



TRANSFIELD SERVICES INFRASTRUCTURE FUND HALF YEAR REVIEW

For the half year ended 31 December 2008

This report should be read in conjunction with Transfield Services Infrastructure Fund's 2008 Annual Report and Half Year Results ASX Statement and Presentation at www.tsinfrastructurefund.com



Overview for the half year:

- ▶ Strong operational results – Revenue up 21 per cent to \$94.8 million and EBITDA up 27 per cent to \$54.9 million.
- ▶ TSI Fund Board takes a conservative cash management approach and revises distributions to 5.0 cents for the half year. Investment CAPEX will be partly funded by cash instead of increasing debt.
- ▶ TSI Fund re-negotiates a 30 per cent increase in revenue for Starfish Hill Wind Farm, boosted by the growing demand for renewable energy.
- ▶ A world-first, environmentally-friendly capacity upgrade at Townsville Power Station delivers an extra 12.7 megawatts with less emissions, which is equivalent to powering another 3,000 households.
- ▶ World Wildlife Fund Australian Power Generators Carbon Future Scorecard gives TSI Fund four out of five stars based on carbon measurement and TSI Fund's commitment to lower carbon emissions.
- ▶ Mt Millar Wind Farm ramped up to 55 megawatts. Work continues to ramp it up to its full 70 megawatt capacity.



INFRASTRUCTURE FUND



Key financials

▶ **Strong operational performance for the six months ended 31 December 2008:**

- ▶ Revenue increased by 21 per cent to \$94.8 million, and
- ▶ EBITDA increased by 27 per cent to \$54.9 million.

▶ **Distributions of 5.0 cents per security, reflects:**

- ▶ Board's conservative cash management approach
- ▶ acknowledgement there will be no cash distribution from Loy Yang A in FY2009 due to operational and market issues, and
- ▶ a decision to partly fund Investment CAPEX with cash rather than increasing TSI Fund's debt position.

\$ 000	Six months to 31 Dec 08	Six months to 31 Dec 07
Operating revenue	94,763	78,334
EBITDA	54,916	43,091
Investments	1,866	2,577
EBITDA (including Investment income)	56,783	45,668
Net profit after tax	8,634	14,627
Net operating cash flow	51,315	39,138

Message from the Chairman

Dear Securityholder,

Transfield Services Infrastructure Fund announced at its Half Year Results that it had achieved 27 per cent EBITDA growth to \$54.9 million for the six months ended 31 December 2008.

Revenue increased by 21 per cent to \$94.8 million compared to the prior comparable period, and Net Profit After Tax was \$8.6 million.

These results position TSI Fund to meet EBITDA guidance of between \$112 million and \$120 million for the full year.

The TSI Fund Board revised distribution levels to 5.0 cents per stapled security.

This revised distribution reflects a conservative cash management approach that will improve the financial flexibility of TSI Fund and give it the capacity to partly fund investment capex using cash rather than debt. This is prudent in the current economic environment.

The distribution amount also reflects operational and market issues at Loy Yang A resulting in it not making a cash distribution to any shareholders, including the TSI Fund, for the 2009 financial year.

Increased capacity at Kemerton and Townsville Power Stations as well as Mt Millar Wind Farm during the year delivered revenue upside to TSI Fund.

TSI Fund also anticipates revenue upside from the wind farm portfolio as national renewable energy targets increases the price paid for the wind farm's green energy.

TSI Fund has forecasted a strong performance in the second half of the 2009 financial year supported by the performance of its existing high quality essential infrastructure assets.

Yours faithfully,



Peter Young
Chairman



Message from the Chief Executive Officer

Dear Securityholder,

The underlying strong performance of Transfield Services Infrastructure Fund's 100 per cent owned assets has contributed to another solid half year performance.

Transfield Services, as Manager of these assets, worked with TSI Fund over the last six months to enhance their long-term value.

Transfield Services completed a world-first and environmentally-friendly 12.7 megawatt upgrade to Townsville Power Station. The upgrade delivered revenue upside to TSI Fund while delivering extra power to the equivalent of 3,000 households.

Transfield Services also worked to ramp up Mt Millar Wind Farm to its full 70 megawatt capacity, which again, delivers revenue upside to TSI Fund.

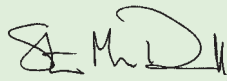
Loy Yang A will not make a cash distribution to TSI Fund in the 2009 financial year. This is due to operational issues and lower pool prices paid for electricity.

TSI Fund's wind farm development portfolio remains an attractive growth avenue. In December last year, TSI Fund re-negotiated a 30 per cent increase on Starfish Hill's revenue from \$77 to \$100 per megawatt hour.

In time, we expect to re-negotiate increased revenue for all of the wind farms. The Federal Government's renewable energy target of 20 per cent renewable energy generation by 2020 increases the demand for the wind farm's green energy.

TSI Fund has a portfolio of high quality essential assets with substantially contracted revenue streams. Together with a significant wind farm development portfolio, TSI Fund is well positioned for sustainable growth.

Yours faithfully,



Steve MacDonald
Chief Executive Officer





Helping the environment

Register your email address at www. etree.com.au to receive all your communications electronically. For every email registered by securityholders, a \$1 donation is made to Landcare Australia to support reforestation projects across Australia and New Zealand.



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As the Responsible Entity of Transfield Services Infrastructure Trust (ARSN 125 010 531)