



FY10 Full Year Financial Results

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23 August 2010



- Highlights
- Financial Performance
- Asset Performance
- Outlook
- Summary



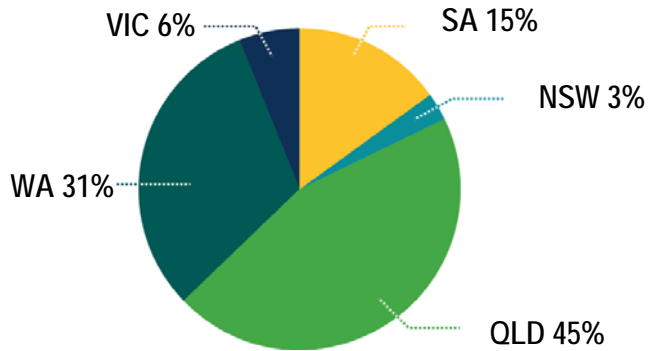
- **Quality assets continued to deliver solid operating performance**
 - Strong and reliable contribution from thermal power stations
 - Wind asset availability greater than 96 per cent
- **Pro forma FY10 EBITDA of \$103.6 million, ahead of forecast**
 - EBITDA from wind farms increased by 23 per cent
 - EBITDA margin improved 6.6 per cent year on year
 - Underlying FY10 EBITDA steady at \$114.5 million
- **FY10 Distributions of 10.0cps**
 - Final Distribution of 4.0cps brings total FY10 distributions to 10cps
- **Successful outcome of Capital Structure Review**

Capital Structure Review completed in June 2010

- Three key initiatives identified which were successfully carried out prior to financial year end:
 - Sale of Mt Millar Wind Farm for \$191 million, equivalent to \$2.7 million/MW
 - Reduction of debt and extended maturity to June 2015
 - Fully underwritten \$110 million equity raising
- Significant benefits delivered for TSI Fund:
 - Net debt reduced to \$462 million from \$728 million
 - Book gearing reduced to 52 per cent from 66 per cent
 - Net Debt / FY11F EBITDA = 4.8x
 - Platform to deliver sustainable distributions and improved ability to fund growth opportunities

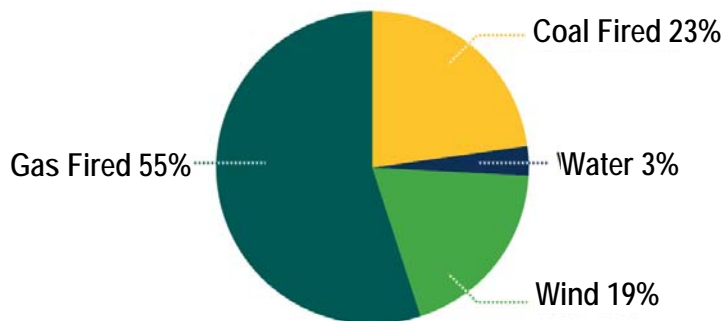
A portfolio of essential infrastructure assets

