

Annual report – 30 June 2009

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TSI International Limited and its controlled entities Corporate Directory

Directors	Peter Young AM (Chairman) David Mathlin Kate Spargo Anthony Shepherd* Peter Goode* * Nominee of Transfield Services Limited (Transfield Services)
Secretary	Marianne Suchanek **
Executive managers	Steve MacDonald - Chief Executive Officer *** Steve Loxton - Chief Financial Officer *** Geoff Dutton – General Manager Assets*** ** Employed by Transfield Services (Australia) Pty Limited (Manager), a subsidiary of Transfield Services *** Employed by Transfield Services (Australia) Pty Limited (Manager), a subsidiary of Transfield Services, and seconded to TSI Fund
Notice of Annual General Meeting	The Annual General Meeting of TSI International Limited will be held at: AGL Theatre, Museum of Sydney 37 Phillip Street (corner Bridge Street) SYDNEY NSW 2000 Time: 10 am Date: Wednesday, 14 October 2009
Principal registered office in Australia	Level 10, 111 Pacific Highway NORTH SYDNEY NSW 2060
Share and debenture registers	Computershare Investor Services Pty Limited Level 3, 60 Carrington Street SYDNEY NSW 2000
Auditors	PricewaterhouseCoopers Chartered Accountants Darling Park Tower 2 201 Sussex Street SYDNEY NSW 2000
Securities exchange listing	TSI International Limited shares are stapled to shares in Transfield Services Infrastructure Limited and units in Transfield Services Infrastructure Trust and together these form the Transfield Services Infrastructure Fund (TSI Fund) that is listed on the Australian Securities Exchange (ASX Code: TSI).
Website address	www.tsinfrastructurefund.com

TSI International Limited and its controlled entities

Directors' Report

Your Directors present their report together with the financial statements of TSI International Limited for the year ended 30 June 2009.

Directors

The following persons were Directors of TSI International Limited during the financial period and up to the date of this report unless otherwise indicated:

Peter Young AM (Chairman)
David Mathlin
Kate Spargo
Peter Watson (resigned 1 April 2009)
Peter Goode (appointed 1 April 2009)
Anthony Shepherd
Mathew Irwin (Alternate Director for Peter Goode and Peter Watson)
Kate Munnings (Alternate Director for Peter Goode and Peter Watson)

Stapling arrangement

Transfield Services Infrastructure Limited shares are stapled to shares in TSI International Limited (TSIIL) and units in Transfield Services Infrastructure Trust (TSIT) and together these are listed on the Australian Securities Exchange as Transfield Services Infrastructure Fund (TSI Fund).

Principal activities

The Company was established to be the investor in any offshore acquisitions of Transfield Services Infrastructure Fund. At present, the Company is dormant.

Dividends

No dividends were declared during the year (2008: \$nil)

Review of operations

The Company was dormant during the period.

Earnings per Security

	2009	2008
	cents	cents
Basic and diluted earnings per share	-	-

Significant changes in the state of affairs

The Company has incorporated various subsidiaries to support the potential future growth of the business. All Group companies are currently dormant.

Matters subsequent to the end of the financial year

There have been no matters or circumstances that have arisen since 30 June 2009 that have significantly affected, or may significantly affect:

- a) the Company's operations in future financial years
- b) the results of those operations in future financial years, or
- c) the Company's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Company.

Environmental regulation

As a dormant company, TSI International Limited is not subject to any significant environmental regulation.

TSI International Limited and its controlled entities

Directors' Report

Meetings of Directors

The numbers of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2009, and the numbers of meetings attended by each Director were:

Director	Board Meetings		Risk, Audit and Compliance Committee	
	A	B	A	B
Peter Young AM	14	14	-	1 [^]
David Mathlin	14	13	7	7
Kate Spargo	14	13	7	6
Anthony Shepherd	14	14	-	2 [^]
Peter Watson *	10	9	6	3
Peter Goode **	4	4	1	1
Kate Munnings#		-		1
Matthew Irwin#		1		2

A Number of meetings held during the time the Director held office or was a member of the committee during the year

B Number of meetings attended

* resigned 1 April 2009

** appointed 1 April 2009

[^] Attended by invitation

Acted as alternate for Peter Watson

The Board also have an Investment Review Committee (IRC) and Disclosure Committee (DC). All matters relevant to the IRC and DC were considered at Board meetings which were attended by all IRC and DC members.

Information on Directors

Details of the Director's responsibilities and shareholdings are set out below.

Director	Special responsibilities	Particulars of Directors' interests in shares of TSI International Limited	Indirect interest in TSI International Limited through shares owned in Transfield Services Limited
Peter Young AM	Independent Chairman and Chairman of the Investment Review Committee.	444,922*	-
David Mathlin	Independent Non-Executive Director and member of the Risk, Audit and Compliance Committee and Investment Review Committee.	284,208*	4,440
Kate Spargo	Independent Non-Executive Director and Chairperson of the Risk, Audit and Compliance Committee, member of the Investment Review Committee and member of Disclosure Committee.	71,272	-
Anthony Shepherd	Transfield Services' nominee	147,380*	100,000
Peter Goode	Transfield Services' nominee	-	-

* Includes shares that are held by a related party.

TSI International Limited and its controlled entities Directors' Report

Details of Director's qualifications and experience are included on pages xx-xx of the Annual Report

Directorships of other listed companies in the last 3 years.

Peter Young AM

- Fairfax Media Ltd – appointed September 2005

Kate Spargo

- IOOF Holdings Ltd – resigned 30 April 2009

David Mathlin – no other listed company directorships

Anthony Shepherd

- Transfield Services Ltd – appointed 6 March 2001
- ConnectEast Group – appointed 28 September 2004

Peter Goode

- Transfield Services Limited – appointed 1 April 2009

Other officer information

Marianne Suchanek - Company Secretary

Bachelor of Arts

Bachelor of Law

Marianne is the Company Secretary for the Company and the other stapled entities comprising TSI Fund. Marianne has legal counsel, corporate governance and compliance responsibilities and works in the Legal and Company Secretarial Department of the Manager. Marianne is currently studying the Graduate Diploma in Applied Corporate Governance at Chartered Secretaries Australia Ltd.

