

Transfield Services Infrastructure Trust ARSN 125 010 531

Financial report – 30 June 2009

Contents	Page
Directors' report (including Remuneration Report)	2
Auditors' independence declaration	15
Financial statements	16
Directors' declaration	33
Independent audit report to the members	34

Transfield Services Infrastructure Trust

Directors' Report

For the year ended 30 June 2009

The Directors of Infrastructure Fund Management Limited (IFML or the Company) (ABN 70 118 203 731) as the Responsible Entity of Transfield Services Infrastructure Trust (the Trust) (ARSN 125 010 531) present their report on the Trust together with the financial report of the Trust for the year ended 30 June 2009.

Directors

The following persons were Directors of IFML during the financial year and up to the date of this report unless otherwise indicated:

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 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 Trust was established for the provision of debt financing to Transfield Services Infrastructure Limited and the facilitation of distributions to unitholders comprising interest income and returns of capital.

Distributions

Distributions paid to members during the financial year were as follows:

	2009	2008
	\$000	\$000
Final distribution paid for year ended 30 June 2008 paid on 17 September 2008	24,005	-
Interim distribution for year ended 30 June 2009 paid on 31 March 2009	13,337	25,339
	37,342	25,339
	2009	2008
	cents	cents
Final distribution for year ended 30 June 2008 paid on 17 September 2008	9.0	-
Interim distribution for year ended 30 June 2009 paid on 31 March 2009	5.0	9.5
	14.0	9.5

A final distribution of 7 cents per unit was announced on 17 August 2009. This distribution will be paid on 30 September 2009.

Review of operations

	2009	2008
	\$000	\$000
Interest income	19,281	18,634
Net profit attributable to unitholders	19,204	18,180
	cents	cents
Basic earnings per unit	7.2	6.8
Diluted earnings per unit	7.2	6.8

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Trust.

Transfield Services Infrastructure Trust Directors' Report

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

other than the declaration of a final distribution of 7cents per security to be paid on 30 September 2009.

Likely developments and expected results of operations

Information on likely developments in the operations of the Trust 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 Trust.

Environmental regulation

The Trust does not conduct any operations that are subject to significant environmental regulation.

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 has 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.

Transfield Services Infrastructure Trust Directors' Report

Information on Directors

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

Director	Special responsibilities	Particulars of Directors' interests in the stapled securities of TSI Fund	Indirect interest in TSI Fund 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 member of Investment Review Committee.	284,208*	4,440
Kate Spargo	Independent Non-Executive Director, 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.

Details of the 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.

Transfield Services Infrastructure Trust

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.

Transfield Services Infrastructure Trust

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.

Transfield Services Infrastructure Trust

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% [#]	TSI Fund Return * >Benchmark Return ** by \$350,000 (50% increase);
			80%	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.

Transfield Services Infrastructure Trust

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 TSI Fund are set out in the tables below.

The key management personnel of TSI Fund are those persons having authority and responsibility for planning, directing and controlling the activities of TSI Fund, 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.

Transfield Services Infrastructure Trust
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	165,126	-	11,312	36,667	213,105
2008	155,068	-	15,171	47,143	217,382
David Mathlin	75,939	-	6,605	14,667	97,211
2008	73,813	-	6,630	18,857	99,300
Kate Spargo [^]	90,353	-	1,204	14,667	106,224
2008	41,308	-	6,087	53,036	100,431
Anthony Shepherd ¹	-	-	-	-	-
2008	-	-	-	-	-
Peter Goode ²	-	-	-	-	-
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

Transfield Services Infrastructure Trust
Directors' Report
Remuneration Report

Other key management personnel and most highly remunerated officers¹

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* 2008	532,266 511,882	411,138 390,075	19,591 15,657	13,745 13,129	- -	- -	13,564 21,946	- -	(45,000) 56,667	(48,260) 178,394	897,044 1,187,750
Charles Mott# 2008	281,171 321,107	- 104,720	- -	25,817 9,633	- -	- -	- 8,450	- -	(17,000) 17,000	(57,778) 57,778	232,210 518,688
Steve Loxton ^ 2008	38,519 -	- -	- -	1,145 -	- -	- -	- -	- -	- -	- -	39,664 -
Geoff Dutton 2008	216,518 70,338	39,837 13,892	- -	19,486 6,330	- -	- -	993 1,594	- -	- -	- -	276,834 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 11). 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

Transfield Services Infrastructure Trust
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 TSI Fund 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

Transfield Services Infrastructure Trust
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 11.

