

2008 Sustainability Highlights



We do what's right



Transfield Services Infrastructure Fund scored four stars out of five on the 2008 WWF Australian Power Generators Carbon Future Score Card. The score card measures the carbon rating of Australia's power generators and their commitment to lowering their carbon emissions.



In Australia, Melbourne's first wind powered tram began running on the busy St Kilda Beach to East Brunswick Route 96. As operator of Yarra Trams, wind powered trams are part of Transdev TSL's commitment to renewable energy options that can help deliver more sustainable public transport in Melbourne.

it's a RAP

We developed our Reconciliation Action Plan (RAP) which will be launched in 2009. The RAP commits us to embedding Indigenous Participation throughout the business and providing long-term, sustainable employment, training, education and business opportunities for Indigenous people and their communities.



We recruit our people locally wherever possible, but sometimes a shortage of skilled labour means we have to look further. This can mean opportunities for our people to work overseas, or the need for a specific overseas recruitment program. Because we care for our people, we help our employees settle into their new job and homelands. For example, in 2007/08, a shortage of skilled telecommunications workers in New Zealand led to the need to set up a special recruitment program, in which we included an introduction to local and Maori language, culture and customs.



Our USM facilities management team in North America has saved a major US retailer millions of dollars in energy costs. The team designed a solution to reduce unnecessary light and energy consumption in the client's homewares speciality stores.



Our joint venture TransdevTSL, operator of Brisbane Ferries, won the Queensland medium business category of the Australian Service Excellence Awards 2007/08 that recognise excellence, professionalism and outstanding achievements in customer service.

hold the phone

We encourage our people from all levels of the business to come up with sustainability ideas; it all adds up. One of these great initiatives came from our employees at Transfield Services Transportation Infrastructure in North America who are donating their used mobile phones to the Safe Harbor Women's Shelter in Richmond, Virginia. In the case of an emergency, the women can use the phones to call for help.

Our wind farms group has been working hard to develop our first project, a 130 MW wind farm at Barn Hill in South Australia with construction expected to begin in late 2009. This has the potential to generate enough electricity to power the equivalent of more than 82,000 homes.



An innovative turbine blade upgrade of our Townsville Power Station in Queensland is producing more energy using less gas. The improved efficiency of the power station is also reducing greenhouse gas emissions by up to 30 tonnes per day. This figure is based on producing the same amount of power as in 2008.

\$100,000+

In 2008, Transfield Services donated \$117,000 in financial support to Save the Children. This included \$17,000 raised by one of our senior executives, Mark Righini, who rode a bicycle 430 kilometres through Vietnam to see first-hand the work of our corporate charity in local communities.



Working to become a
Better Service Provider • Better Employer • Better Neighbour

www.transfieldservices.com

Health, Safety and Sustainability

The last year has been a severe test as companies seek to sustain their businesses in a very difficult financial environment. It was important for Transfield Services to remain focused on keeping the business viable from a financial point of view – which was achieved – whilst keeping the company's strong historical focus on its customers, the communities in which it works, the environment, and importantly, the safety of our people.

Safety is our number one priority. The safety performance of the company, as indicated by accident statistics, continued to improve. Tragically, despite our commitment, experience and best efforts, two people died in September 2008 at two separate client sites in India where our Hofincons subsidiary was working. The deaths of two of our team members were deeply upsetting to the Board and the entire team. Decisive steps have been taken to seek to avoid any such future incidents.

The company supports the Australian Government's introduction of a Carbon Pollution Reduction Scheme. Transfield Services Infrastructure Fund is investing in wind farm development and we are carefully monitoring and moderating the emissions from our coal and gas-fired power station portfolio.

A number of important community engagement initiatives have been undertaken in our major operations. Specifically, we are seeking to ensure that we optimise the number of jobs and economic activity that each of our contracts contribute to local communities.

