

A worker in a blue uniform and green hard hat is working on a yellow metal structure at an industrial site. The worker is wearing a blue uniform with reflective stripes, a green hard hat, and yellow gloves. They are holding a yellow hose. The background shows a complex industrial structure with pipes and scaffolding.

# 09 ANNUAL REVIEW

## TRANSFIELD SERVICES LIMITED

For the year ended 30 June 2009

This document should be read in conjunction with Transfield Services 2009 Annual Report at [www.transfieldservices.com](http://www.transfieldservices.com)

## Highlights

### Resources & Industrial

New **Carter Holt Harvey** contract for NZ\$85 million over five years.

FT Services won C\$110 million worth of new work with **Canadian Natural** and **Shell Canada**.

New three-year \$90 million contract with **Vale Inco Nouvelle-Calédonie**.

Transfield Worley TRAGS joint venture secured US\$117 million worth of maintenance and shutdown work with long-term client **RasGas**.

### Infrastructure Services

Our Water business' revenue grew 52 per cent.

A power boost of \$170 million over five years with **Jemena**.

**Chorus** contract worth NZ\$1 billion over 10 years.

Renewed **Transpower** contract for NZ\$200 million over five years.

US\$87 million worth of new contracts and renewals with government clients in Transportation Infrastructure.

### Property & Facilities Management

\$30 million worth of work in housing funded by government stimulus packages in 2008.

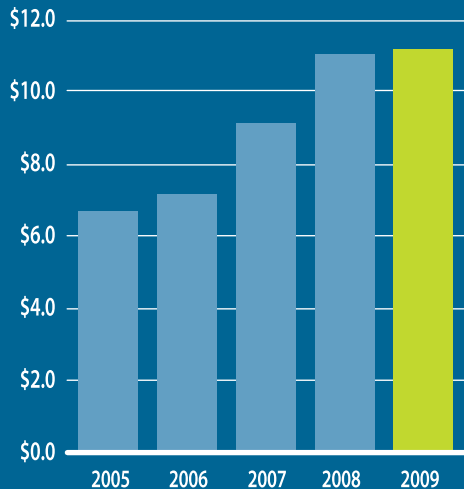
Extended **Housing New Zealand** contract for NZ\$24 million over 12 months.

US\$200 million of new work with household retail clients including **Michaels** and **Kmart**.

Three-year \$14.5 million contract with **Qatar Investment & Projects Development Holding Company**.

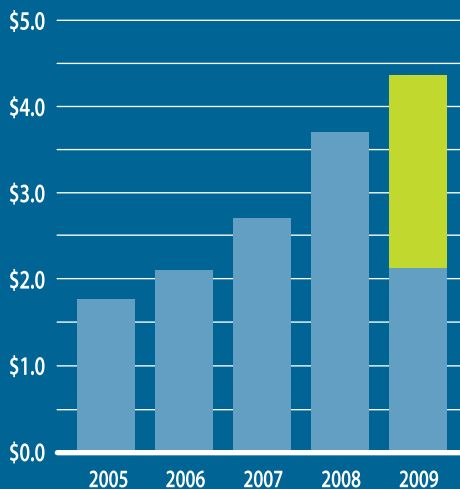
## WORK-IN-HAND

# \$11.1 billion



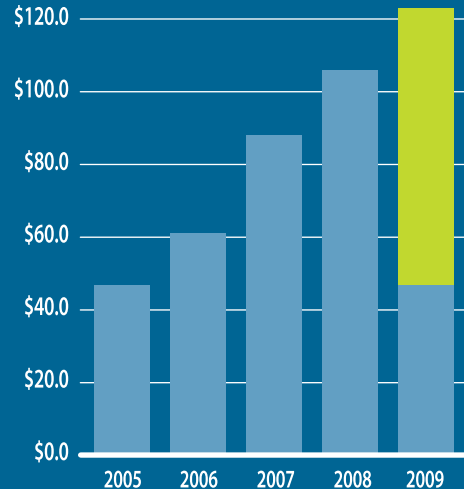
## REVENUE#

# \$4.32 billion



## NET PROFIT AFTER TAX\*\*

# \$123.6 million



\* Pre-amortisation and impairment charge.

# All financials are based on proportionately consolidated accounts. They include revenue and expenses from our joint ventures and associates on a line-by-line basis, unless otherwise indicated.



## Chairman's Letter to Shareholders#

Our resilient business model delivered quality results with continuing demand for our essential services as the maintenance of clients' key infrastructure remained a priority.

With \$11.1 billion work-in-hand, we are well positioned to grow this figure by capturing opportunities in the emerging markets and in North America as that market recovers.

This process is being led by new Managing Director and Chief Executive Officer, Peter Goode, who has led the team to deliver a stronger second half financial result for the Company.

The Company exceeded market guidance, with an underlying Net Profit After Tax increase of 16.6 per cent to \$123.6 million for the year to 30 June 2009 (pre-amortisation and impairment charge). Including amortisation and the impairment charge, the Company reported a Net Loss After Tax of \$55 million.