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 TSI Fund performance

TSI Fund'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 7 and the LTIs do not vest unless performance conditions are met. All other elements of fixed remuneration are not directly related to TSI Fund performance.

Transfield Services Infrastructure Trust
Directors' Report
Remuneration Report

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.

	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
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

Transfield Services Infrastructure Trust

Directors' Report

Insurance of officers

During the financial year, TSI Fund paid a premium of \$142,471 to insure the Directors and Secretary of the stapled entities. It is not possible to allocate a precise amount to IFML or the Trust.

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 Trust. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Fees paid to and interest held in the Trust by the responsible entity or its associates

Fees of \$75,000 (2008: \$75,000) were paid to the responsible entity out of Trust property during the year. There were no fees paid out of Trust property to the Directors of the responsible entity during the year.

Interests in the Trust

The movement in units on issue in the Trust during the year is disclosed in note 6 of the financial statements. The value of the Trust's assets and liabilities is disclosed on the balance sheet and derived using the basis set out in note 1 of the financial statements.

Proceedings on behalf of the Trust

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

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

Non-audit services

The Responsible Entity may decide to employ the auditor on assignments for the Trust additional to their statutory audit duties where the auditor's expertise and experience with the Trust and/or TSI Fund are important. Amounts paid or payable to the auditor (PricewaterhouseCoopers) for audit and non-audit services provided during the year are booked by Transfield Services Infrastructure Limited. It is not practical to allocate a specific amount to the operations of the Trust.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of *Corporations Act 2001* is set out on page 15.

Rounding of amounts

The Trust 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 continue 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



Kate Spargo
Director

at Sydney
17 August 2009

Auditor's Independence Declaration

As lead auditor for the audit of Transfield Services Infrastructure Trust 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 Transfield Services Infrastructure Trust during the period.



R L Gavin
Partner
PricewaterhouseCoopers

Sydney
17 August 2009

Financial Report – 30 June 2009

Contents	Page
Income Statement	17
Balance Sheet	18
Statement of Cash Flows	19
Statement of Changes in Equity	20
Notes to and forming part of the financial statements	21
Directors' Declaration	33
Independent Audit Report to the members	34

This financial report covers Transfield Services Infrastructure Trust as an individual entity. The Trust did not control any other entities at any time during the year.

The financial report is presented in Australian currency.

Infrastructure Fund Management Limited (IFML), the Responsible Entity of the Trust, is a Company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Infrastructure Fund Management Limited
Level 10, 111 Pacific Highway
NORTH SYDNEY NSW 2060

The financial report was authorised for issue by the Directors on 17 August 2009. IFML has the power to amend and reissue the financial 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 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 e-mail info@tsifund.com

Transfield Services Infrastructure Trust
Income Statement
For the year ended 30 June 2009

	Note	2009	2008
		\$000	\$000
20B19B18B			
Revenue from continuing operations			
Interest income	3	19,281	18,634
Directors' fees		-	(139)
Auditors' remuneration		-	(103)
Consulting fees		-	(192)
Other expenses		(77)	(20)
Profit for the period		19,204	18,180
Earnings per unit for profit attributable to the ordinary unitholders of the trust			
Basic earnings per unit – cents	13	7.2	6.8
Diluted earnings per unit – cents	13	7.2	6.8

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

Transfield Services Infrastructure Trust
Balance Sheet
As at 30 June 2009

	Note	2009 \$000	2008 \$000
14B			
Current assets			
Cash and cash equivalents	4	106	133
Receivables	5	320,860	338,045
Total assets		320,966	338,178
Current liabilities			
Trade and other payables		45	392
Related party payables		-	75
Total liabilities		45	467
Net assets		320,921	337,711
Unitholders' funds			
Units on issue (restated)	6	320,921	337,711
Retained profits (restated)	7	-	-
Total unitholders' funds		320,921	337,711

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

Transfield Services Infrastructure Trust
Statements of Cash Flows
For the year ended 30 June 2009