The energy and the enthusiasm for sustainability in Transfield Services is invigorating and stimulating for me. I congratulate the Board and management for their commitment to these underpinning facets of our business.

Bernard Wheelahan
Chairman of the Health, Safety and Sustainability Committee

You can read the full text of this message online in the 2009 Transfield Services Sustainability Report at www.transfieldservices.com

Our Values

- We lead the way
- We care for each other
- We do what's right
- We take responsibility

Better Neighbour

We take responsibility

We work hard at becoming a Better neighbour. We take responsibility and try to find better ways to do things in every part of our business.

Community Engagement

Transfield Services is committed to engaging with the communities in which we operate. We work hard to determine the most appropriate approach to working with communities and develop programs that achieve mutually beneficial outcomes for the community, our clients and our company. Many of our Community Engagement Programs focus on young people and training.

Indigenous Participation

The Transfield Services Australian Indigenous Participation Program and the Reconciliation Action Plan, which was developed in 2008, are designed to support urban, regional and remote Indigenous people and their communities.

Better Employer

We care for each other

Becoming a Better Employer is an investment that yields competitive advantage and an energised organisation. Investing in our people creates value and drives the Company's long-term success.

Recently we asked some of our people what made Transfield Services a Better Employer.

Four key themes emerged consistently across all our regions and industries:

- A sense of belonging
- A drive for excellence
- Opportunities to grow
- Mutual respect, trust and support

We will continue to work relentlessly to be a better employer that attracts, retains and develops skilled people who are driven by integrity and determined to deliver high quality services.

Better Service Provider

We lead the way

We deliver your essential services. We work in close partnerships with our clients to achieve mutually rewarding outcomes. And we constantly strive to be a Better Service provider.

