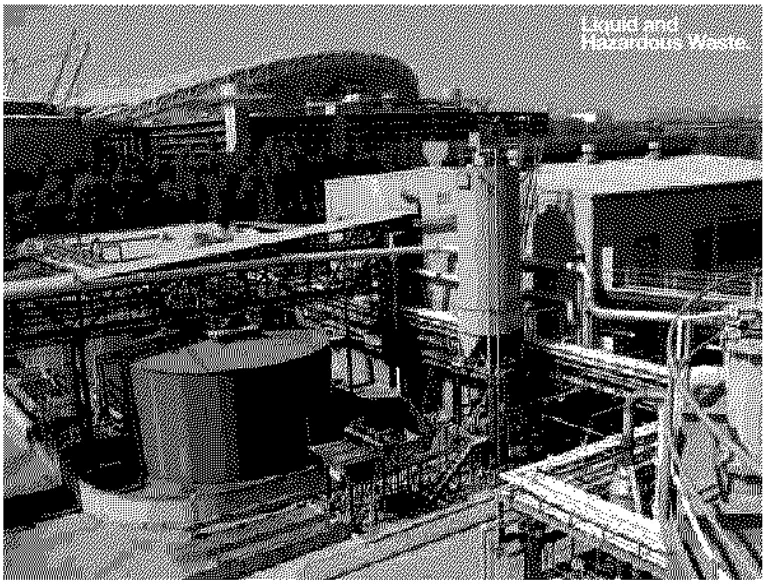
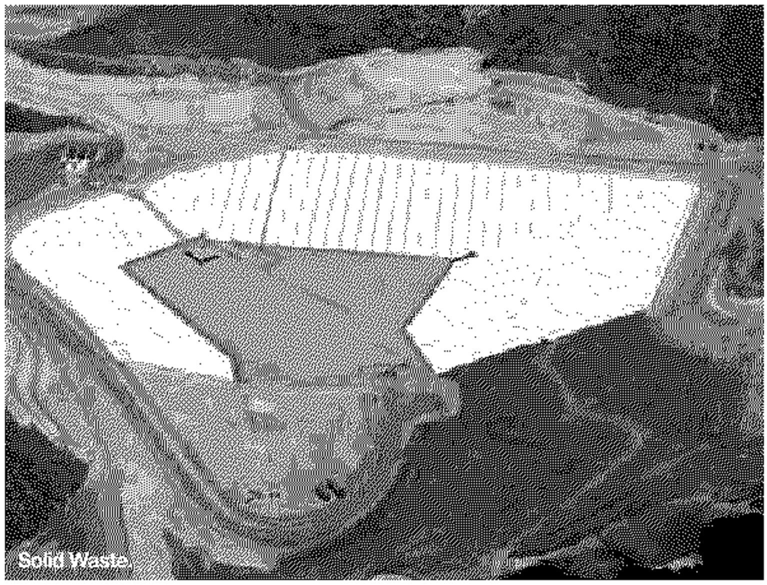




Creating Opportunities. Transpacific Annual Report 2006.

TRANSPACIFIC
INDUSTRIES GROUP LTD

Contents.

AGM.

Carlton Crest
King George Square
Corner Ann and Roma Streets
Brisbane Queensland 4000
Wednesday 8 November 10.30am

Transpacific Industries Group Ltd
ACN 101 155 220

This Year.

60%

NPAT growth over prior year.

$106.9m

FY06 forecast EBITDA of $82.2m: $106.9m was achieved with $24.6m from new acquisitions and $82.3m from existing businesses.

Capital

Excellent cash flow and working capital management.

Nationwide Oil – Brisbane.

Scorecard.

	2006. Growth on 2005	2006. Actual $m	SPS PDS $m	IPO Prospectus $m	2005. Actual $m
Revenue	38%	649.5	629.1	580.0	472.0
EBITDA	52%	106.9	106.8	82.2	70.2
Depreciation		-24.8	-24.7	-20.8	-19.2
EBITA	61%	82.1	82.1	61.4	51.0
Goodwill amortisation		–	–	–	–
EBIT	61%	82.1	82.1	61.4	51.0
Interest (net)		-16.0	-16.2	-9.3	-8.8
NPBT, associates & unusuals	57%	66.1	65.9	52.1	42.2
Associates NPAT		1.8	1.8	1.6	1.3
NPBT & unusuals	56%	67.9	67.7	53.7	43.5
One off costs		-1.0	-1.0	–	-4.4
Profits on acquisitions		1.7	1.9	–	4.7
Options expense		-1.4	-1.4	-1.4	-0.2
NPBT	54%	67.2	67.2	52.3	43.6
Tax expense		-19.1	-19.1	-15.6	-12.0
NPAT	52%	48.1	48.1	36.7	31.6
Minority interests		-0.6	-0.7	–	-2.0
NPAT Transpacific	60%	47.5	47.4	36.7	29.6

Waste Management
New Zealand – Redvale.

Chairman's Letter.

Terry Peabody
Executive Chairman

"Overall this has been an exciting year for TPI and we have achieved significant results. I hope that you have also been excited by what we have achieved and look forward to your support in the future."

Dear Fellow Shareholders

Welcome to our second annual report as a public company. FY06 has been an exciting year for TPI and I would like to share with you the highlights and plans for future growth.

At the end of last year, knowing FY05 results would exceed IPO Prospectus forecasts, we set about building and in some cases completing an Australian and New Zealand footprint by acquiring a number of businesses to join our existing businesses. These businesses contributed to our profits from day one and positioned us nicely for the future. Adding the profits from organic growth we forecast in the prospectus for FY06 (which overall exceeded prospectus forecast) to the additional profits generated from acquisitions, we delivered NPAT growth of some 60% ahead of FY05. This is broken down in our results presentation released to the market previously and highlighted below.

In Liquid Waste we acquired businesses in NSW and SA on 1 July 2005 and later in the year we added businesses in Victoria and New Zealand. We also commenced expanding into adjacent opportunities including bio solids, contaminated soil treatment and water recycling. In late FY06 seeing the growth, expansion and opportunities in our Liquid Waste Division, we extracted the "used oil" business to form a new "Energy Division". Currently, our Liquid Waste Division houses the "traditional" treatment of hazardous liquid streams; and the newer bio solids and contaminated soil treatments and water recycling. We believe that in the short term we will build these latter services into a size that they too will be extracted from the liquids division.

The Energy Division includes the collection and processing of used hydrocarbon and cooking oils which are sold to end users. We are very excited about the opportunities here with the first hydrogenation facility (which will produce a high quality base oil) scheduled to commence production in December and our planned bio diesel facility coming on line in October 2007. We will roll out more of these facilities around Australia in the near term.

We also decided to enter the solid waste business and in the first half of 2006 bid successfully for Waste Management NZ Ltd (WAM) and unsuccessfully for Cleanaway. WAM is an excellent business with a very strong track record of delivering growth and has exceptional quality new landfill sites. It has a strong presence in New Zealand and a growing business in Australia and now it is coupled with TPI, we will grow the solid waste business faster through other acquisitions. We have commenced doing so with seven strategic solid waste businesses acquired since 1 July to the date of this report.

In Industrial Solutions we acquired businesses in Western Australia and New Zealand (and more recently, in FY07, South Australia) further enhancing our national presence in that arena.

Commercial vehicles, while now representing less than 10% of group FY07 forecast EBITDA, performed strongly in FY06 exceeding FY05's result. We strongly believe in this business and have signed a Memorandum of Understanding to import a medium size truck which we will sell to our existing dealer network and which will also provide a lower cost of capital to TPI's fleet.

Our recent hybrid and ordinary equity raisings have been strongly supported and we have been given sensational support by our banks enabling us to fund future strategic growth. We appreciate those shareholders who have been with us since IPO and taken the time to understand our business and their recent support in the equity raisings. We also welcome new shareholders and wish to make it clear that we intend to continue building the TPI story both organically and by acquisition.

On another front, besides looking after the environment, we are pleased to advise you of another community service we can offer. There is a form enclosed regarding your dividend providing you the opportunity to donate your dividend to a worthy cause, Dividends Defeating Disease (a statutory authority registered with the ATO as a Deductible Gift Recipient). By doing so, you will be directing the share registry to donate your dividend towards a critical mass of 700 scientists conducting medical research nationally for the benefit of babies through to the elderly. Should you not wish to make the donation, then do nothing and your existing dividend instructions will prevail.

Overall this has been an exciting year for TPI and we have achieved significant results. I hope that you have also been excited by what we have achieved and look forward to your support in the future.

Yours faithfully,

Terry Peabody
Executive Chairman

Chief Executive Officer's Review.

Howard Wilson
Chief Executive Officer

"We will continue to build on our strengths – we hold a strong position in the markets in which we currently operate and through continued organic growth and strategic acquisitions we will strive to add value in all our pursuits."

It's been a huge year for Transpacific and we are all very excited about what we have achieved to date and the plans for the future. I will walk through the highlights of each area.

Liquid and Hazardous Waste

During the year we successfully integrated our newly acquired businesses in this segment.

The acquisition of Waste Services New South Wales has proven to be a successful strategic move. Profitability was increased consistently throughout the year as aspects of the operation were rationalised and the benefit of integrating other TIG businesses was achieved.

The Adelaide – Wingfield business acquired from Cleanaway commenced with its difficulties, however, it completed the year with profits in excess of prior years. Further improvements made to the business during June will see an even greater performance during 06/07.

The Transwaste Technologies business in Victoria (Nuplex Acquisition) surpassed its budget expectations due to the synergies gained by integrating the business successfully into TIG. Vertical integration ensured that all services previously subcontracted to outside parties were performed in house by other TIG subsidiaries. Growth in the Victorian region is further expected as the addition and integration of the Hines Waste Business (WAM) in Victoria assists TIG in becoming the liquid waste provider of choice in the region.

With liquid and hazardous waste treatment capabilities in all the major centres and some regional centres, TIG now is in the unique position together with its other group companies, to offer a full suite of services.

In addition, TIG is now in the position to capitalise on organic growth across the country. This growth will be further enhanced as we undertake a complete review of all treatment facilities and ensure that the positive aspects of each is implemented across the group.

Energy

Transpacific's Energy Division performed well throughout the year with results well above budget. This was primarily due to Nationwide Oil which secured many opportunities throughout the year and had strong demand from contracted customers. This was further complemented by several smaller acquisitions that have been successfully integrated into the Energy Division during the year.

Transpacific has continued to enhance its treatment capabilities for collected used oil with the installation and commissioning of five forced feed evaporators at major treatment facilities. The evaporators enable the rapid removal of water from the collected used oil which results in reduced operating, labour and transport costs.

The 40 million litre per annum Hydrogenation facility has received planning approval in New South Wales with construction well underway and on track for commissioning in November 2006. There has been significant interest in the re-refined base oil that will be produced by the new plant and supply contracts are anticipated for up take of the re-refined base oil. Further hydrogenation plants are planned for Queensland, Victoria and Western Australia.

Transpacific has also entered into a joint venture with Australian Renewable Fuels to construct a Biodiesel plant in Queensland. The plant will produce 45 million litres per annum of Biodiesel and utilise used cooking oil collected by Transpacific which will be supplemented with tallow and seed crops that will be supplied under contract. Markets for the Biodiesel include Transpacific's growing fleet of vehicles, opportunities to supply commercial vehicle group customers and other outlets that form part of the 14.5 billion litre Australian diesel market.

Industrial Solutions

The Industrial Solutions Division has continued throughout the financial year to gain significant market share, acquire a number of businesses accretive to its core base and introduce many new innovations and service offerings to its clients.

Additional to the growth aspects of the division, Industrial Solutions have also been successful in both rolling over a number of significant existing contracts as well as re-winning a number of other large revenue producing tenders which have resulted in new contracts. These gains are integral to the division's success and show the business is well equipped to manage the challenges from our key competitors.

The financial performance of the division has also been pleasing with a solid above budget performance from the underlying Industrial Solutions business coupled with pleasing results from the acquisitions made throughout the year. The combined results have improved the net result of the division considerably on last year's result.

The new financial year is looking equally as buoyant with the division continuing to embed the new acquisitions and drive through the cost and operational synergies that are presented when we acquire businesses. The service offerings for clients will continue to expand and our desire to provide a 'one stop shop' for all our clients needs will remain the basis of our strategy. And, as is always the case, we will continue to improve our safety performance such that we remain one of the best performing Industrial Solutions providers in its field.

Commercial Vehicles

The Commercial Vehicle Division had another solid year but results were stifled by the late introduction of the new 26M legislation. The introduction of our Western Star model 4864FXB truck designed specifically for 26 metre B-double applications was first to market late last year and contributed greatly to our increased market share in the second half.

The Commercial Vehicle Division has strengthened its wholesale sales structure adding various new sales roles that not only focus on the wholesale market but also strongly on retail sales in new markets.The MAN business has had many positives in this period with the ongoing impact of our Smart program reflected in increased market share for MAN in the Heavy Duty segment, official hand over of the first three army heavy transporters and the extension of the Australia Post contract by a further twelve months. In addition, the 60th Brisbane City Council bus has been delivered and the Brisbane City Council has ordered a quantity of MAN CNG powered articulated buses.

With the appointment of several new sales, service and parts dealers in Australia particularly, all brands now have wider coverage to competitively service our growing customer base.

New Zealand
Transpacific Industries Group (NZ) has performed well during the year and has continued to pursue our strategy of expanding into New Zealand via targeted acquisitions. During the year a number of key acquisitions were made with two of the larger being; the acquisition of Onyx Group Industrial Services and Nuplex Environmental Ltd, renamed Transpacific Industrial Solutions and Transpacific Technical Services respectively. These two larger acquisitions were both effective 1 December 2005.

These acquisitions and a number of smaller liquid collection, treatment and processing businesses, along with further industrial services orientated businesses have complemented our existing businesses very well. These have been integrated successfully providing significant synergies and now provide a vast service offering to our customers. TIG now has the services, capability and competencies to offer a total waste solution to its existing and expanding customer base throughout New Zealand.

Solid Waste
TIG has a strong and exciting year ahead with many other opportunities available to the group, and the recent merger with Waste Management NZ Ltd , now provides a solid waste collection, treatment and disposal service to our existing and potential customers. TIG is now one of the leading total waste solution providers in New Zealand and has a strong future ahead.

TIG will also expand its solid waste business in Australia with a number of acquisitions already completed.

Corporate Services
Safety is of paramount importance to us! Our people are our strength and our focus is on the provision of workplaces free from potential harm for our employees as well as those of our clients – hence our zero harm philosophy. Our business is intrinsically linked to environmental protection and we strive to ensure that our operations are conducted in a manner aimed at mitigating environmental impact as a result of our activities or those of our clients. The occupational health, safety & environmental training (OHSET) department has developed and introduced a national integrated management system (NIMS), the components of which comply with AS 4801, ISO 14001 and ISO 9001 to permit the standardisation of our policies and procedures across the group and to facilitate the integration of new businesses. Regular and frequent audits, both internal and external, are undertaken to establish and maintain statutory compliance.

Transpacific industries is bent on growth – both organic and by strategic acquisition. To facilitate the latter, our mergers & acquisitions (M&A) department has been created to identify, pursue and assess opportunities, including businesses and facilities, for their potential for integration and to provide added value to the group.

M&A will continue to be of prime importance and it has created its own momentum within our continuous improvement (CI) department which concentrates on cost savings through contract negotiation and process improvements. Our information technology (IT) department and human resources (HR) department are committed to enabling a smooth transition post acquisition and overcoming the challenges presented and inherent in change engineering. We now have in excess of 3200 employees and some 1350 'users' within the group. The property & construction department's activities have been based on the rationalisation of land use to capitalise on the identified synergies which become evident during due diligence investigations and as a result of subsequent acquisitions. Our fleet management department, which controls some 15,000 items of plant and equipment and in excess of 1500 motor vehicles, works closely with the Commercial Vehicles division to optimise vehicle utilisation, maintenance and applicability for the intended purpose and forward planning for fleet replacement and standardisation of equipment where practical. The business development & sales department is centrally administered but incorporates strong involvement with the individual business unit controllers and regional management.

I'd like to thank all the Transpacific staff who helped us achieve the FY06 results, both those who have been with us for some time and those new joining us over the last year. As you can see we still have a lot to do and I trust your support will continue over the coming year. I'd also like to thank our shareholders and bankers who have been so supportive of our plans and strategic growth and look forward to working with you all over the coming year helping to grow our company.

Howard Wilson
Chief Executive Officer

Outstanding Growth.

Transpacific's business model is based on the provision of tailored services to meet the needs of its customer groups and to provide a comprehensive range of integrated total waste management and facility management services. Transpacific currently has business operations throughout Australia and New Zealand, including 38 major processing facilities.

Integrated Total Waste Management Solutions.

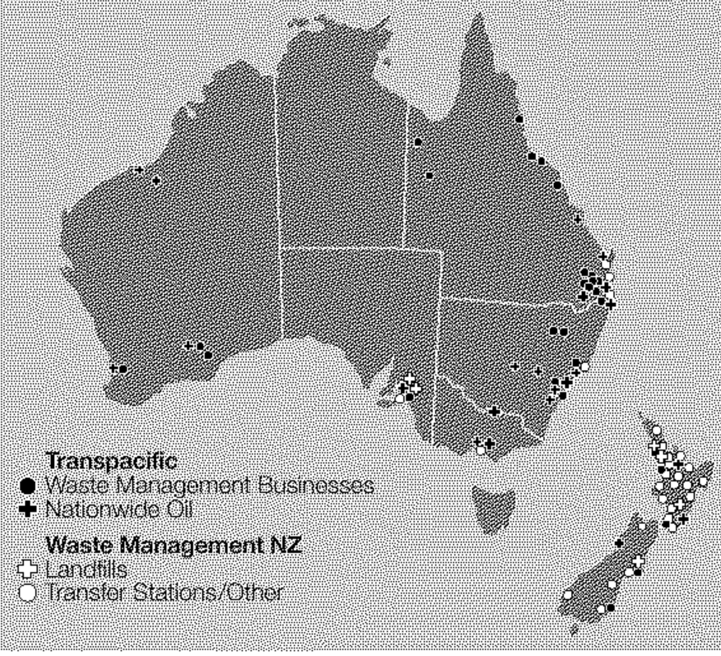
Liquid and Hazardous Waste.	Leading Australian and New Zealand business in collection, treatment and disposal of liquid and hazardous waste.
Solid Waste.	Leading New Zealand business in collection, transportation and disposal of solid commercial and municipal waste, including landfill and transfer station operation, resource recovery and site remediation, with operations in Australia.
Energy.	Emerging business specialising in recycling used mineral and cooking oil for distribution and reuse.
Industrial Solutions.	Australia's leading specialist in industrial cleaning and total waste management business solutions.
Commercial Vehicles.	[illegible]

New Division 1.

Solid Waste.

How it fits: Transpacific entered the solid waste industry when it merged with Waste Management NZ in July 2006, making it the Australasian leader in waste management.

The future: Grow this business through the acquisition of solid waste businesses and the development of landfills.



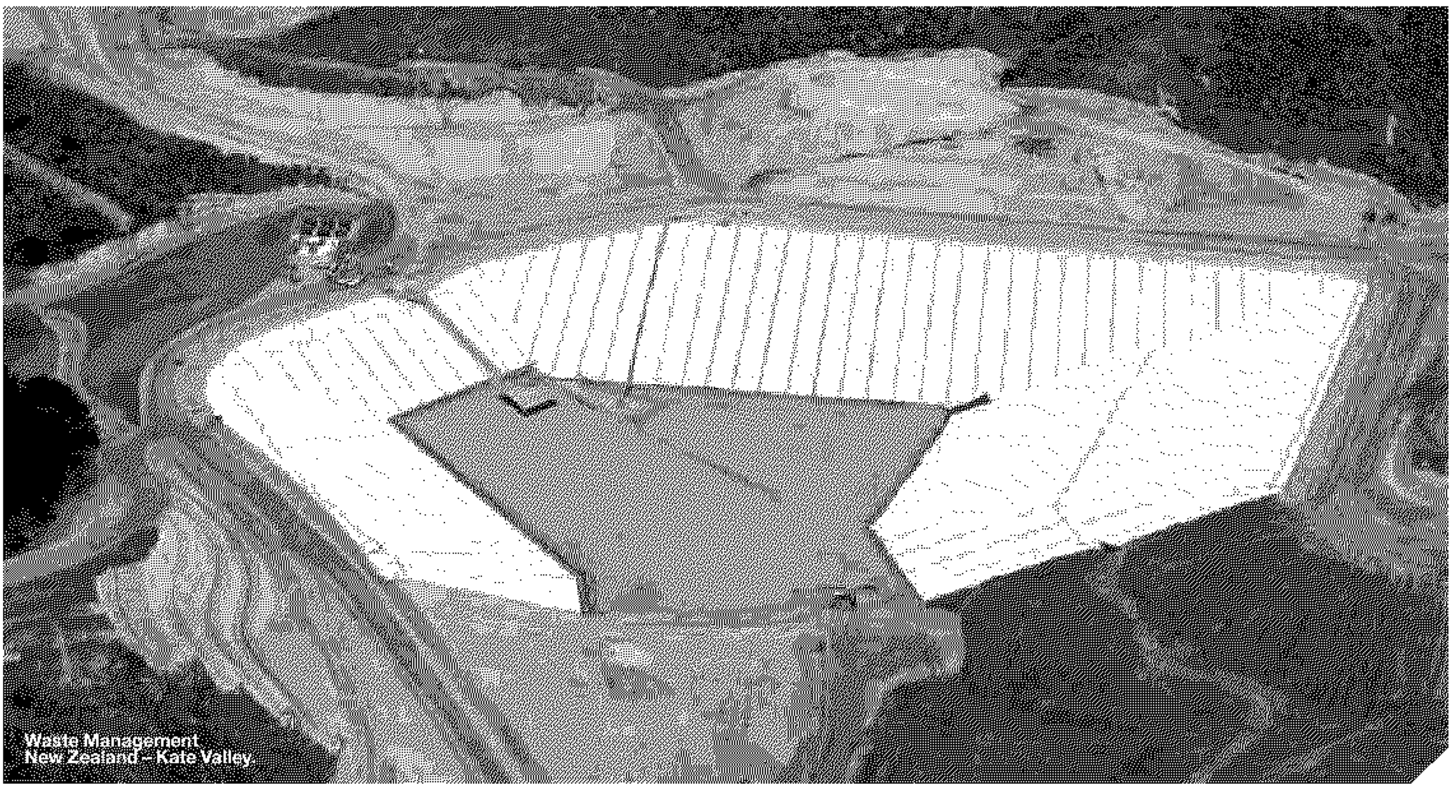
36
Processing plants and transfer stations.

6
Landfills.

100,000+
Customers.

400
Trucks.

870
Employees.



Waste Management New Zealand – Kate Valley.

New Division 2.

Energy.

How we see things: The establishment of the new Energy Division reflects the scale and opportunities for Transpacific in waste to energy. This includes base oil, biodiesel and landfill gas. All these are a natural extension for Transpacific, with substantial growth opportunities driven by increasing demand for alternative clean fuels and with oil prices at historically high levels.