	Note	2009 \$000	2008 \$000
22B15B Cash flows from operating activities			
Payment to suppliers		(413)	(62)
Refund / (payment) of GST on float costs		-	1,000
Tax paid		(58)	-
Net cash inflow / (outflow) from operating activities	12	(471)	938
Cash flows from investing activities			
Loan advanced to related party		-	-
Interest received		19,281	11,358
Receipt of principal repayment on related party loan		17,157	13,138
Net cash inflow / (outflow) from investing activities		36,438	24,496
Cash flows from financing activities			
Proceeds from issue of units under DRP discount		1,348	-
Payment of float costs		-	(109)
Loan from related party		-	75
Distribution to unitholders		(37,342)	(25,339)
Net cash (outflow) / inflow from financing activities		(35,994)	(25,373)
Net increase in cash and cash equivalents		(27)	61
Cash and cash equivalents at beginning of the financial year		133	72
Cash and cash equivalents at the end of the financial year	4	106	133

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

Transfield Services Infrastructure Trust
Statement of Changes in Equity
For the year ended 30 June 2009

	2009	2008
	\$000	\$000
Total equity at the beginning of the financial period	337,711	344,979
Net income recognised directly in equity	<u>-</u>	<u>-</u>
Profit for the period	19,204	18,180
Total recognised income and expense for the period	19,204	18,180
Transactions with equity holders in their capacity as equity holders:		
Contributions of equity, net of transaction costs	1,348	(109)
Distributions to unitholders	(37,342)	(25,339)
	<u>(35,994)</u>	<u>(25,448)</u>
Total equity at the end of the financial period	320,921	<u>337,711</u>

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

Transfield Services Infrastructure Trust
Notes to and forming part of the financial statements
For the year ended 30 June 2009

Index to the notes	Page
Note 1. Summary of significant accounting policies	22
Note 2. Financial risk management	24
Note 3. Revenue	25
Note 4. Cash and cash equivalents	25
Note 5. Receivables	25
Note 6. Units on issue	26
Note 7. Retained profits	26
Note 8. Remuneration of auditors	26
Note 9. Contingent liabilities and commitments	26
Note 10. Related party transactions	27
Note 11. Key management personnel	29
Note 12. Reconciliation of operating profit after income tax to net cash inflow from operating activities	31
Note 13. Earnings per unit	32
Note 14. Events occurring after balance sheet date	32
Note 15. Stapling arrangement	32
Note 16. Segment information	32

Transfield Services Infrastructure Trust
Notes to and forming part of the financial statements
For the year ended 30 June 2009

Note 1. Summary of significant accounting policies

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 as modified by the use of the effective interest rate method to measure certain loans and receivables.

b) Revenue recognition

Revenue is recognised as follows:

Interest income

Interest income is recognised on a time proportion basis using the effective interest rate method.

c) Receivables

Loan receivables being amounts due from related parties are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate.

Interest and other receivables that are expected to be received within 12 months of recognition are recognised at nominal value which approximates fair value.

d) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

e) Unitholders' funds

Ordinary units are classified as unitholders' funds.

Incremental costs directly attributable to the issue of new units are shown in unitholders' funds as a deduction from the proceeds.

Principal repayments included in the semi-annual distributions are applied against unitholders' funds.

f) Distributions

In accordance with the Trust constitution, the Trust fully distributes its distributable (taxable) income, and any other amounts determined by the Responsible Entity, to unitholders.

Provision is made for the amount of any distribution approved on or before the end of the year but not paid at balance date.

Transfield Services Infrastructure Trust
Notes to and forming part of the financial statements
For the year ended 30 June 2009

Note 1. Summary of significant accounting policies (continued)

g) Earnings per unit

Basic and diluted earnings per unit

Basic and diluted earnings per unit are calculated by dividing the profit attributable to unitholders of the Trust, by the weighted average number of ordinary units outstanding during the year. There are currently no dilutive potential ordinary units.

h) Income tax

Under current income tax legislation Transfield Services Infrastructure Trust is not liable for income tax, provided that the taxable income is fully distributed each year including any taxable capital gain derived from the sale of an asset.

i) Segment reporting

A business segment is identified for a group of assets and operations engaged in providing products or a service that are subject to risk and returns that are different to those of the other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

j) Rounding of amounts

The Trust 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 financial report. Amounts in the financial report have been rounded in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

k) 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 Trust's assessment of the impact of these new standards and interpretations is set out below (as they apply to the Trust)

Revised AASB 101 *Presentation of Financial Statements* and AASB 2008-8 *Amendments to Australian Accounting Standards arising from AASB 101*.