Wind farms

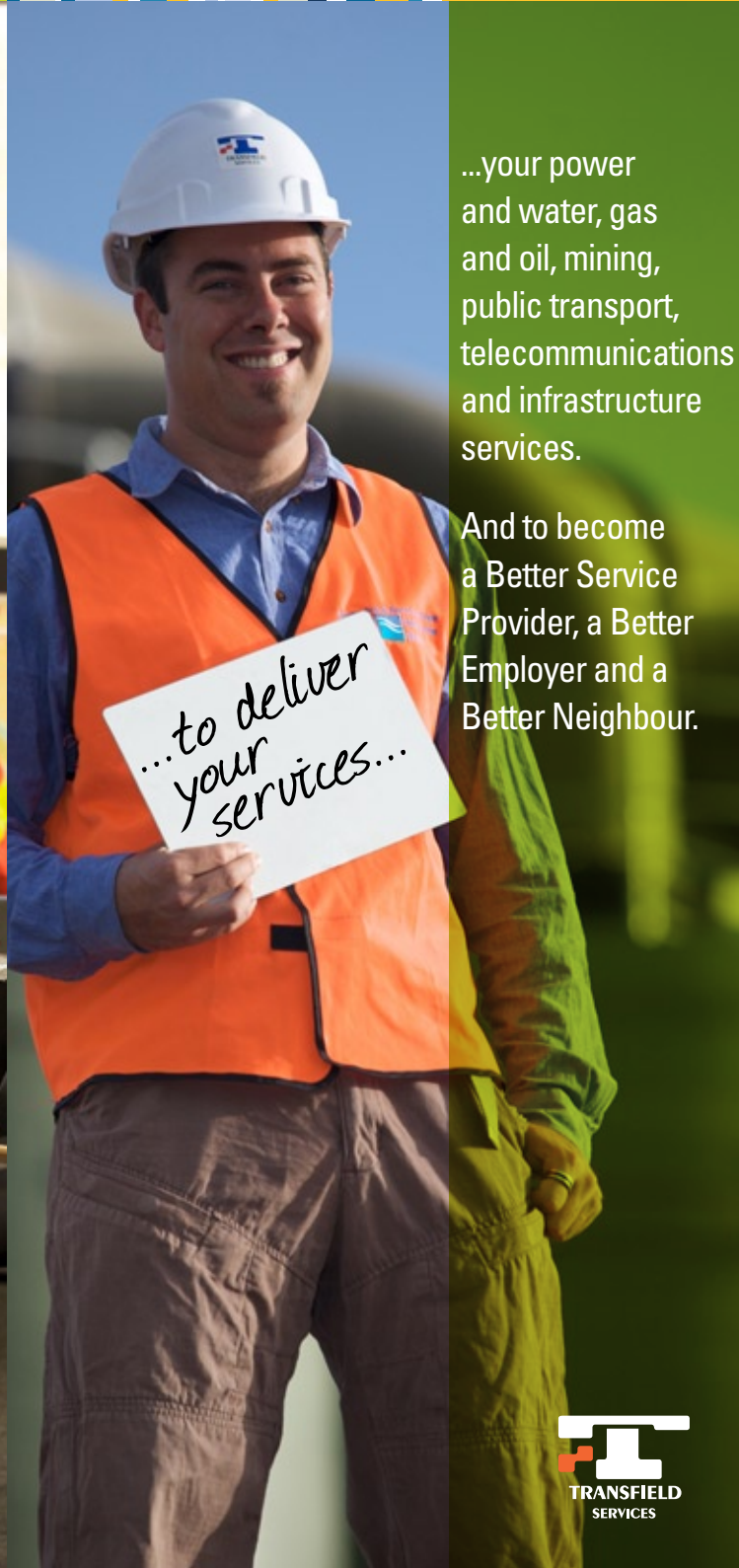
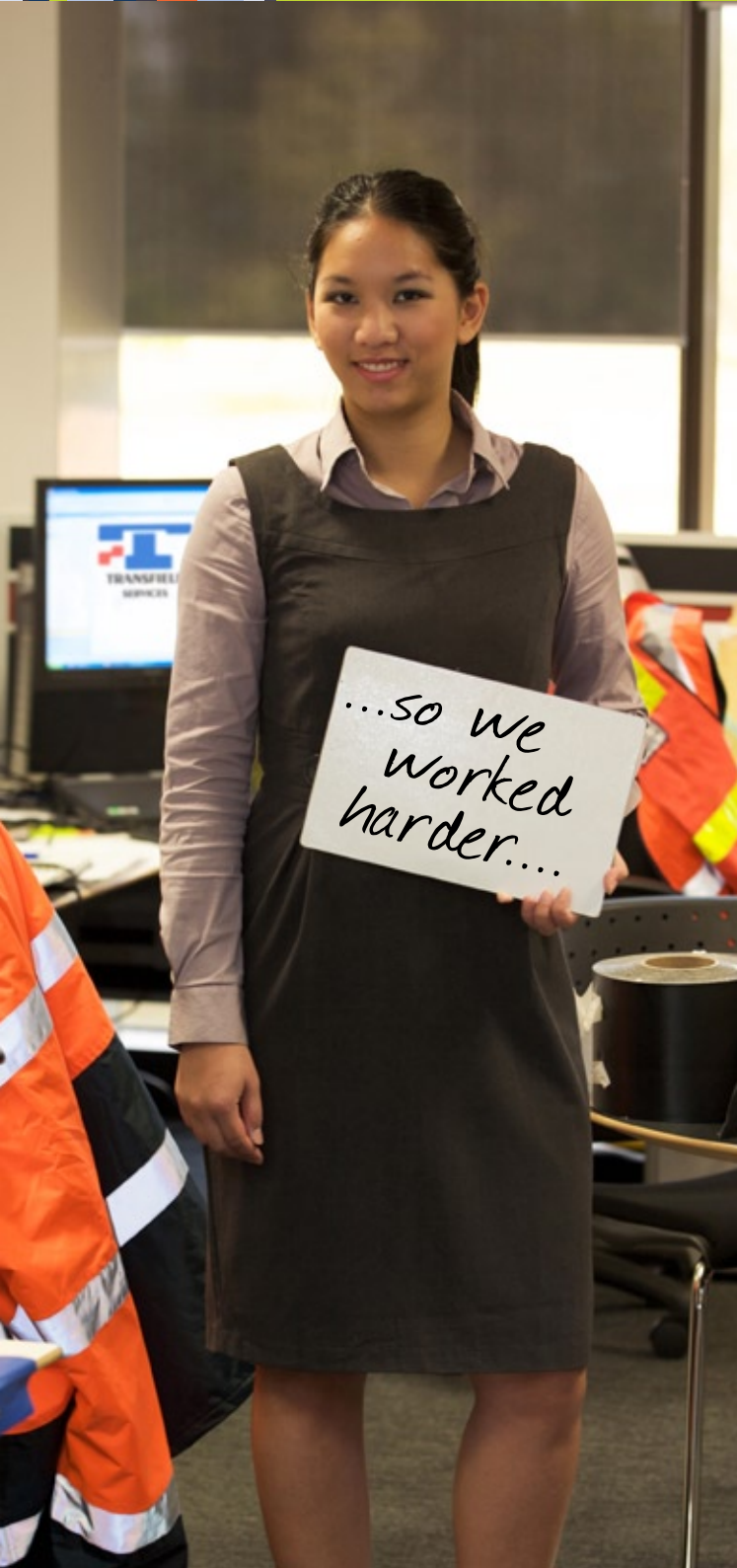
Renewable energy is becoming increasingly important with the need to reduce carbon emissions. In December 2007, Transfield Services Infrastructure Fund (TSI Fund) purchased four wind farms located in Victoria, South Australia and Queensland with an installed capacity of 137 MW. This has the potential to generate enough electricity to power the equivalent of more than 62,000 homes. At the same time, Transfield Services purchased the development rights to 13 wind farm sites across Australia with a potential installed capacity of up to 1,000MW. This has the potential to generate enough electricity to power the equivalent of more than 400,000 homes.