Asset split by geography

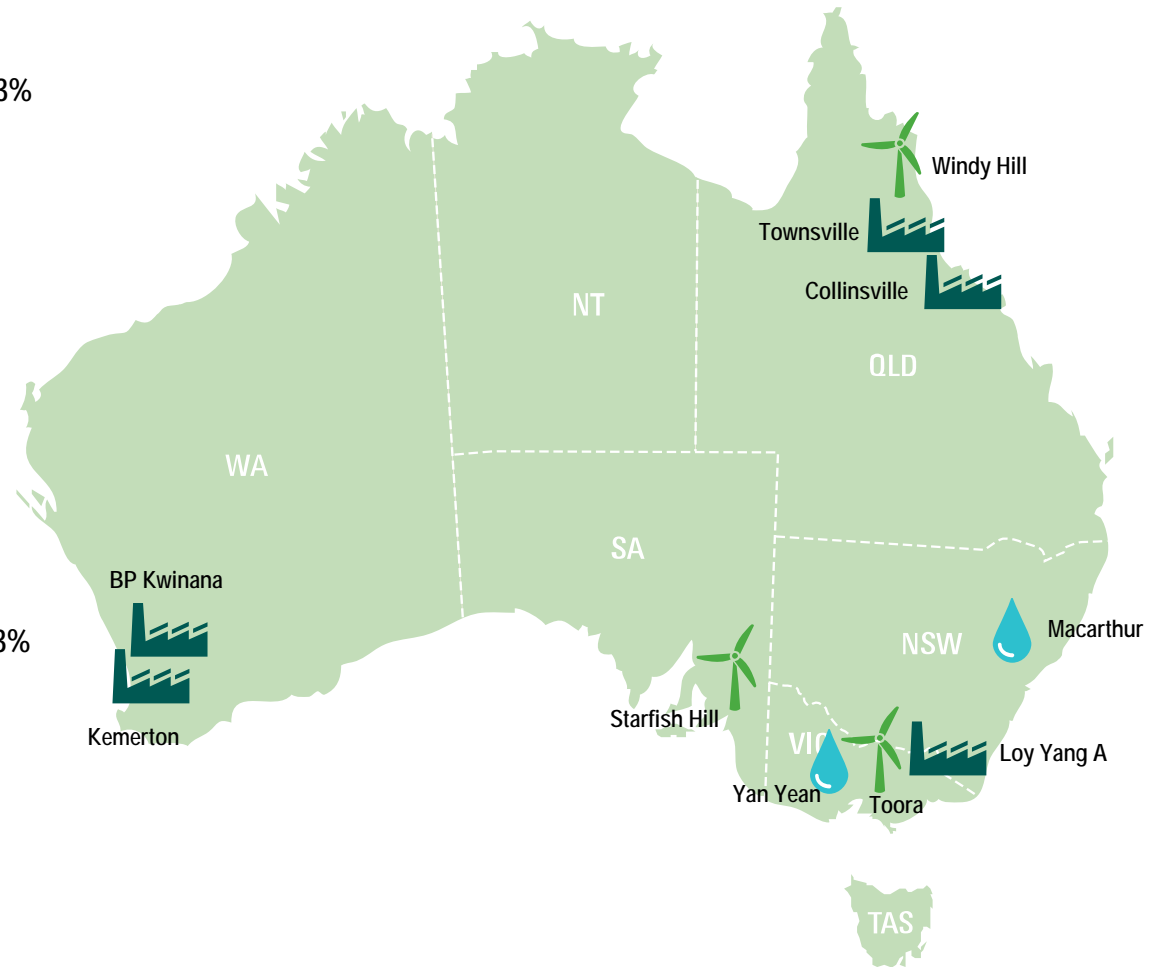


FY10 EBITDA contribution

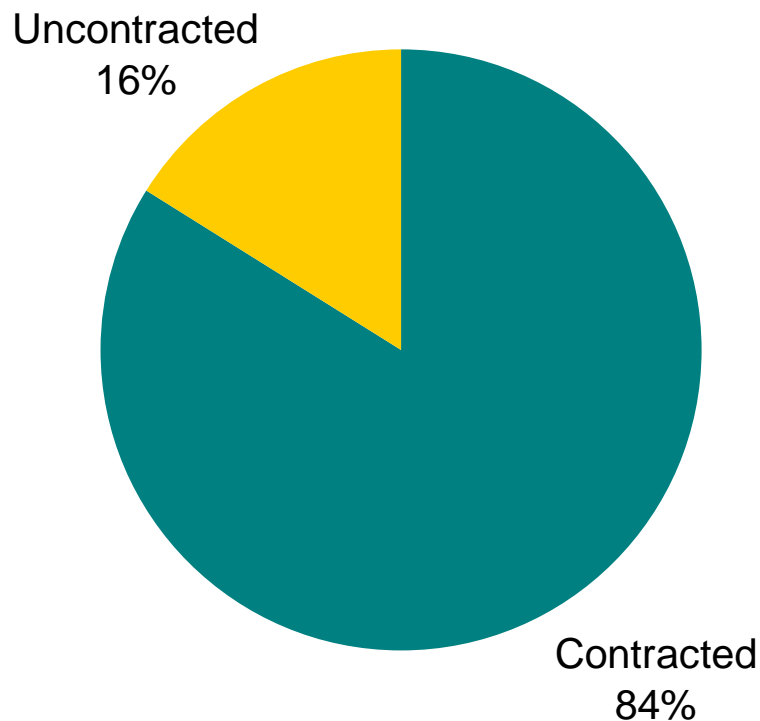
Asset split by fuel type



Geographic diversity



FY11 Revenue



- Majority of TSI Fund revenue from power purchase style contracts – limited fuel and energy volume risk
- 84 per cent ⁽¹⁾ of FY11 EBITDA derived from contracted revenue
- Weighted average remaining contract life of over 12 years ⁽²⁾

1. Calculated as the sum of contracted forecast FY11 EBITDA from controlled assets and TSI Fund's share of profits and investment income from contracted non-controlled investments divided by forecast FY11 EBITDA from all assets.

2. Calculated as the sum of forecast FY11 EBITDA for each asset multiplied by the remaining years under contract, divided by forecast FY11 EBITDA from all assets

- **Strong performance from wholly owned power stations**
 - Collinsville improved availability/reduced costs - delivering 7th consecutive year with no lost-time injuries
 - Kemerton and Townsville produced solid underlying performances following major upgrades in prior periods
- **EBITDA contribution from continuing wind farms up 23 per cent**
 - Combined fleet availability of over 96 per cent
 - Starfish Hill team received award from Asset Management Council
- **Loy Yang A Power Station – strong 1st HY**
 - Secured one of the largest power contracts in Australia’s history with Alcoa to 2036
 - Three distribution payments made totalling \$8.7 million
- **Kwinana Power Station – good but could have been better**
 - Bearing failure in May - minor impact
- **Macarthur and Yan Yean water filtration plants delivered to expectations**



Financial performance

FY10 Financial Performance

\$ 000	Year ended 30 June 10	Year ended 30 June 09	Change
Operating revenue	162,070	174,045	(6.9%)
Underlying EBITDA	114,536	115,196	(0.6%)
EBITDA margin	70.6%	66.2%	6.6%
Underlying net profit after tax	18,387	22,107	(16.8%)
Reported net (loss) after tax	(32,964)	(38,017)	13.3%

Note. Refer to Appendix for a more detailed explanation of FY10 financial performance

