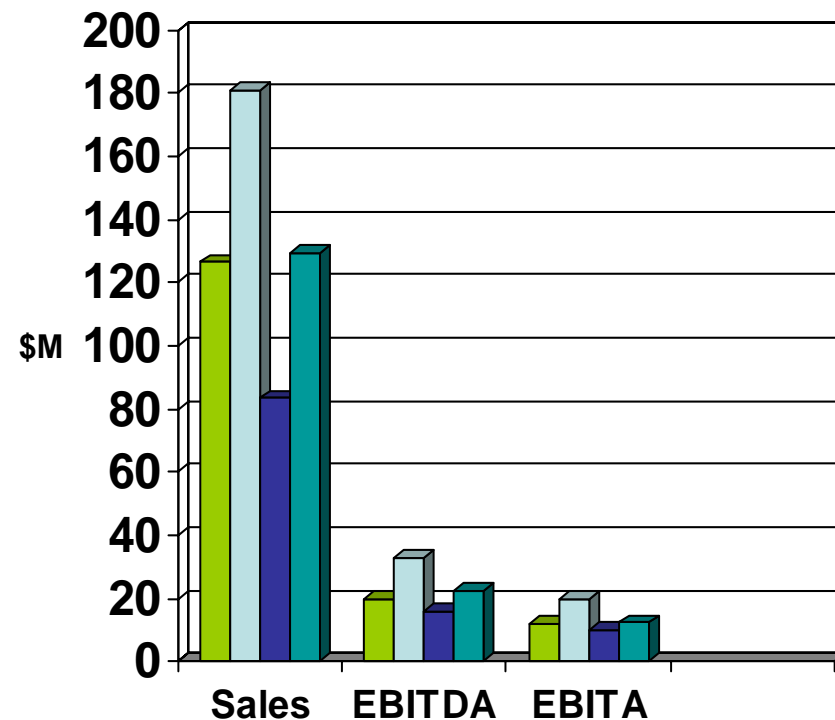
- TPI entered the solid waste business on 3 July 06 upon the acquisition of WAM
- Since then TPI has made a number of acquisitions to grow this business:
 - strategic bolt ons progressively since 3 July 06
 - Baxter from 3 January 07
 - outstanding offer on Envirowaste
- EBITDA margins for FY07 H1 are 33.2%



3. FY07 H1 Results Analysis (con't)

Industrial Solutions shows strong growth

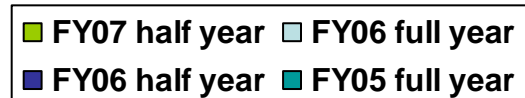
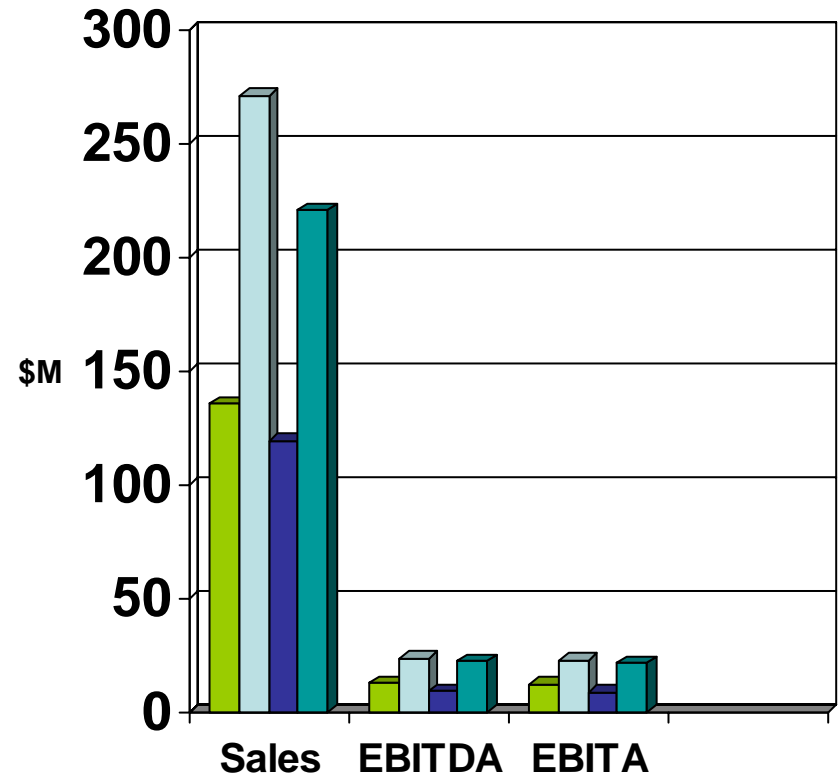
- The growth is reflective of acquisitions completed in FY06 and FY07
- EBITDA margins deteriorated:
 - existing businesses in FY07 H1 delivered 12.9% v FY06 18.2% (FY05: 17.2%). This reflects 2 underperforming businesses - when removed the margin for FY H1 is 17.2%
 - Businesses acquired in FY07 contributed 20.6%
 - FY07 H1 overall 15.5% v FY06 18.2% (FY05: 17.2%)