In the first 12 months of ownership, the Transfield Services asset management team has increased the operating time of TSI Fund's operating wind farms from 90 per cent to 95.6 per cent, and has increased the average daily output from 676MWh/day to 902MWh/day, making renewable energy available to another 12,750 households.

You can read the entire 2009 Transfield Services Sustainability Report online at www.transfieldservices.com

Sustainability '09





...your power and water, gas and oil, mining, public transport, telecommunications and infrastructure services.

And to become a Better Service Provider, a Better Employer and a Better Neighbour.

A message from Peter Watson

We have helped build Australia as a nation for the past 50 years. Our expert skills and know-how continue to maintain and improve Australia's infrastructure. It's humbling to know that the essential services we provide help keep towns and countries running.

Our work touches people around the world through our operations in Australia, New Zealand, the Gulf Region, India, South America, the United States and Canada. Our 29,000 strong team creates our success.

2008 was a tough year for everyone; so we worked harder. We have a solid business delivering essential services to the infrastructure, resources and industrial and facilities management sectors. We are still experiencing sustainable growth. We have a record level of work in hand. We are looking to new horizons; our wind farm projects are one example.

Our business model is sound and sustainable. We have demonstrated our resilience during 2008 and are confident that Transfield Services will continue successfully in the years ahead.

Peter Watson
Outgoing Managing Director and Chief Executive Officer

You can read the full text of this message online in the 2009 Transfield Services Sustainability Report at www.transfieldservices.com

A message from Managing Director and Chief Executive Officer, Peter Goode

I took over as MD and CEO of Transfield Services on 30 March, 2009. I am a strong advocate for sustainability initiatives and will be working hard with the team to improve on our performance in the coming years.

Thank you for your support and interest in Transfield Services.

Peter Goode
Managing Director and Chief Executive Officer



Turn over for our Sustainability Poster!

