



ASX Statement



14 May 2014

Transfield Services completes debt restructure

Transfield Services Limited is pleased to announce the finalisation of its debt refinancing strategy with the settlement of US\$325 million of senior unsecured notes in the United States, maturing in May 2020.

In addition it has completed approximately A\$400 million of senior secured syndicated bank facilities in various currencies, maturing in July 2017.

The Company's existing United States private placement notes and various other working capital facilities will also be secured.

These transactions achieve the following objectives:

- ▶ address the A\$275m of debt maturities due in December 2014;
- ▶ doubled the average debt maturity profile to over 4 years from 2 years currently;
- ▶ increase the Company's flexibility via improved debt covenants;
- ▶ diversify the Company's funding sources; and
- ▶ obtain corporate credit ratings from S&P (BB) and Moody's (Ba2).

"This significant restructure of our debt facilities puts Transfield Services' capital structure on sound footing, improves our freedom to focus on operations and importantly enables us to make portfolio decisions only when they are in the interests of our shareholders", said Graeme Hunt, Transfield Services Managing Director and Chief Executive Officer.

"We reaffirm our commitment to reducing leverage levels to 2.0 times Net Debt to EBITDA in a structured and considered manner. This will be via the application of net operating cash flows and proceeds from ongoing asset rationalisation to the retirement of debt, as well as via earnings growth."

The US\$325 million of senior unsecured notes will attract a coupon rate of 8.375 per cent, and will be swapped back to Australian dollars.

As a guide the Company's effective interest rate across all debt facilities will increase by approximately 150 basis points to circa 9.0 per cent (inclusive of coupon rate, transaction costs and swap charges). While this represents an increase in interest rate, overall business expenses in FY2015 are not expected to be materially higher than FY2014 given that the higher interest rate is expected to be offset by a lower level of debt and a lower cost base.

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We employ more than 24,000 people across 20 industries and 11 countries. We are a global provider of operations, maintenance and construction services to the resources, energy, industrial, infrastructure, property and defence sectors. We deliver asset management services across all phases of the asset lifecycle, from concept and creation, to services that sustain, optimise and enhance our client's assets. With diverse global experience and expertise, we share our knowledge and challenge thinking to develop and implement innovative solutions that deliver real value for our clients. Our unique approach enables us to deliver continuous improvements in asset performance and sustain long term relationships with our clients and partners. www.transfieldservices.com



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In addition, the Company confirms its previous guidance for the year ended 30 June 2014 of NPAT pre-amortisation within the range of \$65 to \$70 million.

HSBC acted for the Company as global transaction coordinator, ratings adviser and swaps coordinator. Joint Physical Bookrunners for the senior unsecured notes were Bank of America Merrill Lynch and HSBC. Bank of America Merrill Lynch acted for the Company as lead agent for the senior secured United States Private Placement notes. Mandated Lead Arrangers and Bookrunners for the senior secured syndicated bank facilities were ANZ, HSBC and Westpac.

ENDS

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