3. FY07 H1 Results Analysis (con't)

Commercial Vehicles gain market share

- This division now reflects about 10% of group EBITDA
- FY07 H1 results are ahead of pcp
- FY07 H1 EBITDA margin of 9.4% is slightly higher than FY06's 8.7% (FY05: 10.2%)
- Unit sales are on budget and higher than pcp as a result of the introduction of the B Double legislation and the MAN Smart Program
- This division needs minimal capital expenditure and generates excellent cash returns for TPI. It also provides a low cost of capital for the TPI's waste fleet. This will be further enhanced when TPI imports a medium size truck and sells it to its established national dealer network



3. FY07 H1 Results Analysis (con't) Sound Financial Position

- The capital raising and profits increased the strength of the balance sheet
- Balances are discussed below

	Actual 31.12.06 \$m	Actual 30.06.06 \$m	PDS 30.04.06 \$m	Actual 31.12.05 \$m	Actual 30.06.05 \$m
Current Assets	492.8	230.4	208.1	194.5	185.1
Non-Current Assets	1537.9	379.3	386.0	334.2	248.7
Total Assets	2030.7	609.7	594.1	528.7	433.8
Current Liabilities	239.0	155.3	156.9	143.7	154.9
Non-Current Liabilities	1101.0	273.0	264.9	238.5	156.6
Total Liabilities	1340.0	428.3	421.8	382.2	311.5
Net Assets & Equity	690.7	181.4	172.3	146.5	122.3



3. FY07 H1 Results Analysis (con't)

Acquisitions drive asset growth

- Cash is higher than normal as it includes a \$157m deposit in NZ which is partially earmarked for Envirowaste. Once that is removed cash is \$37.9m consistent with FY06 \$38.5m (\$55.3m less \$16.8m on deposit that is restricted against a specific debt) and FY05
- Receivables are higher due to higher turnover via growth/acquisitions. Bad debts written off in the half year are less than \$100k
- Inventories includes \$90m of Commercial Vehicles (FY06 \$61.5m and 30.06.05 : \$76m). They are higher at 31 December than at 30 June due to the hold over of trucks into the new year to get the new year plate. As they are generally delivered to order we can control stock levels well – January was a record month
- We acquired more associates with WAM – all of which delivered sound profits
- Property, Plant & Equipment and Intangibles increased as a result of the acquisitions
- Other current assets represents high prepayments at 31 Dec reflecting better cash flow in the second half
- Other non current assets is TPI's stake in Baxter at 31 December 06 prior to takeover on 3 January 07

	Actual 31.12.06 \$m	Actual 30.06.06 \$m	Actual 30.06.05 \$m
Cash	194.9	55.3	37.8
Receivables	174.7	96.4	62.5
Inventories	104.5	69.8	80.3
Other	18.7	8.9	4.5
Total Current Assets	492.8	230.4	185.1
Investments in Associates	22.8	9.2	7.4
Property, Plant & Equipment	479.5	214.5	155.0
Intangibles	1018.4	146.3	70.8
Deferred tax assets	10.3	9.2	12.1
Other	6.9	0.1	3.4
Total Non-Current Assets	1537.9	379.3	248.7
Total Assets	2030.7	609.7	433.8