Underlying EBITDA steady with improved EBITDA margin

Key financial metrics

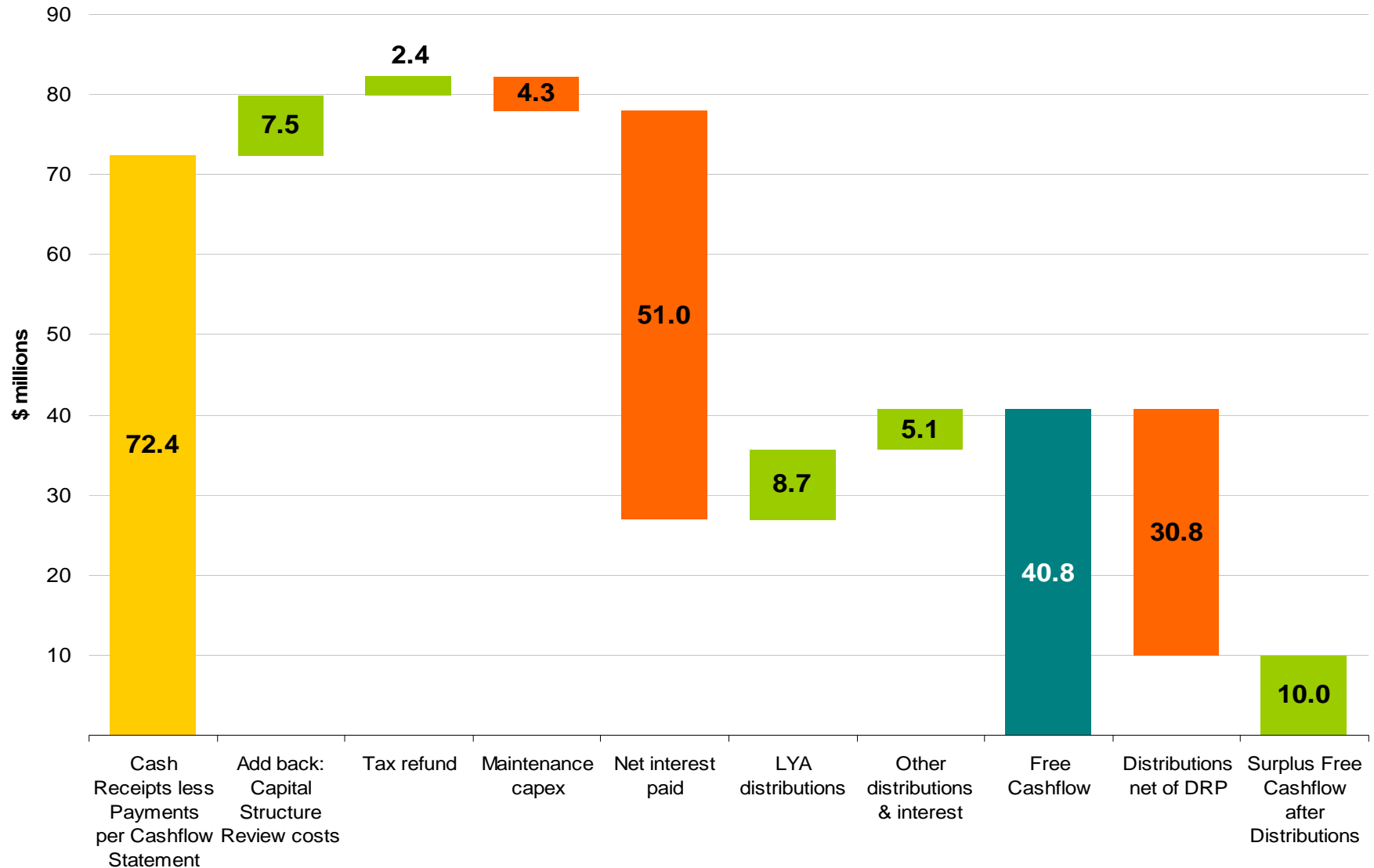
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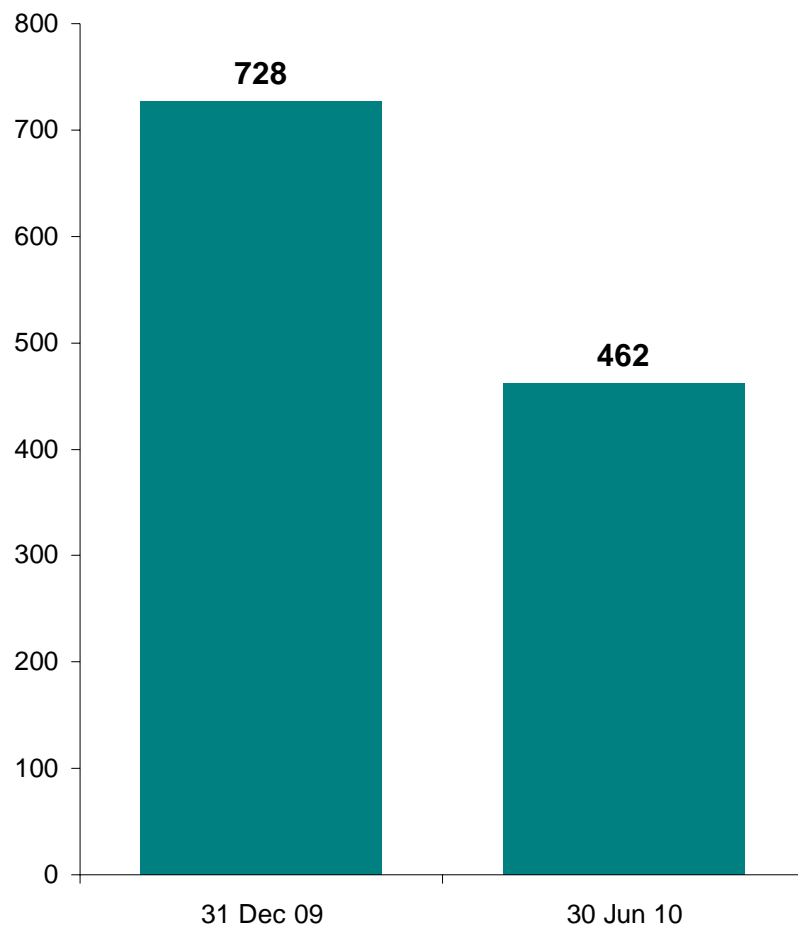
	Year ended 30 June 10	Year ended 30 June 09 (restated) ⁽¹⁾	Change
cents			
Underlying EBITDA / security	37.3	39.2	(4.8%)
Underlying EPS	6.0	8.0	(25.0%)
Reported EPS	(10.7)	(13.0)	(17.7%)
FCF / security	13.3	22.4	(40.6%)
Distribution / security	10.0	12.0	(16.7%)