The future: Our first hydrogenation plant was rolled out in November 2005 with a further three in the next two years. First biodiesel plant in October 2007.

40
Sites.

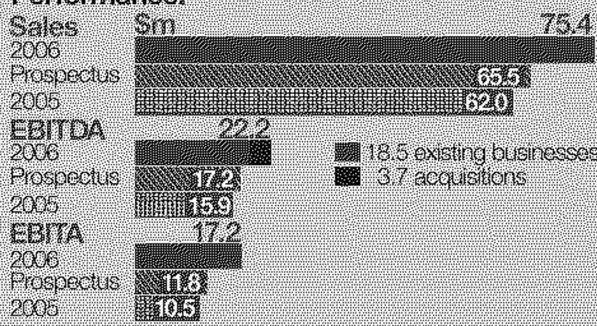
17
Processing facilities.

$75.4m
Revenue. Up 22% on 2005.

$22.2m
EBITA. Up 40% on 2005.

$17.2m
EBIT. Up 65% on 2005.

Performance:



Division 3.

Liquid and Hazardous Waste.

Business Activity:
Leading Australian and New Zealand business in collection, treatment and safe disposal of liquid and hazardous waste.

Acquisitions:
During FY06, TPI further developed its national footprint, acquiring liquid waste businesses in NSW, South Australia and Victoria, and in New Zealand adding $16.6m to EBITDA.

Division 4.

Industrial Solutions.

Business Activity:
Australia's leading specialist in industrial cleaning and total waste management business solutions.

Acquisitions:
FY06 saw the acquisition of two major players in Western Australia and others in new industries adding $4.3m to EBITDA.

Division 5.

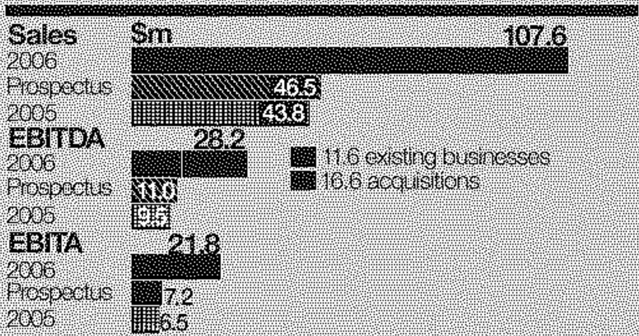
Commercial Vehicles.

Business Activity:
Imports and sells three premier brands of heavy-duty trucks – Western Star, MAN and Autocar and associated parts and MAN bus chassis and industrial engines.

Acquisitions:
During the year the Commercial Vehicles Division (CVD) acquired the New Zealand North Island dealership.

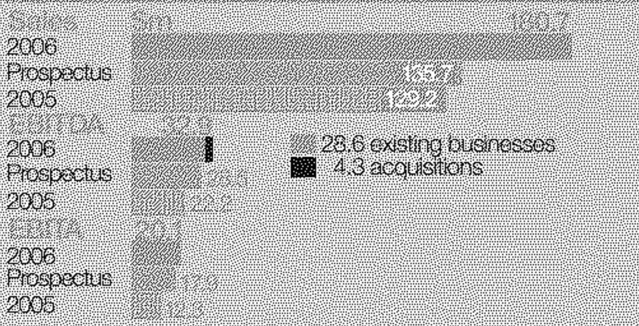
Transpacific Waste Services – Homebush.

Organic Growth:
Liquids EBITDA grew organically 22% over pcp.



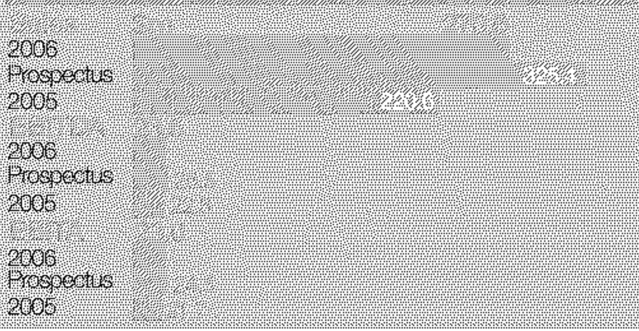
The Future:
Liquids is extending into biosolids, soil remediation, water recycling and manufacture of equipment to provide these services.

Organic Growth:
Liquids EBITDA grew by 29% over pcp.



The Future:
Industrial Solutions recently acquired a major business in South Australia and will continue to seek strategic acquisitions, alliances and facilities management opportunities.

CVD EBITDA grew 4% over pcp.

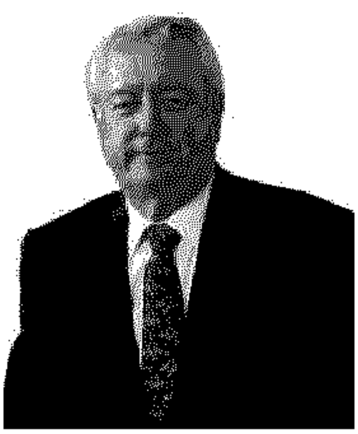


The CVD has signed an MOU with a major Asian mid size truck manufacturer to import and sell trucks. This means CVD enters a new market and can provide more trucks to the waste fleet at a lower cost.

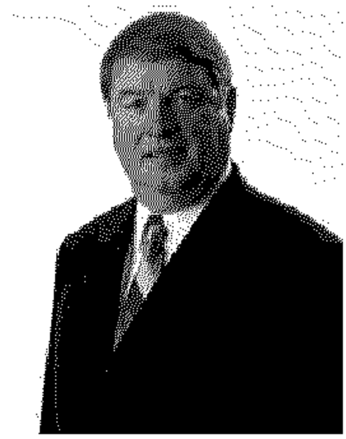
Western Star –
Commercial Vehicles.

Board of Directors.

Terry Peabody
Executive Chairman

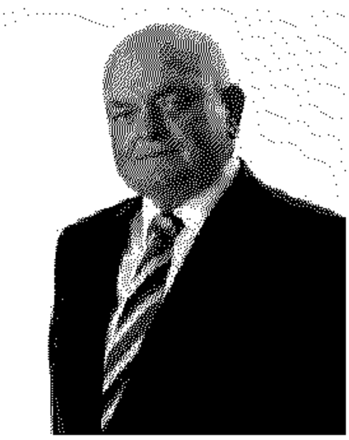


Bruce Allan
Non-Executive Director

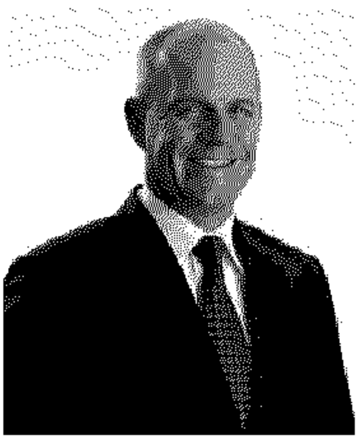


Graham Mulligan
Non-Executive Director

Howard Wilson
Chief Executive Officer



Bruce Brown
Non-Executive Director



Harold Grundell
Managing Director Energy

Terry Peabody
Executive Chairman

Terry Peabody has been involved in the importation and distribution of Western Star trucks into Australia since 1983. The waste management operations of Transpacific were formed in 1987 by Mr Peabody, following the successful public float of Pozzolanic Industries, listed on the ASX by Mr Peabody and his family in 1985. In 1991, business interests associated with Mr Peabody acquired the North American parent company of Western Star, successfully listing the company on the Toronto Stock Exchange in 1994. In 2000, the North American company was purchased by Freightliner LLC (a DaimlerChrysler group company) with the Australian operations retained by business interests associated with Mr Peabody, and now forming part of Transpacific. Mr Peabody has had extensive international success in building waste management, transportation and manufacturing companies. He has held the position of Executive Chairman of Transpacific since its incorporation.

Howard Wilson
Chief Executive Officer

Howard Wilson was appointed to the position of Chief Executive Officer of Transpacific in 2003, following a period of 18 months as Chief Executive Officer of Western Star Trucks Australia Pty Limited and MAN Automotive Imports Pty Limited. Prior to this time, Mr Wilson had an extensive career with Western Star Trucks Inc. based in British Columbia, Canada, where he ultimately held the position of Chief Operating Officer and Executive Vice President. Mr Wilson has a successful track record in customer support, dealer development, systems implementation and asset management. He also has demonstrated bottom-line success in retail, value-added reseller and manufacturing companies, including start-up, rapid growth and mature organisations and has experience in the international business market.

Bruce Allan
Non-Executive Director

Bruce Allan is a mining engineer who has some 42 years experience working in the Australian resources industry. Mr Allan is currently Managing Director of Bruce Allan Corporate Services, a specialist services consultant to the mining industry. He is currently Chairman of the Queensland Mines Rescue Service, a private industry organisation providing specialist services to the Queensland coal industry. Mr Allan is a Director of the Illawarra Retirement Trust, a large retirement organisation based in NSW.

Throughout his career, Mr Allan has held senior industry management positions with major organisations such as Rio Tinto and BHP Billiton, retiring from BHPB – Illawarra Coal as Vice President Operations in 2004, to form his own consulting business. He has served as Chairman of the NSW Minerals Council underground research committee, advising industry and government on direction and expenditure for coal research. He has travelled extensively overseas in both technical and marketing roles for both the mining industry and government. Mr Allan brings to the Board an in-depth knowledge of the Australian resources industry.

Bruce Brown
Non-Executive Director

Bruce Brown is currently Non-Executive Chairman of Flight Centre Limited and a non-executive director of Campbell Brothers Limited. Mr Brown was until recently Managing Director of Campbell Brothers Limited, an ASX listed company with diversified operations including the manufacture and distribution of chemicals and the provision of analytical laboratory services. Mr Brown had held finance and senior management positions with that company since 1976. In 1990, Mr Brown was appointed Chief Executive Officer of Campbell Brothers Limited and three years later became its Chief Executive Officer and Managing Director. During the last 15 years, Mr Brown has been integral to that company's significant growth and ongoing success in a broad range of industries.

Graham Mulligan
Non-Executive Director

Graham Mulligan has had extensive experience in senior management positions in Australia and New Zealand, most recently being appointed as the Chief Executive Officer and Managing Director of the Cross City Motorway group of companies in Sydney. Mr Mulligan also held the position of Chief Executive Officer of Port of Brisbane Corporation for four years and prior to that was Managing Director of Port Wellington in New Zealand for three and a half years. Mr Mulligan has also held senior management and publicly listed company director positions in the petroleum exploration and production industries in Australia and New Zealand.

Harold Grundell
Managing Director
Energy

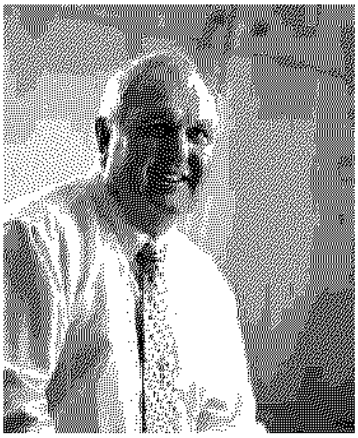
Harold Grundell joined Transpacific in 1990 in an operations role and has since held several senior management positions throughout Australia with the Transpacific Group. Mr Grundell was appointed to the role of Chief Executive Officer for Nationwide Oil in June 2001 before being appointed to the position of Managing Director in February 2004. Mr Grundell is a director of the Australian Oil Recyclers Association and sits on the Oil Stewardship Advisory Committee, which advises the Federal Minister for the Environment in relation to matters concerning used oil collection and recycling. Mr Grundell is also a director of several Transpacific companies and heads the Energy Division of Transpacific.

Trevor Coonan
Nick Badyk
Tony Roderick

Terry Woods
Greg Campbell
Bradley Stam

Stewart Smith
Paul Glavac

Geoff Sparks
Kellie Smith







"All of our senior management bring something different to the table. Individually, they all have very strong track records. As a team their skills and experience complement each other's, creating a dynamic which has played an integral part in getting results from the existing businesses and acquisitions."

Senior Management.

Trevor Coonan
Chief Financial Officer and Investor Relations

Trevor joined Transpacific as Chief Financial Officer in 2004 prior to its listing on the ASX. Since that time Trevor has overseen and been actively involved in all of Transpacific's acquisitions and in conveying the acquisitions and expectations to shareholders and the market. Prior to joining the company Mr Coonan was a director with PriceWaterhouseCoopers.

Stewart Smith
Executive Adviser

Stewart provides advice to the senior executive on financial and commercial matters including major acquisitions. He joined Transpacific Group at inception in 1987, spending time in the early 1990s on secondment to Western Star Trucks. Mr Smith was Company Secretary of Pozzolanic Industries prior to joining Transpacific.

Nick Badyk
Managing Director Industrial Solutions

Nick joined Transpacific as Group Business Development Manager in 2001 and was appointed Managing Director of Industrial Solutions in 2004. Mr Badyk has been involved in the restructure of Western Star Trucks and MAN Automotive Imports, along with numerous group acquisitions. Prior to Transpacific Nick held positions with Chemtrans, Orica and Incitec Pivot.

Paul Glavac
Managing Director Commercial Vehicles

Paul joined Transpacific in 2003 as General Manager of Industrial Solutions. In 2004 he took up his current position of responsibility for Western Star Trucks and MAN Automotive Imports. Prior to joining Transpacific Mr Glavac worked with Ateco Holdings and later held a senior position at Brambles Industrial Services.

Tony Roderick
Managing Director Liquid and Hazardous Waste

Tony joined the Group from the position of General Manager of Nuplex Environmental Services Australia and New Zealand, following its acquisition by Transpacific. Mr Roderick holds qualifications in Civil Engineering and Environmental Management, with 20 years' experience in the environment and waste management industry.

Terry Woods
Managing Director Mergers and Acquisitions

Terry joined Transpacific in 2001 as Queensland State Manager for Nationwide Oil and became Chief Operating Officer of Nationwide and ERS in 2003. He has an extensive background in the business of alternative fuels, concrete, fly ash and quarrying. Mr Woods was appointed to his present position in 2006.

Geoff Sparks
Managing Director Corporate Services and Government Affairs

Since 1988 Geoff has been responsible for many of Transpacific's operations alongside their licensing, regulatory and statutory responsibilities. The Corporate Services area oversees compliance in Human Resources, Workplace Health and Safety and the environment and construction areas. Mr Sparks is a director of several Transpacific companies.

Greg Campbell
Managing Director Transpacific New Zealand

Greg joined Transpacific in 2005 in his current role, following a long career in the oil, infrastructure and public transit industries both internationally and in New Zealand. Delivering both growth and stakeholder outcomes in a sustainable fashion are the hallmark of Greg's business focus. Mr Campbell holds a number of directorships and positions with not for profit organisations.

Kellie Smith
Company Secretary

Kellie joined the Transpacific Group in 2004, as Group Corporate Accountant. Prior to this Ms Smith specialised in manufacturing and service companies in her role as Client Services Manager in the Corporate Advisory Services Division for a chartered accounting firm.

Bradley Stam
General Counsel

Bradley joined Transpacific Industries Group in 2005. Prior to this Bradley was General Counsel, President and Director of Western Star Trucks and Senior Vice President, Legal and Asset Management, Alderwoods Group Inc. He also has extensive private legal practice experience. In senior roles, Mr Stam has been responsible for legal, compliance, corporate development, and real estate and risk management.

Corporate Governance Statement.

Transpacific Industries Group Ltd (the Company) and the Board are highly committed to appropriate levels of corporate governance. An extensive review of the Company's corporate governance framework was completed during 2005 in light of best practice recommendations released by the Australian Stock Exchange Corporate Governance Council (ASXCGC).

In March 2005, the Board formally adopted a range of policies, many of which are available on our website at: www.transpacific.com.au. These policies have been reviewed during financial year 2006 and updated as necessary. The Company's corporate governance structure has been designed to optimise corporate performance and accountability as appropriate for its particular circumstances. The Company complies with the ASXCGS "Principles of Good Corporate Governance and Best Practice Recommendations" with only two exceptions, and the explanation for these departures is set out in this statement.

The relationship between the Board and senior management is critical to the Company's long-term success. The Directors are responsible to the shareholders for the performance of the Company in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Company as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed.

Day to day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the Executive Chairman, the Chief Executive Officer and senior executives as set out in the Board Charter. These delegations are reviewed on an annual basis.

A description of the Company's main corporate governance practices is set out below. All these practices, unless otherwise stated, were in place for the full financial year.

The Board of Directors

The Board operates in accordance with the broad principles set out in its Charter which can be viewed on the corporate governance information section of the Company website. The charter details the Board's composition and responsibilities.

Board Composition

The Company's Constitution calls for at least three but not more than ten Directors. The Board is currently comprised of three executive Directors and three non-executive Directors. ASXCGC Best Practice Recommendation 2.1 states the majority of the Board should be independent Directors. The current Board believes six Directors is an optimal number of directors for a company the size and growth profile of the Company. It believes the skills and industry knowledge of all three executive Directors are required to lead the Company forward.

Board members

Details of the members of the Board, their experience, expertise, qualifications, term of office and independence are set out earlier in the annual report. The Board has a broad range of relevant operational, regulatory, risk management, financial and other skills and expertise to meet its objectives and effectively govern the Company.

Chairman

The Chairman is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with the Company's senior executives. ASXCGC Best Practice Recommendation 2.2 states the Chairman should be an independent Director. The current Board believes the Company's founder and major shareholder, Terry Peabody, has the vision, skills and deep industry knowledge to lead the Company, clearly communicate the Company's objectives and strategy, and to set market expectations.

Non-executive Directors' independence

The Board has reviewed the independence of the non-executive Directors and considers each to be independent and free of any business or other relationship that could, or could reasonably be perceived to, materially interfere with their independent judgement and ability to act in the best interests of the Company.

The Board has adopted specific principles in relation to the non-executive Directors' independence. These state that to be deemed independent, a Director must be a non-executive and:

- not be a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company (a substantial shareholder is one who owns 5% or more of the Company);
- within the last three years, not have been employed in an executive capacity by the Company or any other Group member, or been a Director after ceasing to hold any such employment;
- within the last three years not have been a principal of a material professional adviser or a material consultant to the Company or any other Group member, or an employee materially associated with the service provided;
- not be a material supplier or customer of the Company or any other Group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- must have no material contractual relationship with the Company or a controlled entity other than as a Director of the Company;
- not have been on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company;
- be free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

Materiality for these purposes is determined on both quantitative and qualitative bases. An amount of over 5% of annual turnover of the Company or Group or 5% of the individual Directors' net worth is considered material for these purposes. In addition, a transaction of any amount or a relationship is deemed material if knowledge of it may impact the shareholders' understanding of the Director's performance.

Term of Office
The Company's Constitution requires one third of the Directors, other than the Executive Chairman (as the nominated managing director), to retire from office at each Annual General Meeting. Directors, other than the Executive Chairman, who hold office for a period of three years or a period expiring at the third Annual General Meeting following their appointment (whichever is the longer) must also retire. Where eligible, a Director may stand for re-election.

Meetings of the Board and Commitment of Non-Executive Directors
The Board held regular Board meetings during the year. In addition to the regular scheduled meetings, the Board meets whenever necessary to deal with specific matters needing attention.

The number of meetings of the Company's Board of Directors and of each Board committee held during the year ended 30 June 2006, and the number of meetings attended by each Director is disclosed on page 24.

The commitments of non-executive Directors are considered by the nomination and remuneration committee prior to the directors' appointment to the Board of the Company and are reviewed each year as part of the annual performance assessment.

Prior to appointment or being submitted for re-election, each non-executive Director is required to specifically acknowledge that they have and will continue to have the time available to discharge their responsibilities to the Company.

Nomination and Appointment of New Directors
When a new Director is to be appointed, the nomination and remuneration committee reviews the range of skills, experience and expertise on the Board, identifies its needs and prepares a short list of candidates with appropriate skills and experience. Where necessary, advice is sought from independent consultants.

The full Board then appoints the most suitable candidate who must stand for election at the next Annual General Meeting of the Company. The committee's nomination of existing Directors for reappointment is not automatic and is contingent on their past performance, contribution to the Company and the current and future needs of the Board and Company.

Details of the selection and appointment processes are available on the Company website.

Notices of Meeting for the Election of Directors Comply with the ASXCGC's Best Practice Recommendations
New Directors are provided with a letter of appointment setting out the Company's expectations, their responsibilities and rights and the terms and conditions of their position. All new Directors participate in an induction program which covers the operation of the Board and its committees and financial, strategic, operational and risk management issues.

Independent Professional Advice
Directors and Board committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense. Prior written approval of the Chairman is required, but this will not be unreasonably withheld.

Performance Assessment
The nomination and remuneration committee is responsible for evaluating the performance of the Board and key executives.

The Executive Chairman undertakes an annual assessment of the performance of individual directors and meets privately with each Director to discuss this assessment.

Board Committees
There are currently two Board committees which have been established to assist in the execution of the Board's duties and to allow detailed consideration of complex issues. Current committees are the nomination and remuneration committee and the audit and risk management and compliance committee. Previous committees during the year included the Transpacific Step-up Preference Securities due diligence committee.

Other committees of the Board may be established from time to time to consider matters of special importance or to exercise the delegated authority of the Board.

Each committee has its own written charter setting out its role and responsibilities, composition, structure, membership requirements and the manner in which the committee is to operate. All of these charters are reviewed on an annual basis and are available on the Company website. All matters determined by committees are submitted to the full Board as recommendations for Board decision. Each committee is composed of the people the Board considers best suited to fulfil the role of each committee.

Minutes of committee meetings are tabled at the immediately subsequent Board meeting. Additional requirements for specific reporting by the committees to the Board are addressed in the charter of the individual committees.

Nomination and Remuneration Committee
The nomination and remuneration committee consists of the following Directors:

G D Mulligan (Chairman) (Non-Executive Director)
B R Brown (Non-Executive Director)
T E Peabody
H L Wilson

The main responsibilities of the committee are to:

- review, assess and make recommendations to the Board on the necessary and desirable competencies of the Directors and relevant Board committees,
- evaluate the Board's performance,
- oversee the selection and appointment practices for Directors and senior executives,
- assist the Board in relation to the remuneration policy for the Company, the application of the policy to executives and the evaluation of the performance of the Chief Executive Officer.

Audit and Risk Management and Compliance Committee
The audit and risk management and compliance committee consists of the following non-executive Directors:

B R Brown (Chairman)
G D Mulligan
B S Allan

Details of these Directors' qualifications and attendance at audit and risk management and compliance committee meetings are set out earlier and in the Directors' report on page 24.

The audit and risk management and compliance committee has appropriate financial expertise and all members are financially literate and have an appropriate understanding of the industries in which the Company operates.

The main responsibilities of the committee are to:

- review, assess and approve the annual report, the half-year financial report and other financial information published by the Company or released to the market;
- assist the Board in reviewing the effectiveness of the organisation's internal control environment, covering:
  - the effectiveness and efficiency of operations;
  - the reliability of financial reporting;
  - compliance with applicable laws and regulations;
- determine the scope of the internal audit function (if any);
- oversee the effective operation of the risk management framework;
- recommend to the Board the appointment, reappointment or replacement of the external auditor, and review the terms of its engagement, the scope and quality of the audit and assess the auditor performance;
- consider the independence and competence of the external auditor on an ongoing basis;
- review and approve the level of non-audit services provided by the external auditor and ensure it does not adversely impact on auditor independence;
- report to the Board on matters relevant to the committee's role and responsibilities.