3. FY07 H1 Results Analysis (con't)

Debt has increased as a result of WAM and other acquisitions



- Payables increased in line with acquisitions
- Interest bearing debt (current) includes trade and vendor finance on trucks and buses and leases. Trade finance was paid down during the year
- Non current interest bearing debt being core bank finance and leases has increased in line with the acquisitions. In FY06 \$16.8m of this debt was offset by a cash deposit
- Tranches one and two of the dividend payable to pre IPO shareholders have been paid leaving the final \$6.5m payable by 30 June 2007
- Provision for employee entitlements increased with acquisitions and wage rises
- Acquisitions were negotiated with deferred settlement components to save the group interest
- Deferred income (current) includes liquid and solid waste in process we get paid to treat
- Other provisions have increased with the take on of WAM's landfill rehabilitation provisions
- Deferred income (non current) represents Government grants received to be amortised to set off depreciation on plant

	Actual 31.12.06 \$m	Actual 30.06.06 \$m	Actual 30.06.05 \$m
Payables	161.6	76.8	61.5
Interest bearing debt	17.5	23.8	34.9
Tax payable	3.2	7.5	7.6
Provision for dividend	6.5	6.5	12.0
Provision for employee entitlements	18.5	10.5	8.4
Other provisions	3.3	4.4	4.2
Deferred settlements on acquisitions	6.8	11.8	8.8
Deferred income	18.6	6.9	5.6
Other	3.0	7.1	11.9
Total Current Liabilities	239.0	155.3	154.9
Payables	0.7	0.7	0.7
Interest bearing liabilities	1062.9	260.2	132.7
Deferred tax	18.1	6.6	5.0
Provision for dividend	-	-	6.5
Provision for employee entitlements	4.4	3.8	3.1
Other provisions	13.5	0.3	0.6
Deferred settlements on acquisitions	-	-	6.7
Deferred income	1.4	1.4	1.2
Total Non-Current Liabilities	1101.0	273.0	156.6
Total Liabilities	1340.0	428.3	311.5

3. FY07 H1 Results Analysis (con't)

Debt is well managed

- Net debt to net debt plus equity is 56 % (FY05: 55%) within TPI's stated guidance of less than 60% and within bank covenants of 65%
- The position at 31 December 2006 is significantly different to that at 30 June 06 mainly as a result of the acquisition of WAM on 3 July 06



	Actual 31.12.06 \$m	Actual 30.06.06 \$m	Actual 30.06.05 \$m
Cash	194.9	55.3	37.8
- Restricted cash	-	-16.8	-
Normalised cash	194.9	38.5	37.8
Interest bearing debt			
- Loans from minority interests	-5.0	-2.2	-2.2
- Core long term bank debt after applying the restricted cash	-1027.9	-214.2	-106.8
Normalised cash less core long term debt	-838.0	-177.9	-71.2
- Leases	-39.2	-36.0	-30.5
- Trade and vendor finance for commercial vehicles	-8.2	-14.8	-28.1
Net interest bearing debt	-885.4	-228.7	-129.8

3. FY07 H1 Results Analysis (con't)

Cashflows are set for a good second half



20

- Similar to pcp, second half operating cashflows will be better than first half for the following reasons –

(a) Working capital negative as at 31 December 06 as a result of the build up of Commercial vehicles (approx \$30m – see balance sheet above). CVG had its best month ever in January with market share exceeding 10%

(b) Changes in other assets includes \$15m of prepayments in the first half (see balance sheet above) so cash saving in second half

- Capex is in line with internal budgets. Expansionary include 3 properties and the hydrogenation plant. The full year is forecast to be in line with the PDS forecasts
- The largest acquisition was WAM for approx \$850m in line with the PDS forecasts
- New equity under the placement, SPS and SPP was used to pay down debt and placed on deposit
- The FY06 final dividend of \$ 11.6m was covered by TPI's dividend reinvestment plan with the balance underwritten resulting in no net cash outflow.
- Equity and debt raising costs are in line with the PDS after allowing some to be capitalised into WAM