Note. Refer to Appendix for a more detailed explanation of FY10 financial performance

Operating cashflow



TSI Fund Net Debt

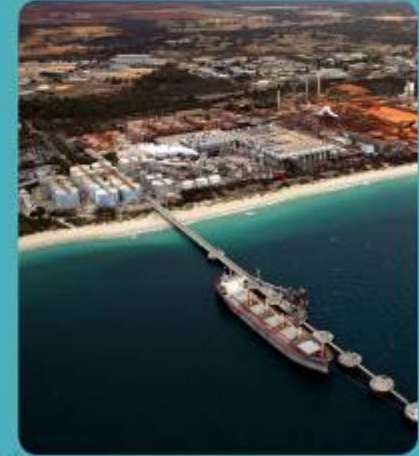


- New \$500 million syndicated corporate-level debt facility in place with 7 banks
- Debt maturity extended to June 2015
- Net debt reduced by \$266 million to \$462 million
- Leverage reduced to 4.8x FY11F EBITDA from 6.3x
- Gearing reduced to 52 per cent from 66 per cent
- Cash & undrawn debt facilities of \$38 million at 30 June 2010

Following the Capital Structure Review, TSI Fund has a significantly improved capital structure

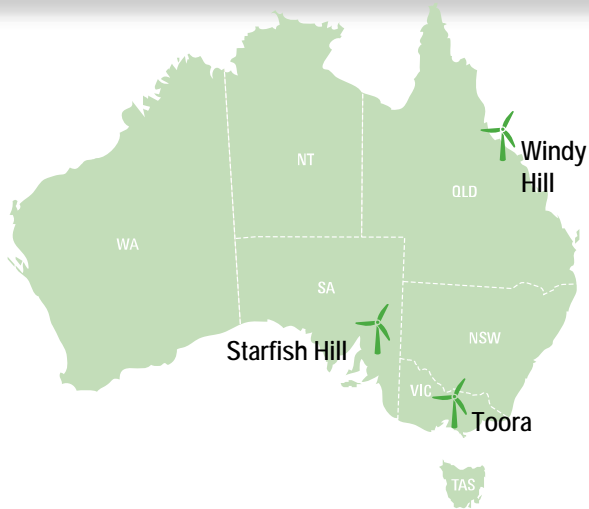


- **Solid financial performance**
 - Pro forma FY10 EBITDA of \$103.6 million ahead of forecast
 - Underlying FY10 EBITDA steady at \$114.5 million
 - FY10 EBITDA margin improved by 6.6 per cent
- **FY10 Final Distribution of 4.0cps bringing total FY10 distributions to 10.0cps**
 - FY10 final distribution in-line with guidance provided in May 2010
 - Payment date 20 September 2010
- **Capital Structure Review initiatives have significantly strengthened TSI Fund's financial position**
 - Corporate-level net debt reduced by \$266 million to \$462 million at 30 June 2010
 - TSI Fund's corporate-level debt maturity extended to June 2015



Asset performance

Asset performance – Wind assets



- EBITDA up 23 per cent
- Fleet availability up to 96 per cent
- Costs down \$0.5 million
- Revenue upside potential via LRET

Wind Farm	Equity Capacity (MW)	Contracting Party	Expiry Date	FY10 EBITDA \$m	FY09 EBITDA \$m	Change
Continuing operations						
Starfish Hill	34.5	Merchant	n/a	7.2	6.4	12.5%
Toora	21.0	EnergyAustralia	2012	3.3	2.4	37.5%
Windy Hill	12.0	Ergon Energy	2015	1.6	1.0	60%
TOTAL from continuing operations⁽¹⁾	67.5			12.1	9.8	23.5%
Mt Millar (sold 31 May 2010)	70.0	EnergyAustralia	2012	10.7 ⁽²⁾	13.0	(17.7%)
TOTAL				22.7	22.8	(0.5%)

1. Excludes recovery of stamp duty of \$3.7 million

2. Includes contribution for 11 months, as Mt Millar Wind Farm was sold on 31 May 2010

- **Starfish Hill**
 - Availability 96 per cent for full year – best year since purchase
 - Energy contract ended on 31 December 2009
 - RECs banked– anticipate uplift next year
 - Currently exposed to the spot market
 - Focus on recontracting
- **Toora**
 - Availability at 96 per cent for full year – best year since purchased
 - Operating costs reduced 20 per cent year on year
- **Windy Hill**
 - Availability at 99 per cent for full year
 - Operating costs reduced 37 per cent year on year
- **Mt Millar**
 - A number of one-off events adversely impacted FY10 performance

Asset performance – Kemerton Power Station



- Excellent availability of over 99 per cent
- Operations stable no major outages
- Lower fuel oil operations

Kemerton Power Station

TSI Fund Ownership 100%

(\$m)	Year ended 30 June 10	Year ended 30 June 09	Change
Operating revenue	\$37.4	\$44.8	(16.5%)
EBITDA	\$34.3	\$35.4	(3.1%)

Asset performance – Townsville Power Station



Townsville Power Station

TSI Fund Ownership 100%

(\$m)	Year ended 30 June 10	Year ended 30 June 09	Change
Operating revenue	\$36.6	\$39.0	(6.2%)
EBITDA	\$28.6	\$34.7	(17.6%)

- Availability of over 99 per cent
- O&M costs down \$0.4 million
- One-off step down in capacity charges commenced in February, impacting FY10 revenue and EBITDA by \$4 million
- Looking forward FY11 affected by full year of the capacity payment step-down impacting revenue and EBITDA by a further \$6 million