In fulfilling its responsibilities, the audit and risk management and compliance committee:

- receives regular reports from management and the external auditor;
- meets with the external auditor at least twice a year or more frequently if necessary and meets separately with the external auditor at least twice a year without the presence of management;
- reviews the processes the Executive Chairman, CEO and CFO have in place to support its certifications to the board;
- reviews any significant disagreements between the auditor and management, irrespective of whether they have been resolved;
- provides the external auditor with a clear line of direct communication at any time to the Chairman of the audit and risk management committee.

The audit and risk management and compliance committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

Code of Conduct and Securities Trading
The Company has developed a Statement of Values and Corporate Code of Conduct (the Code) which have been fully endorsed by the Board. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Company's integrity.

In summary, the Code requires that at all times Directors and Company personnel be loyal to the Company, show the highest business integrity in their dealings with others and conduct the Company's business in accordance with the law and principles of good business practice.

The Code details the key principles of the Company's Trade Practices and Fair Trading policies.

Additionally the Code reinforces the Company's securities trading policy which permits Directors and employees to buy and sell Company securities during the six week period following the release of the half-yearly and annual financial results to the market and the six week period following the Annual General Meeting. Trading outside the permitted trading windows is permitted only with the prior consent of the Executive Chairman, Chief Executive Officer or Company Secretary. Trading in securities is prohibited at all times by anyone in possession of price sensitive information.

The Code requires employees who are aware of unethical practices within the Company or breaches of the company's trading policy to report these to the Company Secretary or the audit and risk management and compliance committee.

The Directors are satisfied that the Company has complied with its policies on ethical standards, including trading in securities.

A copy of the Code and the trading policy are available on the Company's website.

Corporate Reporting
The Board receives regular reports about the financial condition and operational results of the Company.

The Company's financial report preparation and approval process for the 2006 financial year involved the Executive Chairman, CEO and CFO making the following certifications to the Board:

- that the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and controlled entities and are in accordance with relevant accounting standards;
- that the above statement is founded on a sound system of risk management and internal compliance and control and which implements the policies adopted by the Board and that the Company's risk management and internal compliance and control is operating efficiently and effectively in all material respects.

Audit Governance and Independence

The Company's policy is to appoint an external auditor who clearly demonstrates quality and independence. The performance of the external auditor is reviewed annually. Bentleys MRI Brisbane Partnership was appointed as the external auditor in 2002. It is Company policy to require the auditor to rotate audit engagement partners at least every five years.

Fees paid to the external auditor are provided in note 26 to the financial statements.

Bentleys MRI is required to provide an annual declaration of its independence to the audit and risk management and compliance committee and the Board. A copy of this declaration is set out on page 33.

The external auditor is requested to attend the Annual General Meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Continuous Disclosure and Shareholder Communication

The Company has written policies and procedures on information disclosure that focus on continuous disclosure of any information concerning the Company that a reasonable person would expect to have a material effect on the price of the Company's securities. These policies and procedures also include the arrangements the Company has in place to promote communication with shareholders and encourage effective participation at general meetings. A summary of these policies and procedures is available on the Company's website.

The Company Secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX.

All information disclosed to the ASX is posted on the company's website following confirmation of the release by the ASX to the sharemarket. When analysts are briefed on aspects of the Company's operations, the material used in the presentation is released to the ASX and posted on the company's website. Procedures have also been established for reviewing whether any price sensitive information has been inadvertently disclosed, and if so, this information is also immediately released to the market.

The Company aims to keep shareholders informed of the Company's performance and major developments in an ongoing manner. Annual and half year reports are distributed to all shareholders unless specifically requested otherwise.

In addition, the Company seeks to provide opportunities for shareholders to participate through electronic means. All Company announcements, media briefings, details of Company meetings, press releases and financial reports are available on the Company's website.

Shareholders are encouraged to attend Annual General Meetings and to use this opportunity to ask questions.

Risk Assessment and Management

The Board, through the audit and risk management and compliance committee, is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. In summary, the Company policies are designed to ensure strategic, operational, legal, regulatory and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.

Considerable importance is placed on maintaining a strong control environment. There is an organisation structure with clearly drawn lines of accountability and delegation of authority. Adherence to the Code of Conduct (see page 19) is required at all times and the Board actively promotes a culture of quality and integrity.

The Company risk management policy and the operation of the risk management and compliance procedures is managed by the Company Risk Management Group which consists of senior executives chaired by the CEO and reporting to the audit and risk management and compliance committee.

Detailed control procedures cover management accounting, financial reporting, project appraisal, environment, health and safety, IT security, compliance and other risk management issues. Numerous risk management controls are embedded in the Group's management and reporting systems, including:

- policies and procedures for the management of financial risk and treasury operations, including hedging exposures to foreign currencies and interest rates;
- annual budgeting and monthly reporting systems for all divisions which enable monitoring of progress against performance targets, evaluation of trends and variances to be acted upon;
- health and safety programs and targets;
- weekly cash flow analysis and forecasts, including monitoring capital expenditure, working capital and management of assets and liabilities;
- due diligence procedures for substantial acquisitions.

In addition, the Board requires that each major proposal submitted to the Board for decision be accompanied by a comprehensive risk assessment and, where required, management's proposed mitigation strategies.

Internal Financial Controls

In view of the divisional structure of the Company with divisional accounting functions, and considering cost effectiveness, the Company relies on its financial management team to perform internal audit functions.

Occupational Health, Safety, Environment and Training (OHSET)

The Company recognises the importance of OHSET issues and is committed to the highest levels of performance and review. The Company:

- monitors its compliance with all relevant legislation;
- continually assesses and improves the impact of its operations on the environment;
- encourages employees to actively participate in the management of OHSET issues.

Information on compliance with significant environmental regulations is set out in the Directors' Report.

Financial Report.

Financial Year Ended 30 June 2006

Contents

Transpacific Industries Group Ltd
ABN 74 101 155 220

Directors' Report

The directors present their report together with the financial report of Transpacific Industries Group Ltd ("the Company") and of the consolidated entity, being the Company and its controlled entities, for the financial year ended 30 June 2006 and the auditor's report thereon.

Directors

The names of directors of the Company at any time during or since the end of the financial year are as follows. Directors were in office for this entire period unless otherwise stated.

T E Peabody – Executive Chairman

H L Wilson – Executive Director and Chief Executive Officer

J J Richards – Non-Executive Director and Deputy Chairman (resigned 23 August 2006)

G D Mulligan – Non-Executive Director

R J Ruston – Non-Executive Director (resigned 25 January 2006)

B R Brown – Non-Executive Director (appointed Deputy Chairman 23 August 2006)

G F Sparks – Executive Director (resigned 25 January 2006)

H W Grundell – Executive Director

B S Allan – Non-Executive Director (appointed 23 August 2006)

The office of company secretary is held by K L Smith, B.Com (Hons), CA.

Particulars of directors' qualifications, experience and special responsibilities are detailed on pages 14 to 15 and page 18 and 19 of the Annual Report.

Principal Activities

During the financial year the principal continuing activities of the consolidated entity consisted of:

- management of liquid waste, including its collection, transportation, treatment and disposal;
- the collection, re-refining, processing and sale of hydrocarbon and cooking oils;
- industrial solutions including industrial cleaning, high pressure water blasting and manufacture and lease out of parts washers; and
- commercial vehicles and parts importing and sales.

No significant changes in the nature of the activities of the consolidated entity occurred during the year.

Dividends

Details of dividends in respect of the financial year are as follows:

	2006 $'000	2005 $'000
Special fully franked dividend declared on 8 March 2005 to pre-IPO shareholders	-	18,500
Interim dividend declared and paid during the year 2006 – 4.2 cents per share	8,515	-
TOTAL DIVIDENDS DECLARED FOR PAYMENT	8,515	18,500

After the balance sheet date the following dividend was proposed by the directors.

Final dividend of 5.1 cents per share	11,495	-

The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2006 and will be recognised in subsequent financial reports. The dividend reflects the number of shares on issue post the 14 September 2006 placement, but does not take into account any options which may be exercised prior to the record date.

All dividends paid and proposed are fully franked.

Review of Operations, Financial Position, Business Strategies and Prospects

Net profit after income tax attributable to members of Transpacific Industries Group Ltd for the year ended 30 June 2006 was approximately $47.5 million (2005: $29.5 million). This represents an improvement of 60% over the financial year 2005 and an improvement of 29% over original IPO prospectus forecasts for financial year 2006. The improvement has been foreshadowed and disclosed in a number of ASX market releases and more recently in the Product Disclosure Statement for Transpacific Step-Up Preference Securities.

The Company made a number of acquisitions during the year of which the market is aware. Details of these acquisitions are set out in note 24 to the financial statements

The Company has a sound financial position at 30 June 2006 generating strong cash flows to fund its working capital requirements and day to day cash flows. Further equity and debt has been raised subsequent to balance date as detailed below. All debt covenants have been satisfied and the Company has in excess of $300 million available in unused debt facilities. For business strategies and prospects refer below.

Significant Changes in the State of Affairs

During the financial year there was no significant change in the state of affairs of the consolidated entity other than referred to in the financial statements or notes thereto.

Events Subsequent to Reporting Date

Subsequent to the balance date, the Company and its consolidated entities have acquired a number of businesses and on 3 July 2006 amalgamated with Waste Management NZ Ltd.

The Company had debt facilities in place at 30 June 2006 to fund these post balance date acquisitions and the amalgamation. Post-balance date, the Company amended its debt facilities and raised/is raising equity as follows:

On 31 August 2006, the Company and its 100% owned subsidiaries signed a new Syndicated Multi-Option Facility with its bankers. This agreement increased the facilities available from $1 billion to $1.2 billion.

Additionally, the consolidated entity has raised additional equity to partially pay down debt used to fund the Waste Management NZ Ltd amalgamation referred to above and to provide extra funding for future growth. The equity raisings were/are as follows:

- on 23 August 2006, $250 million was raised through Transpacific Step-up Preference Securities;
- on 14 September 2006 the Company raised $150 million through the placement of 21,428,571 million ordinary shares;
- at the date of this report the Company is in the process of raising up to $20 million through a share purchase plan. This is expected to be completed by 23 October 2006.

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years.

Directors' Report (continued)

Likely Developments and Expected Results of Operations

Material likely developments and expected results of operations of the consolidated entity have been notified to the market and include our investigation of further acquisitions and market opportunities.

Further information about likely developments in the operations of the consolidated entity and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental Regulation

The consolidated entity's operations are subject to significant environmental regulation.

The consolidated entity holds environmental licences for its sites throughout Australia and New Zealand.

The consolidated entity is committed to achieving the highest standards of environmental performance. There were no material breaches of environmental statutory requirements and no material prosecutions during the year.

Meetings of Directors

The number of meetings of directors (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director were as follows:

	BOARD MEETINGS**		AUDIT RISK MANAGEMENT AND COMPLIANCE COMMITTEE **		NOMINATION & REMUNERATION COMMITTEE**	
DIRECTOR	MEETINGS HELD WHILE A DIRECTOR	NUMBER ATTENDED	MEETINGS HELD WHILE A MEMBER	NUMBER ATTENDED	MEETINGS HELD WHILE A MEMBER	NUMBER ATTENDED
T E Peabody	11	11	*	*	2	2
H L Wilson	11	11	*	*	2	2
J J Richards	11	9**	4	4	*	*
B R Brown	11	11	4	4	2	2
G D Mulligan	11	11	4	4	*	*
R J Ruston	4	3	*	*	1	1
G F Sparks	4	4	*	*	*	*
H W Grundell	11	11	*	*	*	*

* Not a member of the relevant committee.

** Mr Richards did not attend two board meetings due to conflicts of interest.

Directors' Interests

The relevant interest of each director in the shares and options over such instruments issued by the Company, as notified by the directors to the Australian Stock Exchange in accordance with s205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	ORDINARY SHARES	OPTIONS OVER UNISSUED ORDINARY SHARES
EXECUTIVE		
Terry Peabody	76,267,611	6,950,000
Howard Wilson	-	1,000,000
Harold Grundell	125,000	500,000
NON-EXECUTIVE		
Bruce Brown	100,000	50,000
Graham Mulligan	30,000	50,000
Bruce Allan	-	-

REMUNERATION REPORT

REMUNERATION POLICY

The key driver of Transpacific's remuneration policy is to attract and retain top quality directors and executives to ensure the continued success of the Group for the benefit of all our stakeholders.

The remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration

B Details of remuneration

C Service agreements

D Share-based compensation.

A Principles used to determine the nature and amount of remuneration

The objective of the company's executive remuneration framework is to ensure remuneration for performance is competitive and appropriate for the results delivered. The framework aligns executive remuneration with achievement of strategic objectives and the creation of value for shareholders, and conforms with market best practice for delivery of reward. In our business it is assumed that all environmental and safety requirements are satisfied but there are penalties in our remuneration framework if they are not. The Board ensures that executive remuneration satisfies the following key criteria for good corporate governance practices:

- competitiveness and reasonableness;
- acceptability and transparency to shareholders; and
- performance linkage/alignment of executive compensation to financial results, safety requirements, environmental compliance and contribution to continuous improvement initiatives.

The company has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- has economic profit as a core component of plan design;
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price;
- delivering constant return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracts and retains high calibre executives.

Alignment to program participants' interests:

- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth;
- provides a clear structure for earning rewards; and
- provides recognition for contribution.

The framework provides a mix of fixed and variable pay, and a blend of short and long-term incentives.

As executives gain seniority with the Group, the balance of this mix shifts to a higher proportion of "at risk" remuneration.

The overall level of executive remuneration takes into account the performance of the consolidated entity over a number of years, with greater emphasis given to the current and prior year.

The Nomination & Remuneration Committee is responsible for reviewing remuneration and performance and may refer to external information on remuneration to establish remuneration policy and levels.

Directors' Report (continued)

Non-Executive Directors

Non-executive directors are paid directors' fees. The payment of directors' fees is to reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board and are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at $750,000 per annum, to be apportioned among the Non-executive directors as the Board determines in its absolute discretion.

The Non-executive directors pre TPI listing were also granted TPI share options which are discussed below.

Executives

Executive remuneration has four components:

- base salary and benefits;
- short-term performance incentives;
- long-term incentives through participation in the Transpacific Executive Share Option Plan; and
- other remuneration such as superannuation.

Base salary

Executives are offered a competitive base salary that comprises the fixed component of remuneration. Base salary for senior executives is reviewed annually to ensure it is competitive with the market.
An executive's salary is also reviewed on promotion.

There are no guaranteed salary pay increases included in any senior executives' contracts.

Benefits

Executives may receive benefits including car allowances, mobile phone and car parking.

Retirement benefits

Retirement benefits are not provided with the exception of statutory superannuation. Other retirement benefits may be provided directly by the company if approved by shareholders but there are none at this time.

Short-term incentives (Incentive Compensation – IC)

Should the company achieve a pre-determined profit target set by management and approved by the Board then an IC pool is available for allocation to executives during the annual review. Using a profit target ensures variable reward is only available when value has been created for shareholders and when profit is consistent with the business plan.

Each executive has a target IC opportunity depending on the accountabilities of the role and organisation or business unit performance. For senior executives the maximum target IC bonus opportunity is 50% of total base salary. Each year, the Remuneration Committee considers the appropriate targets and key performance indicators (KPIs) to link the IC plan and the level of payout if targets are met. This includes setting any maximum payout under the IC plan, and minimum levels of performance to trigger payment of an IC.

For the year ended 30 June 2006, the KPIs linked to short-term incentive plans were based on group and individual business objectives. These KPIs are generic across the senior executive team.

The Nomination and Remuneration Committee is responsible for assessing whether the KPIs are met. To help make this assessment, the committee receives detailed reports on performance from management.

ICs may be adjusted up or down in line with under or over achievement against the target performance levels, but cannot be adjusted to exceed the maximum payable. This is at the discretion of the Nomination and Remuneration Committee.

Cash IC (bonuses) are payable in September each year after the financial year's results are compiled, audited and released to the market. This ensures transparency and shareholders can see the link between shareholder returns and employee remuneration.

Long-term incentives (Transpacific Executive Share Option Plan)

Information on the Transpacific Executive Share Option Plan is set out on page 59. In short, however, the options granted to the Non-executive directors and certain executives vest in equal tranches over three years providing EBITA forecasts for year ended 30 June 2006 set out in the Transpacific Prospectus dated 29 March 2005 are met or exceeded. On achieving this target, 75% of the options vest if total shareholder return (TPI share price increment over offer price plus dividend) totals at least 15% per annum on a cumulative basis and 25% vest if the volume weighted average price of TPI shares has outperformed the S&P/ASX200 (less financials) by 5% on a cumulative basis since the date the Company listed on the official list. The options granted to date were issued for no consideration. From time to time, the Board will recommend that further options be issued in order to attract, incentivise and reward executives and Non-executive directors. Staff eligible to participate in the plan are senior management and Non-executive directors nominated by the Nomination and Remuneration Committee.

B Details of remuneration

Details of the nature and amount of each major element of remuneration of each director of the Company and each of the five named Company executives and relative group executives who receive the highest remuneration are set out in the following tables. You will see the base fixed components and the "at risk" performance related components discussed above. The options have been costed in accordance with methodology set out in D below.

REMUNERATION OF DIRECTORS OF TRANSPACIFIC INDUSTRIES GROUP LTD

		SHORT-TERM			SHARE- BASED PAYMENTS	POST EMPLOYMENT		
		SALARY AND FEES $	STI CASH BONUS $	NON-MONETARY BENEFITS $	OPTIONS $	SUPER-ANNUATION BENEFITS $	TOTAL $	% OF REMUN-ERATION PERFORMANCE RELATED
EXECUTIVE								
Terry Peabody	– 2006	347,944	-	27,192	-	31,315	406,451	-
	– 2005	267,898	-	19,945	-	24,043	311,886	-
Howard Wilson	– 2006	366,171	146,905	4,553	195,429	47,645	760,703	19.3% (A)
	– 2005	297,006	152,400	149,300	32,571	45,356	676,633	22.5%
Harold Grundell	– 2006	209,479	96,330	28,857	97,714	27,523	459,903	20.9% (A)
	– 2005	202,170	102,600	27,697	16,286	27,429	376,182	27.2%
Geoff Sparks*	– 2006	205,204	31,193	17,953	97,714	21,275	373,339	8.4% (B)
	– 2005	202,170	102,600	21,490	16,286	27,429	369,975	27.7%
NON-EXECUTIVE								
John Richards**	– 2006	45,871	-	-	9,771	4,128	59,770	-
	– 2005	13,054	-	-	1,629	1,175	15,858	
Bruce Brown	– 2006	45,871	-	-	9,771	4,128	59,770	-
	– 2005	15,290	-	-	1,629	1,376	18,295	
Graham Mulligan	– 2006	45,871	-	-	9,771	4,128	59,770	-
	– 2005	28,875	-	-	1,629	2,599	33,103	
Rod Ruston*	– 2006	29,166			5,700	-	34,866	-
	– 2005	18,589	-	-	1,629	-	20,218	
Total	– 2006	1,295,577	274,428	78,555	425,870	140,142	2,214,572	
Total	– 2005	1,045,052	357,600	218,432	71,659	129,407	1,822,150	

* Resigned 25 January 2006. In respect of Geoff Sparks, he continued as an employee. All his remuneration is included in this note.

** Resigned 23 August 2006.

Directors' Report (continued)

REMUNERATION OF THE KEY MANAGEMENT PERSONNEL OF THE CONSOLIDATED ENTITY

		SHORT-TERM			SHARE-BASED PAYMENTS	POST EMPLOYMENT		
		SALARY AND FEES $	STI CASH BONUS $	NON-MONETARY BENEFITS $	OPTIONS $	SUPER-ANNUATION BENEFITS $	TOTAL $	% OF REMUNERATION PERFORMANCE RELATED
Stewart Smith	– 2006	178,928	76,147	18,452	146,571	22,957	443,055	17.2% (A)
	– 2005	177,311	80,765	23,006	24,429	23,227	328,738	24.6%
Paul Glavac	– 2006	200,004	-	26,123	97,714	18,000	341,841	- (C)
	– 2005	183,336	100,000	27,237	16,286	25,500	352,359	28.4%
Terry Woods	– 2006	223,578	96,330	1,680	97,714	26,793	446,095	21.6% (A)
	– 2005	177,586	100,000	27,222	16,286	26,458	347,552	28.8%
Nick Badyk	– 2006	215,829	94,312	16,151	97,714	27,209	451,215	20.9% (A)
	– 2005	163,850	30,000	38,696	16,286	21,337	270,169	11.1%
Trevor Coonan*	– 2006	218,917	113,636	3,344	97,714	32,255	465,866	24.4% (A)
	– 2005	143,989	100,000	4,100	16,286	21,959	286,334	34.9%
Greg Campbell**	– 2006	144,820	61,279	-	14,918	-	221,017	27.7% (A)
	– 2005	-	-	-	-	-	-	-
Tony Roderick***	– 2006	94,835	26,758	5,959	15,803	13,328	156,683	17.1% (D)
	– 2005	-	-	-	-	-	-	-
Total	– 2006	1,276,911	468,462	71,709	568,148	140,542	2,525,772	
Total	– 2005	846,072	410,765	120,261	89,573	118,481	1,585,152	

* Commenced employment as Chief Financial Officer on 4 October 2004.

** Commenced employment as Managing Director, New Zealand on 17 October 2005. Salary has been converted into AUD at the average exchange rate from commencement date to 30 June 2006.

*** Commenced employment as Managing Director, Liquid Waste Division on 1 December 2005.

Notes relating to short-term incentives

Amounts included in remuneration for the financial year represents the amount that vested in the financial year based on achievement of personal goals and satisfaction of specified performance criteria. No amounts vest in future financial years in respect of the bonus schemes for the 2006 financial year.

(A) Executives received 100% of their applicable IC (short-term incentive);

(B) Executive received 33% of their applicable IC (short-term incentive);

(C) Executive received 0% of their applicable IC (short-term incentive);

(D) Executive received 50% of their applicable IC (short-term incentive) for the period of employment.

The amounts of ICs forfeited are due to the performance or service criteria not being met in relation to the current financial year.

C Service agreements

Remuneration and other terms of employment for the Executive Chairman, Chief Executive Officer and the executives specified above are formalised in executive service agreements. Each of these agreements provide for a performance-related cash IC (bonuses), other benefits including car allowances, and participation, when eligible, in the Transpacific Executive Share Option Plan. The agreements are ongoing and reviewed on a periodic basis. Terry Peabody's and Howard Wilson's agreement may be terminated on six months' notice. The other agreements may be terminated by the Company or the executive at any time on one months' notice. There are no non-statutory termination benefits provided for in the service agreements.