	FY07 H1 Actual \$m	FY06 Actual \$m	FY06 H1 Actual \$m	FY05 Actual \$m
EBITDA	117.2	106.9	46.0	70.9
Change in working capital	-29.7	-0.9	-18.1	2.9
Change in other assets & liabilities	-10.4	-1.6	-3.3	0.9
Net interest paid	-28.9	-14.9	-3.6	-9.7
Income tax paid	-17.7	-15.6	-9.3	-3.5
Cashflow from operating activities	30.5	73.9	11.7	61.5
Capital expenditure – maintenance	-16.6	-10.1	-3.4	-13.0
Capital expenditure – expansionary	-18.6	-11.9	-6.3	-12.4
Sale proceeds on P,P& E	3.6	3.5	2.0	15.3
Acquisitions	-1019.0	-127.1	-91.6	-29.0
Cashflow from investing activities	-1050.6	-145.6	-99.3	-39.1
New borrowings	1236.3	129.0	85.5	59.3
New equity	421.2	-	-	-
Repayment of borrowings	-481.2	-21.4	-10.8	-64.5
Dividend payment net of DRP/underwrite	-	-12.0	-6.0	-
Funds returned from (loaned to) associates	-0.3	2.1	1.6	-
Cashflow from financing activities	1176.0	97.7	70.3	-5.2
Net increase in cash over prior year pre unusuals	155.9	26.0	-17.3	17.2
Equity and debt raising costs	-16.9	-7.7	-2.5	-1.9
Effect of fx rate changes	0.6			
Net increase in cash over prior year	139.6	18.3	-19.8	15.3

4. Other matters

- No significant litigation against TPI. The Interline case is continuing and TPI's position has improved. We continue to believe that if the matter is pursued we will successfully defend the claim against us and we will pursue our counterclaim
- Consistent with previous advice and TPI's growth strategy, TPI intends a dividend payout equaling 30% of FY07 NPAT. The interim dividend represents 5.0c per share and will be fully franked. Record date is 30 March 2007 and payment date is 4 May 2007. Similar to previous dividends it is intended to underwrite the dividend so no cash leaves TPI. The FY07 interim dividend is not provided above.
- The first SPS Hybrid distribution is payable on 18 April 2007 in respect of the period the notes have been issued from 23 August 2006 to 31 March 2007. The distribution represents \$4.14 per note and will be full franked. Record date is 30 March 2007 and payment date is 18 April 2007. It is not provided above.

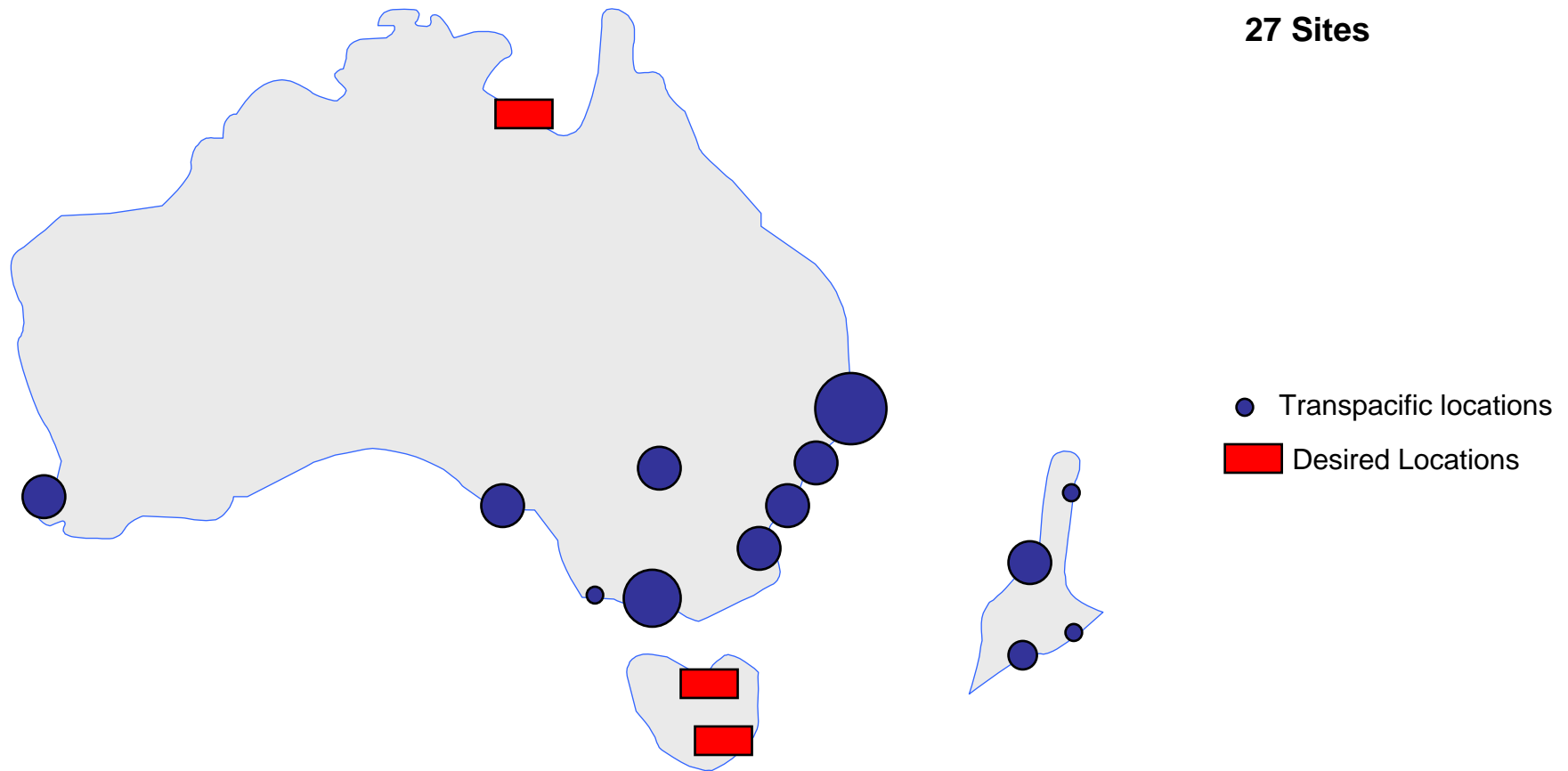
5. Our current market position and growth strategy

