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Waste Management

Waste Management NZ Limited announces joint venture of Victorian liquid business with Transpacific Industries Group Ltd

Waste Management (WAM) wishes to advise that, with effect from 1 April 2006, it has agreed with Transpacific Industries (TPI) to conduct their respective Victorian liquid waste businesses as an unincorporated joint venture arrangement. The joint venture will comprise WAM assets, including the Hines, Clean Earth and Albury facilities, valued into the joint venture at A$28 million and TPI's liquid treatment facility at Dandenong, which it recently purchased from Nuplex.

Each party will "pool" its assets so entry into the joint venture will not have a material impact on WAM's balance sheet. However, the 50/50 sharing is expected to generate future benefits by moving the focus from plant operations to business development as well as securing significant synergies.

The joint venture concept was initiated by WAM following TPI's acquisition of the Nuplex facility in late 2005, but negotiations were put on hold pending an initial assessment of the announcement of the Cleanaway sale by Brambles and during the course of the recent parent companies' merger negotiations The rationale for the transaction is unchanged even with the merger transaction in the process of going to a shareholders meeting for shareholders approval. The joint venture is consistent with our intentions foreshadowed by comments to the market and in the latest Annual Report that the company was focussed on extracting better returns on its capital invested in Australia.

The annual meeting of shareholders is planned for 17 May.