D Share based compensation

Details on options over ordinary shares in the Company that were granted as compensation to each key management person during the reporting period and details on options that were vested during the reporting period are as follows:

DIRECTORS	NUMBER OF OPITONS GRANTED DURING 2006	GRANT DATE	NUMBER OF OPTIONS VESTED DURING 2006	FAIR VALUE PER OPTION AT GRANT DATE ($)	EXERCISE PRICE PER OPTION ($)	EXPIRY DATE
Greg Campbell	150,000	8 November 2005	-	37c to 65c	$4.26	31 July 2009
	150,000	24 April 2006	-	$1.53 to $2.23	$8.53	31 July 2010
Tony Roderick	150,000	17 February 2006	-	88c to $1.25	$5.40	31 July 2010
	150,000	24 April 2006	-	$1.53 to $2.23	$8.53	31 July 2010

A further 200,000 options have been granted to key management subsequent to year end as outlined on page 30. The options were provided at no cost to the recipients.

No options vested or were exercisable during the reporting period.

Options are exercisable in three equal tranches, and are conditional on the consolidated entity achieving certain performance hurdles. Details of the performance criteria are included in the long-term incentives discussion on page 27.

The amounts disclosed for remuneration relating to options above are the assessed fair values at grant date of options granted to directors and other executives, allocated over the period from grant date to vesting date. Fair values at grant date are independently determined using a binomial pricing model incorporating a Monte-Carlo simulation that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Further details, including grant dates and exercise dates regarding options granted to executives under the Executive Share Option Plan are in note 32 to the financial statements.

No terms of equity-settled share-based payment transactions have been altered or modified by the issuing entity during the reporting period.

Directors' Report (continued)

Details of the vesting profile of the options granted as remuneration to each director of the Company and each of the key management executives of the consolidated entity are set out below.

	OPTIONS GRANTED				
	VALUE OF OPTIONS AS PROPORTION OF REMUN-ERATION	NUMBER	DATE	% VESTED OR FORFEITED IN YEAR	FINANCIAL YEARS IN WHICH GRANT VESTS
EXECUTIVE DIRECTORS					
Terry Peabody	-	-	-	-	-
Howard Wilson	25.7%	1,000,000	3 May 2005	-	A
Harold Grundell	21.2%	500,000	3 May 2005	-	A
NON-EXECUTIVE DIRECTORS					
John Richards	16.3%	50,000	3 May 2005	-	A
Bruce Brown	16.3%	50,000	3 May 2005	-	A
Graham Mulligan	16.3%	50,000	3 May 2005	-	A
SPECIFIED EXECUTIVES					
Stewart Smith	33.1%	750,000	3 May 2005	-	A
Paul Glavac	28.6%	500,000	3 May 2005	-	A
Terry Woods	21.9%	500,000	3 May 2005	-	A
Nick Badyk	21.7%	500,000	3 May 2005	-	A
Trevor Coonan	21.0%	500,000	3 May 2005	-	A
Geoff Sparks	26.2%	500,000	3 May 2005	-	A
Greg Campbell	6.7%	150,000	8 November 2005	-	A
		150,000	24 April 2006	-	B
		100,000	14 September 2006	-	B
Tony Roderick	10.1%	150,000	17 February 2006	-	B
		150,000	24 April 2006	-	B
		100,000	14 September 2006	-	B

A – Options vest in equal tranches over three years commencing financial year beginning 1 July 2006.

B – Options vest in equal tranches over three years commencing financial year beginning 1 July 2007.

Shares Under Option

At the date of this report unissued ordinary shares of the Company under option are:

DATE OPTIONS GRANTED	EXPIRY DATE	EXERCISE PRICE	NUMBER UNDER OPTION
3 May 2005 – Non-executive Directors and Executives *	31 July 2009	$2.40	6,681,667
3 May 2005 – Brenzil Pty Ltd	31 July 2009	$2.76 to $3.65	6,950,000
8 November 2006 – Executives	31 July 2009	$4.20	150,000
17 February 2006 – Executives	31 July 2010	$5.40	350,000
24 April 2006 – Executives	31 July 2010	$8.53	725,000
13 September 2006 - Executives	31 July 2010	$7.25	850,000
			15,706,667

* Includes two retired directors.

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

Shares Issued on the Exercise of Options

During or since the end of the financial year to the date of this report, the Company issued ordinary shares as a result of the exercise of options as follows (there were no amounts unpaid on the shares issued):

NUMBER OF SHARES	AMOUNT PAID ON EACH SHARE
268,333	$2.40

Directors' and Officers' Insurance

During the financial year the Company paid insurance premiums to insure the directors and officers of the Company.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the consolidated entity, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Directors' Report (continued)

Non-Audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the consolidated entity are important. During financial year 2006 non-audit services included taxation compliance services and advice and due diligence services. Non-audit services for financial year 2005 included taxation compliance services and advice, due diligence services, accounting advice and corporate structruring advice pre TPI listing on ASX.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit, Risk Management and Compliance Committee is satisfied that the provision of the non-audit services is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit, Risk Management and Compliance Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in Professional Statement F1 *Professional Independence*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid or payable to the auditor (Bentleys MRI Brisbane Partnership), and its related practices for audit and non-audit services is set out below.

	CONSOLIDATED		THE COMPANY	
	2006 $'000	2005 $'000	2006 $'000	2005 $'000
Bentleys MRI Brisbane Partnership	406	246	-	-
Overseas auditors associated with Bentleys MRI	84	33	-	-
	490	279	-	-
Amounts received for other services:				
Bentleys MRI Brisbane Partnership and Bentleys MRI (Qld) Pty Ltd	79	201	-	-
Overseas auditors associated with Bentleys MRI	79	-	-	-
	158	201	-	-

The lead auditor's independence declaration is set out on page 33 and forms part of the Directors' Report for financial year ended 30 June 2006.

Rounding of Amounts

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the Financial Report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of the directors.

T E Peabody
Chairman
Brisbane, 18 September 2006

CHARTERED
ACCOUNTANTS
& BUSINESS
ADVISORS

A MEMBER OF
MOORES ROWLAND
INTERNATIONAL

Bentleys mri
Thinking ahead

Brisbane
Bentleys MRI
ABN 56 892 525 031

Level 26 AMP Place
10 Eagle Street Brisbane 4000

GPO Box 740
Brisbane Qld 4001

T +61 7 3222 0777
F +61 7 3221 9250

admin@bris.bentleys.com.au
www.bentleys.com.au

LEAD AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF TRANSPACIFIC INDUSTRIES GROUP LIMITED

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2006, there have been:

(a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

Yours faithfully,
Bentleys MRI
Brisbane Partnership

Martin Power

P M Power (Partner)

Brisbane, 15th September 2006

Income Statements

For the Year Ended 30 June 2006

		CONSOLIDATED		THE COMPANY	
	NOTES	2006 $'000	2005 $'000	2006 $'000	2005 $'000
Revenue	2	646,638	464,147	-	-
Other income	2	2,330	6,785	-	-
EXPENSES					
Cost of sales		(391,436)	(264,951)	-	-
Employee expenses		(91,299)	(57,245)	(1,606)	(226)
Depreciation and amortisation expenses		(24,826)	(19,132)	-	-
Repairs and maintenance		(16,817)	(10,568)	-	-
Fuel purchases		(12,891)	(8,645)	-	-
Leasing charges		(10,510)	(5,738)	-	-
Freight costs		(6,894)	(4,878)	-	-
Waste disposal		(2,001)	(4,818)	-	-
Initial public offering costs	4	-	(4,449)	-	(4,449)
Other expenses		(10,920)	(39,386)	(779)	-
Profit before financing costs		81,374	51,122	(2,385)	(4,675)
Financial income	3	551	1,060	45,797	19,463
Financial expense	3	(16,520)	(9,915)	(11,534)	(1,101)
Net financing (costs)/income	3	(15,969)	(8,855)	34,263	18,362
Share of net profits of associates accounted for using the equity method		1,807	1,305	-	-
Profit before tax		67,212	43,572	31,878	13,687
Income tax expense	5	(19,142)	(12,038)	(15,500)	(8,504)
Profit after tax for the year		48,070	31,534	16,378	5,183
Net profit attributable to minority interests		(595)	(1,968)	-	-
Profit attributable to members of the parent		47,475	29,566	16,378	5,183

Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share	30	23.6	19.5c
Diluted earnings per share	30	22.1	19.1c
Assuming capital restructure in place for full year:			
Basic earnings per share	30	23.6	11.4c
Diluted earnings per share	30	22.1	10.7c

The above income statements should be read in conjunction with the accompanying notes.

Statements of Recognised Income and Expense

For the Year Ended 30 June 2006

		CONSOLIDATED		THE COMPANY	
	NOTES	2006 $'000	2005 $'000	2006 $'000	2005 $'000
Cash flow hedges					
Gain/(loss) taken to equity	20	2,748	(2,103)	1,467	(767)
Translation of foreign operations					
Exchange differences taken to equity	20	(9,873)	(399)	-	-
Revaluation of assets					
Asset revaluation taken to equity	20	-	6,525	-	-
Net (loss)/income recognised directly in equity		(7,125)	4,023	1,467	(767)
Profit for the period		48,070	31,534	16,378	5,183
Total recognised income and expense for the period		40,945	35,557	17,845	4,416
Attributable to:					
Equity holders of the parent		40,350	33,589	17,845	4,416
Minority interest		595	1,968	-	-
Total recognised income and expense for the period		40,945	35,557	17,845	4,416

Other movements in equity arising from transactions with owners as owners are set out in note 20.

The above statements of recognised income and expense should be read in conjunction with the accompanying notes.

Balance Sheets

As at 30 June 2006

		CONSOLIDATED		THE COMPANY	
	NOTES	2006 $'000	2005 $'000	2006 $'000	2005 $'000
ASSETS					
Cash and cash equivalents	6	55,336	37,754	16,646	12,609
Trade and other receivables	7	96,409	62,502	220,717	127,662
Inventories	8	69,710	80,309	-	-
Other assets	9	8,934	4,534	700	509
TOTAL CURRENT ASSETS		230,389	185,099	238,063	140,780
Investments accounted for using the equity method	10	9,242	7,387	-	-
Investments	11	82	99	109,242	74,073
Property, plant and equipment	12	214,527	154,981		-
Inventories		-	3,262	-	-
Intangible assets	13	146,276	70,870		-
Deferred tax assets	5	9,204	12,091	8,971	8,054
TOTAL NON-CURRENT ASSETS		379,331	248,690	118,213	82,127
TOTAL ASSETS		609,720	433,789	356,276	222,907
LIABILITIES					
Trade and other payables	14	95,776	80,207	162	383
Interest-bearing loans and borrowings	15	23,772	34,937	-	-
Income tax payable	16	7,495	7,616	7,545	5,683
Employee benefits		10,534	8,354	-	-
Provisions	17	10,897	16,219	6,500	12,000
Other	18	6,873	8,121	-	767
TOTAL CURRENT LIABILITIES		155,347	155,454	14,207	18,833
Other payables	14	656	7,415		-
Interest-bearing loans and borrowings	15	260,181	132,688	212,203	106,800
Deferred tax liabilities	5	6,620	4,964	5,550	2,436
Employee benefits		3,803	3,136	-	-
Provisions	17	288	7,147	-	6,500
Deferred government grants		1,400	700	-	-
TOTAL NON-CURRENT LIABILITIES		272,948	156,050	217,753	115,736
TOTAL LIABILITIES		428,295	311,504	231,960	134,569
NET ASSETS		181,425	122,285	124,316	88,338
EQUITY					
Issued capital	20	121,921	96,673	121,921	96,673
Reserves	20	(1,476)	4,249	2,326	(541)
Retained earnings	20	57,640	18,680	69	(7,794)
Total equity attributable to equity holders of the parent		178,085	119,602	124,316	88,338
Minority interest	20	3,340	2,683	-	-
TOTAL EQUITY		181,425	122,285	124,316	88,338

The above balance sheets should be read in conjunction with the accompanying notes.

Cash Flow Statements

For the Year Ended 30 June 2006

		CONSOLIDATED		THE COMPANY	
	NOTES	2006 $'000	2005 $'000	2006 $'000	2005 $'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers (inclusive of GST)		673,993	490,602	-	-
Payments to suppliers and employees (inclusive of GST)		(570,503)	(413,478)	(533)	-
		103,490	77,124	(533)	-
Other revenue		1,029	700	-	-
Interest received		613	1,060	10,797	-
Interest paid		(15,628)	(10,788)	(11,287)	(1,227)
Income taxes paid		(15,604)	(3,468)	(11,045)	-
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	23	73,900	64,628	(12,068)	(1,227)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for purchase of equity and other investments, net of cash acquired	24	(60,415)	(6,373)	-	-
Payments for purchase of businesses	24	(66,568)	(22,632)	-	-
Payments for property, plant and equipment		(22,146)	(25,404)	-	-
Proceeds from disposal of property, plant and equipment		3,524	15,261	-	-
NET CASH (USED IN) INVESTING ACTIVITIES		(145,605)	(39,148)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Payment of dividend to pre-IPO shareholders		(12,000)	-	(12,000)	-
Interim dividend paid		(8,515)	-	(8,515)	-
Dividend reinvestment plan and underwrite		8,515	-	8,515	-
Receipts on behalf of suppliers		-	5,168	-	-
Net movement in trade and vendor finance		(13,218)	(2,967)	-	-
Payment of equity raising costs		(2,893)	(1,949)	(2,893)	(1,949)
Payment of debt raising costs		(4,800)	-	(4,800)	-
Repayment of bank loans			(47,625)	-	-
Proceeds from bank loans		129,032	106,900	110,700	106,900
Repayment of lease liabilities		(8,176)	(5,599)	-	-
Repayment of loans by/(to) related parties		2,047	(58,920)	-	-
Loans made to controlled entities		-	-	(74,902)	(91,115)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES		89,992	(4,992)	16,105	13,836
NET INCREASE IN CASH HELD		18,287	20,488	4,037	12,609
Cash at the beginning of the financial year		37,754	17,665	12,609	-
Net foreign exchange differences		(705)	(399)	-	-
CASH AT THE END OF THE FINANCIAL YEAR	6	55,336	37,754	16,646	12,609

The above statements of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2006

1 Summary of Significant Accounting Policies

Transpacific Industries Group Ltd (the "Company") is a company domiciled in Australia. The consolidated financial report of the Company for the financial year ended 30 June 2006 comprises the Company and its subsidiaries (together referred to as the 'consolidated entity') and the consolidated entity's interest in associates.

The financial report was authorised for issue by the directors on 18 September 2006.

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. International Financial Reporting Standards (IFRSs) form the basis of Australian Accounting Standards (AASBs) adopted by the AASB, and for the purpose of this report are called Australian equivalents to IFRS (AIFRS) to distinguish from previous Australian AGAAP. The financial reports of the consolidated entity and the Company also comply with IFRSs and interpretations adopted by the International Accounting Standards Board.

The financial report is presented in Australian dollars and is prepared on the historical cost basis, except for certain assets which, as noted, are at valuation.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005 and CO 06/51 effective 31 January 2006) and in accordance with that Class Order, amounts in the financial report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, their results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the consolidated entity.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied constantly to all periods presented in the consolidated financial report and in preparing opening AIFRS balance sheet at 1 July 2004 for the purposes of transition to Australian Accounting Standards – AIFRS.

The accounting policies have been applied consistently by all entities in the consolidated entity.

(A) BASIS OF CONSOLIDATION

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are carried at their cost of acquisition in the Company's financial statements.

(A) BASIS OF CONSOLIDATION (CONTINUED)

(ii) Associates

Associates are those entities in which the consolidated entity has significant influence, but not control, over the financial and operating policies. The consolidated financial statements includes the consolidated entity's share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the consolidated entity's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the consolidated entity has incurred legal or constructive obligations or made payments on behalf of an associate.

(iii) Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with associates are eliminated to the extent of the consolidated entity's interest in the entity with adjustments made to the 'Investment in associates' and 'Share of associates net profit' accounts.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Gains or losses are recognised as the contributed assets are consumed or sold by the associates or, if not consumed or sold by the associate, when the consolidated entity's interest in such entities is disposed of.

(B) INCOME TAX

(i) Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or taxable loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid or refundable.

(ii) Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

(iii) Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2006 (continued)

(B) INCOME TAX (CONTINUED)

(iv) Tax consolidation

The company and all its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. Transpacific Industries Group Ltd is the head entity in the tax consolidation group, and as a consequence recognises current and deferred tax amounts relating to transactions, events and balances of the wholly-owned Australian controlled entities in this group as if those transactions, events and balances were its own, in addition to the current and deferred tax amounts arising in relation to its own transactions, events and balances. The tax consolidated group has not entered into a tax sharing agreement.

(C) FOREIGN CURRENCY

(i) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

(ii) Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Australian dollars at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to Australian dollars at rates approximating to the foreign exchange rates ruling at the dates of the transactions. The revenues and expenses of foreign operations in hyperinflationary economies are translated to Australian dollars at the foreign exchange rates ruling at the balance sheet date. Foreign exchange differences arising on retranslation are recognised directly in a separate component of equity.

(iii) Net investment in foreign operations

Exchange differences arising from the translation of the net investment in foreign operations, and of related hedges are taken to translation reserve. They are released into the income statement upon disposal.

In respect of all foreign operations, any differences that have arisen after 1 July 2004, the date of transition to AIFRS, are presented as a separate component of equity.

(D) DERIVATIVE FINANCIAL INSTRUMENTS

The consolidated entity enters into a variety of derivative financial instruments to manage its exposure to foreign exchange and interest rate risk, including forward foreign exchange contracts and interest rate swaps.

Derivatives financial instruments are initially recognised at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where the derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

The fair value of interest rate swaps is the estimated amount that the consolidated entity would receive or pay to terminate the swap at the balance date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward foreign exchange contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price.

(D) DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

On entering into a hedging relationship, the consolidated entity designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions (cash flow hedges), or hedges of net investments in foreign operations.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk.

Hedge accounting is discontinued when the hedge instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts deferred in equity are recycled in profit or loss in the period when the hedged item is recognised in profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss.

(iii) Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in the foreign currency translation reserve, the gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Gains and losses deferred in the foreign currency translation reserve are recognised immediately in profit or loss when the foreign operation is disposed of.

(iv) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in profit or loss.

(v) Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2006 (continued)

(E) REVENUE

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of goods to customers. Revenue from the rendering of services is recognised upon delivery of services to the customer. Revenue is recognised for the major business activities as follows:

(i) Liquid waste management and recycling
Revenue from the collection and treatment of liquid waste is recognised after the waste has been collected and treated and the related costs incurred.

(ii) Liquid waste management and recycling
Revenue is recognised on the sale of oil and by-products to customers.

(iii) Industrial solutions
Contract revenue is measured by reference to labour hours incurred to date and actual costs incurred. Other revenue is recognised upon the delivery of goods or services to customers.

(iv) Commercial vehicles
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of goods to customers.

(V) Interest
Interest revenue is recognised on an accruals basis taking into account the interest rates applicable to the financial assets.

(vi) Dividends
Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates are accounted for in accordance with the equity method of accounting.

(vii) Government Grants
Government Grants are initially recognised in the balance sheet as deferred income when there is reasonable assurance that it will be received and that the consolidated entity will comply with the conditions attaching to it. Grants that compensate the consolidated entity for expenses incurred are recognised as revenue in the income statement on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the consolidated entity for the cost of an asset are recognised in the income statement as other income on a systematic basis over the useful life of the asset.

(viii) Other revenue
Other revenue is recognised when the right to receive the revenue has been established.

(F) TRADE AND OTHER RECEIVABLES

All trade debtors are recognised and carried at original invoice amount as they are due for settlement no more than 30 days from the date of invoice. On special occasions the commercial vehicles group may give extended terms. Collectibility of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when collection of the full amount is no longer probable.

(G) INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of stock on the basis of standard costs which reflect actual costs and vehicles are valued at actual cost.

(H) IMPAIRMENT OF ASSETS

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease (refer note 1(I)).

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase (refer note 1(I)).

(I) PROPERTY, PLANT AND EQUIPMENT

Land and buildings are measured at fair value less accumulated depreciation. Fair value is determined on the basis of regular independent valuations prepared by external valuation experts, based on their value in use. The fair values are recognised in the financial statements of the consolidated entity, and are reviewed at the end of each reporting period to ensure that the carrying value of land and buildings is not materially different from their fair values.

Any revaluation increase arising on the revaluation of land and buildings is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in profit or loss, in which case the increase is credited to the income statement to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of land and buildings is charged as an expense in profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is charged to profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve, net of any related deferred taxes, is transferred directly to retained earnings.

Plant and equipment, and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2006 (continued)

(I) PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land.

Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to the consolidated entity. Leasehold improvements are depreciated over the period of the lease or estimated useful lives, whichever is the shorter, using the straight line method. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The expected useful lives are as follows:

Buildings	25 – 40 years
Plant and equipment	2.5 – 20 years
Leasehold improvement	5.0 – 10 years

(J) LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(i) Finance leases

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the consolidated entity's general policy on finance costs. Refer to note 1 (N).

Finance leases are depreciated on over the shorter of the estimated useful life of the asset or the lease term.

(ii) Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(K) INTANGIBLES

(i) Goodwill

Business combinations prior to 1 July 2004

Goodwill is included on the basis of its deemed costs, which represents the amount recorded under previous AGAAP. The classification and accounting treatment of business combinations that occurred prior to 1 July 2004 has not been reconsidered in preparing the consolidated entity's opening AIFRS balance sheet at 1 July 2004 (see note 34).

Business combinations since 1 July 2004

All business combinations are accounted for by applying the purchase method. Goodwill represents the difference between cost of the acquisition and the fair value of the net identifiable assets acquired.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is no longer amortised but is tested annually for impairment (see note 1(H)). In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate.

Negative goodwill arising on an acquisition is recognised directly in profit or loss as a profit on acquisition.

(K) INTANGIBLES (CONTINUED)

(ii) Research and Development

Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, is recognised in the income statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the consolidated entity has sufficient resources to complete development. The expenditure capitalised includes the costs of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses (see note 1(H)).

(iii) Other intangible assets

Other intangible assets include customer contracts recognised on business combinations and licences. Other intangible assets that are acquired by the consolidated entity are stated at cost less accumulated amortisation (see below) and impairment losses (see note 1(H)).

(iv) Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Goodwill and intangible assets with an indefinite useful life are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Licences	5 to 10 years
Other	3 to 5 years

(L) TRADE AND OTHER PAYABLES

Trade and other payables are stated at their amortised cost.

Trade payables are non-interest bearing and are normally settled on 30 day terms.

(M) INTEREST-BEARING LOANS AND BORROWINGS

Interest-bearing loans and borrowings are recognised initially at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised costs with any difference between costs and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

(N) FINANCE COSTS

Finance costs are recognised as expenses in the period in which they are incurred. Finance costs include:

- interest on bank overdrafts and short-term and long-term borrowings, including amounts paid or received on interest rate swaps;
- amortisation of discounts or premiums relating to borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- finance lease charges.

There have been no qualifying assets and related debt to which finance costs could have been applied, and as a result no finance costs have been capitalised to qualifying assets.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2006 (continued)

(O) REPAIRS AND MAINTENANCE

Plant of the consolidated entity is required to be overhauled on a regular basis. This is managed as part of an ongoing major cyclical maintenance program. The costs of this maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated in accordance with note 1(l). Other routine operating maintenance, repair and minor renewal costs are also charged as expenses as incurred.