TSI International Limited and its controlled entities

Directors' Report

Remuneration report

The Remuneration Report is set out under the following main headings:

A	Principles used to determine the nature and amount of remuneration
B	Details of remuneration
C	Service agreements
D	Performance Awards provided as remuneration
E	Transfield Services Infrastructure Fund Notional Securities Scheme provided as remuneration
F	Additional information including at-risk remuneration

Under the MSA, the Manager sources new investment opportunities and provides management, corporate and administrative services (Services) to TSI Fund. The Manager makes available its employees to TSI Fund, on a dedicated or as needed basis. Their remuneration is paid by TSI Fund as part of a management fee, which is an agreed estimate of certain expenses incurred by the Manager in performance of its obligations for providing the Services (Expense Amount). In the 2009 financial year, the Manager was entitled to an Expense Amount of \$5.3 million. The entitlement to an Expense Amount under the MSA expired on 30 June 2009. The management fee has been renegotiated by adopting a transparent cost reimbursement plus a capped performance-based margin arrangement effective 1 July 2009.

The Chief Executive Officer (CEO), Chief Finance Officer (CFO) and General Manager Assets (GM Assets) are employed by the Manager and seconded to TSI Fund (Seconded Employees). The Seconded Employees are dedicated to meeting the business requirements of TSI Fund and in performing their functions act in the best interests of TSI Fund securityholders. TSI Fund does not have employees and relies on the executive personnel under the MSA to implement operational decisions and carry out/ensure administration functions are discharged.

A. Principles used to determine the nature and amount of remuneration

The executive remuneration framework detailed below sets out the policies of the Manager as they refer to the Seconded Employees. The amount of remuneration is calculated based on the total remuneration awarded by the Manager from the date of secondment to TSI Fund. The Independent Non Executive Directors (NEDs) are appointed directly by TSI Fund, and their remuneration is set by the TSI Fund Board with reference to external peers.

The objective of the Manager's executive remuneration framework is to ensure reward for performance is competitive in the markets where it competes to recruit executives, and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic business objectives to create value for TSI Fund securityholders, and conforms with market best practice for delivery of reward. The executive reward framework is:

- market competitive and reasonable;
- performance linked; and
- transparent.

In consultation with external remuneration consultants, the Manager has structured an executive remuneration framework that aligns executive performance with securityholders' interests. Alignment to securityholders' interests is achieved through the following performance measures:

- financial measures including growth, market metrics, earnings and distributions; and
- strategic and value enhancing non financial drivers

Alignment to executives' interests to ensure it attracts and retains high-calibre executives is achieved by offering rewards that:

- are commensurate with the contributions made;
- are sufficient to provide appropriate recognition;
- are competitive in respective executive employment markets; and
- are earned within a clear and well communicated structure.

The framework provides a mix of fixed and variable pay, including short term and long term incentives. Not all the Manager's employees participate in the short term and long term incentive programs. Participation in both plans is selectively applied to people in positions able to materially influence business performance. The proportion of variable or 'at risk' remuneration is higher for the more senior executives.

TSI International Limited and its controlled entities

Directors' Report

Remuneration Report

Independent Non-Executive Directors'

Fees and payments to NEDs reflect the demands which are made on, and the responsibilities of, the Directors. NEDs' fees and payments are reviewed annually by the Board. The Board has also taken advice from independent remuneration consultants to ensure NEDs' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of NEDs based on comparative roles in the external market. The Chairman is not present at any discussions relating to determination of his own remuneration. NEDs do not receive equity based remuneration under the Transfield Services Infrastructure Fund Notional Securities Scheme. NEDs receive a minimum 20 percent of their remuneration in TSI Fund units, which are acquired prospectively on-market in January and July each year pursuant to the Transfield Services Infrastructure Fund Tax Deferred Plan. The operation of this Plan was suspended on 26 June 2009 pending further government guidance on the taxation measures introduced in the 2009 May Federal budget. If the new taxation measures allow, TSI intends to reinstate the Transfield Services Infrastructure Fund Tax Deferred Plan, alternatively the deferred amounts will be paid as cash.

NEDs receive a Directors' fee inclusive of superannuation. The Directors' fee was set with effect from 26 April 2007, with a review annually thereafter. However, the Directors' fee has not increased since 26 April 2007. NEDs who chair or serve on a committee receive additional yearly fees.

Directors' fees

NEDs' fees are determined within the aggregate Directors' fee pool limit of \$750,000. The current Directors' fee is \$80,000 per Director per annum and the Chairman's fee is \$200,000 per annum. Committee members currently each receive \$8,000 per annum per committee and the Committee Chair each receives \$15,000 per annum per committee.

Transfield Services Nominee Directors

Peter Goode replaced Peter Watson as the Managing Director and CEO of the Manager on 1 April 2009. Mr Goode is an executive officer of Transfield Services and is not paid a fee for serving as a director of TSI Fund. Mr Shepherd is paid by Transfield Services to represent Transfield Services on the TSI Fund Board.

Retirement allowances for Directors

Retirement allowances are not paid to Directors.

Executive reward

The executive pay and reward framework has four components:

- fixed remuneration including superannuation;
- short term performance incentives;
- long term incentives through participation in the TranShare Executive Performance Awards Plan (which is otherwise known as Performance Awards and issued by Transfield Services) and/or Transfield Services Infrastructure Fund Notional Securities Scheme (which is otherwise known as the Scheme); and
- other benefits.

The combination of these elements comprises the executive's total remuneration.

Cash salary and fees

The fixed remuneration component is structured as a total employment cost package, which may be delivered as a combination of cash and prescribed non-financial benefits at the executive's discretion. Executives are offered a competitive base pay package that comprises the fixed component of pay and rewards. External remuneration consultants provide analysis and advice to ensure fixed base pay is set to reflect the relevant market for comparable roles in peer companies. Fixed remuneration for senior executives is reviewed annually to ensure the executive's pay remains aligned to policy and competitive with the market in which they operate. The last review was 1 July 2008. An executive's pay is also reviewed on promotion. There are no guaranteed base pay increases included in executives' contracts.

Other benefits

Executives may receive benefits including executive health management, home insurance and salary continuance insurance.

Post-employment benefits

Retirement benefits are delivered under the Transfield Services Superannuation Plan (or another complying plan of the executive's choice) which provide defined contribution benefits.

