

APPENDIX 4D

TRANSFIELD SERVICES INFRASTRUCTURE LIMITED
ACN 106 617 332
ASX Half-year information – 31 December 2009

Lodged with the ASX under Listing Rule 4.2A.
This information should be read in conjunction with the 30 June 2009 Annual Report.

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Transfield Services Infrastructure Limited

Half-year ended 31 December 2009

(Previous corresponding period:

Half-year ended 31 December 2008)

Results for Announcement to the Market

				\$ '000
Revenue from continuing operations <i>(Appendix 4D item 2.1)</i>	down	(4.5)%	to	86,294
EBITDA of TSI Fund - as per management report (1)(2)	up	6.7%	to	59,900
Profit from ordinary activities after tax attributable to stapled securityholders of TSI Fund - as per statutory report <i>(Appendix 4D item 2.2)</i>	Down	(24.1%)	To	6,049
Net Profit for the period attributable to stapled security holders of TSI Fund - as per management report (1) - as per statutory report <i>(Appendix 4D item 2.3)</i>	Up Down	4.4% (24.1%)	To To	8,319 6,049
Share of net profit of associates accounted for using the equity method	up	9.4%	to	3,388

1. Excludes Capital Structure Review costs of \$3.1 million, adjusted for tax where appropriate

2. Includes interest on shareholder loan notes

Note: As a result of the presentation of the financial information and associated analysis in the format necessary for this Appendix 4D, amounts presented in these accounts and associated notes may have been rounded differently. These differences are immaterial and do not effect the integrity of this report.

Transfield Services Infrastructure Limited

Half-year ended 31 December 2009

(Previous corresponding period:

Half-year ended 31 December 2008)

Explanation of Profit/ (loss) from ordinary activities after tax (*Appendix 4D item 2.6*)

The consolidated financial statements of Transfield Services Infrastructure Limited and its controlled entities (TSI Fund) have been prepared for the 6 month period to 31 December 2009. As the nominated Parent, Transfield Services Infrastructure Limited is the parent for TSI Fund.

REVIEW OF HY10 FINANCIAL RESULTS

EBITDA

TSI Fund's HY10 underlying EBITDA (including interest on shareholder loan notes and excluding one-off Capital Structure Review costs) was \$59.9 million, up 6.7% compared to \$56.1 million for HY09. The HY10 EBITDA result reflects:

- **Wind Farms:** a \$1.2 million increase in the contribution from wind farms compared to HY09 due to better wind across the portfolio, the improved pricing on Starfish Hill Wind Farm and the removal of the transmission constraint on Mt Millar Wind Farm evident during HY09 (collectively \$2.0 million), slightly offset by the non-recurrence of the profit on sale of Starfish Hill transmission equipment in HY09 (\$0.8 million). Wind farms contributed 22% of TSI Fund's total EBITDA before corporate costs for HY10 which is marginally higher than the prior comparable period.
- **Power Stations:** a \$1.8 million increase in contribution from thermal power stations, principally from the improved operational performance at Collinsville Power Station (\$1.2 million) and an increase share of profits from Kwinana Power Station (\$0.5 million). Townsville and Kemerton Power Stations continued to perform strongly and in line with expectations. Power stations contributed 76% of TSI Fund's total EBITDA before corporate costs for HY10 which is comparable with the prior corresponding period.
- **Water Filtration Plants:** a \$0.2 million reduction in the share of profits contribution from Macarthur and Yan Yean Water Filtration Plants for HY10
- **Corporate:** a \$1.0 million reduction in corporate costs in HY10 before Capital Structure Review costs

Revenue

Total revenue of \$86.3 million in HY10 was 4.5% lower than for HY09 largely due to a reduction in liquid fuel revenue at Kemerton Power Station. After normalising for liquid fuel revenues at Kemerton Power Station, operating revenue increased marginally from the previous comparable period. This was almost entirely due to wind farm revenue increasing to \$17.5 million from \$15.3 million (13.8%) with the thermal revenue results remaining in line with the prior comparable period.

Net Profit After Tax

Underlying net profit after tax (excluding the after tax impact of the Capital Structure Review) of \$8.3 million was \$0.3 million higher than for HY09. This reflects the general improvement in operating margins across the portfolio, and the non-recurrence of the profit from the sale of Starfish Hill transmission equipment. Net profit after tax per the statutory report was \$6.0 million.