(P) EMPLOYEE BENEFITS

The directors have elected under section 334(5) of the Corporations Act 2001 to apply Accounting Standard AASB 119 Employee Benefits, even though the Standard is not required to be applied until annual reporting periods beginning on or after 1 January 2006.

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and vesting sick leave expected to be settled within 12 months of the reporting date are recognised in other creditors and provision for employee entitlements in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-vesting sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Short-term incentive compensation (IC's)/bonus plans

A liability for employee benefits in the form of IC's is recognised when the Nomination and Remuneration committee determines that IC criteria has been achieved and an amount is payable in accordance with the terms of the IC plan.

Liabilities for IC's are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

(iv) Employee benefit on-costs

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(v) Share-based payment transactions

Share-based payments are provided to directors and employees via the Transpacific Industries Group Executive Share Option Scheme.

Share-based compensation payments are measured at fair value at the date of grant. Fair value is measured by an external valuer using a binomial model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the share-based payments is expensed, with a corresponding increase in equity, on a straight-line basis over the vesting period, based on the consolidated entity's estimate of shares that will eventually vest.

(Q) PROVISIONS

A provision is recognised in the balance sheet when the consolidated entity has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(i) Warranties

A provision for warranties is recognised when the underlying products are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their probabilities.

(ii) Site restoration

In accordance with the consolidated entity's environmental policy, and applicable legal requirements, a provision for site restoration in respect of contaminated land is recognised when the land is contaminated.

The provision is the best estimate of the expenditure required to settle the restoration obligation at the reporting date, based on current legal requirements and technology. Future restoration costs are reviewed annually and any charges reflected in the present value of the restoration provision at the end of the reporting period.

(R) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances, short-term bills and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the consolidated entity's cash management position are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(S) INVESTMENTS

All investments are initially recorded at cost, being the fair value of the consideration given and including acquisition charges associated with the investment. After initial recognition, interests in listed and unlisted securities, other than controlled entities and associates in the consolidated financial statements, are measured at fair value.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date. For investments where there in no quoted market price, fair value is calculated based on the expected cash flows from the underlying net asset base of the investment.

Controlled entities and associates are accounted for in the consolidated financial statements as set out in Note 1(A).

(T) ISSUED CAPITAL

Issued and paid up capital is recognised at the fair value of the consideration received by the company. Any transaction costs incurred by the company arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(U) INITIAL PUBLIC OFFER (IPO) COSTS

In accordance with the prospectus issued in 2005 the Company paid 49% and the vending shareholders paid 51% of the IPO costs. New equity was not raised so these costs were expensed in the statement of financial performance.

(V) EARNINGS PER SHARE

(i) Basic earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2006 (continued)

(V) EARNINGS PER SHARE

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

For the year ended 30 June 2005 Earnings Per Share has been calculated on the basis referred to above and on the capital structure following listing on the ASX as this is considered more meaningful and reflective of the ongoing position of the Company.

(W) GOODS AND SERVICES TAX

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(V) ISSUED STANDARDS NOT EARLY ADOPTED

The following standards and amendments were available for early adoption but have not been applied by the consolidated entity in these financial statements:

AASB	NAME OF STANDARDS	APPLICATION DATE OF THE STANDARD
New standards		
AASB 7	Financial Instruments: Disclosure	1 January 2007
Amendments		
2005–1	Amendments to Accounting Standards	1 January 2006
2005–5	Amendments to Accounting Standards [AASB 1 and AASB 139]	1 January 2006
2005–6	Amendments to Accounting Standards [AASB 3]	1 January 2006
2005–9	Amendments to Accounting Standards [AASB 4, AASB 1023, AASB 139 and AASB 132]	1 January 2006
2005–10	Amendments to Accounting Standards [AASB 132, AAB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 and AASB 1038]	1 January 2007
2006–1	Amendments to Accounting Standards [AASB 121]	1 January 2006

The consolidated entity plans to adopt these standards in the 2007 financial year. The initial application of AASB 2005-9 could have an impact on the financial results as it may result in liabilities being recognised for financial guarantee contracts. However the quantification of the impact is not known or reasonably estimable in the current financial year as an exercise to quantify the financial impact has not yet been undertaken. The initial application of the remaining new standards and amendments is not expected to have an impact on the financial results of the consolidated entity as they are mainly concerned with disclosures.

	CONSOLIDATED		THE COMPANY	
	2006 $'000	2005 $'000	2006 $'000	2005 $'000
2 Revenue and Other Income				
REVENUE				
Sale of Goods and Services	634,294	455,592	-	-
Product Stewardship Oil benefits	6,271	6,221	-	-
Other revenue	6,073	2,334	-	-
	646,638	464,147	-	-
OTHER INCOME				
Profit on acquisition of businesses	1,713	4,745	-	-
Foreign currency exchange gains	-	1,850	-	-
Gain on disposal of property, plant and equipment	617	190	-	-
	2,330	6,785	-	-
TOTAL REVENUE AND OTHER INCOME	648,968	470,932	-	-
3 Net financing costs				
Interest income	(551)	(1,060)	(10,797)	(963)
Dividend income – wholly owned subsidiaries	-	-	(35,000)	(18,500)
Financial income	(551)	(1,060)	(45,797)	(19,463)
Interest expense	16,520	9,915	11,534	1,101
Financial expenses	16,520	9,915	11,534	1,101
Net financing costs (income)	15,969	8,855	(34,263)	(18,362)
4 Significant (income) and Expense Items				
Foreign currency exchange (gain) on aircraft	-	(1,850)	-	-
Write down in value of aircraft	-	1,442	-	-
Initial public offer costs	-	4,449	-	4,449
Write off costs associated with bid for Brambles Industrial Services and Cleanaway	1,042	-	-	-
	1,042	4,041	-	4,449

Notes to the Financial Statements

For the Financial Year Ended 30 June 2006 (continued)

		CONSOLIDATED		THE COMPANY	
	NOTES	2006 $'000	2005 $'000	2006 $'000	2005 $'000
5 Income Tax					
(A) RECOGNISED IN THE INCOME STATEMENT					
Current tax expense					
Current year		14,982	9,988	13,302	5,605
Adjustments for prior years		(39)	175	-	-
		14,943	10,163	13,302	5,605
Deferred tax expense					
Origination and reversal of temporary differences		4,760	1,875	2,759	2,899
Benefit of tax losses recognised		(561)	-	(561)	-
		4,199	1,875	2,198	2,899
Total income tax expense in income statement		19,142	12,038	15,500	8,504
(B) NUMERICAL RECONCILIATION BETWEEN TAX EXPENSE AND PRE-TAX NET PROFIT					
Profit before tax		67,212	43,572	31,878	13,687
Income tax using the domestic corporation tax rate of 30% (2005: 30%)		20,164	13,072	9,563	4,106
Increase/(decrease) in income tax expense due to:					
Rebateable dividends		-	-	(10,500)	(5,550)
Share of associates' net profits		(542)	(392)	-	-
Non-deductible expenses/non-assessable income		(118)	(1,086)	420	68
Effect of tax losses recognised		(561)	-	(561)	-
Tax liabilities assumed by ultimate Australian parent entity		-	-	18,623	8,708
Income tax expense/(benefit) on transfer of deferred tax balances on application of tax consolidation		-	-	(2,045)	1,172
Under/(over) provision in prior years		(39)	175	-	-
Other		88	169	-	-
Differential tax rate on overseas income		150	100	-	-
Income tax expense on pre-tax net profit		19,142	12,038	15,500	8,504
(C) DEFERRED TAX RECOGNISED DIRECTLY IN EQUITY					
Relating to revaluation of property, plant and equipment		-	2,797	-	-

	NOTES	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	THE COMPANY 2006 $'000	THE COMPANY 2005 $'000
5 Income Tax (continued)					
Deferred income tax in the Balance Sheet at 30 June 2006 relates to the following:					
Deferred tax assets					
Employee benefits		3,537	2,961	3,526	1,254
Provisions		1,891	3,169	1,828	1.837
Finance leases		492	102	490	4
Tax losses		626	3,739	321	3,576
IPO Costs – blackhole expenditure		801	1,068	801	1,068
Other		1,857	1,052	2,005	315
		9,204	12,091	8,971	8,054
Deferred tax liabilities					
Property, plant and equipment		1,456	1,364	1,443	667
Deferred income		867	352	867	-
Other		319	451	443	345
Revaluation of land and buildings to fair value		3,978	2,797	2,797	1,424
		6,620	4,964	5,550	2,436
Deferred income tax expense in the Income Statement for the year ended 30 June 2006 relates to the following:					
Deferred tax assets					
Employee post employment benefits		(538)	(595)	(537)	(489)
Provisions		420	(379)	430	(185)
Finance leases		(30)	(11)	(30)	122
Tax losses		3,674	4,382	3,816	3,174
IPO Costs – blackhole expenditure		267	(1,068)	267	(1,068)
Other		526	48	(1122)	321
Deferred tax liabilities					
Property, plant and equipment		(503)	(548)	(408)	(226)
Other		383	46	1,827	78
Revaluation of land and buildings to fair value		-	-	-	-
Transfer of deferred taxes to head entity		-	-	(2,045)	1,172
		4,199	1,875	2,198	2,899
6 Cash					
Cash at bank and on hand		22,874	22,866	-	6,409
Short-term deposits		32,462	14,888	16,796	6,200
Bank overdrafts		-	-	(150)	-
Cash and cash equivalents in the cash flow statement		55,336	37,754	16,646	12,609

Cash at bank and on hand earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are at call, and earn interest at the respective short-term deposit rates.

Short-term deposits include a deposit of $16,796,000, which is a security deposit in relation to a bank loan.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2006 (continued)

		CONSOLIDATED		THE COMPANY	
	NOTES	2006 $'000	2005 $'000	2006 $'000	2005 $'000
7 Trade and Other Receivables					
Trade receivables		91,268	57,353	-	-
Less: Provision for doubtful debts		(629)	(608)	-	-
		90,639	56,745	-	-
Other receivables		5,128	3,163	-	-
Amounts owing - related parties and associates	27B & C	642	2,594	220,717	127,662
		96,409	62,502	220,717	127,662
8 Inventories					
Raw materials and consumables – at cost		373	412	-	-
Work in progress – at cost		1,027	633	-	-
Finished goods – at cost		69,143	80,925	-	-
Less provision for obsolescence		(833)	(1,661)	-	-
		69,710	80,309	-	-
9 Other Assets					
Derivatives		700	-	700	-
Prepayments		1,652	1,300	-	-
Other current assets		6,582	3,234	-	509
		8,934	4,534	700	509
10 Investments Accounted for Using the Equity Method					
Investments in associates		9,242	7,387	-	-
11 Investments					
Investments in controlled entities at cost		-	-	109,242	74,073
Other investments at cost		82	99	-	-
		82	99	109,242	74,073
12 Property, Plant and Equipment					
LAND					
Balance at beginning of year		19,320	9,016	-	-
Additions through business combinations		7,100	948	-	-
Additions		9,409	6,638	-	-
Disposals		(270)	(1,404)	-	-
Transfer to assets held for sale		-	(3,000)	-	-
Revaluation		-	7,122	-	-
Effect of movements in foreign exchange		(1,035)	-	-	-
Balance at end of year		34,524	19,320	-	-

	CONSOLIDATED		THE COMPANY	
	2006 $'000	2005 $'000	2006 $'000	2005 $'000
12 Property, Plant and Equipment (continued)				
BUILDINGS				
Balance at beginning of year	27,808	19,037	-	-
Additions through business combinations	6,691	200	-	-
Additions	2,473	8,540	-	-
Disposals	(748)	(1,038)	-	-
Transfer to assets held for sale	-	(262)	-	-
Revaluation	-	1,900	-	-
Depreciation	(826)	(569)	-	-
Effect of movements in foreign exchange	(1,013)	-	-	-
Balance at end of year	34,385	27,808	-	-
LEASEHOLD IMPROVEMENTS				
Balance at beginning of year	311	198	-	-
Additions	43	153	-	-
Disposals	(15)	-	-	-
Depreciation	(82)	(40)	-	-
Balance at end of year	257	311	-	-
PLANT AND EQUIPMENT				
Balance at beginning of year	100,509	77,432	-	-
Additions through business combinations	41,767	20,952	-	-
Additions	19,148	20,968	-	-
Disposals	(1,873)	(1,050)	-	-
Revaluation on acquisition	-	300	-	-
Depreciation	(23,480)	(18,093)	-	-
Effect of movements in foreign exchange	(2,186)	-	-	-
Balance at end of year	133,885	100,509	-	-
AIRCRAFT				
Balance at beginning of year	-	13,000	-	-
Write down in value	-	(1,442)	-	-
Disposals	-	(11,558)	-	-
Balance at end of year	-	-	-	-
CAPITAL WORK IN PROGRESS				
Balance at beginning of year	7,033	7,168	-	-
Net movement	4,443	(135)	-	-
Balance at end of year	11,476	7,033	-	-

Notes to the Financial Statements

For the Financial Year Ended 30 June 2006 (continued)

	CONSOLIDATED		THE COMPANY	
	2006 $'000	2005 $'000	2006 $'000	2005 $'000

12 Property, Plant and Equipment (continued)

TOTAL PROPERTY PLANT AND EQUIPMENT				
Balance at beginning of year	154,981	125,851	-	-
Additions through business combinations	55,558	22,100	-	-
Additions	31,073	36,299	-	-
Disposals	(2,906)	(15,050)	-	-
Transfer to assets held for sale	-	(3,262)	-	-
Revaluation	-	9,322	-	-
Depreciation	(24,388)	(18,702)	-	-
Write down in value of aircraft	-	(1,442)	-	-
Net movement in capital WIP	4,443	(135)	-	-
Effect of movement in exchange rates	(4,234)	-	-	-
Balance at end of year	214,527	154,981	-	-

VALUATIONS

On 28 February 2005 an independent valuation was obtained to determine fair value of land and buildings which was determined by reference to an open market basis, being the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arms length transaction at the valuation date. The revaluations of land and buildings were based on independent assessments by a member of the Australian Property Institute. Fair value is determined by reference to market-based evidence, which is the amounts for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the balance sheet. Any revaluation deficit directly offsetting a previous surplus in the same asset is directly offset against the surplus in the asset revaluation reserve, otherwise it is charged to the net profit or loss.

If land and buildings were measured using the cost model the carrying amounts would be as follows:

	CONSOLIDATED		THE COMPANY	
	2006 $'000	2005 $'000	2006 $'000	2005 $'000
LAND				
Cost	27,402	12,198	-	-
BUILDINGS				
Cost	39,354	30,313	-	-
Accumulated depreciation	(4,969)	(4,143)		
Net carrying amount	34,385	26,170		

LEASED PLANT AND EQUIPMENT

The carrying amount of plant and equipment held under finance lease and hire purchase contracts at 30 June 2006 is $34,254,000 (2005: $30,180,000). Leased assets and assets under hire purchase contracts are pledged as security for the related finance lease and hire purchase liabilities.

	CONSOLIDATED		THE COMPANY	
	2006 $'000	2005 $'000	2006 $'000	2005 $'000
13 Intangibles				
GOODWILL				
Balance at beginning of year	64,265	30,039	-	-
Additions through business combinations	55,219	34,226	-	-
Effect of movements in foreign exchange	(4,932)			
Balance at end of year	114,552	64,265	-	-
PATENTS AND LICENCES				
Balance at beginning of year	1,860	1,290	-	-
Additions through business combinations	-	1,000	-	-
Additions	99			
Amortisation	(430)	(430)	-	-
Balance at end of year	1,529	1,860	-	-
OTHER INTANGIBLES				
Balance at beginning of year	4,745	-		
Additions through business combinations	25,525	4,745		-
Amortisation	(75)	-		-
Balance at end of year	30,195	4,745		-
TOTAL INTANGIBLES				
Balance at beginning of year	70,870	31,329		
Acquisitions through business combinations	80,843	39,971		-
Effect of movements in foreign exchange	(4,932)	-		
Amortisation	(505)	(430)		-
Balance at end of year	146,276	70,870		-

Other Intangibles includes customer contracts valued at $22,364,000 (2005: $4,745,000) which are considered to have an indefinite life as the contracts are evergreen contracts and have no expiry dates.

During the financial year ended 30 June 2006, all intangible assets were tested for impairment as required by AASB 136 Impairment of Assets. No impairment loss was charged for continuing operations in the 2006 financial year.

The consolidated entity has multiple cash generating units. There are no individual cash generating units with significant goodwill.

The recoverable amounts of the cash generating units have been based on value in use calculations. These calculations use cash flow projections based on actual operating results and financial budgets approved by management. Cash flows are extrapolated over 10 years using a 3% growth rate for the first 3 years and nil growth thereafter. Both of these assumptions are deemed conservative as there are no intentions to dispose of any businesses and the historic growth rate of the consolidated entity is greater than 3%. A pre-tax discount rate of 7% has been used in discounting the projected cash flows. Management believes that any possible change in the key assumptions on which recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2006 (continued)

		CONSOLIDATED		THE COMPANY	
	NOTES	2006 $'000	2005 $'000	2006 $'000	2005 $'000
14 Trade and Other Payables					
CURRENT:					
Trade payables		59,387	38,276	-	-
Other payables and accruals		22,710	34,137	162	383
Payables to related parties and associates	27C	1,900	1,950	-	-
Deferred settlements		11,779	5,844	-	-
		95,776	80,207	162	383
NON-CURRENT:					
Deferred settlements		-	6,711	-	-
Amounts payable to related parties	27C	656	704	-	-
		656	7,415	-	-
15 Interest Bearing Loans and Borrowings					
CURRENT:					
UNSECURED:					
Trade and vendor finance		14,843	28,060	-	-
SECURED:				-	
Obligations under finance leases and hire purchase liabilities		8,929	6,877	-	-
		23,772	34,937	-	-
NON-CURRENT:					
UNSECURED:					
Bank loans		213,738	106,800	212,203	106,800
Loans from related parties	27C	2,479	2,260	-	-
		216,217	109,060	212,203	106,800
SECURED:					
Bank loans		16,796	-	-	-
Obligations under finance leases and hire purchase liabilities		27,168	23,628	-	-
		43,964	23,628	-	-
		260,181	132,688	212,203	106,800

15 Interest Bearing Loans and Borrowings (continued)

FINANCING FACILITIES

The Company and its 100% owned subsidiaries had unrestricted access at 30 June 2006 to an unsecured $280 million syndicated multi-option facility (2005: $210million). The Facility Agreement was for a period of three years from 3 May 2005.

In addition at 30 June 2006 the Company and its 100% owned subsidiaries had facilities in place in readiness to be drawn down on 3 July 2006 (when conditions precedent were satisfied) in connection with the Waste Management NZ Ltd amalgamation and pay out of the $280 million facility. These additional facilities represented an unsecured $1billion syndicated multi-option facility, and a $300 million bridge facility.

The Group operated under the $280 million facility until 3 July 2006 when it was rolled into the $1 billion facility. On 31 August 2006 the $1 billion facility was increased to $1.2 billion, and during August and September the $300 million bridge was repaid by application of equity proceeds as detailed in note 33.

The new $1.2 billion Facility Agreement runs for five years, with varying tranche maturities within the agreement, and includes covenants usual to an unsecured facility.

The Company and consolidated entity can also borrow outside the facility.

Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

	CONSOLIDATED		THE COMPANY	
	2006 $'000	2005 $'000	2006 $'000	2005 $'000
DEBT FACILITIES				
Total facilities available	308,633	219,956	-	-
Facilities utilised at balance date	(283,883)	(166,257)	-	-
Facilities not utilised at balance date	24,750	53,699	-	-

Facilities used at balance date include $11.7 million (2005: $13.3 million) in guarantees and letters of credit which are off the balance sheet. Refer Note 25.

16 Current Tax Liabilities

Income tax payable	7,495	7,616	7,545	5,683

17 Provisions

CURRENT

Provision for warranty				
Balance at beginning of year	2,751		-	
Provisions made during the year	2,831		-	
Provisions used during the year	(1,985)		-	
Provisions reversed during the year	(388)		-	
Balance at end of year	3,209		-	
Provision – Other				
Balance at beginning of year	1,421		-	
Provisions made during the year	3,231		-	
Provisions used during the year	(3,524)		-	
Provisions reversed during the year	(167)		-	
Balance at end of year	961		-	

Notes to the Financial Statements

For the Financial Year Ended 30 June 2006 (continued)

	CONSOLIDATED		THE COMPANY	
	2006 $'000	2005 $'000	2006 $'000	2005 $'000
17 Provisions (continued)				
CURRENT (CONTINUED)				
Provision – Dividend				
Balance at beginning of year	12,047		12,000	
Provisions made during the year	8,515		8,515	
Provision acquired in business combination	180		-	
Transfer from non-current provision	6,500		6,500	
Provisions used during the year	(20,515)		(20,515)	
Balance at end of year	6,727		6,500	
Total current provisions				
Balance at beginning of year	16,219		12,000	
Provisions made during the year	14,577		8,515	
Provision acquired in business combination	180		-	
Transfer from non-current provision	6,500		6,500	
Provisions used during the year	(26,024)		(20,515)	
Provisions reversed during the year	(555)		-	
Balance at end of year	10,897		6,500	
NON-CURRENT				
Provision – Dividend				
Balance at beginning of year	6,500		6,500	
Transfer to current provision	(6,500)		(6,500)	
Balance at end of year	-		-	
Provision – Site restoration				
Balance at beginning of year	647		-	
Provisions used during the year	(359)		-	
Balance at end of year	288		-	
Total non-current provisions				
Balance at beginning of year	7,147		6,500	
Provisions used during the year	(359)		-	
Transfer to current provision	(6,500)		(6,500)	
Balance at end of year	288		-	
18 Other Liabilities				
Deferred income	6,819	5,611	-	-
Derivatives	54	2,510	-	767
	6,873	8,121	-	767

19 Employee benefits

(A) SHARE BASED PAYMENTS

The Company operates an executive share Option Plan ('the Option Plan") approved by shareholders of the Company in March 2005. Under the Option Plan the Board of Directors may issue options to non-executive directors and executives of the Company. The Board determines the price, number, exercise price, expiry date and relevant performance hurdles of options to be issued. There are no voting or dividend rights attached to the options.

Upon exercise of the options and payment of the exercise price, the executives are allotted one fully paid ordinary share in the Company for each option held.

On termination of employment of a participant generally the option lapses. In certain circumstances, the Board may elect to allow the terminating participant to retain their options.

On listing date of 3 May 2005, 6,950,000 options were issued to non-executive directors and selected executives of the Company and consolidated entity at an exercise price equal to the IPO retail offer price of $2.40.

Subsequent to this date, the following options have been issued at an exercise price equal to the three day volume weighted average share price prior to grant date:

DATE OPTIONS GRANTED	FIRST EXERCISE DATE ON OR AFTER	EXPIRY DATE	EXERCISE PRICE	OPTIONS GRANTED
8 November 2005	31 August 2006	31 July 2009	$4.26	150,000
17 February 2006	31 August 2007	31 July 2010	$5.40	350,000
24 April 2006	31 August 2007	31 July 2010	$8.53	725,000

Options issued under the option plan are exercisable in three equal tranches and will vest when the following conditions have been met:

(i) 75% of each tranche of options vest if total shareholder return (TPI share price increment over share price at grant date plus dividends paid) totals at least 15% per annum on a cumulative basis.