TSI International Limited and its controlled entities

Directors' Report

Remuneration Report

Short Term Incentives

The short term performance incentive (STI) component of remuneration is provided to nominated executives. Participation is restricted to executives and selected individuals who can materially impact the TSI Funds' financial and operational performance. Cash incentives are payable following audit clearance of the annual financial statements each year.

Each executive has a target STI opportunity depending on the accountabilities of the role and impact on TSI Fund. The target opportunity of total fixed remuneration for the CEO, CFO, and GM Assets ranges from 20% to 100%.

Each year, Transfield Services Human Resources Committee, following consultation with the TSI Fund Board, oversees the targets and key performance indicators (KPIs) for the CEOs' STI plan and the level of payout for achievement of targets. This includes setting any maximum payout under the STI plan for out - performance, and minimum levels of financial performance required to trigger payment of STI. 100% of the STI opportunity of employees seconded to TSI Fund are based on TSI Fund related performance targets. The STI target annual payment is reviewed annually.

For the year ended 30 June 2009, the STI plan KPIs were based on TSI Fund's financial and strategic objectives. The KPIs included achieving specific targets in relation to earnings before interest, tax, depreciation and amortisation expense (EBITDA), TSI Fund growth and distributions, as well as other key, strategic and non-financial measures linked to drivers of performance in future reporting periods. Transfield Services' Human Resources Committee has oversight of performance outcomes against the KPIs for the CEO and CFO. To help make this assessment, the Transfield Services' Human Resources Committee receives detailed reports on performance against the KPIs.

Long Term Incentive (LTI) structure for Seconded Employees

The CEO is the only seconded employee to participate in the LTI (previously both the CEO and CFO). The vesting conditions and performance hurdles of the CEO's LTI's are measured 50/50 against the achievement of both TSI Fund's and Transfield Services respective business objectives. In addition, the award of TSI Fund notional securities and Transfield Services shares are proportioned 50/50.

The TSI Fund notional securities awarded to the CEO are issued under the TSI Fund Notional Securities Scheme and the Transfield Services shares awarded to the CEO are issued under the TransShare Executive Performance Awards Plan .

The current CFO commenced employment on 18 May 2009 and is not eligible to receive any LTI's under his contract.

Long Term Incentive - Transfield Services Infrastructure Fund Notional Securities Scheme

The TSI Fund Notional Securities Scheme (Scheme) offers the CEO a notional investment in securities of TSI Fund. This Scheme is offered by the Manager (with agreement from the TSI Fund Board). The incentive provided under the Scheme can be delivered either in cash, TSI Fund securities or a combination of both, once vesting conditions have been met. The Scheme is used, because under current Australian tax law, TSI Fund securities issued under a TSI Fund executive remuneration regime can only be provided to TSI Fund employees, whereas the CEO is seconded from the Manager to TSI Fund. This notional investment in securities in TSI Fund is a structure that emulates the performance of total securityholder return of TSI Fund securities.

The vesting conditions for the notional securities are as follows:

Tranche	Allocation Percentage	Performance hurdles	Vesting Schedule	
			Vesting of awards	Performance conditions
A	50%	TSI Fund return	20%# 80%	TSI Fund Return* > Benchmark Return** by \$350,000 (50% increase); TSI Fund Return > Benchmark Return by > \$1,750,000 (500% increase);
B	50%	TSI Fund Market Capitalisation	100%	TSI Fund Market Capitalisation doubles from listing to 30 June 2010

Pro-rata vesting will apply up to 100% once the primary performance hurdle for Tranche A has been achieved.

* TSI Fund return is the cumulative return of TSI Fund for 30 June financial years ending 2008, 2009, and 2010.

TSI International Limited and its controlled entities
Directors' Report
Remuneration Report

** Benchmark return is the average market capitalisation of TSI Fund over the last 20 trading days of the previous financial year multiplied by the average daily closing value of the benchmark rate during the relevant financial year, plus the time weighted aggregate values of all new securities paid during the relevant financial year multiplied by a rate equivalent to the average daily closing value of the benchmark rate.

Long Term Incentive - TranShare Executive Performance Awards Plan

The TranShare Executive Performance Awards Plan provides Performance Awards to the CEO of TSI Fund. Performance Awards for shares in Transfield Services are granted annually and generally vest no earlier than three years from grant date. The performance conditions of each grant of Performance Awards are subject to Transfield Services' Board review and assessed against its business plan and cycle. Transfield Services has determined that relative total shareholder return (TSR) combined with absolute earnings per share (EPS) growth were the most appropriate hurdles for its executives during this financial year. These performance conditions were chosen to ensure that executives are only rewarded when profit grows in real terms and Transfield Services achieves superior shareholder growth relative to the performance of the S&P ASX 200 Industrials index.

The EPS vesting schedule is:

Compound EPS growth pa	% of Performance Awards that vest
<10%	Nil
10% - 12.5%	Progressive vesting on a straight-line basis from 40% to 69%
12.5% - 14.99%	Progressive vesting on a straight-line basis from 70% to 99%
At or above 15%	100%

The relative TSR vesting schedule is:

Percentile	% of Performance Awards that vest
Below 50 th percentile	Nil
50 th – 74 th percentile	Progressive vesting on a straight-line basis from 30% to 99%
At or above the 75 th percentile	100%

The operation of purchases under TranShare Executive Performance Awards Plan was suspended on 26 June 2009 pending further government guidance on the taxation measures introduced in the 2009 May Federal budget.

B. Details of remuneration

Amounts of remuneration

Details of the remuneration of the Directors and the key management personnel of the Company are set out in the tables below.

The key management personnel of Transfield Services Infrastructure Limited and TSI Fund are those persons having authority and responsibility for planning, directing and controlling the activities of Transfield Services Infrastructure Limited, directly or indirectly and includes the Directors and the following executive officers of the entity:

Steve MacDonald	Chief Executive Officer
Steve Loxton*	Chief Financial Officer
Geoff Dutton	General Manager Assets
Charles Mott**	Chief Financial Officer

*Appointed 18 May 2009; **Resigned effective 24 April 2009.