	Where we are now	Growth areas	
		Location	Industries
Liquid	Nationwide in Australia and NZ	Northern Territory and Tasmania	Water recycling, bio-solids, soil remediation and decontamination
Solid	Most of NZ and building throughout Australia	Queensland, WA, NSW and Victoria	Recycling papers, cardboards, plastics, manufacturing
Energy	Nationwide in Australia and NZ	WA, NT and Tasmania	High grade base oil, bio-diesel and diesahol (more plants)
Industrial Solutions	Nationwide in Australia and NZ	WA, SA, Bowen Basin in Qld, Dunedin in NZ	Facilities management and industrial cleaning
Commercial Vehicles	Nationwide in Australia and NZ	Country Victoria, Qld and WA	Military, medium size truck and waste truck

5. Our current position and growth strategy

LIQUID

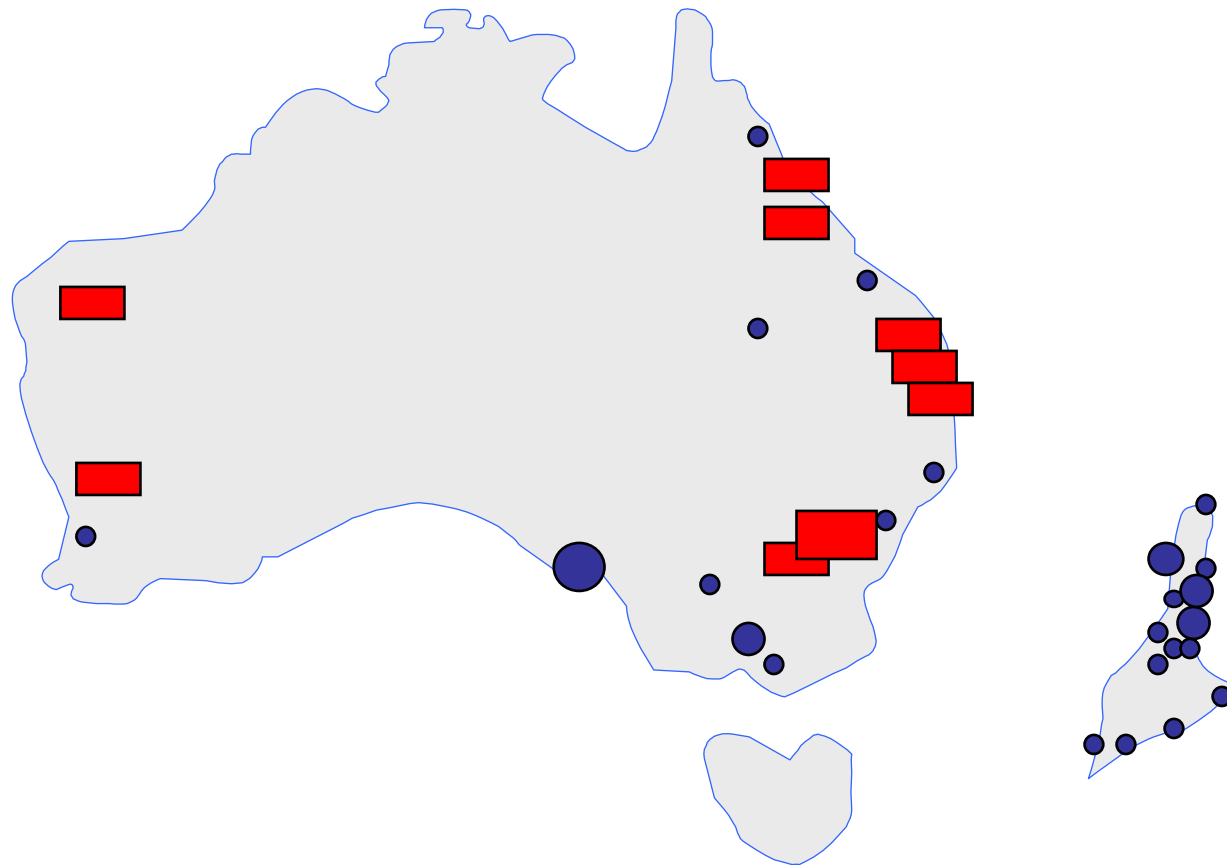
27 Sites



5. Our current position and growth strategy

SOLID