Asset performance – Collinsville Power Station



- Operating costs down supporting EBITDA increase of 8.7 per cent
- Rolling two year average availability at year end over 94 per cent - compared with less than 88 per cent at the time of the floods in 2008
- Seven years LTI free
- Revenue impacted by:
 - Lower continuous operations revenue
 - Lower loads requested by CS Energy due to low pool prices

Collinsville Power Station

TSI Fund Ownership 100%

(\$m)	Year ended 30 June 10	Year ended 30 June 09	Change
Operating revenue	\$52.7	\$55.8	(5.6%)
EBITDA	\$23.8	\$21.9	8.7%

Asset performance – Loy Yang A Power Station

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- 1st HY strong pool prices enabling \$8.7 million distributions
- LYA is the lowest marginal cost thermal generator in Australia and produces approximately 30 per cent of Victoria’s electricity requirements
- Alcoa power supply contract until 2036 – one of the largest energy deals in Australia’s history
- Progressing with refinancing of first tranche of debt which is due in Nov 2010

Loy Yang A Power Station

TSI Fund Ownership 14.03%

(\$m)	Year ended 30 June 10	Year ended 30 June 09	Change
Operating revenue (100%)	749	708	5.7%
NPAT (100%)	148	126	17.4%
Cash Distributions (14.03%)	8.7	-	n.m.
TSI EBITDA (interest on shareholder loan)	4.1	4.1	-

n.m.= not meaningful

Asset performance – BP Kwinana Cogeneration Plant

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- Good performance however impacted by gas turbine bearing failure in May 2010 - Full operations restored in June 2010
- Plant now fully operational - minor impact on FY10
- No material impact to FY11 earnings

BP Kwinana Power Station

TSI Fund Ownership			30%
(\$m)	Year ended 30 June 10	Year ended 30 June 09	Change
NPBT (30%)	3.2	3.4	(5.9%)
Cash distribution (30%)	2.0	2.0	-

Asset performance – Water Assets

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- Operational performance met expectations
- Negotiating the extension of concession to 2030
- Refinancing- potential to release cash

Water Filtration Plants	Macarthur			Yan Yean		
TSI Fund Ownership	50%			50%		
(\$m)	Year ended 30 June 10	Year ended 30 June 09	Change	Year ended 30 June 10	Year ended 30 June 09	Change
Share of equity accounted profit	2.9	2.8	3.6%	0.0	0.3	
Cash distribution	2.1	2.0	5.0%	0.2	1.1	n.m.

n.m.= not meaningful



Outlook

TSI Fund is focused on four value events in FY11

1. Complete Macarthur Water Filtration Plant concession extension and refinancing
 - Expected cash proceeds will increase TSI Fund's financial flexibility
2. Conclude Loy Yang A debt refinancing
 - Assess impact of potential cash distributions to TSI Fund
 - Clarify value implications
3. Recontracting Starfish Hill Wind Farm
 - Take advantage of anticipated improvement in REC pricing
4. Evaluate options for Collinsville Power Station post-PPA
 - Gas re-powering
 - Participate in Solar Flagships submission

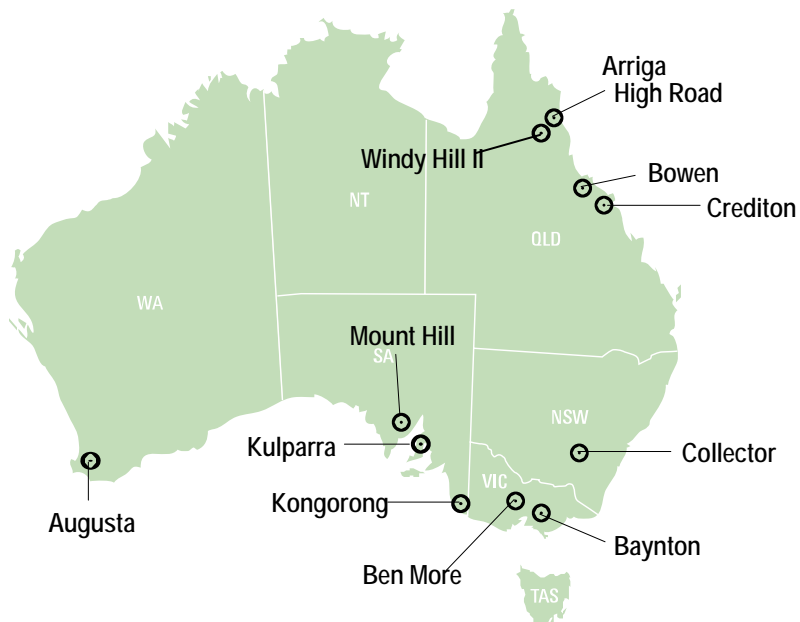


TSI Fund has a number of long-term opportunities to expand and enhance its existing controlled assets

Asset	Opportunities
Kemerton	<ul style="list-style-type: none">• Black start• Expansion• Conversion baseload• Efficiency enhancement projects
Townsville	<ul style="list-style-type: none">• Capacity expansion
Collinsville	<ul style="list-style-type: none">• Conversion to Coal Seam Gas (CSG) plant (post PPA)• Potential implementation of Solar Thermal technology via Solar Flagship Program
Wind farms	<ul style="list-style-type: none">• Potential repowering• Expansion of existing sites

Growth opportunities - Greenfield

- Focus on keeping current risk profile and assets where Transfield Services' expertise in O&M adds value
- Wind farm development opportunities:
 - Currently 12 wind farm development sites with capacity > 1,000 megawatts
 - Focus on Queensland wind farm opportunities