TSI International Limited and its controlled entities
Directors' Report
Remuneration Report

Directors of Transfield Services Infrastructure Limited Group

Name	Short term benefits		Post employment benefits	Share based payments	Total \$
	Cash salary and fees \$	Non- monetary benefits \$	Superannuation \$	Deferred share purchase \$	
Non-executive Directors					
Peter Young 2008	165,126 155,068	- -	11,312 15,171	36,667 47,143	213,105 217,382
David Mathlin 2008	75,939 73,813	- -	6,605 6,630	14,667 18,857	97,211 99,300
Kate Spargo^ 2008	90,353 41,308	- -	1,204 6,087	14,667 53,036	106,224 100,431
Anthony Shepherd ¹ 2008	- -	- -	- -	- -	- -
Peter Goode ² 2008	- -	- -	- -	- -	- -
Peter Watson ³ 2008	- -	- -	- -	- -	- -
Sub-total non-executive Directors					
2009	331,418	-	19,121	66,001	416,540
2008	270,189	-	27,888	119,036	417,113
Total Directors					
2009	331,418	-	19,121	66,001	416,540
2008	270,189	-	27,888	119,036	417,113
Total for each category					
2009	331,418		19,121	66,001	416,540
2008	270,189		27,888	119,036	417,113

^ Kate Spargo has been short paid part of her entitlements which will be corrected in 2010

1. Anthony Shepherd is paid \$88,000 by Transfield Services to represent Transfield Services on the TSI Fund Board
2. Peter Goode who is an executive officer of Transfield Services appointed 1 April 2009 is not paid a fee for serving as a Director on the TSI Fund Board
3. Peter Watson who was an executive officer of Transfield Services resigned 1 April 2009 and was not paid a fee for serving as a Director on the TSI Fund Board

TSI International Limited and its controlled entities
Directors' Report
Remuneration Report

Other key management personnel and most highly remunerated officers of the Transfield Services Infrastructure Limited Group and the Company¹

Name	Short term benefits			Post employment benefits		Termination Payment	Long term benefits	Share based payments			Total ²
	Cash salary and fees \$	Cash bonus \$	Non-monetary benefits \$	Superannuation \$	Restraint of trade \$			Long Service Leave \$	Cash settled share based payments \$	Notional securities scheme \$	
Steve MacDonald*	532,266	411,138	19,591	13,745	-	-	13,564	-	(45,000)	(48,260)	897,044
2008	511,882	390,075	15,657	13,129	-	-	21,946	-	56,667	178,394	1,187,750
Charles Mott#	281,171	-	-	25,817	-	-	-	-	(17,000)	(57,778)	232,210
2008	321,107	104,720	-	9,633	-	-	8,450	-	17,000	57,778	518,688
Steve Loxton ^	38,519	-	-	1,145	-	-	-	-	-	-	39,664
2008	-	-	-	-	-	-	-	-	-	-	-
Geoff Dutton	216,518	39,837	-	19,486	-	-	993	-	-	-	276,834
2008	70,338	13,892	-	6,330	-	-	1,594	-	-	-	92,154
Darce Corsie	-	-	-	-	-	-	-	-	-	-	-
2008	386,612	-	-	36,370	133,400	-	-	86,584	-	-	642,966
Fred Bidwell	-	-	-	-	-	-	-	-	-	-	-
2008	324,226	-	100,000	113,129	-	140,000	5,237	-	-	-	682,592
Totals for each component											
2009	1,068,474	450,975	19,591	60,193	-	-	14,557	-	(62,000)	(106,038)	1,445,752
2008	1,614,165	508,687	115,657	178,591	133,400	140,000	37,227	86,584	73,667	236,172	3,124,150
Total for each category											
2009		1,539,040		60,193		-	14,557		(168,038)		1,445,752
2008		2,238,509		311,991		140,000	37,227		396,423		3,124,150

1. As at 30 June 2009 only three management personnel were seconded from the Manager to the TSI Fund

2. 100% of total remuneration from the Manager is attributable to TSI Fund. The Manager makes available its employees to TSI Fund, on a dedicated or as needed basis. Their remuneration is paid by TSI Fund as part of a management fee, which is an agreed estimate of certain expenses incurred by the Manager in performance of its obligations for providing the services. This is known as the Expense Amount.

* Steve MacDonald received additional deferred remuneration components which relate to his prior role as Chief Strategy Officer of Transfield Services (note 8). Some portions of his share-based payments are likely to fail to achieve their performance hurdles and have been reversed.

Charles Mott resigned on 24 April 2009. As he failed to achieve his service period, 100% of his share-based payments failed to vest and have been reversed.

^ Steve Loxton was appointed CFO on 18 May 2009

TSI International Limited and its controlled entities
Directors' Report
Remuneration Report

Remuneration components as a proportion of total remuneration

The below remuneration mix is based upon the above remuneration table. Directors do not receive any performance-based remuneration.

Key Management Personnel (excluding Non-Executive Directors)	Fixed remuneration (%)	Performance-based remuneration (%)
Steve MacDonald	65	35
Steve Loxton	100	-
Geoff Dutton	86	14

C. Service agreements

Remuneration and other terms of employment for the CEO and the other key management personnel are formalised in service agreements. Each of these agreements provides for the provision of performance-related cash bonuses, other benefits including executive health management, householder insurance, salary continuance insurance and participation, when eligible, in the TranShare Executive Performance Awards Plan and the TSI Fund Notional Securities Scheme. Other major provisions of the agreements are:

Name	Commencement of agreement	Notice period required for the employee to terminate the contract	Termination benefit (amount of annual salary) on early termination by the Company, other than for gross misconduct	A restrictive covenant applies	Other terms
Steve MacDonald <i>Chief Executive Officer</i>	1 April 2007	6 months	12 months	12 months	3 year contract plus option for extension
Steve Loxton <i>Chief Financial Officer</i>	18 May 2009	3 months	3 months	-	1 year contract plus 3 year option at Manager discretion
Geoff Dutton <i>General Manager Assets</i>	3 March 2008	1 month	1 month	-	-

D. Performance Awards provided as remuneration

The terms and conditions of each grant of Performance Awards affecting remuneration in this or future reporting periods are set out below. There is no exercise price payable on the Performance Awards and the issue price of the Performance Awards is nil. The Performance Awards vest subject to the achievement of relative TSR and EPS metrics (see Section A for further details).