Summary of Performance

TSI Fund's strong results for HY10 reflect the portfolio of high quality essential infrastructure assets that generate secure and predictable earnings and cashflows.

- The substantial majority of revenue is derived from long term, capacity-style contracts with government owned entities or other highly creditworthy counterparties. Projected revenues were over 90% contracted at the start of the financial year.
- TSI Fund contracted revenues are the equivalent of over 10 times FY09 revenue
- Earnings are diversified by asset, operation type, contract counterparty, fuel mix and geography
- TSI Fund's assets have a strong operational track record with low operational risk

Transfield Services Infrastructure Limited
Half-year ended 31 December 2009

(Previous corresponding period:
Half-year ended 31 December 2008)

Distributions <i>(Appendix 4D item 2.4)</i>	Date	Amount per stapled security	Franked amount per stapled security
Final distribution <i>(prior year)</i>	30/09/2009	7.0c	N/A
Interim distribution		6.0c	N/A
Record date for determining entitlement to the interim dividend <i>(Appendix 4D item 2.5)</i>	31/12/2009		
Payment date for interim distribution	31/3/2010		
Election date for determining participation in the DRP	9/3/2010		

The aggregate amount of the proposed interim distribution expected to be paid on 31 March 2010 but not recognised as a liability at the end of the half year is \$16,324,261 pre DRP. *(Appendix 4D item 5)*

Distribution Reinvestment Plan (DRP) *(Appendix 4D item 6.0)*

TSI Fund announced on 16 December 2009 that eligible securityholders will be able to participate in the DRP for the FY10 Interim Distribution payable on 31 March 2010. The DRP securities will be issued at a 5% discount to the daily volume weighted average market price per security of securities sold on the ASX during the 10 day trading period that commences on 10 March 2010 (Average Market Price). TSI Fund has the discretion to adjust the issue price if it considers that the Average Market Price does not represent the fair market value of TSI Fund securities. The election date for determining participation in the DRP is 9 March 2010.

The DRP has a potential dilutive effect on the weighted average number of securities used for calculating the diluted earnings per security as disclosed in the notes to the financial statements. No adjustment has been made to the diluted earnings per security for the impact of the DRP as the number of securities resulting from the DRP is dependant on future market prices of securities.

Supplementary Appendix 4D information

Earnings Per TSI Fund Security (EPS)	31/12/ 2009	31/12/2008 (restated)**
Basic earnings / (loss) per security	3.1 cents *	3.0 cents
Diluted earnings / (loss) per security	3.1 cents *	3.0 cents
Net Tangible Assets (NTA)		
Net tangible asset backing per ordinary security**	\$1.31	\$1.49
Average weighted number of securities on issue	270,924,378	266,725,000

* calculated as TSI Fund net profit after tax (before Capital Structure Review costs) of \$8.3 million divided by average weighted number of securities of 270.924m

** the net tangible asset backing per security is calculated after excluding all intangible assets and intangible liabilities.

*** restated as a result of IFRIC 12 which applies from the first accounting period commencing after 1 January 2008.

The reduction in NTA backing is primarily due to the capital (tax deferred) component of distributions paid over the period and the decrease in fixed and intangible assets following the impairment testing in June 2009.

Details of Associates

Group's share of associates:

	31/12/2009 \$'000	31/12/2008 \$'000 (restated)
Profit from ordinary activities before tax	3,971	3,772
Income tax on ordinary activities	(1,069)	(1,132)
Share of net profit of associates after tax	2,902	2,640

This table identifies the contribution of associates before tax to the results of the group. For accounting recognition purposes the share of profits booked for Macarthur and Yan Yean Water Filtration Plants is after income tax as their operations are by way of limited liability companies. The accounting contribution to share of profits for Perth Power Partnership (Kwinana) is before tax since it operates as a partnership. As the recipient of the pre-tax income, TSIL recognises the income tax liability for this component. This table is therefore for information purposes and will not reconcile to the share of profits booked for accounting.

Name	Ownership interest		Contribution to net profit after tax	
	31/12/2009 %	31/12/2008 %	31/12/2009 \$'000	31/12/2008 \$'000 (restated)
Macarthur Water	50%	50%	1,447	1,450
Yan Yean Water	50%	50%	(84)	123
Perth Power Partnership	30%	30%	1,539	1,067
			2,902	2,640