Development Site	Potential Capacity	Est. Wind Speed
High Road	Up to 85 MW	7.9 m/s
Arriga	130 MW	7.7 m/s
Baynton	130 MW	7.8 m/s
Kulparra	100 MW	8.1 m/s
Collector JV	50% of 150 MW	7.5 m/s
Kongorong	120 MW	7.9 m/s
Ben More	90 MW	7.5 m/s
Mount Hill	80 MW	8.3 m/s
Windy Hill II	12 MW	7.3 m/s
Augusta	50 MW	7.1 m/s
Crediton	40 MW	7.2 m/s
Bowen	100 MW	7.1 m/s
Total	1,012 MW	



- **Assets expected to continue to perform well in FY11**
 - 84 per cent⁽¹⁾ of FY11 revenue contracted
 - Continued high asset availability
- **FY11 EBITDA forecast of \$95.4 million reaffirmed**
 - Includes \$6 million impact from capacity payment step-down in Townsville Power Station
- **FY11 distribution guidance of 8.2 cps reiterated**
 - Fully funded from operating cashflow, after funding interest and maintenance capital expenditure
 - Not reliant on distributions from Loy Yang A Power Station
- **Medium-term distribution guidance reiterated**
 - Expects to be able to maintain future distributions of at least at 8.2 cps
 - Not reliant on distributions from Loy Yang A

1. Calculated as the sum of contracted forecast FY11 EBITDA from controlled assets and TSI Fund's share of profits and investment income from contracted non-controlled investments divided by forecast FY11 EBITDA from all assets.

- **Diverse portfolio of high quality assets**
 - Diverse energy portfolio generating stable cashflows, underpinning sustainable distributions
- **Strengthened financial position**
 - Significantly strengthened balance sheet provides a platform for sustainable distributions and improves TSI Funds ability to fund future growth opportunities
- **Beneficial relationship with Transfield Services**
 - Transfield Services' continues outstanding operational performance
 - Access to wind farm development pipeline
- **Growth potential**
 - Strategy in place to execute FY11 value events
 - Access to greenfield and brownfield investment opportunities – both through Transfield Services' wind farm development pipeline and enhancements of existing assets
- **Attractive and sustainable distributions**
 - FY11 and medium-term guidance of at least 8.2 cps
 - Yield of 13.2 per cent based on closing security price on 20 August 10



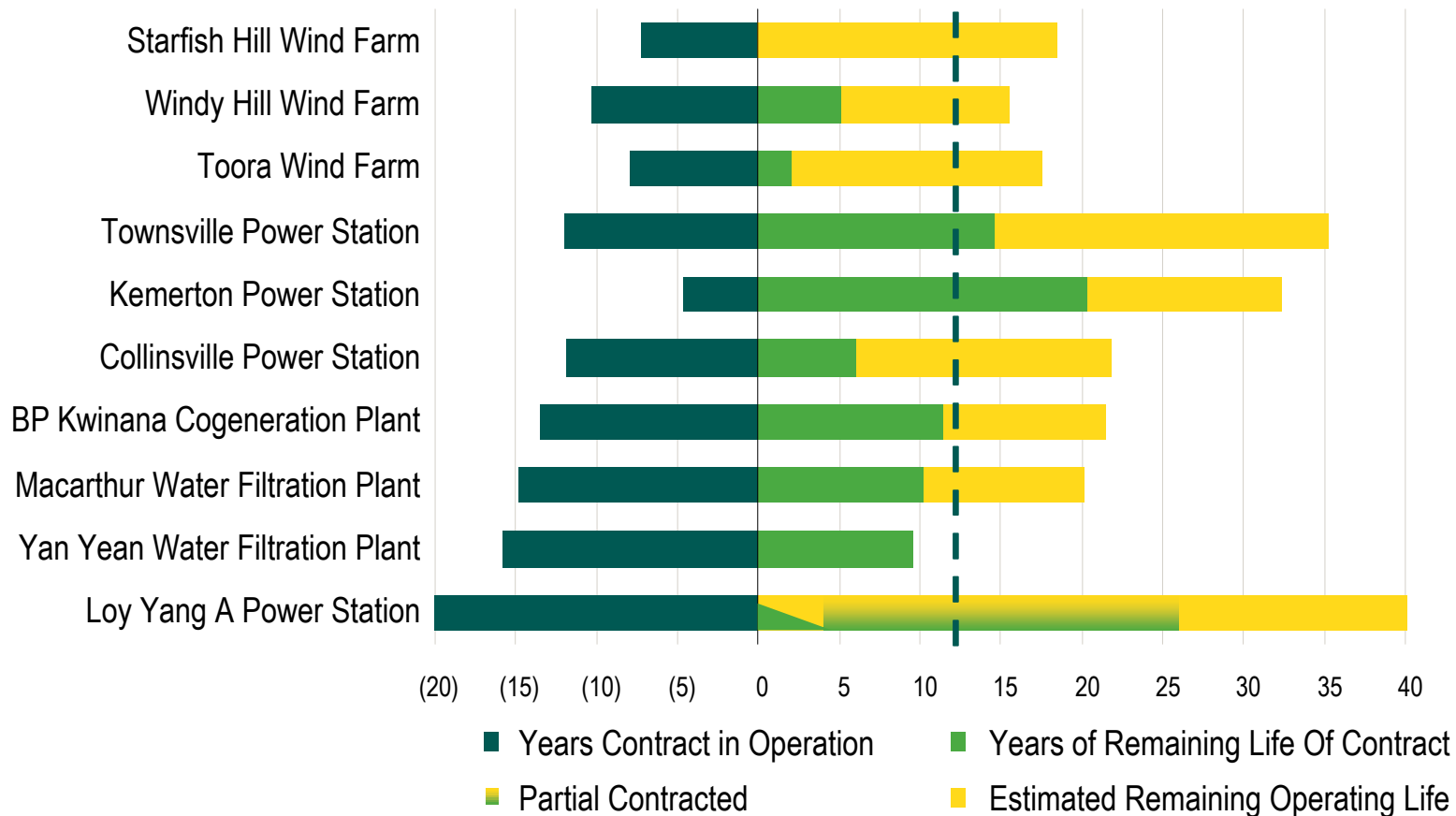
Thank you



Appendix

Long term contracted revenues

Average contract life 12.1 years



84 per cent ⁽¹⁾ of FY11 EBITDA derived from contracted revenue
TSI has a weighted average remaining contract life of over 12 years ⁽²⁾