Name	Number Granted	Grant Date	Fair value per Performance Award	Total Value	First Date exercisable	Expiry Date
Steve MacDonald <i>Chief Executive Officer</i>	28,750	31 May 2007	\$11.35	\$326,313	31 May 2010	31 May 2013
	28,750	31 May 2007	\$7.26	\$208,725	31 May 2010	31 May 2013

TSI International Limited and its controlled entities
Directors' Report
Remuneration Report

D. Performance Awards provided as remuneration (continued)

Steve MacDonald has not been granted any further Performance Awards and held 57,500 Performance Awards throughout the financial year. As at 30 June 2009 the exercise hurdles for these Performance Awards were highly unlikely to be achieved and a credit has been applied for the reversal of previously expensed amounts attributed to these Performance Awards for the financial year ended 30 June 2009. Steve MacDonald received additional deferred remuneration components which relate to his prior role as Chief Strategy Officer of Transfield Services. Details of these deferred remuneration components are not included in this report but are set out in note 8.

No other key management personnel hold Performance Awards.

E. Transfield Services Infrastructure Fund Notional Securities Scheme provided as remuneration

The terms and conditions of each grant of Notional Securities affecting remuneration in this or future reporting periods are set out below. Tranche A is subject the TSI Fund outperforming the benchmark return and Tranche B is subject to TSI Market Capitalisation doubling from listing to 30 June 2010 (see Section A for further details). No exercise price is payable on either of the tranches and the issue price of the Notional Securities is nil. The Notional Securities lapse on the earlier of ceasing employment and 180 days after the Vesting Date.

Name	Tranche	Number Granted	Grant Date	Value per Notional Security	Fair value at 30 June 2009	Vesting Date*
Steve MacDonald	A	166,667	15/11/07	\$0.066	\$11,000	30/06/10
<i>Chief Executive Officer</i>	B	166,667	15/11/07	\$0.004	\$667	30/06/10

*Vesting date also refers to the first date that the Notional Securities can be exercised.

Steve MacDonald has not been granted any further Notional Securities and held 333,334 Notional Securities throughout the financial year. As at 30 June 2009 the exercise hurdles for these Notional Securities were highly unlikely to be achieved and a credit has been applied for the reversal of previously expensed amounts attributed to these Notional Securities for the financial year ended 30 June 2009.

No other key management personnel hold Notional Securities.

F. Additional information

Principles used to determine the nature and amount of remuneration: relationship between remuneration and Company performance

The Company's earnings before interest, taxation, depreciation and amortisation (EBITDA), securityholder wealth and executive remuneration will be measured progressively over the next 5 years. The cash bonuses are dependent on the satisfaction of performance conditions as set out in the section headed 'Short term incentives' on page 8 and the LTIs do not vest unless performance conditions are met. All other elements of fixed remuneration are not directly related to Company performance.

Performance of Transfield Services Infrastructure Fund over 2 years

The overall level of executive reward takes into account the performance of the Fund over a number of years, with greater emphasis given to the current and immediately preceding year. Over the past 2 years, the Fund's EBITDA has grown by a cumulative average 25.94% per annum. During the same period, average executive remuneration has reduced. Short term incentive bonus as a percentage of total annual reward for Key Management Personnel (KMP) is presented in the following table for each year.

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Directors' Report
Remuneration Report

	2009	2008 (restated)
EPS (cents)	(14.2) cents	8.2 cents
EBITDA \$'000	115,196	91,471
NPAT \$'000	(38,017)	21,985
KMP eligible for STI payment	2	3
Value of STI paid	450,975	508,687
KMP Total Annual Reward	1,445,752	3,124,150
<hr/>		
STI as % of executive KMP Total Annual Reward	31.1%	16.3%

Details of remuneration: at-risk remuneration

The percentage of each executive's cash bonus that was paid and forfeited, based on performance, is outlined in the table below. No part of the bonuses is payable in future years. No Performance Awards and Notional Securities vested, were exercised, or lapsed during year. As Performance Awards and Notional Securities will lapse if performance conditions are not achieved, the minimum value of these shares and securities is nil.

The maximum value of the Performance Awards yet to vest has been determined based on the fair value at grant date. The value of these Performance Awards at grant date was \$535,038. As 30 June 2009 it was unlikely that the performance hurdles would be met at vesting date and this outcome is reflected in the remuneration tables. Steve MacDonald is the only current key management personnel to have been granted Performance Awards.

The maximum value of the Notional Securities yet to vest has been determined based on the fair value at 30 June 2008. The value of these Notional Securities at 30 June 2009 was \$11,667 (\$2008: \$56,667). Steve MacDonald is the only current key management personnel to have been granted Notional Securities.

Details in relation to at-risk short-term incentives applicable to key management personnel are as follows:

Name	Cash Bonus		Year granted
	Paid %	Forfeited %	
Steve MacDonald	75	25	2009
	74	26	2008
Geoff Dutton	84	16	2009
	91	9	2008

TSI International Limited and its controlled entities Directors' Report

Insurance of officers

During the financial year, Transfield Services Infrastructure Limited paid a premium of \$142,471 to insure the Directors and Secretary of the Company and its controlled entities. It is not possible to allocate a precise amount to TSI International Limited. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the consolidated entity, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Proceedings on behalf of the Company

No person has applied to a court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of a court under section 237 of the *Corporations Act 2001*.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the consolidated entity are important.

PricewaterhouseCoopers was paid \$276,735 the year for non-audit services by Transfield Services Infrastructure Limited. No amount has been specifically allocated to the Company.

Auditors' independence declaration

A copy of the auditor's independence declaration as required under section 307C of *Corporations Act 2001* is set out on page 16.

Rounding of amounts

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditor

PricewaterhouseCoopers continues in office in accordance with Section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of the Directors.



Peter Young AM
Chairman
at Sydney
17 August 2009



Kate Spargo
Director

Auditor's Independence Declaration

As lead auditor for the audit of TSI International Limited for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of TSI International Limited and the entities it controlled during the period.



R L Gavin
Partner
PricewaterhouseCoopers

Sydney
17 August 2009

TSI International Limited ACN 124 582 547

Financial Report – 30 June 2009

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The financial report is presented in Australian currency.

TSI International Limited is a Company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

TSI International Limited
Level 10, 111 Pacific Highway
NORTH SYDNEY NSW 2060

The financial report was authorised for issue by the Directors on 17 August 2009. The Company has the power to amend and reissue the financial report.

