



We achieved or made progress on 92 per cent of our sustainability objectives in 2006.

HIGHLIGHTS

Economic performance

- 35.7 per cent increase in profit after tax
- Turnover up from A\$1.5 billion to almost A\$2 billion
- We increased our workforce by 37 per cent to more than 18,000 employees, working in 10 countries

Social performance

- Became a Corporate Leader for Indigenous Employment in Australia
- 34 teams were injury free for periods of between one and 10 years
- Contributed A\$170,000 to Save the Children

Environmental performance

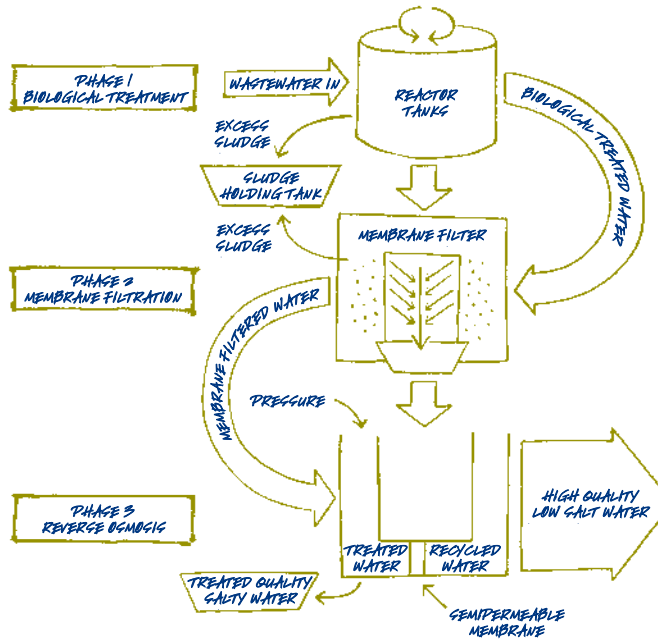
- Renewed a three-year sponsorship of the Australian Sustainability Industry Research Centre
- Hosted nine health, safety and environment days for more than 2,700 employees

If you would like a printed copy of the entire 2007 Sustainability Report, please contact us at:

Corporate Affairs
 Transfield Services
 +61 2 9464 1000
 sustainability@transfieldservices.com



Transfield Services is a proud supporter of Save the Children – giving more kids access to nutrition, health care and education.



CASE STUDY: A NEW ERA IN WATER RECYCLING

The Gippsland region is one of the largest networks of inland water in Victoria, Australia.

Gippsland Water is responsible for providing water and wastewater services, supplying water to about 130,000 people and local industries, including Australia's largest paper pulp mill.

Gippsland needed an environmentally friendly solution that could meet increasing water demands as Australia faces its worst drought in 100 years.

In 2005, Gippsland Water selected Transfield Services to work in an alliance to create a treatment and recycling system – named the Gippsland Water Factory – which will treat wastewater to make it re-useable.

The Gippsland Water Factory, the first of its kind in Australia, will treat up to 35 million litres of wastewater daily, supplying water to local industries and returning odour-free water to the natural environment.

Construction has begun with alliance partners Gippsland Water, CH2M HILL and Parsons Brinckerhoff.

Transfield Services has been working proudly with Gippsland Water since 1996.



SUSTAINABILITY REVIEW

2007





We'd like to give you a snapshot of our 2007 Sustainability Report, which is available to you online at www.transfieldservices.com.

We believe Transfield Services has an important role to play in sustaining the future. We provide or support the infrastructure networks that communities rely on and need. Our services maintain this infrastructure so it can keep providing these essential services in the future.

Sustainability is also essential to achieving long-term business success. We need people, businesses and communities to want to invest in us and work for us and with us.

We are keenly focused on all aspects of our performance—social, environmental and economic. Reporting on sustainability is part of that process.

Our sustainability issues, challenges and priorities are shared by many other organisations, governments and the community. We support open dialogue on these issues to find workable solutions to these challenges.

We will continue to seek, discuss and develop ways to meet the sustainability challenges we face, so we can work to meet society's needs while fostering an adaptive resilience for the long-term.

Peter Watson
Managing Director and
Chief Executive Officer

Bernard Wheelahan
Deputy Chairman and Chairman of the
Health, Safety and Sustainability Committee



OUR BIG ISSUES

Changing social dynamics and feedback from stakeholder surveys and interviews shaped our sustainability priorities for 2007.

MANAGING GROWTH

How to grow our business sustainably while not losing the essence of what made us successful.

KEEPING OUR PEOPLE SAFE

Our core business is the services provided by our people so their safety is our key priority.

MAKING GOOD GOVERNANCE A FOUNDATION OF OUR BUSINESS

We need to ensure governance is at the core of everything we do.

SUSTAINING OUR WORKFORCE

A shrinking skilled workforce and a competitive labour market have created new challenges.

OPERATING IN A CHANGING CLIMATE

Increasing greenhouse gas emissions causing global warming and other climate changes are significant issues for all businesses.