(ii) 25% of each tranche of options vest if the volume weighted average price of TPI shares has outperformed the S&P/ASX200 (less financials) by 5% on a cumulative basis.

The number and weighted average exercise prices of share options are as follows:

	WEIGHTED AVERAGE EXERCISE PRICE 2006	NUMBER OF OPTIONS 2006	WEIGHTED AVERAGE EXERCISE PRICE 2006	NUMBER OF OPTIONS 2006
Outstanding at the beginning of the period	$2.40	6,950,000	-	-
Granted during the period	$7.11	1,225,000	$2.40	6,950,000
Outstanding at the end of the period	$3.11	8,175,000	$2.40	6,950,000
Excercisable at the end of the period		-		-

The options outstanding at 30 June 2006 have an exercise price in the range of $2.40 to $8.53 and a weighted average contractual life of 3.2 years.

No options vested or were exercised during the financial year.

The fair value of the options are estimated at the date of grant using the binominal model incorporating a Monte-Carlo simulation.

The total share-based payment expense included in the income statement is set out in note 20(D).

Notes to the Financial Statements

For the Financial Year Ended 30 June 2006 (continued)

19 Employee benefits (continued)

The following table gives the assumptions made in determining the value of the options granted during the year:

		8 NOVEMBER 2005	15 FEBRUARY 2006	24 APRIL 2006
Expected life	Tranche 1	0.9	1.5	1.4
	Tranche 2	1.9	2.5	2.4
	Tranche 3	2.9	3.5	3.4
Volatility – Transpacific		24.31%	30.0%	30.0%
Volatility – S&P/ASX200		9.56%	9.0%	9.0%
Risk free interest rate	Tranche 1	5.49%	5.23%	5.51%
	Tranche 2	5.47%	5.18%	5.51%
	Tranche 3	5.5%	5.18%	5.52%
Dividend yield – Transpacific		2.48%	2.1%	1.3%
Dividend yield – S&P/ASX200		4.0%	4.2%	4.2%

(B) DEFINED CONTRIBUTION SUPERANNUATION FUNDS

The consolidated entity makes contributions to defined contribution superannuation funds. The amount recognised as expense for financial year ended 30 June 2006 was $4,346,000 (2005: $3,822,000)

20 Equity

	CONSOLIDATED		THE COMPANY	
	2006 $'000	2005 $'000	2006 $'000	2005 $'000
(A) ISSUED CAPITAL				
Ordinary shares - Issued and fully paid	121,921	96,673	121,921	96,673

	2006		2005	
	NUMBER OF SHARES	$'000	NUMBER OF SHARES	$'000
(B) MOVEMENTS IN ORDINARY SHARES				
Balance at the beginning of the year	200,000,000	96,673	93,361,318	74,073
Issued during the financial year:				
- shares issued for business acquisitions	2,777,193	16,733	9,416,667	22,600
- dividend reinvestment plan and underwrite agreement	979,508	8,515	-	-
- share split at listing	-	-	97,222,015	-
BALANCE AT THE END OF THE YEAR	203,756,701	121,921	200,000,000	96,673

Effective 1 July 1998, the Company Law Review Act abolished the concept of par value shares and the concept of authorised capital. Accordingly, the Company does not have authorised capital or par value in respect of its issued shares. Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

20 Equity (continued)

(C) SHARE OPTIONS

Executive Share Option Plan

The details of the Executive Share Option Plan are set out at Note 19.

Brenzil Pty Ltd Option Deed

The Company entered into an option deed with Brenzil Pty Ltd, an entity associated with the Peabody family interests, in March 2005. These options are intended to enable the Peabody family to retain effective control as the Non-executive director and executive options are exercised. There are no voting or dividend rights attached to the options. Details of these options are as follows.

DATE OPTIONS GRANTED	EXERCISE DATE ON OR AFTER	EXPIRY DATE	EXERCISE PRICE	OPTIONS GRANTED	NUMBER OF OPTIONS AT END OF YEAR ON ISSUE	VESTED
BRENZIL PTY LTD SHARE OPTIONS						
3 May 2005	31 August 2006	31 July 2009	$2.76	2,316,667	2,316,667	-
3 May 2005	31 August 2007	31 July 2009	$3.17	2,316,667	2,316,667	-
3 May 2005	31 August 2008	31 July 2009	$3.65	2,316,666	2,316,666	-
Outstanding at the end of the period				6,950,000	6,950,000	-

	CONSOLIDATED		THE COMPANY	
	2006 $'000	2005 $'000	2006 $'000	2005 $'000
(D) RESERVES				
Foreign currency translation reserve	(10,272)	(399)	-	-
Employee equity benefits reserve	1,626	226	1,626	226
Hedging reserve	645	(2,103)	700	(767)
Asset revaluation reserve	6,525	6,525	-	-
	(1,476)	4,249	2,326	(541)

Foreign Currency Translation Reserve

Nature and purpose of reserve

The foreign currency translation reserve is used to record differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to record the net investment hedged in these securities.

Movements:

Foreign currency translation reserve:				
Opening balance	(399)	-	-	-
Exchange differences taken to equity	(9,873)	(399)	-	-
CLOSING BALANCE	(10,272)	(399)	-	-

Notes to the Financial Statements

For the Financial Year Ended 30 June 2006 (continued)

	CONSOLIDATED		THE COMPANY	
	2006 $'000	2005 $'000	2006 $'000	2005 $'000

20 Equity (continued)

(D) RESERVES (CONTINUED)

Asset Revaluation Reserve

Nature and purpose of reserve

The asset revaluation reserve is used to record revaluations of non-current assets.

Movements:

	2006 $'000	2005 $'000	2006 $'000	2005 $'000
Asset revaluation reserve:				
Opening balance	6,525	-	-	-
Asset revaluation taken to equity	-	6,525	-	-
CLOSING BALANCE	6,525	6,525	-	-

Hedging Reserve

Nature and purpose of reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedge transactions that have not yet occurred.

Movements:

	2006 $'000	2005 $'000	2006 $'000	2005 $'000
Hedging reserve:				
Opening balance	(2,103)	-	(767)	-
Gain/(loss) taken to equity	2,748	(2,103)	1,467	(767)
CLOSING BALANCE	645	(2,103)	700	(767)

Employee Equity Benefits Reserve

Nature and purpose of reserve

The employee equity benefits reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration. Refer to note 19 for further details of these plans

Movements:

	2006 $'000	2005 $'000	2006 $'000	2005 $'000
Employee equity benefits reserve:				
Opening balance	226	-	226	-
Share based payment expense	1,400	226	1,400	226
CLOSING BALANCE	1,626	226	1,626	226

	CONSOLIDATED		THE COMPANY	
	2006 $'000	2005 $'000	2006 $'000	2005 $'000
20 Equity (continued)				
(D)DIVIDENDS				
Declared and paid during the year:				
Interim franked dividend for 2006: 4.2 cents	8,515	-	8,515	-
Special fully franked dividend declared on 8 March 2005 to minority shareholders ($47,000 per share)	-	47	-	-
Special fully franked dividend declared on 8 March 2005 to pre-IPO shareholders (19.82c per share)	-	18,500	-	18,500
TOTAL DIVIDENDS DECLARED FOR PAYMENT	8,515	18,547	8,515	18,500

The dividend payable to pre-IPO shareholders is subject to a dividend deferral deed. $6,500,000 remains payable at 30 June 2006 (2005: $18,500,000), with payment due 30 June 2007.

After the balance sheet date the following dividend was proposed by the directors. The dividend has not been provided for. The declaration and subsequent payment of the dividend has no income tax consequences.

	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	THE COMPANY 2006 $'000	THE COMPANY 2005 $'000
Proposed for :				
Final franked dividend for 2006: 5.1 cents	11,495	-	11,495	-

	THE COMPANY	
	2006 $'000	2005 $'000
(E) FRANKING CREDIT BALANCE		
30% franking credits available to shareholders of Transpacific Industries Group Ltd for subsequent financial years	13,230	2,901

The above available amounts are based on the balance of the franking account at year-end, adjusted for:

a) franking credits that will arise from the payment of current tax liabilities;

b) franking debits that will arise from the payment of dividends recognised as a liability at the year-end;

c) franking credits that will arise from the receipt of dividends recognised as receivables by the tax consolidated group at the year-end; and

d) franking credits that the entity may be prevented from distributing in subsequent years.

The impact on the franking account of dividends proposed after balance date but not recognised as a liability is to reduce it by $4,926,000. In accordance with the tax consolidation legislation, the Company as the head entity in the tax-consolidated group has also assumed the benefit of $1,297,000 (2005: $153,502) franking credits.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2006 (continued)

	CONSOLIDATED		THE COMPANY	
	2006 $'000	2005 $'000	2006 $'000	2005 $'000
20 Equity (continued)				
(F) RETAINED PROFITS				
Retained profits at beginning of year	18,680	7,661	(7,794)	5,523
Net profit attributable to members of the parent entity	47,475	29,566	16,378	5,183
Dividends paid – interim dividend 2006	(8,515)	-	(8,515)	-
Dividend paid – pre IPO shareholders	-	(18,547)	-	(18,500)
Retained profits at end of year	57,640	18,680	69	(7,794)
(G) MINORITY INTEREST				
Interest in:				
Contributed equity	2,406	2,344	-	-
Retained profits	934	339	-	-
	3,340	2,683	-	-

21 Consolidated Entities

ENTITY	COUNTRY OF INCORPORATION	INTEREST HELD BY CONSOLIDATED ENTITY 2006 %	INTEREST HELD BY CONSOLIDATED ENTITY 2005 %	COST OF THE COMPANY'S INVESTMENT 2006 $'000	COST OF THE COMPANY'S INVESTMENT 2005 $'000
Transpacific Industries Group Ltd – parent	Australia				
Transpacific Co Pty Ltd	Australia	100	100	20,853	20,853
Transpacific Resources Ltd	Australia	100	100		
Transpacific Industries Group (NZ) Ltd	New Zealand	100	-		
Transpacific Industries Group Finance (NZ)Ltd	New Zealand	100	-		
Western Star Trucks Australia Pty Ltd	Australia	100	100	53,220	53,220
Man Automotive Imports Pty Ltd	Australia	100	100		
Man Imports Pty Ltd	Australia	100	100		
MAN Automotive Imports (NZ) Ltd	New Zealand	100	100		
Transpacific Industries Pty Ltd	Australia	100	100		
Australian Resource Recovery Pty Ltd	Australia	100	100		
Associated Oils Pty Ltd	Australia	100	100		
Environmental Recovery Services Pty Ltd	Australia	100	100		
ERS Australia Pty Ltd	Australia	100	100		
Transpacific Oil Pty Ltd	Australia	100	100		
Transpacific Energy Pty Ltd	Australia	100	100		
Kleenparts Pty Ltd	Australia	100	100		

21 Consolidated entities (continued)

ENTITY	COUNTRY OF INCORPORATION	INTEREST HELD BY CONSOLIDATED ENTITY 2006 %	2005 %	COST OF THE COMPANY'S INVESTMENT 2006 $'000	2005 $'000
ERS New Zealand Ltd	New Zealand	100	100	35,169	
Time (NZ) Ltd	New Zealand	100	-		
United Environmental Ltd *	New Zealand	100	-		
Medismart Ltd *	New Zealand	100	-		
Healthcare Waste Ltd *	New Zealand	100	-		
ERS Singapore Pte Ltd	Singapore	100	100		
ERS Services (Malaysia) Sdn Bhd	Malaysia	100	100		
ERS Taiwan Ltd	Taiwan	100	100		
Transpacific Industrial Solutions (NZ) Ltd	New Zealand	100	-		
Transpacific Technical Services (NZ) Ltd	New Zealand	100	-		
Transpacific Group (NZ) Ltd	New Zealand	100	-		
Australian Terminal Services Pty Ltd	Australia	63.08	63.08		
ATS Developments Pty Ltd	Australia	70	70		
NQ Resource Recovery Pty Ltd	Australia	100	99.5		
Nationwide Oil Pty Ltd	Australia	100	100		
Oil & Fuel Salvaging (Qld) Pty Ltd	Australia	100	100		
Transpacific Refiners Pty Ltd (i)	Australia	50	50		
Transpacific Bituminous Products Pty Ltd	Australia	100	-		
Transpacific Industrial Solutions Pty Ltd	Australia	100	99.99		
Transpacific Waste Management Pty Ltd	Australia	100	-		
Transwaste Technologies Pty Ltd *	Australia	100	-		
Transwaste Technologies (1) Pty Ltd	Australia	100	-		
Australian Pollution Engineering Pty Ltd *	Australia	100	-		
Solidsep Pty Ltd *	Australia	100	-		
QORS Pty Ltd	Australia	51	51		
Olmway Pty Ltd (i)	Australia	50	50		
L V Rawlinson & Associates Pty Ltd *	Australia	80	-		
Transpacific Biofuels Pty Ltd	Australia	50	-		
Transpacific Manufacturing Systems P/L	Australia	51	51		
				109,242	74,073

(i) Wholly-owned subsidiaries of the Company have management control and the casting vote of Transpacific Refiners Pty Ltd, Olmway Pty Ltd and Transpacific Biofuels Pty Ltd and thus the Company has the capacity to dominate decision making in relation to the financial and operating policies so as to enable those entities to operate as part of the consolidated entity in pursuing its objectives.

* Acquired during the financial year. Refer to Note 24 for details.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2006 (continued)

22 Investments Accounted for Using the Equity Method

(A) DETAILS OF INTERESTS IN ASSOCIATES ARE AS FOLLOWS:

				OWNERSHIP INTEREST	
ENTITY	PRINCIPAL ACTIVITY	COUNTRY	REPORTING DATE	2006 %	2005 %
Western Star Truck Centre Trust	Truck and bus dealership	Australia	30 June	50	50
Total Waste Management Pty Ltd	Liquid waste management	Australia	31 December	50	50
Western Resource Recovery Pty Ltd	Liquid waste management	Australia	31 December	50	50
Mann Waste Management Pty Ltd	Liquid waste management	Australia	30 June	50	50
Daniels Sharpsmart New Zealand Ltd	Liquid waste management	New Zealand	30 June	50	-
ERS Co Pty Ltd	Industrial services	Taiwan	30 June	49	49

The reporting dates for Total Waste Management Pty Ltd and Western Resource Recovery Pty Ltd are 31 December, which is the reporting date of the other 50% shareholder.

(B) SHARE OF ASSOCIATES BALANCE SHEET

	CONSOLIDATED	
	2006 $'000	2005 $'000
Total assets	23,401	20,595
Total liabilities	(4,917)	(5,821)
Net assets as reported by associates	18,484	14,774
Share of associate's net assets equity accounted	9,242	7,387

(C) SHARE OF ASSOCIATES' REVENUE AND PROFIT

Revenues (100%)	25,461	18,334
Profit before income tax(100%)	5,162	3,728
Share of associates profit before income tax	2,581	1,864
Share of income tax expense	(774)	(559)
Share of associates net profit/(loss) recognised	1,807	1,305

(D) IMPAIRMENT LOSSES AND COMMITMENTS

There were no impairment losses relating to the investment in associates and no capital commitments or other commitments relating to the associate.

	CONSOLIDATED		THE COMPANY	
	2006 $'000	2005 $'000	2006 $'000	2005 $'000
23 Reconciliation of cash flows from operating activities				
Cash flows from operating activities				
Profit for the period	48,070	31,534	16,378	5,183
ADJUSTMENTS FOR:				
Share options expensed	1,400	226	1,400	226
Profits on acquisition of businesses	(1,713)	(4,745)	-	-
Depreciation	17,212	13,091	-	-
Amortisation	7,614	6,041	-	-
Bad and doubtful debt expense	21	524	-	-
Foreign exchange gain on loan	-	(1,850)	-	-
Dividends received from associates	-	-	(35,000)	(18,500)
Share of associates' net profits	(1,807)	(1,305)	-	-
Net (gain)/loss on disposal of property, plant and equipment	(617)	(191)	-	-
Write down in value of aircraft	-	1,442	-	-
Operating profit before changes in assets and liabilities	70,180	44,767	(17,222)	(13,091)
CHANGES IN ASSETS AND LIABILITIES				
Increase/(decrease) in receivables	(27,423)	(18,030)	-	(963)
(Increase)/decrease in other assets	(243)	(2,367)	-	(509)
(Increase)/decrease in inventories	15,857	(4,486)	-	-
Increase/(decrease) in payables	10,619	27,311	(221)	4,832
Increase/(decrease) in income tax payable	(499)	6,771	1,862	5,670
(Increase)/decrease in deferred taxes	3,190	1,881	3,513	2,834
(Decrease)/increase in other liabilities	766	4,625	-	-
Increase/(decrease) in other provisions	1,453	4,156	-	-
NET CASH FROM OPERATING ACTIVITIES	73,900	64,628	(12,068)	(1,227)

(b) Non-cash financing and investing activities

During the 2006 year the consolidated entity acquired plant and equipment with an aggregate fair value of $13,151,402 (2005: $11,146,667) by means of finance lease. These acquisitions are not reflected in the statement of cash flows.

During the year ended 30 June 2006 2,777,193 (2005: 9,416,667) ordinary shares were issued for a value of $16,733,000 (2005: $22,600,000) as part settlement for business combinations and repayment of loans. These share issues are not reflected in the statement of cash flows as they were not cash flows.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2006 (continued)

24 Business Combinations

On 1 December 2005, the consolidated entity acquired the Nuplex Environmental Services Division, including 100% of the voting shares of Transwaste Technologies Pty Ltd (formerly Nuplex Special Waste Pty Ltd), an unlisted company based in Australia, and 100% of the voting shares of United Environmental Ltd and Medismart Ltd, unlisted companies based in New Zealand. These entities specialise in the collection, treatment, recycling and disposal of liquid waste. Associated property was also acquired from another Nuplex entity.

From the date of acquisition, the business combination has contributed $1,692,000 to the profit before tax of the consolidated entity.

The fair value of the identifiable assets and liabilities of the business combination as at the date of acquisition are:

	CONSOLIDATED	
	RECOGNISED ON ACQUISITION $'000	CARRYING VALUE $'000
Cash and cash equivalents	1,067	1,067
Trade debtors	4,462	4,462
Inventories	192	192
Other current assets	191	191
Investment in Associates	30	30
Property, plant and equipment	25,449	25,449
Deferred tax assets	964	855
Intangibles	12,981	1,733
	45,336	33,979
Trade creditors and other	(4,057)	(4,057)
Employee entitlements	(608)	(608)
Deferred tax liabilities	(2,349)	(2,349)
	(7,014)	(7,014)
Fair value of net assets	38,322	26,965
Profit arising on acquisition	(616)	
Goodwill arising on acquisition	16,791	
Total consideration paid	54,497	
The cash outflow on acquisition is as follows:		
Net cash acquired with subsidiary	1,067	
Total consideration paid	(54,497)	
	(53,430)	

24 Business Combinations (continued)

On 27 March 2006, the consolidated entity acquired 100% of the voting shares of Australian Pollution Engineering Pty Ltd, an unlisted company based in Australia specialising in the treatment of biosolids.

From the date of acquisition, the business combination has contributed $400,000 to the profit before tax of the consolidated entity.

The fair value of the identifiable assets and liabilities of the business combination as at the date of acquisition are:

	CONSOLIDATED	
	RECOGNISED ON ACQUISITION $'000	CARRYING VALUE $'000
Cash and cash equivalents	3,410	3,410
Trade and other receivables	3,876	3,855
Property, plant and equipment	7,587	587
	14,873	7,852
Trade and other payables	(545)	(545)
	(545)	(545)
Fair value of net assets	14,328	7,307
Goodwill arising on acquisition	5,780	
Total consideration paid	20,108	
Consideration:		
Shares issued, at fair value	10,603	
Costs associated with the acquisition	9,505	
Total consideration paid	20,108	
The cash outflow on acquisition is as follows:		
Net cash acquired with subsidiary	3,410	
Costs associated with the acquisition	(9,505)	
Deferred settlements	1,706	
	(4,389)	

Notes to the Financial Statements

For the Financial Year Ended 30 June 2006 (continued)

24 Business Combinations (continued)

On 1 December 2005, the consolidated entity acquired the liquid waste and industrial services businesses of Onyx based in New Zealand.

From the date of acquisition, these businesses have contributed $321,000 to the profit from ordinary activities before tax.

The fair value of the identifiable assets and liabilities of these entities as at the date of acquisition are:

	CONSOLIDATED	
	RECOGNISED ON ACQUISITION $'000	CARRYING VALUE $'000
Other current assets	67	67
Property, plant and equipment	5,563	5,563
Intangibles	1,633	-
	7,263	5,630
Employee entitlements	(143)	(143)
	(143)	(143)
Fair value of net assets	7,120	5,487
Goodwill arising on acquisition	6,464	
Total consideration paid	13,584	

The cash outflow on acquisition is as follows:	
Total consideration paid	(13,584)

24 Business Combinations (continued)

Throughout the year the consolidated entity has acquired a number of business combinations which are individually immaterial.

The fair value of the identifiable assets and liabilities of these entities as at the date of acquisition are:

	CONSOLIDATED	
	RECOGNISED ON ACQUISITION $'000	CARRYING VALUE $'000
Cash and cash equivalents	104	104
Trade debtors	369	369
Inventories	3,126	3,126
Other current assets	1,640	1,640
Property, plant and equipment	16,958	16,958
Intangibles	10,911	129
Deferred tax assets	26	26
	33,134	22,352
Trade creditors and other	(976)	(976)
Employee entitlements	(280)	(280)
Lease liabilities	(616)	(616)
	(1,872)	(1,872)
Fair value of net assets	31,262	20,480
Profit arising on acquisition	(1,097)	
Goodwill arising on acquisition	26,185	
	56,350	
Consideration:		
Shares issued, at fair value	6,130	
Costs associated with the acquisition	50,220	
Total consideration paid	56,350	
The cash outflow on acquisition is as follows:		
Net cash acquired with businesses	104	
Costs associated with the acquisition	(50,220)	
Deferred settlements	3,700	
	(46,416)	

Included in the goodwill recognised on all of business combinations detailed above are certain intangible assets that cannot be individually separated and reliably measured from the acquiree due to their nature. Assets included in this balance consist of customer loyalty.

A total of 2,777,193 ordinary shares were issued as part settlement of business combinations at an issue price equal to the 3 day average share price prior to settlement date.

The consolidated entity has a history of turning businesses around, and as a result it is impracticable due to the different ownership to measure the contribution the above business combinations would have made to profit of the consolidated entity for the financial year had the businesses been held for the full period.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2006 (continued)

	NOTES	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	THE COMPANY 2006 $'000	THE COMPANY 2005 $'000
25 Commitments and Contingencies					

(A) OPERATING LEASE COMMITMENTS

The consolidated entity leases property, plant and equipment under operating leases expiring over terms of up to six years. Leases generally provide the consolidated entity with a right of renewal at which time all terms are renegotiated.