A description of the nature of the Company's operations and its principal activities is included in the review of operations and activities and in the Annual Report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the Company. All press releases, financial reports and other relevant information are available at our Media and Investor Centre on our website www.tsinfrastructurefund.com

For queries in relation to our reporting please call (02) 9464 1000 or email info@tsifund.com

TSI International Limited and its controlled entities
Income Statements
For the year ended 30 June 2009

	Consolidated		Parent	
	2009	2008	2009	2008
	\$	\$	\$	\$
17B16B				
Revenue from continuing operations	-	-	-	-
Profit before income tax	-	-	-	-
Income tax (expense) / benefit	-	-	-	-
Profit for the period	-	-	-	-
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Company				
Basic earnings per share – cents	-	-	-	-
Diluted earnings per share – cents	-	-	-	-

The above income statements should be read in conjunction with the accompanying notes.

TSI International Limited and its controlled entities
Balance Sheets
As at 30 June 2009

	Note	Consolidated		Parent entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
18B13B					
Current assets					
Receivables	2	267	264	265	262
Total current assets		267	264	265	262
Non-Current assets					
Investment in controlled entities	3	-	-	2	2
Total Non-Current assets		-	-	2	2
Net assets		267	264	267	264
Equity					
Contributed equity	4	267	264	267	264

The above balance sheets should be read in conjunction with the accompanying notes.

TSI International Limited and its controlled entities
Statements of Cash Flows
For the year ended 30 June 2009

	Consolidated		Parent entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
19B14B Cash flows from operating activities	-	-	-	-
Net cash inflow from operating activities	-	-	-	-
Cash flows from investing activities				
Loan to related party	-	(24)	-	(22)
Investment in subsidiaries	-	-	-	(2)
Net cash (outflow) from investing activities	-	(24)	-	(24)
Cash flows from financing activities				
Proceeds from DRP discount	3	-	-	-
Loan (advanced)/repaid by related party	(3)	24	-	24
Net cash inflow from financing activities	-	24	-	24
Net increase/(decrease) in cash held	-	-	-	-
Cash and cash equivalents at incorporation	-	-	-	-
Cash and cash equivalents at the end of the financial period	-	-	-	-

The above statements of cash flows should be read in conjunction with the accompanying notes.

TSI International Limited and its controlled entities
Statements of Changes in Equity
For the year ended 30 June 2009

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
Total equity at the beginning of the financial period	264	264	264	264
Net income recognised directly in equity	-	-	-	-
Profit for the period	-	-	-	-
Total recognised income and expense for the period	-	-	-	-
Transactions with equity holders in their capacity as equity holders:				
Contributions of equity, net of transaction costs (Note 4)	3	-	3	-
	3	-	3	-
Total equity at the end of the financial period	267	264	267	264

The above statements of changes in equity should be read in conjunction with the accompanying notes

TSI International Limited and its controlled entities
Notes to and forming part of the financial statements
For the year ended 30 June 2009

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TSI International Limited and its controlled entities
Notes to and forming part of the financial statements
For the year ended 30 June 2009

Note 1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of this financial report are set out below.

a) Basis of preparation of the financial report

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

These policies have been consistently applied to all the periods presented, unless otherwise stated.

Compliance with International Financial Reporting Standards (IFRS)

Australian Accounting Standards include Australian Equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report and notes thereto of TSI International Limited comply with IFRS.

Historical cost convention

These financial statements have been prepared under the historical cost convention.

b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of TSI International Limited (Company or Parent entity) as at 30 June 2009 and the results of all subsidiaries for the year then ended.

TSI International Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The purchase method of accounting is used to account for acquisition of subsidiaries by the Group.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the individual financial statements of TSI International Limited.

c) Receivables

Receivables represent amounts due from related parties and are recognised initially at fair value and subsequently measured at amortised cost.

d) Contributed equity

Ordinary shares are classified as equity.

Note 1. Summary of significant accounting policies (continued)

e) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

f) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

g) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. The Group's and parent entity's assessment of the impact of new standards and interpretations is set out below (to the extent applicable).

(i) Revised AASB 101 *Presentation of Financial Statements* and AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101*. (Effective 1 January 2009). The September 2007 revised AASB 1012 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior period adjustment, or has reclassified items in the financial statements, it will need to disclose a third balance sheet, at the beginning of the comparative period. The Group will apply the revised standard from 1 July 2009.

TSI International Limited and its controlled entities
Notes to and forming part of the financial statements
For the year ended 30 June 2009

Note 2. Receivables

	Consolidated		Parent entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
15B				
Loans to related party – Transfield Services Infrastructure Limited	267	264	265	262
Loans to related party - TSI International (Holdings) Pty Limited	-	-	2	2
	267	264	267	264

These loans are interest free and repayable on demand.

Note 3. Investments in controlled entities

	Country of incorporation	Class of shares as applicable	Equity Holding	2008	Cost of Parent entity's investment	
			2009	2008	2009	2008
			%	%	\$	\$
TSI International (Holdings) Pty Limited	Australia	Ordinary	100	100	2	2
TSI (Cayman) Holdings 1 Ltd ¹	Cayman Islands	Ordinary	100	100	-	-
TSI (Cayman) Holdings 2 Ltd ¹	Cayman Islands	Ordinary	100	100	-	-
Inversions TSI Chile (Holdings) Limitada ¹	Chile	Ordinary	100	100	-	-
Inversions TSI (Chile) Limitada ¹	Chile	Ordinary	100	100	-	-
					2	2

¹ Owned by TSI International (Holdings) Pty Limited
All controlled entities are dormant.

Note 4. Contributed equity

	Consolidated and Parent entity	
	2009	2008
	\$	\$
Ordinary shares – fully paid	267	264

Movements in ordinary share capital:

Date	Details	Number of shares issued	Number of shares acquired on market	Exercise price \$	\$
23 March 2008	Incorporation	10	-	1	10
8 June 2008	Share split	10,000,000	-	*	-
8 June 2008	New shares issued	217,140,333	-	*	217
12 June 2008	New shares issued in IPO	39,584,657	-	*	37
30 June 2008		266,725,000	-	-	264
31 March 2009	New shares issued for DRP	3,058,998	-	*	3
30 June 2009		269,783,998	-	-	267

*Exercise prices are not disclosed as they are below 1/1000th cent.