1. Calculated as the sum of contracted forecast FY11 EBITDA from controlled assets and TSI Fund's share of profits and investment income from contracted non-controlled investments divided by forecast FY11 EBITDA from all assets.

2. Calculated as the sum of forecast FY11 EBITDA for each asset multiplied by the remaining years under contract, divided by forecast FY11 EBITDA from all assets

TSI Fund has set out the following financial information for FY10:

- **“Reported” FY10 financial result** which represents TSI Fund’s statutory financial report and includes the impacts of the Capital Structure Review (and can be compared to the forecast FY10 statutory financial result set out in Appendix B of the Investor Presentation dated 11 May 2010)
- **“Underlying” FY10 financial result** which excludes the impacts of Capital Structure Review transactions. These “underlying” financial results are not directly comparable to FY09 as they include the contribution of Mt Millar Wind Farm for just 11 months of FY10 (it was sold on 31 May 2010)
- **“Pro forma” FY10 financial result** which adjusts FY10 financial result to exclude the impacts of the Capital Structure Review and 100 per cent of the FY10 contribution from Mt Millar Wind Farm. The Pro Forma FY10 financial result can be compared to the forecast FY10 pro forma financial result set out on page 19 of the Investor Presentation dated 11 May 2010

TSI Fund's reported FY10 financial results have been impacted by a number of one-off events, principally as a consequence of the Capital Structure Review initiatives. The following information is provided to assist readers to understand TSI's FY10 financial information.

FY10 Financial Performance (page 9)

1. FY10 includes the contribution of Mt Millar Wind Farm for 11 months of FY10
2. Underlying FY10 EBITDA is before the impacts of the Capital Structure Review including loss on sale of Mt Millar Wind Farm and transaction costs, and includes interest on Loy Yang A Power Station shareholder loan of \$4.1 million (FY09: \$4.1 million)
3. Underlying FY10 Net Profit After Tax is before the impacts of the Capital Structure Review including loss on sale of Mt Millar Wind Farm, swap break costs, written-off deferred finance costs and transaction costs. Underlying FY09 Net Profit After Tax is prior to impairment charge of \$60.1 million post-tax (79.9 million pre-tax)

Key Financial Metrics (page 10)

1. Refer to notes 1-3 for FY10 Financial Performance above
2. Earnings and cashflow data per security based on weighted average number of securities outstanding for FY10 of 307.0 million securities. FY09 weighted average number of securities outstanding of 293.5 million is restated for \$110 million equity raising
3. Free cashflow (FCF) calculated as operating cashflow after maintenance capex, net interest and for FY09 debt amortisation

FY10 Financial Performance by Asset

EBITDA by Asset (\$ million)	Year ended 30 June 10	Year ended 30 June 09	Change
Kemerton	34.3	35.4	(3.1%)
Townsville	28.6	34.7	(17.6%)
Collinsville	23.8	21.9	8.7%
Continuing wind farms	15.8 ⁽¹⁾	9.8	61.2%
Mt Millar Wind Farm	10.7	13.0	(17.7%)
EBITDA from 100% controlled assets	113.2	114.8	(1.4%)
Kwinana (30%)	3.2	3.4	(5.9%)
Water (50%)	2.9	3.1	(6.5%)
Loy Yang A (14%)	4.1	4.1	-
Corporate Expenses	(8.9)	(10.2)	12.7%
EBITDA	114.5	115.2	(0.6%)

1. Includes stamp duty recovery of \$3.7 million. Excluding this, FY10 EBITDA contribution from wind farms is \$12.1 million, up 23%

FY10 Pro Forma Financial Performance

\$ million	Pro forma FY10 actual ⁽¹⁾	Pro forma FY10 forecast ⁽¹⁾	Change
Operating revenue ⁽¹⁾	154.5	155.6	(0.7%)
EBITDA by Asset:			
Kemerton	34.3	33.9	1.2%
Townsville	28.6	28.6	-
Collinsville	23.8	23.8	-
Wind assets (excluding Mt Millar)	15.8 ⁽²⁾	12.7	24.4%
EBITDA from 100% controlled assets	102.5	99.0	3.5%
Kwinana (30%)	3.2	3.9	(17.9%)
Water (50%)	2.9	2.8	3.6%
Loy Yang A (14%)	4.1	4.1	-
Corporate Expenses	(9.1)	(8.6)	(5.8%)
EBITDA	103.6	101.2	2.4%

1. The FY10 pro forma financials exclude 100 per cent of the financial performance of Mt Millar wind farm and the impact of the Capital Structure Review