A revised AASB 101 was issued in September 2008 and is applicable for annual reporting periods beginning on or after 1 January 2009. It 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, this one being at the beginning of the comparative period. The Trust intends to apply the revised standard from 1 July 2009.

Transfield Services Infrastructure Trust
Notes to and forming part of the financial statements
For the year ended 30 June 2009

Note 2. Financial risk management

The Trust's activities expose it to a variety of financial risks; market risk, credit risk and liquidity risk. The Trust does not trade financial instruments, including derivative financial instruments, for speculative reasons.

Financial risk is managed by the Chief Financial Officer of TSI Fund under policies approved by the Transfield Services (Australia) Pty Limited (the Manager). The Chief Financial Officer in conjunction with the Manager identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

a) Capital risk management

IFML as responsible entity of the Trust manages the Trust's capital to ensure that it will be able to continue as a going concern while maximising the return to unitholders through the optimisation of the debt and equity balance. The Trust's overall strategy remained unchanged from 2008.

The capital structure of the Trust consists of equity and nominal amounts of cash and cash equivalents.

The Trust's cash flows are used primarily for funding distributions to unitholders.

The Trust is ungeared.

b) Categories of financial instruments

	Balance Sheet	
	2009	2008
	\$000	\$000
Financial assets		
Cash and cash equivalents	106	133
Loans and receivables	320,860	338,045
	320,966	338,178
Financial liabilities		
Loans and payables	45	467

c) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Trust. The Trust has concentrations of credit risk since most of its revenues are generated from a related party loan with Transfield Services Infrastructure Limited.

The maximum credit risk exposure on receivables is limited to the amount of the receivables booked. The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

d) Liquidity risk management

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Trust has few liabilities, most of which are to related parties and this is considered a low risk.

e) Fair value of financial instruments

The Directors consider that the carrying amounts of the financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

f) Interest rate sensitivity analysis

No sensitivity analysis has been prepared as the Trust has no external debt and its loan to Transfield Services Infrastructure Limited bears interest at a fixed rate of 6% per annum.

Transfield Services Infrastructure Trust
Notes to and forming part of the financial statements
For the year ended 30 June 2009

Note 3. Revenue

	2009	2008
	\$000	\$000
23B		
Interest received from related parties	19,128	18,476
Bank interest received	153	158
	19,281	18,634

Note 4. Cash and cash equivalents

Cash at bank	106	133
--------------	------------	-----

The above figures are reconciled to cash at the end of the financial year as shown in the statements of cash flows as follows:

Balances per statement of cash flows	106	133
--------------------------------------	------------	------------

The bank account earns interest at an average rate of 4% per annum (2008: 5.59%).

Note 5. Receivables

Loan to related party (Transfield Services Infrastructure Limited)*	320,802	338,034
17B Income tax receivable	58	-
GST receivable	-	11
	320,860	338,045

* The terms of these loans are set out below. Also refer to note 10.

a) Effective interest rates

The related party loan to Transfield Services Infrastructure Limited is at call and bears interest at 6% per annum (2008: 6%)

b) Credit risk

The Trust considers its exposure to credit risk is low. There is significant concentration of credit in the related party loan, however, the loan is with an entity that is part of TSI Fund and the risk of losses is minimal.

c) Fair values

The nominal and fair values of the above receivables are the same.

Transfield Services Infrastructure Trust
Notes to and forming part of the financial statements
For the year ended 30 June 2009

Note 6. Units on issue

	2009	2008
	\$000	\$000
Ordinary units - authorised	320,921	337,711
Ordinary units – issued and fully paid	320,921	337,711

Movements in unitholders' funds:

Date	Details	Number of units issued	\$000
30 June 2007	Opening balance	266,725,000	342,249
	Transfer of principal component of distributions	-	(4,538)
30 June 2008	Closing balance	266,725,000	337,711
	New units issued following DRP	3,058,998	1,348
	Transfer of principal component of distributions		(18,138)
30 June 2009	Closing balance	269,783,998	320,921

a) Ordinary units

Ordinary units entitle the holder to participate in distributions and the proceeds on winding up of the Trust in proportion to the number of and amounts paid on the units held.

On a show of hands every holder of ordinary units present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each unit is entitled to one vote.

b) Stapling

Each ordinary unit is stapled to a share in Transfield Services Infrastructure Limited and a share in TSI International Limited. These are traded together as Transfield Services Infrastructure Fund (TSI Fund) and listed on the Australian Securities Exchange.