TSI International Limited and its controlled entities
Notes to and forming part of the financial statements
For the year ended 30 June 2009

Note 4. Contributed equity (continued)

a) Ordinary shares

Ordinary shares (which have no par value) entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

b) Stapling

Each ordinary share is stapled to a share in Transfield Services Infrastructure Limited and a unit in Transfield Services Infrastructure Trust. These are traded together as Transfield Services Infrastructure Fund and listed on the Australian Securities Exchange, on 12 June 2007.

Note 5. Remuneration of auditors

The auditor of TSI International Limited is PricewaterhouseCoopers. Audit fees for the Company are paid by Transfield Services Infrastructure Limited as parent entity of the TSI Fund. Total audit fees of the TSI Fund were \$452,031 (2008: \$245,800). Non-audit services \$276,735 (2008: \$231,259). No amounts are allocated to TSI International Limited as it is dormant.

Note 6. Contingent liabilities and expenditure commitments

TSI International Limited currently has no contingent liabilities or commitments for expenditure.

Note 7. Related party transactions

(a) Parent entity

The parent entity is TSI International Limited. The ultimate parent entity is deemed to be Transfield Services Infrastructure Limited, under the stapling deed dated 7 June 2007.

(b) Key management personnel

Disclosures relating to key management personnel are set out in note 8.

(c) Remuneration and retirement benefits

Disclosures relating to remuneration and retirement benefits are set out in the Remuneration Report on pages 6 to 14.

(d) Directors and Director -related entities

Anthony Shepherd, a Director of Transfield Services Limited indirectly holds 100,000 shares in Transfield Services Limited which itself owns 48.4% of the securities of the TSI Fund.

David Mathlin also holds 4,440 shares in Transfield Services Limited.

The TSI Fund is managed under a Management Services Agreement (MSA) with Transfield Services (Australia) Pty Limited, a subsidiary of Transfield Services Limited.

As a consequence of changes in the means by which Director's were remunerated, an income tax liability imposed upon the Directors was triggered during the year. As this transaction is a service under the MSA, the Directors were reimbursed the following amounts to cover the tax liability during the year. These amounts do not form part of their annual remuneration.

• Peter Young	\$20,654
• David Mathlin	\$7,928
• Kate Spargo	\$18,537

No amounts are payable to Directors or Director related entities at 30 June 2009.

TSI International Limited and its controlled entities
Notes to and forming part of the financial statements
For the year ended 30 June 2009

Note 7. Related party transactions (continued)

(e) Loans to Directors and Director-related entities

There were no loans to Directors or their personally related entities during the year or outstanding at the end of the year.

(f) Loans to executives and executive-related entities

Steve MacDonald, the CEO of TSI Fund and a full time secondee from Transfield Services (Australia) Pty Limited (TSAPL), the Manager under the MSA has a commercial loan arrangement with TSAPL, the terms and conditions of which are set out below:

Effective date	20 October 2008
Amount	\$470,000
Term	Earlier of 30 September 2009 or ceasing to be an employee
Interest rate	10.0% from inception to 31 March 2009 6.83% from 1 April 2009 to 30 September 2009
Interest payments	Interest is payable together with principal at termination date

There have been no principal or interest repayments made between the date of inception and 30 June 2009.

Other than the above, there were no loans to executives of entities in the consolidated entity or their personally related entities during the year or outstanding at the end of the year.

(g) Transactions of Directors and Director-related entities concerning shares of TSI International Limited

Aggregate numbers of shares of TSI International Limited acquired or disposed of by the Directors or their Director-related entities from the Company:

	2009	2008
	Number	Number
Acquisitions		
	<u>273,808</u>	<u>497,881</u>
Aggregate acquisition of ordinary shares includes deferred share plan arrangement as set out in the remuneration report.		
Disposals	<u>-</u>	<u>-</u>

(h) Other transactions with Directors and Director-related entities

There have been no other transactions entered into between the Company and Directors and/or Director related entities since 1 July 2008.

(j) Stapled group (TSI Fund)

The stapled group consists of Transfield Services Infrastructure Limited and its wholly-owned controlled entities as well as Transfield Services Infrastructure Trust and TSI International Limited.

Transactions between TSI International Limited and other entities in the TSI Fund during the year ended 30 June 2009 consisted of:

- (i) loans advanced to Transfield Services Infrastructure Limited.

This loan is interest free, and is repayable on demand.

	2009	2008
	\$	\$
Aggregate amounts receivable from entities in the stapled group at balance date:		
Current receivables	<u>267</u>	<u>264</u>

TSI International Limited and its controlled entities
Notes to and forming part of the financial statements
For the year ended 30 June 2009

Note 8. Key management personnel

(a) Directors

The following persons were Directors of TSI International Limited during the financial year and up to the date of this report:

- Peter Young AM (Chairman)
- David Mathlin
- Kate Spargo
- Anthony Shepherd
- Peter Watson (resigned 1 April 2009)
- Peter Goode (appointed 1 April 2009)
- Matthew Irwin (alternate for Peter Goode and Peter Watson)
- Kate Munnings (alternate for Peter Goode and Peter Watson)

(b) Other key management personnel

Steve MacDonald	Chief Executive Officer
Charles Mott (resigned 24 April 2009)	Chief Financial Officer
Steve Loxton (appointed 18 May 2009)	Chief Financial Officer
Geoff Dutton	General Manager Assets

All other key management personnel are employed by Transfield Services (Australia) Pty Limited, a subsidiary of Transfield Services Limited and are those persons having authority and responsibility for planning, directing and controlling the activities of TSI Fund, directly or indirectly.

(c) Key management personnel compensation

	Consolidated		Parent entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
Short-term employee benefits (cash salary and fees, cash bonuses and non-monetary benefits)	1,862,292	2,508,698	1,862,292	2,508,698
Termination payment	-	140,000	-	140,000
Long-term employee benefits	14,557	37,227	14,557	37,227
Post-employment benefits	79,314	339,879	79,314	339,879
Share-based payments	(102,037)	515,459	(102,037)	515,459
	1,870,458	3,541,263	1,870,458	3,541,263

(d) Equity instrument disclosures relating to key management personnel

Details of Performance Awards and the Scheme provided as remuneration in Transfield Services Limited shares and TSI Fund notional securities respectively, issued on the exercise of such Performance Awards and notional securities under the Scheme, together with terms and conditions of the Performance Awards and notional securities under the Scheme, can be found in section D of the Remuneration Report on pages 6 to 14. These equity instruments are only available to the CEO, who is employed by the Manager and seconded to TSI Fund.