	NOTES	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	THE COMPANY 2006 $'000	THE COMPANY 2005 $'000
Non-cancellable operating lease rentals are payable as follows:					
Within one year		5,752	3,350	-	-
Between one and five years		13,124	6,897	-	-
More than five years		1,407	508	-	-
		20,283	10,755	-	-

(B) FINANCE LEASE AND HIRE PURCHASE COMMITMENTS

The consolidated entity leases plant and equipment under finance leases and hire purchase agreements expiring over terms of up to six years. At the end of the lease term the consolidated entity generally has the option to purchase the equipment at a percentage of market value.

	NOTES	CONSOLIDATED 2006 $'000	CONSOLIDATED 2005 $'000	THE COMPANY 2006 $'000	THE COMPANY 2005 $'000
Commitments in relation to finance leases are payable as follows:					
Within one year		10,751	8,963	-	-
Between one and five years		30,839	26,482	-	-
More than five years		308	521	-	-
Minimum lease payments		41,898	35,966	-	-
Less:					
Future finance charges		(5,801)	(5,461)	-	-
TOTAL LIABILITIES		36,097	30,505	-	-
Representing:					
Current	15	8,929	6,877	-	-
Non-current	15	27,168	23,628	-	-
TOTAL LIABILITIES		36,097	30,505	-	-

	CONSOLIDATED		THE COMPANY	
	2006 $'000	2005 $'000	2006 $'000	2005 $'000

25 Commitments and Contingencies (continued)

(C) CAPITAL EXPENDITURE AND OTHER COMMITMENTS

Other commitments in relation to capital expenditure and purchase commitments entered into:				
Within one year	1,464	822	-	-
COMMITMENTS NOT RECOGNISED IN THE FINANCIAL STATEMENTS	1,464	822	-	-

(D) GUARANTEES

The consolidated entity is, in the normal course of business, required to provide guarantees and letters of credit on behalf of controlled entities and associates in respect of their contractual performance related obligations. These guarantees and indemnities only give rise to a liability where the entity concerned fails to perform its contractual obligations.

Letters of credit issued to suppliers	80	799	-	-
Bank guarantees outstanding at balance date in respect of financing facilities	3,713	6,164	-	-
Bank guarantees outstanding at balance date in respect of contractual performance	7,916	6,347	-	-
	11,709	13,310	-	-

(E) LITIGATION AND OTHER CLAIMS

A claim has been brought against a controlled entity for use of the Interline Technology. The action is being defended and a counter-claim should it proceed has been made. In the Directors' opinion, the Company will be successful in defending this case.

From time to time claims may be brought against the consolidated entity in the normal course of business. Other than the matter referred to above the Directors is of the opinion that there are no other matters requiring disclosure.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2006 (continued)

		CONSOLIDATED		THE COMPANY	
	NOTES	2006 $'000	2005 $'000	2006 $'000	2005 $'000
26 Auditors' Remuneration					
Audit Services:					
Auditors of the Company					
Bentleys MRI					
Audit and review of financial report		406	246		-
Overseas affiliates of Bentleys MRI					
Audit and review of financial report		84	33		-
		490	279		-
Other Services:					
Bentleys MRI		79	201		
Overseas affiliates		79	-		-
		158	201		-

27 Related Parties

(A) KEY MANAGEMENT PERSONNEL

Disclosures relating to key management personnel are set out in Note 32.

(B) WHOLLY-OWNED GROUP TRANSACTIONS

The wholly-owned group consists of Transpacific Industries Group Ltd and its wholly-owned entities listed at Note 21.

Transactions between Transpacific Industries Group Ltd and other entities in the wholly-owned group during the years ended 30 June 2006 and 2005 consisted of:

a) loans advanced by Transpacific Industries Group Ltd and other wholly-owned entities;

b) loans repaid to Transpacific Industries Group Ltd and other wholly-owned entities;

c) the payment of interest on the above loans;

d) the payment of dividends to Transpacific Industries Group Ltd and other wholly-owned entities;

e) management fees charged to wholly-owned entities; and

f) sales between wholly-owned entities.

The above transactions were made on normal commercial terms and conditions and at market rates, except that there are no fixed terms for the repayment of principal on loans advanced. The average interest rate charged on the loans during the year was 6.5% (2005 – 6.5%).

27 Related Parties (continued)

Aggregate amounts included in the determination of profit before tax that resulted from transactions with entities in the wholly-owned group:

	THE COMPANY	
	2006 $'000	2005 $'000
Interest revenue	10,642	941
Dividend revenue	35,000	18,500

Aggregate amounts receivable from entities in the wholly-owned group at balance date:

	THE COMPANY	
	2006 $'000	2005 $'000
Current receivables (loans)	220,717	127,662

(C) OTHER RELATED PARTIES

	CONSOLIDATED		THE COMPANY	
	2006 $'000	2005 $'000	2006 $'000	2005 $'000
Aggregate amounts included in the determination of profit before tax that resulted from transactions with each class of other related parties:				
Interest revenue				
Associates	58	57	-	-
Interest expense				
Director-related parties	-	1,949	-	-
Minority shareholders	173	331	-	-
Aggregate amounts brought to account in relation to other transactions with each class of other related parties:				
Loans advanced to/(from):				
Associates	-	74		
Minority shareholders	(343)	250		
Loan repayments (from):				
Associates	(1,525)	-		
Loan repayments to:				
Director-related entities	-	55,283		
Minority shareholders	189	3,961		

Notes to the Financial Statements

For the Financial Year Ended 30 June 2006 (continued)

	CONSOLIDATED		THE COMPANY	
	2006 $'000	2005 $'000	2006 $'000	2005 $'000
27 Related Parties (continued)				
(C) OTHER RELATED PARTIES (CONTINUED)				
Aggregate amounts receivable from, and payable to, each class of other related parties at balance date:				
Current receivables:				
Associates	392	2,344		
Director-related entities	-	-		
Minority shareholders	250	250		
	642	2,594		
Current payables:				
Associates	1,900	1,900		
Director-related entities	-	-		
Minority shareholders	-	50		
	1,900	1,950		
Non-current payables:				
Director-related entities	-	-		
Minority shareholders	656	704		
	656	704		
Non-current Interest Bearing Liabilities:				
Director-related entities	-	-		
Minority shareholders	2,479	2,260		
	2,479	2,260		

Transactions were made on normal commercial terms and conditions and at market rates, except that there are no fixed terms for the repayment of loans between the parties. Interest was charged at 6.5% (2005 – 6.5%).

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these entities transacted with the Company or its subsidiaries in the reporting period. The terms and conditions of the transactions with management persons and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arms-length basis.

During financial year 2005, and as outlined in the IPO Prospectus, the consolidated entity owned an aircraft until its sale on 30 March 2005 to an entity related to Terry Peabody. The consolidated entity continues to perform a small amount of administrative work in relation to the aircraft. No charter revenue or costs, other than when Transpacific hires the aircraft, are borne by Transpacific. Transpacific charges the related party $10,000 per annum for administration time.

In financial year 2005 the value of the aircraft was written down by $1.4 million. A profit of $130,000 was recognised on the sale of the aircraft.

27 Related Parties (continued)

(C) OTHER RELATED PARTIES (CONTINUED)

During financial year 2006 the consolidated entity expensed $158,000 for the hire of the aircraft which was used to fly Transpacific executives in connection with the acquisition of businesses, bank negotiations and investor relations. Transpacific charged the related party $10,000 for administration. At 30 June 2006 the consolidated entity owed $86,870 to the related party.

During financial year 2005 the following payments were made.

31 March to 3 May 2005 (date of listing) - Payment for hire of aircraft of $68,600 in relation to the IPO roadshow has been expensed in IPO costs. Administration fee charged to the related party was $904.

3 May to 30 June 2005

The Company paid $9,600 for the hire of the aircraft which was used to fly five Transpacific executives in connection with the acquisition of businesses. This amount was capitalised. Administration fee charged to the related party was $1,589.

At 30 June 2005, $25,597 was receivable from the related party in connection with the supply of goods as a pass through cost. The consolidated entity incurs no profit or loss on these transactions.

During financial year 2005, a group company held the liquor licence for the Australian business of an entity related to Terry Peabody and provided accounting services. The licence and business were transferred out of the group effective 1 July 2005. The consolidated entity continues to perform a small amount of administrative work. At 30 June 2006 the related party owed $105,144 (2005: $172,676) in respect of the business and its employees. The consolidated entity incurs no profit or loss on these transactions.

The Company administered charters and costs in relation to an entity related to Terry Peabody. At 30 June 2006, the related party owed $193,477 to the Company (2005: $40,818). The Company incurs no profit or loss on these transactions.

The Company trades on normal commercial terms and conditions on an arm's-length basis with companies connected with two Non-executive directors – JJ Richards and Sons Pty Ltd and Campbell Brothers Limited.

28 Segment Information

Segment information is presented in respect of the consolidated entity's business and geographical segments. The primary format, business segments, is based on the consolidated entity's management and internal reporting structure.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly options expense and profits on business combinations.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

PRIMARY REPORTING – BUSINESS SEGMENTS

The consolidated entity comprises the following main business segments:

Liquid waste management and recycling	Includes collection, transportation, treatment and sale or disposal of liquid waste
Energy	Includes collection, transportation, treatment and sale or disposal of waste mineral oil and cooking oil
Industrial solutions	Includes industrial cleaning, high pressure water blasting and manufacture and lease out of parts washers
Commercial vehicles	Importation and distribution of commercial vehicles and parts

Notes to the Financial Statements

For the Financial Year Ended 30 June 2006 (continued)

28 Segment Information (continued)

2006	LIQUID WASTE MANAGEMENT & RECYCLING $'000	ENERGY $'000	INDUSTRIAL SOLUTIONS $'000	COMMERCIAL VEHICLES $'000	CONSOLIDATED $'000
Revenue					
Sales to external customers	107,610	75,471	180,691	270,522	634,294
Inter-segment sales	13,767	9,486	5,101	-	28,354
TOTAL SALES REVENUE	121,377	84,957	185,792	270,522	662,648
Other revenue	5,042	6,313	204	785	12,344
TOTAL SEGMENT REVENUE	126,419	91,270	185,996	271,307	674,992
Inter-segment elimination					(28,354)
TOTAL CONSOLIDATED REVENUE					646,638
Result					
Segment result	21,830	17,238	20,088	23,007	82,163
Unallocated revenue less unallocated expenses					(789)
PROFIT BEFORE FINANCE COSTS					81,374
Net Financing costs					(15,969)
Share of profit of associates	1,807	-	-	-	1,807
Income tax expense					(19,142)
NET PROFIT					48,070
Segment assets	299,720	46,055	168,406	193,591	707,772
Investments in associates	9,242	-	-	-	9,242
Unallocated assets					-
Eliminations					(107,294)
TOTAL ASSETS					609,720
Segment liabilities	301,307	23,253	96,778	114,251	535,589
Unallocated liabilities					-
Eliminations					(107,294)
TOTAL LIABILITIES					428,295
Depreciation and amortisation expense	6,285	4,938	12,807	796	24,826
Other significant non-cash expenses (unallocated)					1,400
Acquisition of property, plant and equipment *	53,562	7,420	27,482	2,610	91,074

* includes new leases entered into during the year

28 Segment Information (continued)

PRIMARY REPORTING – BUSINESS SEGMENTS (CONTINUED)

2005	LIQUID WASTE MANAGEMENT & RECYCLING $'000	ENERGY $'000	INDUSTRIAL SOLUTIONS $'000	COMMERCIAL VEHICLES $'000	CONSOLIDATED $'000
Revenue					
Sales to external customers	43,845	61,960	129,169	220,618	455,592
Inter-segment sales	1,087	1,535	868	-	3,490
TOTAL SALES REVENUE	44,932	63,495	130,037	220,618	459,082
Other revenue	792	6,231	119	1,413	8,555
TOTAL SEGMENT REVENUE	45,724	69,726	130,156	222,031	467,637
Inter-segment elimination					(3,490)
TOTAL CONSOLIDATED REVENUE					464,147
Result					
Segment result	6,450	10,586	12,256	21,683	50,975
Unallocated revenue less unallocated expenses					147
PROFIT BEFORE FINANCE COSTS					51,122
Net Financing costs					(8,855)
Share of profit of associates	1,305	-	-	-	1,305
Income tax expense					(12,038)
NET PROFIT					31,534
Segment assets *	201,042		122,768	148,761	472,571
Investments in associates	7,387		-	-	7,387
Unallocated assets					21,172
Eliminations					(67,341)
TOTAL ASSETS					433,789
Segment liabilities*	179,147		93,611	77,634	350,392
Unallocated liabilities					28,453
Eliminations					(67,341)
TOTAL LIABILITIES					311,504
Depreciation and amortisation expense	3,073	5,336	9,852	871	19,132
Other significant non-cash expenses	-	-	-	1,442	1,442
Acquisition of property, plant and equipment * **	35,770		21,804	690	58,264

* Refer Note A below

** includes new leases entered into during the year

Notes to the Financial Statements

For the Financial Year Ended 30 June 2006 (continued)

28 Segment Information (continued)

SECONDARY REPORTING – GEOGRAPHICAL SEGMENTS

In presenting information on the basis of geographic segments, segment revenue is based on the geographical location of business. Segment assets are based on the geographical location of the assets:

Australia	All four business segments have operations.
New Zealand	All four business segments have operations.
South-East Asia	Industrial services operations and commercial vehicles sales.

2006	AUSTRALIA $'000	NEW ZEALAND $'000	SOUTH-EAST ASIA $'000	TOTAL $'000
Sales to external customers	583,598	50,058	638	634,294
Segment net assets	108,092	73,120	213	181,425
Acquisition of property, plant and equipment	63,498	27,576	-	91,074

2005	AUSTRALIA $'000	NEW ZEALAND $'000	SOUTH EAST ASIA $'000	TOTAL $'000
Sales to external customers	427,919	26,658	1,015	455,592
Segment net assets	118,315	3,604	366	122,285
Acquisition of property, plant and equipment	69,594	13,415	-	83,009

NOTES TO AND FORMING PART OF THE SEGMENT INFORMATION

(A) CHANGE IN SEGMENT ACCOUNTING POLICY

In the prior year segment reporting was broken into waste management and recycling, industrial solutions and commercial vehicles divisions only as this reflected the management reporting structure of the Company at that time. This year an improved management reporting system has been implemented and results are accounted for in four segments. Comparative information has been restated to reflect this change where possible.

29 Financial Instruments

The consolidated entity's principal financial instruments, other than derivatives, comprise bank loans, finance leases and hire purchase contracts, cash and short-term deposits.

The main purpose of these financial instruments is to raise finance for the consolidated entity's operations.

The consolidated entity has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

The consolidated entity also enters into derivative transactions, principally interest rate swaps and forward currency contracts. The purpose is to manage the interest rate and currency risks arising from the consolidated entity's operations and its sources of finance.

It is the consolidated entity's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the consolidated entity's financial instruments are foreign currency risk, interest rate risk, and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

29 Financial Instruments (continued)

(A) FOREIGN CURRENCY RISK

The Commercial Vehicles division sells vehicles and parts purchased from the United States and Germany. In order to protect against exchange rate movements, the consolidated entity enters into forward exchange contracts to purchase US dollars and Euro.

The contracts are timed to mature when major shipments are scheduled to arrive in Australia reflecting when the Company has to pay for the goods and cover a proportion of anticipated purchases for the ensuing financial year.

Where necessary, the forward exchange contracts are rolled over at maturity.

The consolidated entity classifies its forward exchange contracts hedging forecasted transactions as cash flow hedges and states them at fair value. The fair value of forward exchange contracts at 1 July 2004 was adjusted against the opening balance of the hedging reserve at that date.

The net fair value of forward exchange contracts used as hedges of forecasted transactions at 30 June 2006 was a liability of $54,000 (2005: liability of $1,336,000) that were recognised in fair value derivatives.

The net fair value of forward exchange contracts treated as a fair value hedge at 30 June 2006 was nil (2005: liability of $407,000).

(B) CREDIT RISK EXPOSURES

Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The consolidated entity does not require collateral in respect of financial assets.

The consolidated entity minimises concentrations of credit risk by undertaking transactions with a large number of customers.

Credit risk on interest rate and foreign exchange contracts is minimal as counterparties are large Australian and international banks with acceptable credit ratings determined by a recognised ratings agency.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet.

(C) INTEREST RATE RISK EXPOSURES

Hedging

The consolidated entity adopts a policy of ensuring at least 40% of its exposure to changes in interest rates on borrowings is on a fixed rate basis. Accordingly, the consolidated entity has entered into interest rate swap contracts under which it is obliged to receive interest at variable rates and to pay interest at fixed rates. The contracts are settled on a net basis and require settlement of net interest receivable or payable each 30 days.

Swaps currently in place cover approximately 44% (2005 – 75%) of term debt outstanding and expire August 2006, May 2010 and January 2011. The fixed interest rates currently range between BBSY 5.78% and 5.99% (2005: 5.94%– 5.99%) and the BBSY variable rate at balance date was 5.93%.

The consolidated entity classifies interest rate swaps as cash flow hedges and states them at fair value. The fair value of swaps at 1 July 2004 was adjusted against the opening balance of the hedging reserve at that date.

The net fair value of swaps at 30 June 2006 was an asset of $700,000 (2005: liability of $767,000). These amounts were recognised as fair value derivatives.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2006 (continued)

29 Financial Instruments (continued)

Effective interest rates and repricing analysis

In respect of income-earning financial assets and interest-bearing financial liabilities of the consolidated entity, the following table indicates their effective interest rates at balance sheet date and the periods in which they reprice.

CONSOLIDATED ENTITY	EFFECTIVE INTEREST RATE (%)	TOTAL	1 YEAR OR LESS $'000	1 – 2 YEARS $'000	2 – 3 YEARS $'000	3 – 4 YEARS $'000	4 – 6 YEARS $'000
2006							
FINANCIAL ASSETS							
Cash and deposits	6.04%	55,336	55,336	-	-	-	-
Loans to related parties and associates	6.5%	642	642	-	-	-	-
TOTAL FINANCIAL ASSETS		55,978	55,978	-	-	-	-
FINANCIAL LIABILITIES							
Trade and vendor finance	6.94%	14,843	14,843	-	-	-	-
Unsecured bank loans	6.85%	213,738	213,738	-	-	-	-
Secured bank loans – NZD	8.05%	16,796	2,774	3,122	3,345	3,622	3,933
Lease liabilities	6.95%	36,097	8,929	8,502	8,080	6,475	4,111
Payable to related parties and associates	6.5%	2,479	-	2,479	-	-	-
TOTAL FINANCIAL LIABILITIES		283,953	240,284	14,103	11,425	10,097	8,044

CONSOLIDATED ENTITY	EFFECTIVE INTEREST RATE (%)	TOTAL	1 YEAR OR LESS $'000	1 – 2 YEARS $'000	2 – 3 YEARS $'000	3 – 4 YEARS $'000	4 – 6 YEARS $'000
2005							
FINANCIAL ASSETS							
Cash and deposits	5.2%	37,754	37,754	-	-	-	-
TOTAL FINANCIAL ASSETS		37,754	37,754	-	-	-	-
FINANCIAL LIABILITIES							
Trade and vendor finance	6.62%	28,060	28,060	-	-	-	-
Unsecured bank loans	6.61%	106,800	106,800	-	-	-	-
Lease liabilities	6.79%	30,505	6,877	7,185	6,828	5,471	4,144
Payable to related parties and associates	6.5%	2,479	-	2,479	-	-	-
TOTAL FINANCIAL LIABILITIES	-	167,844	141,737	9,664	6,828	5,471	4,144

29 Financial Instruments (continued)

In respect of income-earning financial assets and interest-bearing financial liabilities of the consolidated entity, the following table indicates their effective interest rates at balance sheet date and the periods in which they reprice.

THE COMPANY	EFFECTIVE INTEREST RATE (%)	TOTAL	1 YEAR OR LESS $'000	1 – 2 YEARS $'000	2 – 3 YEARS $'000	3 – 4 YEARS $'000	4 – 6 YEARS $'000
2006							
FINANCIAL ASSETS							
Cash and deposits	7.15%	16,646	16,646	-	-	-	-
Loans to related parties and associates	6.5%	220,717	220,717	-	-	-	-
TOTAL FINANCIAL ASSETS		237,363	237,363	-	-	-	-
FINANCIAL LIABILITIES							
Unsecured bank loans	6.85%	212,203	212,203	-	-	-	-
TOTAL FINANCIAL LIABILITIES		212,203	212,203	-	-	-	-

THE COMPANY	EFFECTIVE INTEREST RATE (%)	TOTAL	1 YEAR OR LESS $'000	1 – 2 YEARS $'000	2 – 3 YEARS $'000	3 – 4 YEARS $'000	4 – 6 YEARS $'000
2005							
FINANCIAL ASSETS							
Cash and deposits	5.2%	12,609	12,609	-	-	-	-
Loans to related parties and associates	6.5%	127,662	127,662	-	-	-	-
TOTAL FINANCIAL ASSETS		140,271	140,271	-	-	-	-
FINANCIAL LIABILITIES							
Unsecured bank loans	6.61	106,800	106,800	-	-	-	-
TOTAL FINANCIAL LIABILITIES	-	106,800	106,800	-	-	-	-

Notes to the Financial Statements

For the Financial Year Ended 30 June 2006 (continued)

29 Financial Instruments (continued)

FAIR VALUES

A comparison by category of carrying amounts and fair values of all of the consolidated entity's financial instruments that are carried in the financial statements at other than fair values.

CONSOLIDATED	CARRYING VALUE	FAIR VALUE	CARRYING VALUE	FAIR VALUE
	2006 $'000	2006 $'000	2005 $'000	2005 $'000
Financial assets				
Cash and cash equivalents	55,336	55,336	37,754	37,754
Trade and other receivables	95,767	95,767	59,908	59,908
Loans to related parties and associates	642	642	2,594	2,594
Interest rate swaps	700	700	-	-
Financial liabilities				
Trade and other payables - current	(95,776)	(95,776)	(80,207)	(80,207)
Other payables – non-current	(656)	(656)	(7,415)	(7,415)
Trade and vendor finance	(14,843)	(14,843)	(28,060)	(28,060)
Unsecured bank loans	(213,738)	(213,738)	(106,800)	(106,800)
Secured bank loans	(16,796)	(16,842)		-
Loans from related parties	(2,479)	(2,479)	(2,260)	(2,260)
Lease liabilities	(36,178)	(37,467)	(30,505)	(32,196)
Interest rate swaps	-	-	(767)	(767)
Forward exchange contracts	(55)	(55)	(1,743)	(1,743)
	(228,076)	(229,411)	(157,501)	(159,192)
Unrecognised (losses)/gains		(1,335)		(1,691)

THE COMPANY	CARRYING VALUE	FAIR VALUE	CARRYING VALUE	FAIR VALUE
	2006 $'000	2006 $'000	2005 $'000	2005 $'000
Financial assets				
Cash and cash equivalents	16,646	16,646	12,609	12,609
Loans to related parties and associates	220,717	220,717	127,662	127,662
Interest rate swaps	700	700	-	-
Financial liabilities				
Trade and other payables	(162)	(162)	(383)	(383)
Unsecured bank loans	(212,203)	(212,203)	(106,800)	(106,800)
Interest rate swaps	-	-	(767)	(767)
	25,698	25,698	32,321	32,321
Unrecognised (losses)/gains		-		-

29 Financial Instruments (continued)

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table.