In July 2009, Transfield Services announced an impairment charge of A\$148.4 million (post-tax) on our North American Facilities Management subsidiary, USM, due to deteriorating economic conditions and higher risk premiums specific to USM. The USM business is well positioned to take advantage of a recovering economy with its improved service offering to major retail clients.

The Board declared a fully franked final dividend of 7.25 cents per share, payable on 12 October 2009, bringing the full year dividend to 12 cents per share.

The Company's full year net debt of \$389 million has been reduced by \$195 million on the prior comparable period due to ongoing capital management initiatives and strong cash generation from each region.

The capital raising in November 2008 was essential to strengthening our balance sheet – we raised \$267 million through a pro-rata rights issue and institutional placement and completed a new US\$367 million banking facility maturing in January 2012. Net debt to EBITDA ratio decreased from 2.98 to 1.73 times.

I am overseeing the Board renewal process with the objective of ensuring the Board continues to be independent, experienced and suitable for a global company.

Mr Jagjeet (Jeet) Bindra was appointed to the Board as an independent non-executive Director of the Company in July 2009. Jeet has more than 35 years' international experience in all segments of the energy industry. I would like to thank

David Sutherland for his contribution to the Board. David resigned from the Board in July 2009 due to family commitments.

Transfield Services' multi-sector, multi-regional approach, which is underpinned by long-term relationships with blue-chip and government clients will continue to sustain us. We are well positioned to capitalise on emerging opportunities across key markets, including renewable energy, liquefied natural gas, infrastructure and electrical services.

Thank you for your ongoing support.

**Anthony F. Shepherd**  
Chairman



## Managing Director and CEO's Letter to Shareholders#

We are a world class maintenance company that maintains the essential assets of our customers. Our position is strong in the market place and we are well positioned for growth in a wide range of industries globally.

Our business and quality earnings delivered the growth we said we would deliver, with underlying NPAT growth of 16.6 per cent. Particularly pleasing was the strong cash result, with \$80 million of free cash flow after financing costs, capex and dividends paid. Work-in-hand remained strong at \$11.1 billion.

Revenue including joint ventures was \$4.32 billion, up 18 per cent on the prior comparable period. Services EBITA grew by 14.1 per cent to \$179 million, driven by higher contributions from our Emerging Markets and New Zealand businesses and our investment in Transfield Services Infrastructure Fund (TSI Fund).

The Australian business' EBITA margin held despite the slowdown in the Resources and Industrial sector. New Zealand business revenue increased by 4.7 per cent to \$560.6 million and EBITA grew by 22.7 per cent to \$18 million, with margins increasing from 2.7 per cent to 3.2 per cent.

North American revenue grew by 48.9 per cent to \$1.5 billion and EBITA grew by 33.3 per cent to \$69.2 million. Margins

were lower due to the tough economic conditions the business experienced. Revenue from the Middle East, Asia, the Pacific, India and Chile grew by 117 per cent to \$179.7 million and EBITA increased by 85.4 per cent. The profit contribution from TSI Fund increased to \$12.3 million for the year.

The resilience of our business is founded on industry and geographic diversity and the strength, length and quality of our client relationships and our client base.

In Australia, we secured additional work with long-standing clients, the Australian Rail Track Corporation and Housing NSW, through government stimulus packages. We also won and extended contracts with South East Water, Genesee and Wyoming Australia, RailCorp, BHP Billiton, Jemena and Delta Electricity. We sold two of our wind farm developments to AGL for \$9 million and have rights of first negotiation for potential construction management opportunities for the Queensland Barn Hill project.

In New Zealand, we renegotiated our contract with Chorus, the fixed voice and broadband network division of Telecom New Zealand, for NZ\$1 billion over 10 years and signed our first contract in the pulp and paper industry with Carter Holt Harvey for its Tasman Mill site.

In North America, our FT Services joint venture secured an additional two-year, C\$12 million maintenance contract with Canadian Natural and a new two-year, C\$50 million asset management contract with Shell Canada. TIMEC delivered a strong second half performance, underpinned by cost savings initiatives. Our facilities management business USM also continued to win new clients as it streamlined its business while improving the services it provides to its customers.

My challenge is to ensure an exciting future for our shareholders, our clients and our employees. We will continue to build a global culture which is underpinned by diversity and opportunity as we work hard to improve the Company's business efficiency and increase our long-term competitiveness.

**Dr Peter Goode**  
**Managing Director and Chief Executive Officer**



## Annual General Meeting

Shareholders are advised that the 2009 Annual General Meeting of Transfield Services will be held on Wednesday, 4 November 2009 at 10.00am (AEST), at the AGL Theatre, Museum of Sydney, Corner Phillip and Bridge Streets, Sydney.



## Environmentally Friendly Shareholder Communications

Register at [www.etree.com.au](http://www.etree.com.au) to receive your shareholder communications electronically. We will then donate up to \$1 to Landcare Australia to support reforestation projects. Each dollar could establish two new trees in Australia.

## Contact Us

T: +61 2 9464 1000

E: [corporateaffairs@transfieldservices.com](mailto:corporateaffairs@transfieldservices.com)