(i) LTI holdings

No Performance Awards or notional securities under the Scheme have vested in the current year.

(ii) Shareholdings

The number of securities in TSI Fund held during the financial year by each Director of TSI International Limited and other key management personnel of the Group, including their personally related parties, are set out below. The Directors' compensation includes semi-annual on-market share acquisition in lieu of cash remuneration.

TSI International Limited and its controlled entities
Notes to and forming part of the financial statements
For the year ended 30 June 2009

Note 8. Key management personnel (continued)

2009	Balance at the start of the year	Other changes during the year acquisitions/ (disposals)	Balance at the end of the year
Name			
<i>Ordinary shares</i>			
<i>Directors</i>			
Peter Young AM	293,528	151,394	444,922
David Mathlin	199,413	84,795	284,208
Kate Spargo	35,913	35,359	71,272
Anthony Shepherd	145,120	2,260	147,380
Peter Goode	-	-	-
	673,974	273,808	947,782
<i>Other key management personnel of the Group</i>			
Steve MacDonald	201,896	(65,124)	136,772
<i>Chief Executive Officer</i>			
Steve Loxton	-	-	-
<i>Chief Financial Officer (appointed 18 May 2009)</i>			
Geoff Dutton	-	-	-
<i>General Manager Assets</i>			
	201,896	(65,124)	136,772
2008	Balance at the start of the year	Other changes during the year acquisitions/ (disposals)	Balance at the end of the year
Name			
<i>Ordinary shares</i>			
<i>Directors</i>			
Peter Young AM	182,494	111,034	293,528
David Mathlin	95,000	104,413	199,413
Kate Spargo	23,500	12,413	35,913
Anthony Shepherd	95,120	50,000	145,120
Peter Watson	47,500	220,021	267,521
	443,614	497,881	941,495
<i>Other key management personnel of the Group</i>			
Steve MacDonald	101,896	100,000	201,896
<i>Chief Executive Officer</i>			
Charles Mott	47,500	7,500	55,000
<i>Chief Financial Officer</i>			
Geoff Dutton	-	-	-
<i>General Manager Assets</i>			
Darce Corsie	95,000	-	95,000
<i>Transitional Chief Financial Officer</i>			
Fred Bidwell	95,000	75,000	170,000
<i>General Manager Special Projects and Company Secretary</i>			
	339,396	182,500	521,896

TSI International Limited and its controlled entities
Notes to and forming part of the financial statements
For the year ended 30 June 2009

Note 8. Key management personnel (continued)

Other transactions with Directors and key management personnel

2009

There were no loans to key management personnel or their personally related entities during the year or outstanding at the end of the year except the loan to Steve MacDonald, CEO of TSI Fund, the details of which are set out in Note 7 (f).

Steve MacDonald also received additional deferred remuneration components from his prior role as Chief Strategy Officer of Transfield Services. The additional deferred remuneration components received from Transfield Services during year ended 30 June 2009 are unlikely to vest due to the failure to achieve performance hurdles. This has resulted in the following reversal.

Long-term benefits	Share-based payments		Total \$
<i>Executive Special Scheme</i>	<i>Transfield Services Options</i>	<i>Performance Awards</i>	
\$	\$	\$	
-	-	(310,405)	(310,405)

2008

Details of share-based payments that were granted to Steve MacDonald whilst he was Chief Strategy Officer of Transfield Services Limited which have not yet vested are as follows:

Long-term benefits	Share-based payments		Total \$
<i>Executive Special Scheme</i>	<i>Transfield Services Options</i>	<i>Performance Awards</i>	
\$	\$	\$	
150,000	139,197	81,392	370,589

Distributions and/or dividends received by Directors and key management personnel during the year ended 30 June 2009 amounted to \$129,021 (2008 \$50,707)

TSI International Limited and its controlled entities
Notes to and forming part of the financial statements
For the year ended 30 June 2009

Note 9. Earnings per share

	Consolidated	
	2009	2008
	cents	Cents
(a) Basic earnings per share		
Profit from continuing operations attributable to the ordinary equity holders of the Company	-	-
(b) Diluted earnings per share		
Profit from continuing operations attributable to the ordinary equity holders of the Company	-	-
	2009	2008
	\$	\$
(c) Reconciliation of earning used in calculating earnings per share		
Net profit after tax	-	-
Earnings used in calculating basic and diluted earnings per stapled security	-	-
(d) Weighted average number of shares used as the denominator	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	269,487,654	266,725,000

Note 10. Events occurring after balance sheet date

No significant events have occurred since balance date and prior to signing the financial statements.

Note 11. Segment information

TSI International Limited presently operates in one business segment being investment in infrastructure assets and the Group has subsidiaries incorporated in the Cayman Islands and in Chile. All entities in the Group are dormant, consequently no segment report is provided in the Group's financial report.

Note 12. Financial and capital risk management

The Company and the Group do not employ any particular financial and capital risk management policies as both the Parent entity and the consolidated entity are dormant.

**TSI International Limited
Directors' Declaration
For the year ended 30 June 2009**

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 18 to 31 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.



**Peter Young AM
Chairman**



**Kate Spargo
Director**

at Sydney
17 August 2009

Independent auditor's report to the members of TSI International Limited

Report on the financial report

We have audited the accompanying financial report of TSI International Limited (the company), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both TSI International Limited and TSI International Limited Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

**Independent auditor's report to the members of TSI International Limited
(continued)**

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

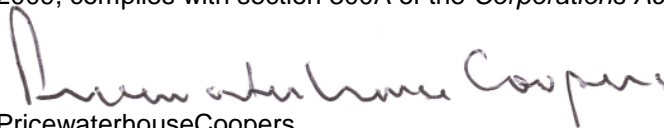
- (a) the financial report of TSI International Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1 (a).

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 14 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the Remuneration Report of TSI International Limited for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001*.


PricewaterhouseCoopers



R L Gavin
Partner

Sydney
17 August 2009