Note 7. Retained profits

	2009	2008
	\$000	\$000
16B(b) Retained profits		
Retained profits at the beginning of the financial year	-	2,730
Net profit attributable to members of Transfield Services Infrastructure Trust	19,204	18,180
Transfer of principal portion of distribution to units on issue	18,138	4,429
Less: Distribution paid	(37,342)	(25,339)
Retained profits at the end of the financial year	-	-

Note 8. Remuneration of auditors

The auditor of TSI Fund, of which Transfield Services Infrastructure Trust is a member, is PricewaterhouseCoopers. It is not practical to attribute a specific portion of the auditor's remuneration to the activities of the Trust.

Note 9. Contingent liabilities and commitments

Transfield Services Infrastructure Trust currently has no contingent liabilities or expenditure commitments.

Transfield Services Infrastructure Trust
Notes to and forming part of the financial statements
For the year ended 30 June 2009

Note 10. Related party transactions

(a) Parent entity

The 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 11.

(c) Remuneration and retirement benefits

Disclosures relating to remuneration and retirement benefits are set out in the tables on pages 5 to 13.

(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 stapled securities of TSI Fund.

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

TSI Fund is managed under a Management Services Agreement (MSA) with Transfield Services (Australia) Pty Limited, a subsidiary of Transfield Services Limited to source new investments and provides management, corporate, administrative and operations and maintenance services in relation to TSI Fund under normal commercial terms and conditions. The amount paid to Transfield Services (Australia) Pty Limited for the year ended 30 June 2009 was \$8,085,581 (2008: \$9,561,026). It is not possible to estimate the portion that may apply to the Trust's activities.

As a consequence of changes in the means by which Director's were remunerated, an income tax liability 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

There are no unpaid amounts owing to Directors or their Director-related entities.

(e) Loans to Directors and Director-related entities

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

Transfield Services Infrastructure Trust
Notes to and forming part of the financial statements
For the year ended 30 June 2009

Note 10. Related party transactions (continued)

(g) Transactions of Directors and Director-related entities concerning units or Performance Awards

Aggregate numbers of units of TSI Fund acquired or disposed of by the Directors or their Director-related entities during the year were as follows:

	2009 Number	2008 Number
Acquisitions	<u>273,808</u>	<u>497,881</u>

Aggregate acquisition of ordinary securities includes deferred share purchase arrangement as set out in the remuneration report.

There were no disposals during the year

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

There have been no other transactions entered into between the Trust and Directors and/or Director related entities during the year.

(i) 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. The responsible entity of the Trust, Infrastructure Fund Management Limited, is a wholly-owned subsidiary of Transfield Services Infrastructure Limited.

Transactions between the Trust and other entities in the Group during the year ended 30 June 2009 consisted of loans advanced to Transfield Services Infrastructure Limited (this loan bears interest at 6% per annum and is repayable on demand).

	2009 \$000	2008 \$000
Aggregate amounts included in the determination of operating profit before income tax that resulted from transactions with entities in the stapled group	<u>19,128</u>	<u>18,476</u>
Aggregate amounts receivable from entities in the wholly-owned group at balance date:		
Current receivables	<u>320,860</u>	<u>338,034</u>
Current payables	<u>-</u>	<u>75</u>

Transfield Services Infrastructure Trust
Notes to and forming part of the financial statements
For the year ended 30 June 2009

Note 11. Key management personnel

(a) Directors

The following persons were Directors of IFML 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 of TSI Fund

Steve MacDonald Chief Executive Officer
 Charles Mott Chief Financial Officer (resigned effective 24 April 2009)
 Steve Loxton Chief Financial Officer (appointed 18 May 2009)
 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

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

(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 5 to 13. These equity instruments are only available to the CEO who is a Seconded Employee.

(i) LTI holdings

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

(ii) Unitholdings

The number of units in the Trust held during the financial year by each Director of IFML and other key management personnel of TSI Fund, including their personally related parties, are set out below.