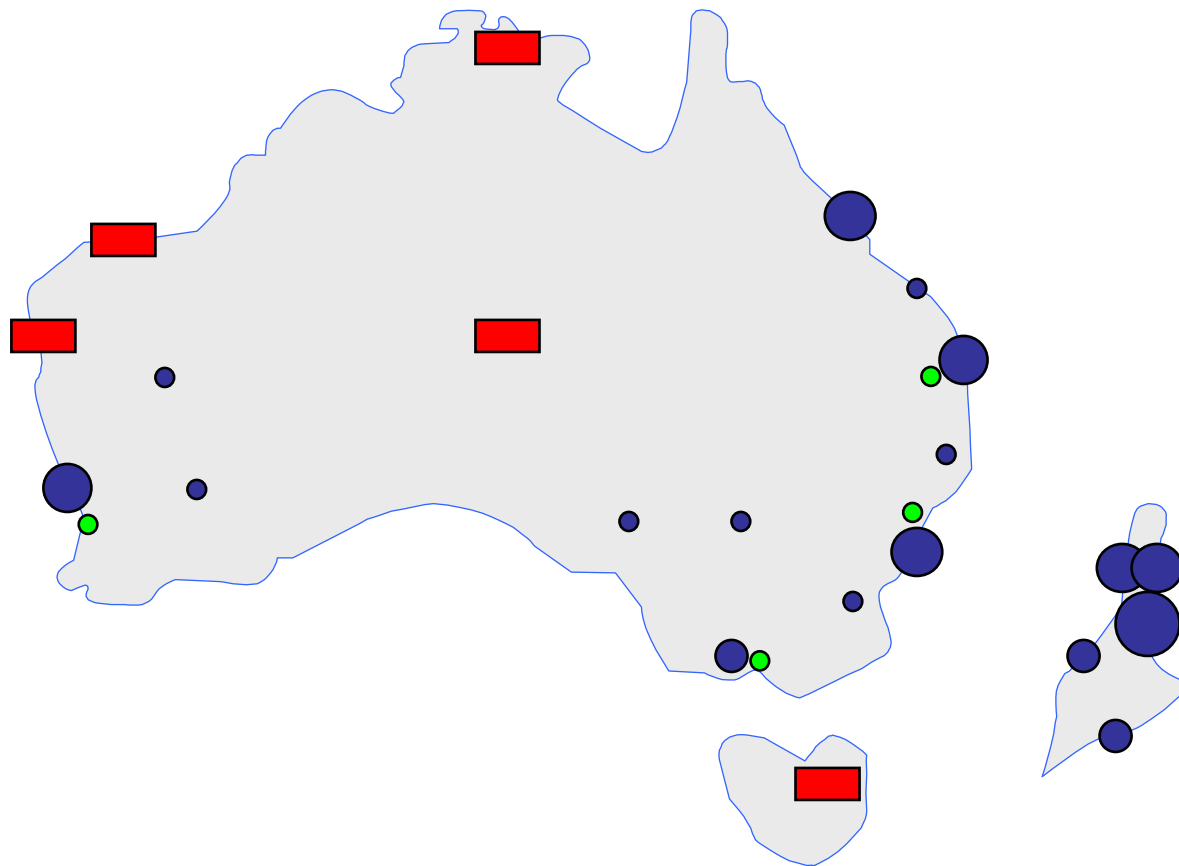
37 Sites



- Transpacific locations
- Desired Locations

5. Our current position and growth strategy

ENERGY

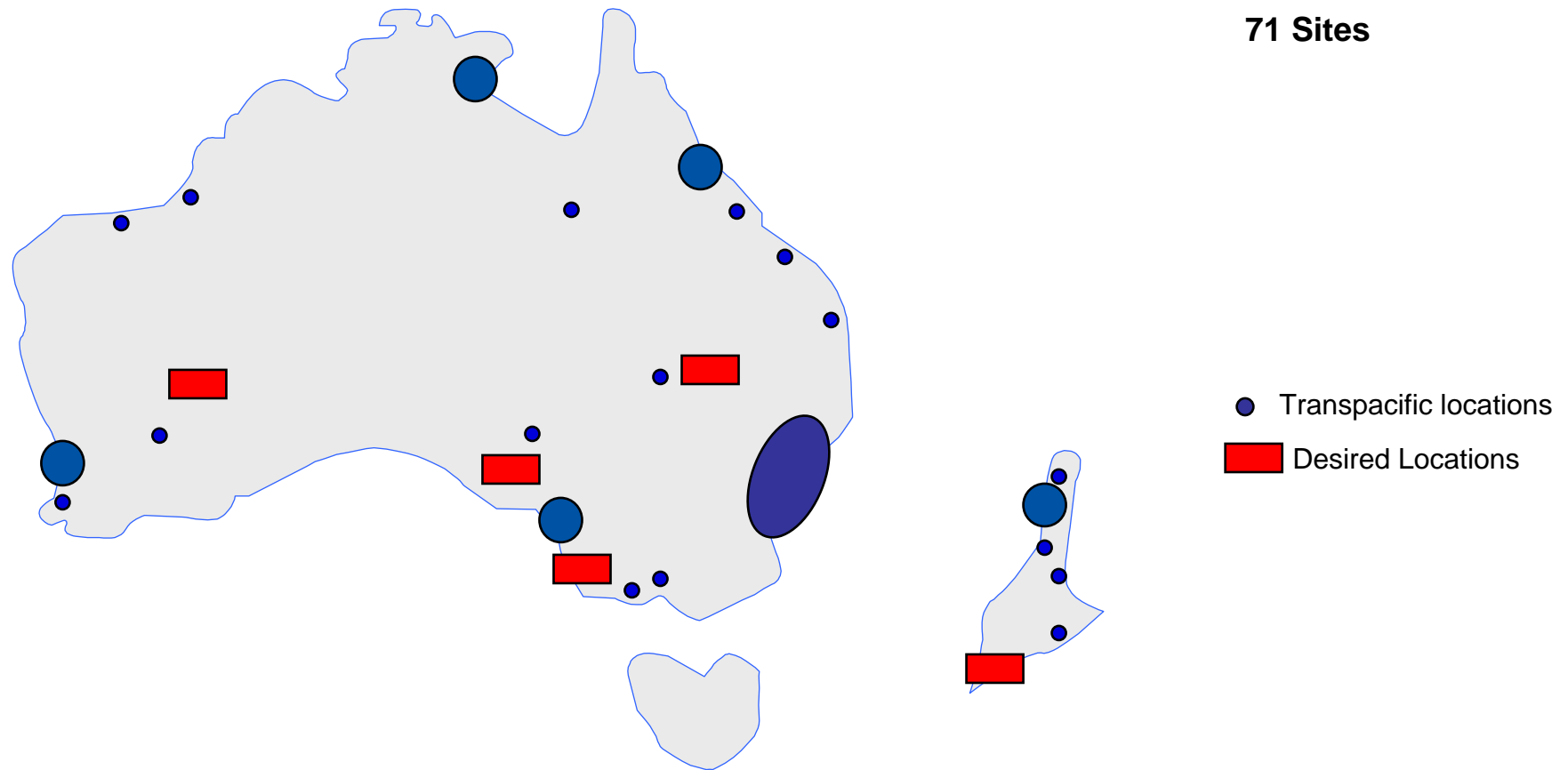


40 Sites

- Transpacific locations
- Desired Locations
- Planned hydrogenation locations

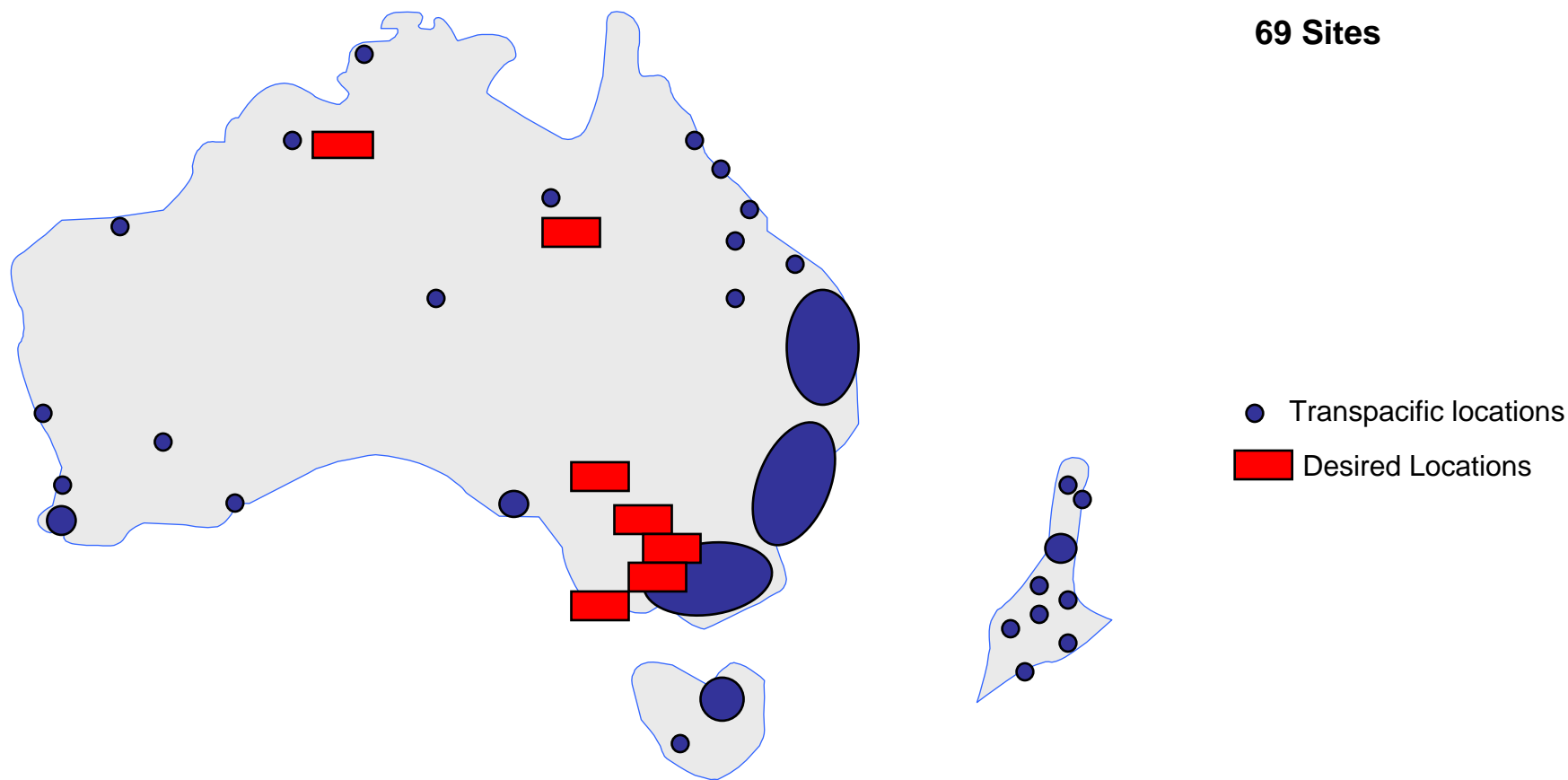
5. Our current position and growth strategy

INDUSTRIAL SOLUTIONS



5. Our current position and growth strategy

COMMERCIAL VEHICLES



6. Summary

- TPI will continue to grow its business and pursue shareholder wealth
- TPI is a very well managed, hands on business. Our management and staff are focused to drive results
- We integrate, monitor and control our acquisitions so that they perform on target, including achievement of synergies
- We hope we have demonstrated our story to date and our intentions and welcome any questions