



ASX ANNOUNCEMENT TRANSFIELD SERVICES CAPITAL MANAGEMENT INITIATIVES

Transfield Services successfully raises \$204 million through Institutional Placement and Institutional Entitlement Offer

Debt restructuring including completion of new US\$367 million debt facility maturing in 2012

Transfield Services today confirmed that it has successfully completed an Institutional Placement and the institutional component of a non-renounceable pro rata entitlement offer ("Entitlement Offer").

The Institutional Placement and Institutional Entitlement Offer were fully subscribed and together raised approximately \$204 million from existing and new institutional shareholders, which will be used to repay a portion of drawings under existing debt facilities to strengthen the company's capital position.

The Institutional Placement and Institutional Entitlement Offer were conducted by way of a bookbuild. The entitlement ratio was set at 1 new share for every 1 share held in Transfield Services at 7.00pm (AEDST) on Friday 28 November 2008 (the "Record Date"). The Offer Price for the Institutional Placement and the Institutional Entitlement Offer was set at \$1.25 per new share.

Transfield Services' Chairman, Mr Tony Shepherd, said: "The institutional equity raising, together with the debt restructuring initiatives, establish a strong capital position to promote sustainable organic growth from the delivery of essential asset and project management services."

"We have established a multi-sector, multi-regional business with a common platform. As outlined at our AGM in October, we are continuing to diligently manage our capital structure and build up our balance sheet as a priority," he said.

"The Company will continue to focus on further streamlining our business."

Transfield Services' Managing Director and CEO, Mr Peter Watson, said: "We have a strong and sustainable business model. We provide essential, 'stay-in-business' operations and maintenance services to a long-term government and blue chip client base."

The Joint Lead Managers to the Institutional Placement and the Entitlement Offer are ABN AMRO Equity Capital Markets Australia Limited and Macquarie Capital Advisers Limited. Macquarie Capital Advisers Limited is also acting as Financial Adviser to Transfield Services.

Commencement of Retail Entitlement Offer

The retail component of the entitlement offer ("Retail Entitlement Offer"), which is seeking to raise up to an additional \$102 million, opens today, Monday 1 December 2008 following lodgement of a prospectus with the Australian Securities and Investments Commission and closes at 5.00pm (AEDST) on Monday 22 December 2008. The Retail Entitlement Offer is open to eligible retail shareholders in Australia and New Zealand on the Transfield Services share register at the Record Date.

Eligible retail shareholders are able to subscribe for 1 new share for every 1 existing Transfield Services share held as at the Record Date, at the offer price of \$1.25 per new share, which is the same as the offer price for the Institutional Entitlement Offer and the Institutional Placement. The Retail Entitlement Offer is not underwritten which means that there is no guarantee that all, if any, of the additional \$102 million will be raised.

Entitlements will not be tradeable on the ASX or otherwise transferable, and shareholders who elect not to take up their full entitlement will not receive any value in respect of entitlements they do not take up.

The new shares issued under the Institutional Placement and the Entitlement Offer will rank equally from allotment with existing Transfield Services shares on issue and will be entitled to any interim dividend Transfield Services declares for the first half of FY2009.

A copy of the prospectus and a personalised entitlement and acceptance form is expected to be dispatched to eligible retail shareholders on Friday 5 December 2008.

Transfield Services shares will resume trading on the ASX today, Monday 1 December 2008.

Further details of the Entitlement Offer are included as an Appendix to this announcement

Debt Restructure

Transfield Services has also refinanced its AUD debt facility into mostly a USD facility by completing a new US\$367 million debt facility on market terms maturing in January 2012. The facility size limit relating to its outstanding USD debt facilities will now be measured in USD (previously AUD), reducing the adverse impact of movements in the AUD/USD exchange rate on Transfield Services' compliance with those facility limits. The extension of debt maturities also addresses Transfield Services' refinancing requirements through to January 2012.

Following the equity raising and debt restructuring, Transfield Services will have increased headroom under its debt covenants and facility limits.

Reduction in gearing

The equity raising significantly enhances Transfield Services' capital position and balance sheet. Following completion of the Institutional Placement and Institutional Entitlement Offer (and assuming no subscription under the Retail Entitlement Offer), Transfield Services' pro forma FY2008 Net debt to EBITDA ratio will be reduced to approximately 2.6x assuming an AUD/USD exchange rate of \$0.70.

Other capital management initiatives

In addition to the equity raising and the debt restructuring, as part of its ongoing capital management initiatives, Transfield Services has previously announced a non-underwritten dividend reinvestment plan to be effective from the interim dividend for the half year ending 31 December 2008 and established a management committee dedicated to improving cash management. Transfield Services' future dividend payout policy is expected to be at the lower end of its target range of 50%–70% of NPAT (post amortisation). Transfield Services is also reviewing divestment options in relation to any non-core assets.

Shareholder Enquiries

Eligible retail shareholders who have any queries regarding the Entitlement Offer are encouraged to visit the Offer website at www.transfieldservices.com and/or call the Transfield Services Offer Information Line on 1300 538 012 (local call cost from within Australia) or +61 (3) 9415 4346 (from outside Australia) at any time between 8.00 am and 6.00 pm (AEDST), Monday to Friday during the Offer Period.