DERIVATIVES

Forward exchange contracts are either marked to market using listed market prices or by discounting the contractual forward price and deducting the current spot rate. For interest rate swaps broker quotes are used.

INTEREST BEARING LOANS AND BORROWINGS

Fair value is calculated based on discounted expected future principal and interest cash flows.

LEASE LIABILITIES

The fair value is estimated as the present value of future cash flows, discounted at market interest rates for homogeneous lease agreements. The estimated fair values reflect change in interest rates.

TRADE AND OTHER RECEIVABLES/PAYABLES

As the remaining life of all trade and other receivables and payables is less than one year, the notional amount is deemed to reflect the fair value.

INTEREST RATES USED FOR DETERMINING FAIR VALUE

The entity uses government yield curve as of 30 June 2006 plus an adequate constant credit spread to discount financial instruments. The interest rates used are as follows:

	2006	2005
Loans and borrowings	7.3%	6.8%
Secured bank loans	8.0%	8.0%

30 Earnings Per Share

	2006	2005
Calculated in accordance with AASB 133:		
Basic earnings per share (cents per share)	23.6c	19.5c
Diluted earnings per share (cents per share)	22.1c	19.1c
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	200,964,107	117,572,603
Effect of share options on issue	14,257,260	2,208,767
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	215,221,367	119,781,370

The Company issued a further 21,428, 571 ordinary shares on 14 September 2006 through an institutional placement. The effect of this share issue is not included in calculation of Earnings Per Share above.

For the year ended 30 June 2005 Earnings Per Share has been calculated in accordance with AASB 133 above and also on the capital structure following listing on the ASX as shown below as this is considered more meaningful and reflective of the ongoing position of the Company.

	2006	2005
Calculated based on the ongoing position of the company:		
Basic earnings per share (cents per share)	N/A	11.4c
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	N/A	200,000,000
Diluted earnings per share (cents per share)	N/A	10.7c
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	N/A	213,900,000

Notes to the Financial Statements

For the Financial Year Ended 30 June 2006 (continued)

31 Economic Dependency

The consolidated entity's vehicle and parts importing business depends on it receiving an ongoing supply of fully assembled vehicles and spare parts from the owners of Western Star, Autocar and MAN. While interruption to one manufacturers supply would impact the commercial vehicles operation it would generally require both Western Star and MAN supply interruptions to materially harm this business.

32 Key Management Personnel Disclosures

(A) DETAILS OF SPECIFIED DIRECTORS AND SPECIFIED EXECUTIVES

The following were key management personnel of the consolidated entity at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

(i) Executive Directors

Terry Peabody (Chairman)

Howard Wilson (Chief Executive Officer)

Harold Grundell (Managing Director, Energy Division)

(ii) Non-executive directors

John Richards (Deputy Chairman) (resigned subsequent to year end)

Bruce Brown

Graham Mulligan

Rod Ruston (resigned 25 January 2006)

(iii) Key Executives

Stewart Smith – Advisor to Executive Chairman

Trevor Coonan – Chief Financial Officer

Paul Glavac – Managing Director, Commercial Vehicles Division

Terry Woods – Managing Director, Mergers and Acquisitions

Nick Badyk – Managing Director, Industrial Services Division

Geoff Sparks – Managing Director, Corporate Affairs and Government Services

Greg Campbell – Managing Director, New Zealand (appointed 17 October 2005)

Tony Roderick – Managing Director, Liquid Waste and Recycling Division (appointed 1 December 2005)

(B) KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensation included in employee expenses are as follows:

	CONSOLIDATED		THE COMPANY	
	2006 $'000	2005 $'000	2006 $'000	2005 $'000
Short-term employee benefits	3,466	2,998	-	-
Post-employment benefits	280	247	-	-
Equity compensation benefits	994	162	994	162
	4,740	3,407	994	162

The disclosures relating to remuneration of specified directors and executives is set out in the remuneration report section of the directors report on pages 27 to 32.

32 Key Management Personnel Disclosures (continued)

(C)OPTIONS OVER EQUITY INSTRUMENTS GRANTED

The movement during the reporting period in the number of options over ordinary shares in the Company held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows. No options are vested but not exercisable at the end of the year.

NAME	BALANCE AT THE START OF THE YEAR	GRANTED DURING THE YEAR AS REMUNERATION	EXERCISED DURING THE YEAR	OTHER CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR	VESTED AND EXERCISABLE AT THE END OF THE YEAR
Executive directors:						
Terry Peabody *	6,950,000	-	-	-	6,950,000	-
Howard Wilson	1,000,000	-	-	-	1,000,000	-
Harold Grundell	500,000	-	-	-	500,000	-
Non-Executive Directors:						
John Richards	50,000	-	-	-	50,000	-
Bruce Brown	50,000	-	-	-	50,000	-
Graham Mulligan	50,000	-	-	-	50,000	-
Rod Ruston (resigned 25 Janurary 2006)	50,000	-	-	-	50,000	-
Key executives:		-				
Stewart Smith	750,000	-	-	-	750,000	-
Trevor Coonan	500,000	-	-	-	500,000	-
Paul Glavac	500,000	-	-	-	500,000	-
Terry Woods	500,000	-	-	-	500,000	-
Nick Badyk	500,000	-	-	-	500,000	-
Geoff Sparks	500,000	-	-	-	500,000	-
Greg Campbell	-	300,000	-	-	300,000	-
Tony Roderick	-	300,000	-	-	300,000	-

* The options held by Terry Peabody are under terms of an option deed to enable the Peabody family to retain effective control.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2006 (continued)

32 Key Management Personnel Disclosures (continued)

(D) SHARE HOLDINGS

The movement during the reporting period in the number of ordinary shares in the Company held, directly or indirectly or beneficially, by each key management person, including their related parties, is as follows.

NAME	BALANCE AT THE START OF THE YEAR	RECEIVED DURING THE YEAR ON THE EXERCISE OF OPTIONS	OTHER CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR
Executive directors:				
Terry Peabody (including related parties)	102,000,000	-	-	102,000,000
Howard Wilson	-	-	-	-
Harold Grundell	125,000	-	-	125,000
Non-executive directors:				
John Richards	8,395,834	-	23,000	8,418,834
Bruce Brown	85,000	-	-	85,000
Graham Mulligan	30,000	-	-	30,000
Rod Ruston (resigned 25 January 2006)	31,250	-	-	31,250
Key executives:				
Stewart Smith	-	-	-	-
Trevor Coonan	700,000	-	75,000	775,000
Paul Glavac	25,000	-	-	25,000
Terry Woods	84,000	-	406	84,406
Nick Badyk	44,000	-	213	44,213
Geoff Sparks	83,000	-	401	83,401
Greg Campbell	-	-	-	-
Tony Roderick	-	-	-	-

(E) CHANGES IN KEY MANAGEMENT PERSONNEL IN THE PERIOD AFTER THE REPORTING DATE AND PRIOR TO THE DATE WHEN THE FINANCIAL REPORT IS AUTHORISED FOR ISSUE

Subsequent to balance date Mr John Richards resigned as a non-executive director of the Company (effective date 23 August 2006). Mr Bruce Allan was appointed as a non-executive director to replace Mr Richards (effective date 23 August 2006).

(F) LOANS TO DIRECTORS AND EXECUTIVES

There were no loans to directors and executives during the year.

33 Subsequent Events

On 3 July the consolidated entity amalgamated with Waste Management NZ Ltd (WMNZ).

The consolidated entity has not allocated any of the purchase price to separately identifiable intangible assets that WMNZ have on the basis that it has not had the opportunity to make a full and detailed assessment of the acquisition accounting implications. This is permissible under AASB 3 Business Combinations where the acquirer has a period of 12 months to complete the assessment. However, at this time, as guidance, the estimated fair value of the identifiable assets and liabilities of WMNZ as at the date of acquisition are:

	CONSOLIDATED	
	RECOGNISED ON ACQUISITION $'000	CARRYING VALUE $'000
Cash, cash equivalents and debt	(142,494)	(142,494)
Receivables	35,906	35,906
Inventories	1,545	1,545
Other current assets	2,916	2,916
Investments in associates	14,488	14,488
Property, plant and equipment	177,354	173,354
Intangibles	95,198	95,198
Deferred tax assets	708	708
	185,621	181,621
Trade creditors and other	(25,028)	(25,028)
Employee entitlements	(12,295)	(12,295)
Deferred income	(10,031)	(10,031)
Deferred tax liabilities	(9,322)	(9,322)
Provisions	(11,958)	(11,958)
	(68,634)	(68,634)
Fair value of net assets	116,987	112,987
Goodwill and other intangibles arising on acquisition	588,369	
Total consideration paid	705,356	
The cash outflow on acquisition is as follows:		
Net debt acquired with subsidiary	(142,494)	
Cash paid for equity	(705,356)	
	(847,850)	

The consolidated entity has also acquired a number of businesses, which individually and in aggregate are not material.

Subsequent to balance date, the consolidated entity amended its debt facilities and raised/is raising additional equity as follows:

On 31 August 2006, the Company and its 100% owned subsidiaries signed a new Syndicated Multi-Option Facility with its bankers. The agreement increases the facilities from $1 billion to $1.2 billion.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2006 (continued)

33 Subsequent Events (continued)

The equity raisings were/are:

- On 23 August 2006 $250 million was raised through the issue of Transpacific Step-up Preference Securities;
- On 14 September 2006 the Company raised $150 million through the placement of 21,428,571 ordinary shares.
- At the date of this report the Company is in the process of raising up to $20 million through a share purchase plan. This is expected to be completed by mid-October 2006.

No other matter or circumstance has arisen since 30 June 2006 that has significantly affected, or may significantly affect the operations of the consolidated entity, the results of those operations in future financial years, or the state of affairs of the consolidated entity in subsequent financial years.

34 Impact of adoption of AIFRS

The impacts of adopting AIFRS on the total equity and profit after tax as reported under previous Australian Generally Accepted Accounting Principles ("AGAAP") are illustrated below:

(A) RECONCILIATION OF TOTAL EQUITY AS PRESENTED UNDER PREVIOUS AGAAP TO THAT UNDER AIFRS

	CONSOLIDATED		THE COMPANY	
	30 JUNE 2005 $'000	1 JULY 2004 $'000	30 JUNE 2005 $'000	1 JULY 2004 $'000
Total equity under previous AGAAP	122,844	94,908	90,529	79,596
Adjustments to retained earnings net of tax				
Goodwill no longer amortised (a)	2,827			
Property, plant and equipment (b)	(2,454)	(2,454)		
Share based payments (c)	(226)		(226)	
Reclassify government grant (d)	(700)			
Business combinations (e)	4,745			
Tax adjustments (f)	(77)	(117)	(1,424)	
Adjustments to other reserves net of tax				
Asset revaluation (f)	(2,797)			
Share based payments (c)	226		226	
Cash flow hedges (g)	(2,103)		(767)	
Total equity under AIFRS	122,285	92,337	88,338	79,596

(B) RECONCILIATION OF PROFIT BEFORE TAX UNDER PREVIOUS AGAAP TO THAT UNDER AIFRS

	CONSOLIDATED	THE COMPANY
	30 JUNE 2005 $'000	30 JUNE 2005 $'000
Prior year profit before tax as previously reported	36,926	13,913
Goodwill no longer amortised (a)	2,827	-
Share based payment expense (a)	(226)	(226)
Reclassify government grant (d)	(700)	-
Business combinations (e)	4,745	
Prior year profit before tax under AIFRS	43,572	13,687

34 Impact of adoption of AIFRS (continued)

(C) NOTES TO RECONCILIATIONS

(a) Goodwill

The consolidated entity has applied AASB 3 to all business combinations that have occurred since 1 July 2004 (the date of transition to AIFRS) but elected not to restate business combinations that occurred prior to that date. Goodwill arising from business combinations since 1 July 2004 is no longer amortised under AIFRSs, but is tested annual for impairment.

The effect of the change is an increase in the carrying amount of goodwill by $2,827,000 and an increase in profit before tax of $2,827,000 for the financial year ended 30 June 2005. There is no tax effect as deferred taxes are not recognised for temporary differences arising from goodwill for which amortisation is not deductible for tax purposes.

(b) Property, plant and equipment

The consolidated entity elected to measure property, plant and equipment (other than land and buildings) on transition to AIFRS at fair value and has used that fair value as the item's deemed cost at that date. The effect of the revaluation to fair value for property, plant and equipment previously held at cost is a decrease in the carrying amount of property, plant and equipment by $3,507,000 at 1 July 2004. These adjustments also resulted in an increase in deferred tax assets of $287,000 and a decrease in deferred tax liabilities of $766,000. The net effect of the adjustments on retained profits was a decrease of $2,454,000.

(c) Share based payments

For the financial year ended 30 June 2005, share-based payments of $226,000 (included in employee benefit expenses) which were not recognised under AGAAP were recognised under A-IFRS, with a corresponding increase in the employee equity benefits reserve. This adjustment had no material tax or deferred tax consequences.

(d) Government grants

Under AGAAP, the consolidated entity recognised revenue received from government grants in relation to the construction of property, plant and equipment as revenue. Under AIFRS, the government grant is recognised as deferred income, and used to offset future depreciation charges. Accordingly, revenue and net profit before tax for the financial year ended 30 June 2005 has been decreased by $700,000, and deferred income of $700,000 has been recognised as a non-current liability.

(e) Business combinations

Under AGAAP, the consolidated entity recognised any excess of assets and liabilities acquired on the purchase of a business as a discount on acquisition, which was applied as a reduction across the assets acquired in the business combination. Under AIFRS if the acquisition price is less than the fair value of the net assets acquired a profit on acquisition arises and is recorded in the income statement. Accordingly, the profits arising on business combinations for the financial year ended 30 June 2005 of $4,745,000 have been recognised as revenue in the income statement, with a corresponding increase in intangible assets.

(f) Deferred taxes

Under superseded policies, the consolidated entity adopted tax-effect accounting principles whereby income tax expense was calculated on pre-tax accounting profits after adjustment for permanent differences. The tax-effect of timing differences, which occur when items were included or allowed for income tax purposes in a period different to that for accounting were recognised at current taxation rates as deferred tax assets and deferred tax liabilities, as applicable.

Under A-IFRS, deferred tax is determined using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and their corresponding tax bases.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2006 (continued)

34 Impact of Adoption of AIFRS (continued)

(C) NOTES TO RECONCILIATIONS (CONTINUED)

(g) Hedges

Cash flow hedges

Under AGAAP, unrealised gains or losses on unexpired foreign exchange contracts were included in other assets or other liabilities. Under AIFRS unrealised gains or losses are included in other reserves as the contracts hedge future purchases and qualify for hedge accounting.

Under AGAAP interest rate swaps were not recognised in the balance sheet, rather net receipts and payments were recognised as an adjustment to borrowing costs when paid. Under AIFRS unrealised gains or losses are included in other reserves as the interest rate swaps qualify for hedge accounting.

(D) EXPLANATION OF MATERIAL ADJUSTMENTS TO THE CASH FLOW STATEMENT FOR 2005

There are no material differences between the cash flow statement presented under AIFRS and the cash flow statement presented under previous AGAAP.

Directors' Declaration

In the opinion of the Directors of Transpacific Industries Group Ltd ("the Company"):

(a) the financial statements and notes, including the remuneration disclosures that are contained on pages 25 to 30 of the Remuneration report in the Directors' Report), set out on pages 34 to 92 are in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the financial position of the Company and the consolidated entity as at 30 June 2006 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) the remuneration disclosures that are contained on pages 25 to 30 of the Remuneration report in the Directors' Report comply with Australian Accounting Standard AASB 124 *Related Party Disclosures*; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2006 pursuant to section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

T E Peabody
Chairman

B R Brown
Deputy Chairman

Brisbane, 18 September 2006

Independent Audit Report to Members of Transpacific Industries Group Ltd

Scope

THE FINANCIAL REPORT, REMUNERATION DISCLOSURES AND DIRECTORS' RESPONSIBILITY

The financial report comprises the income statement, statement of recognised income and expense, balance sheet, and cash flow statement, accompanying notes to the financial statements and the directors' declaration of Transpacific Industries Group Ltd (the Company) and Transpacific Industries Group Ltd and controlled entities (the consolidated entity) for the year ended 30 June 2006. The consolidated entity comprises both the company and the entities it controlled during the year.

The Company has disclosed information about the remuneration of directors and executives ("remuneration disclosures"), as required by Australian Accounting Standard AASB 124 Related Party Disclosures, under the heading "Remuneration Report" in pages 25 to 30 of the Directors' Report as permitted by the Corporations Regulations 2001.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The directors are also responsible for the remuneration disclosures contained in the Directors' Report.

AUDIT APPROACH

We conducted an independent audit in order to express an opinion to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement and the remuneration disclosures in the Directors' Report comply with Australian Accounting Standard AASB 124. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, Australian Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows and whether the remuneration disclosures comply with Australian Accounting Standard AASB 124.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report and remuneration disclosures in the Directors' Report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration set out on page 33 of the financial report has not changed as at the date of providing our audit opinion.

Audit Opinion

In our opinion,

1. the financial report of Transpacific Industries Group Ltd is in accordance with:

(a) the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2006 and of their performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements in Australia.

2. the remuneration disclosures that are contained in pages 25 to 30 of the Directors' Report comply with Australian Accounting Standard AASB 124.

Bentleys MRI

Martin Power

Bentleys MRI
Brisbane Partnership

P M Power
Partner

Brisbane
18 September 2006

Top 20 shareholders as at 31 August 2006	No. of shares	% Held
Tandom Pty Ltd	39,740,566	19.50
Brenzil Pty Ltd	36,527,045	17.93
Filmore Limited	25,732,389	12.63
J P Morgan Nominees Australia Limited	16,525,045	8.11
JJ Richards & Sons Pty Ltd	8,798,526	4.32
ANZ Nominees Limited (Income Reinvest Plan A/C)	8,584,930	4.21
National Nominees Limited	5,650,980	2.77
ANZ Nominees Limited (Cash Income A/C)	5,325,184	2.61
Cogent Nominees Pty Limited	4,386,420	2.15
Westpac Custodian Nominees Limited	4,386,420	2.10
Suncorp Custodian Services Pty Limited	2,087,845	1.02
Fordson Flats Pty Ltd	1,712,983	0.84
Citicorp Nominees Pty Limited (CFS Future Leaders Fund A/C)	1,509,613	0.74
Warbont Nominees Pty Ltd (Unpaid Entrepot A/C)	1,388,524	0.68
AMP Life Limited	1,255,471	0.62
UBS Nominees Pty Ltd	1,150,653	0.56
UBS Wealth Management Australia Nominees Pty Ltd	1,050,744	0.52
Cogent Nominees Pty Limited (SMP Accounts)	1,049,082	0.51
Citicorp Nominees Pty Limited (CFSIL CWLTH AUST SHS 5 A/C)	976,688	0.48
Citicorp Nominees Pty Limited	946,374	0.46
Report Total	**168,677,629**	**82.78**
Remainder	**35,079,072**	**17.22**
Grand Total	**203,756,701**	**100.00**

Substantial shareholders

The number of shares held by substantial shareholders as disclosed in the substantial shareholding notices given to the Company as at 31 August 2006 were:

Tandom Pty Ltd	39,740,566	19.50
Brenzil Pty Ltd	36,527,045	17.93
Filmore Limited	25,732,389	12.63
ING Australia Holdings Limited and related companies	25,888,452	12.71
Total	**127,888,452**	**62.77**

An entity has a substantial shareholding if the total votes attaching to shares in which the entity and their associates have a relevant interest is 5% or more. The list of the twenty largest shareholders is based on the number of shares held in the name of each shareholder (not including their associates), even if the shareholder does not have a relevant interest in the shares, for example, because the shareholder holds the share as a nominee. The list of the twenty largest shareholders of the Company and the list of substantial shareholders of the Company differ for this reason.

Statement of Quoted Securities

The Company's total number of shares on issue as at 31 August 2006 is 203,756,701 ordinary fully paid shares. At 31 August 2006 the total number of shareholders owning these shares was 5,526 on the register of members maintained by Computershare Investor Services Pty Ltd.

82.78% of total issued capital is held by or on behalf of the twenty largest shareholders.

Voting rights

Under the Company's constitution, every member entitled to vote who is present at a general meeting of the Company in person or by proxy or by attorney or in the case of a corporation, by representative, shall, upon a show of hands, have one vote only.

Where a member is entitled to cast two or more votes it may appoint not more than two proxies or attorneys.

Poll – On a poll, every member entitled to vote shall, whether present in person or by proxy or attorney or, in the case of a corporation, by representative, have one vote for every share held by the member.

At 31 August 2006, there were options over 15,125,000 unissued ordinary shares. 8,175,000 options are held by Non-executive directors and executives of the Corporate group (excluding the Executive Chairman) granted under the Transpacific Executive Share Option Plan. 6,950,000 options are held by Brenzil Pty Ltd under an option deed. There are no voting rights attached to unissued ordinary shares. Voting rights will be attached to the unissued ordinary shares when the options have been exercised.

Distribution Schedule of Shareholders

No. of shares:	1 – 1000	1,001 – 5,000	5,001 – 10,000	10,001 – 100,000	100,001 and over
No. of shareholders:	**1,410**	**2,869**	**740**	**442**	**65**

The number of shareholders each holding less than a marketable parcel of the Company's ordinary shares at 31 August 2006 was 54.

Shares subject to voluntary escrow

The Company has entered into a restriction deed with Brenzil Pty Ltd, Tandom Pty Ltd and Filmore Limited which collectively own 50% of the issued share capital of the Company. Under the restriction deed, these shareholders agree not to dispose of or agree or offer to dispose of the shares held by them as set out below for a period of 18 months from the date of official quotation on ASX (3 May 2005) of the shares in the Company. The escrow period ends 3 November 2006.

	No. of restricted shares
Tandom Pty Ltd	39,740,566
Brenzil Pty Ltd	36,527,045
Filmore Limited	25,732,389

Stock Exchange listing

The shares of Transpacific Industries Group Ltd are listed on the Australian Stock Exchange under the trade symbol TPI, with Brisbane being the home exchange.

Corporate Information.

Directors:
Terry Peabody
Executive Chairman and Director.

Howard Wilson
Chief Executive Officer
and Executive Director.

Bruce Brown
Deputy Chairman and
Non-Executive Director.

Graham Mulligan
Non-Executive Director.

Bruce Allan
Non-Executive Director.

Harold Grundell
Executive Director.

Company Secretary:
Kellie Smith.

Registered Office:
Level 1
159 Coronation Drive
Milton QLD 4064

Auditors:
Bentleys MRI Brisbane Partnership
Level 26, AMP Place
10 Eagle Street
Brisbane QLD 4000

Share Registry:
Computershare Investor
Services Pty Limited
Level 19, 307 Queen Street
Brisbane QLD 4000
Enquiries: 1300 552 270
(within Australia)
Telephone: 61 7 3237 2100
www.computershare.com.au

Website:
www.transpacific.com.au

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INDUSTRIES GROUP LTD