2. Includes recovery of stamp duty of \$3.7 million.

Cashflow available for Distributions

\$ million	Year ended 30 June 10	Year ended 30 June 09	Change (\$m)
Operating cashflow per Cashflow Statement	72.4	105.2	(32.8)
Add: Capital Structure Review costs	7.5	n/a	7.5
Add: Tax refunded / (paid)	2.4	(0.7)	3.1
Cashflow from operations after tax	82.3	104.5	(22.2)
Less: Maintenance capex	(4.3)	(7.1)	2.8
Less: Investment capex	(11.9)	(29.8)	17.9
Less: Net interest paid	(49.9) ⁽¹⁾	(44.6)	(5.3)
Less: Debt amortisation	-	(4.4)	4.4
Add: Distributions from investments	12.7	5.8	6.9
Add: Proceeds from asset sales	-	11.5	(11.5)
Free cashflow	28.9	35.9	(7.0)
Average securities outstanding (m)	307.0	293.5 ⁽²⁾	
FCF / security	9.4	12.2 ⁽²⁾	(2.8)
FCF before investment capex / security	13.3	22.4 ⁽²⁾	(9.1)

1. Excludes impact of swap break costs in FY10

2. Restated due to adjustment required to FY09 weighted average number of securities following to equity raising.

Balance sheet

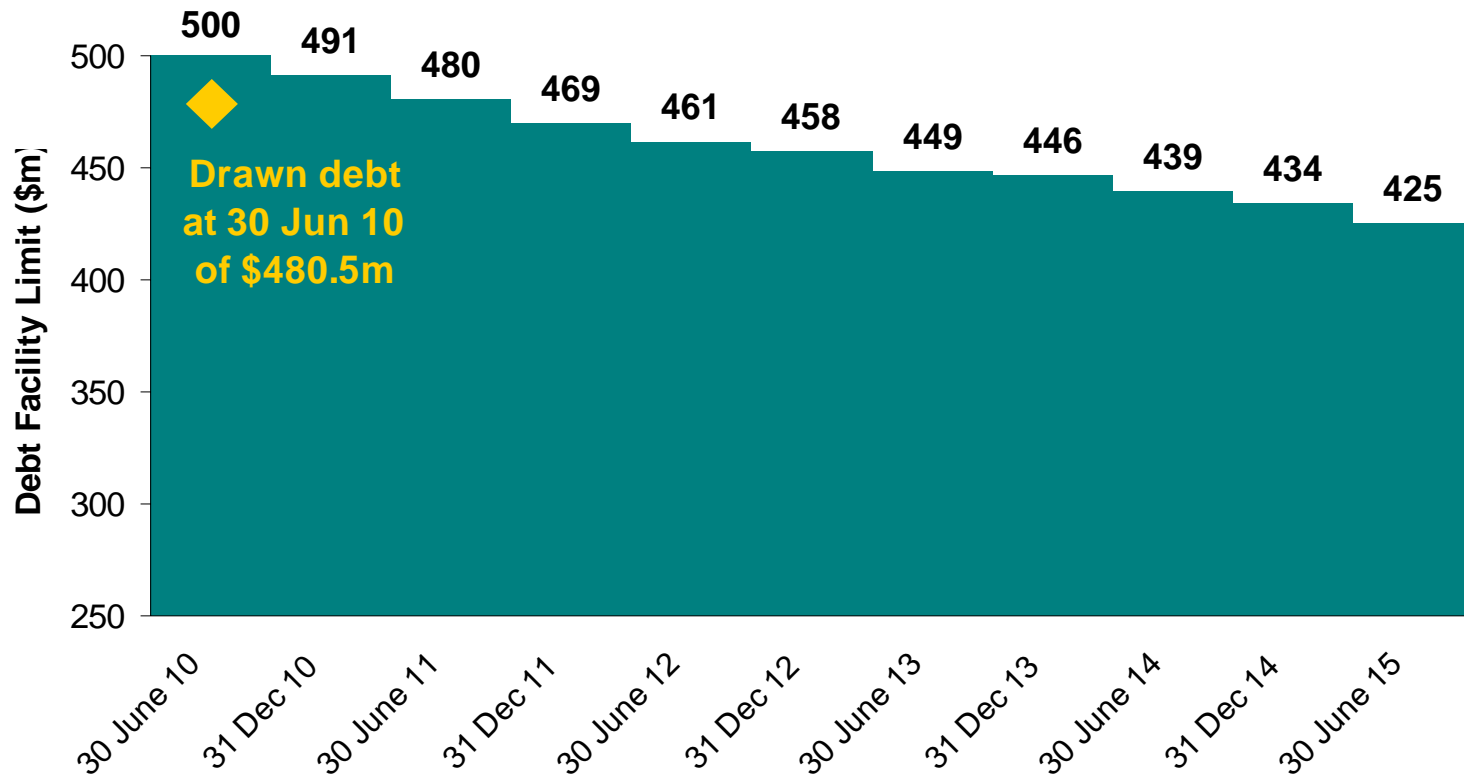
\$ million	As at 30 June 10	As at 30 June 09	Change
Total current assets	46.7	57.1	(18.2%)
Total non-current assets	987.0	1,275.0	(22.6%)
Total Assets	1,033.7	1,332.1	(22.4%)
Total current liabilities	38.1	104.4	(63.5%)
Total non-current liabilities	574.9	846.8	(32.1%)
Total Liabilities	614.0	951.2	(35.4%)
Total Equity	419.7	380.9	10.2%
Interest bearing liabilities	480.5	745.0	(35.5%)
Cash and cash equivalent	18.2	19.5	(6.7%)
Net debt	462.3	725.5	(36.3%)
Net debt / Underlying EBITDA ⁽¹⁾	4.8x	6.3x	(1.5x)
Balance sheet gearing (net of cash)	52.4%	65.6%	

1. Net Debt as at 30 Jun 10 of \$462 million divided by FY11F EBITDA of \$95.4 million compared to Net Debt as at 30 Jun 09 of \$725 million divided by FY09 EBITDA of \$115.2 million

Debt facilities



- Existing facility not fully drawn at 30 June 2010
- Debt is over 90 per cent hedged



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