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Transfield Services delivers essential services to key industries in the Resources and Industrial, Infrastructure Services and Property and Facilities Management sectors. A leading global provider of operations, maintenance, and asset and project management services, Transfield Services has more than 29,000 employees in Australia, New Zealand, the United States, the United Arab Emirates, Qatar, New Caledonia, South East Asia, India, Chile and Canada. Transfield Services Limited is publicly listed in Australia and included in the S&P/ASX 100. www.transfieldservices.com

This announcement is not a prospectus and does not constitute an offer of securities or an invitation or recommendation with respect to the subscription or sale of any securities in any jurisdiction. The offer of shares under the Retail Entitlement Offer will only be made in, or accompanied by, a copy of a prospectus which will be sent to eligible

shareholders. Eligible Retail Shareholders wishing to acquire New Shares should consider the prospectus and will need to complete the Entitlement and Acceptance Form that will be in, or will accompany the prospectus.

Not for release or distribution in the United States

The Entitlements and New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (Securities Act), or any U.S. state or other securities laws. The Entitlements and the New Shares may not be offered, sold or otherwise transferred except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws.

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Appendix – Details of the Entitlement Offer

The Entitlement Offer has been structured as an accelerated non-renounceable entitlement offer consisting of an Institutional Entitlement Offer and a Retail Entitlement Offer. Entitlements cannot be traded on ASX or otherwise transferred.

1. Retail Entitlement Offer

Eligible Retail Shareholders will be invited to participate in the Retail Entitlement Offer on the same terms as the Institutional Entitlement Offer under a Prospectus to be lodged with ASIC today Monday, 1 December 2008. The Retail Entitlement Offer will open today and will close at 5:00pm (AEDST time) on Monday, 22 December 2008.

Eligible Retail Shareholders can choose to take up their Entitlements in whole or in part. Eligible Retail Shareholders who do not take up their Entitlement or who are ineligible to participate in the Retail Entitlement Offer will not receive any value for Entitlements not taken up.

If there is not sufficient demand for New Shares from Eligible Retail Shareholders, the Retail Entitlement Offer will lapse in respect of those New Shares for which there is no demand. In these circumstances, the Retail Entitlement Offer will close undersubscribed and an amount less than the total amount sought under the Retail Entitlement Offer will be raised.

2. Stock Lending and Other Transactions

Eligible Shareholders will be entitled to apply under the Entitlement Offer for a certain number of New Shares held as at 7:00pm (AEDST) on the Record Date, 28 November 2008. Notwithstanding the Record Date for the Entitlement Offer, Transfield Services has been granted a waiver by ASX so that, in determining shareholder entitlements for the Entitlement Offer, it may ignore changes in security holdings that occurred after the imposition of the trading halt for the Entitlement Offer (other than registrations of transactions that were effected through ITS before the beginning of the trading halt).

Accordingly, a person who is a registered shareholder of Transfield Services at 7.00pm (AEDST) on the Record Date for the Entitlement Offer as a result of a dealing after the imposition of the trading halt for the Entitlement Offer (other than the registration of a transaction effected through ITS before the beginning of that trading halt) may not be entitled to receive an Entitlement under the Entitlement Offer.

This means, for example, that in the event a Transfield Services Shareholder has existing Transfield Services shares out on loan, the borrower will be regarded as the Shareholder for the purposes of determining the entitlement (provided that those borrowed shares have not been on-sold).

3. Key Entitlement Offer Dates*

Record date for entitlements under the Entitlement Offer	28 November 2008 (7.00pm)
Institutional Placement and Institutional Entitlement Offer	Date / Time
Settlement of Institutional Placement and Institutional Entitlement Offer	8 December 2008
Issue of New Shares under the Institutional Placement and Institutional Entitlement Offer and normal trading of those shares commences	9 December 2008
Retail Entitlement Offer	Date / Time
Prospectus lodged with ASIC	1 December 2008
Retail Entitlement Offer opens	1 December 2008
Prospectus dispatched to Eligible Retail Shareholders	5 December 2008
Retail Entitlement Offer closes	22 December 2008 (5:00pm)
Settlement of Retail Entitlement Offer	30 December 2008
Issue of new shares under Retail Entitlement Offer	31 December 2008
Despatch of confirmation of allotment for New Shares issued under the Retail Entitlement Offer	5 January 2009
New Shares which were issued under Retail Entitlement Offer expected to commence trading on a normal settlement basis	6 January 2009

**Dates and times are indicative only and are subject to change. All times and dates refer to Australian Eastern Daylight Saving Time. Transfield Services, in conjunction with the Joint Lead Managers and subject to the Corporations Act, the ASX Listing Rules and other applicable laws, has the right to extend the Closing Date for the Retail Entitlement Offer, to accept late Applications, or to withdraw the Entitlement Offer without prior notice.*

Full details of the Retail Entitlement Offer are set out in a Prospectus which will be made available to Eligible Retail Shareholders when offers of New Shares are made under the Retail Entitlement Offer. The Prospectus will be lodged with ASIC today Monday, 1 December 2008, and will be sent to Eligible Retail Shareholders after lodgement and be made available on Transfield Services' website. Any Eligible Retail Shareholder who wishes to acquire New Shares under the Retail Entitlement Offer will need to complete, or otherwise apply in accordance with, the personalised Entitlement and Acceptance Form that will be in or will accompany the Prospectus, and should consider the Prospectus in deciding whether to subscribe for New Shares.

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