Transfield Services Infrastructure Trust
Notes to and forming part of the financial statements
For the year ended 30 June 2009

Note 11. 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 TSI Fund</i>			
Steve MacDonald	201,896	(65,124)	136,772
<i>Chief Executive Officer</i>			
Steve Loxton (appointed 18 May 2009)	-	-	-
<i>Chief Financial Officer</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 TSI Fund</i>			
Steve MacDonald	101,896	100,000	201,896
Charles Mott	47,500	7,500	55,000
Geoff Dutton	-	-	-
Darce Corsie	95,000	-	95,000
Fred Bidwell	95,000	75,000	170,000
	339,396	182,500	521,896

Transfield Services Infrastructure Trust
Notes to and forming part of the financial statements
For the year ended 30 June 2009

Note 11. Key management personnel (continued)

(e) **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 10 (f).

Steve MacDonald also received additional deferred remuneration components from his prior role as Chief Strategy Officer of Transfield Services Limited. The additional deferred remuneration components received from Transfield Services Limited 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)

Note 12. Reconciliation of operating profit after income tax to net cash inflow from operating activities

	2009	2008
	\$000	\$000
Operating profit after income tax	19,204	18,180
Interest received (classified as investing activities)	(19,281)	(18,634)
(Decrease) in trade and other receivables	(47)	-
(Decrease)/increase in trade and other payables	(347)	392
GST refunded / (paid) on float costs	-	1,000
Net cash inflow from operating activities	(471)	938

Transfield Services Infrastructure Trust
Notes to and forming part of the financial statements
For the year ended 30 June 2009

Note 13. Earnings per unit

	2009	2008
	cents	cents
(a) Basic earnings per unit		
Profit from continuing operations attributable to the ordinary unitholders of the Trust	<u>7.2</u>	<u>6.8</u>
(b) Diluted earnings per unit		
Profit from continuing operations attributable to the ordinary unitholders of the Trust	<u>7.2</u>	<u>6.8</u>
	2009	2008
	\$000	\$000
(c) Reconciliation of earnings used in calculating earnings per share		
Net profit after tax	<u>19,204</u>	<u>18,180</u>
Earnings used in calculating basic and diluted earnings per unit	<u>19,204</u>	<u>18,180</u>
(d) Weighted average number of shares used as the denominator	Number	Number
Weighted average number of ordinary units used as the denominator in calculating basic and diluted earnings per unit	<u>267,487,654</u>	<u>266,725,000</u>

Note 14. Events occurring after balance sheet date

On 17 August 2009, the Directors of Infrastructure Fund Management Limited, as responsible entity for Transfield Services Infrastructure Trust declared a final distribution of 7.0 cents per unit to be paid to stapled securityholders of TSI Fund on 30 September 2009.

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

Note 15. Stapling arrangement

Under AASB 3 *Business Combinations* the stapling of shares in Transfield Services Infrastructure Limited to units in Transfield Services Infrastructure Trust and shares in TSI International Limited is a business combination by contract alone. For the purposes of AASB Interpretation 1002 *Post date of transition stapling arrangements*, Transfield Services Infrastructure Limited has been identified as the parent entity in relation to the stapling event that took place on 8 June 2008. In accordance with AASB Interpretation 1002 the results and equity, not directly owned by Transfield Services Infrastructure Limited have been treated and disclosed as minority interest, the stapled securityholders of Transfield Services Infrastructure Limited are the same as the stapled securityholders of Transfield Services Infrastructure Trust and TSI International Limited. The Australian Securities Exchange reserves the right (but without limiting its absolute discretion) to remove one or more entities with stapled securities from the official list if any of their securities cease to be 'stapled' together, or any equity securities are issued by one entity which are not stapled to equivalent securities in the other entity or entities.

Note 16. Segment information

Transfield Services Infrastructure Trust operates in one business segment being the provision of debt finance and in one geographical segment namely Australia consequently, no segment report is provided in the Trust's financial report.

Transfield Services Infrastructure Trust
Directors' Declaration
For the year ended 30 June 2009

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 17 to 32 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 Trust's financial position as at 30 June 2009 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

The Directors have been given the declaration 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 Transfield Services Infrastructure Trust

Report on the financial report

We have audited the accompanying financial report of Transfield Services Infrastructure Trust (the trust), 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.

Directors' responsibility for the financial report

The directors of Infrastructure Fund Management Limited (the Responsible Entity) 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.

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

Independent auditor's report to the members of Transfield Services Infrastructure Trust (continued)

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 Transfield Services Infrastructure Trust is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the trust's financial position as at 30 June 2009 and of its 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 5 to 13 of the directors' report for the year ended 30 June 2009. The directors of the Responsible Entity 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 Transfield Services Infrastructure Trust 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