



Results Briefing for 3Q FY11

10 February 2011

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1 Overview

2 Group Financial Results

3 Subsidiaries' Financial Results

- **YTD FY11 (Apr to Dec 2010)**
 - Total cash earnings⁽¹⁾ of S\$ 58.8 million, compared to S\$ 34.4 million in the corresponding period in FY10
- **3Q FY11**
 - Total cash earnings⁽¹⁾ of S\$ 17.9 million, compared to S\$ 10.9 million in 3Q FY10
- CitySpring will pay a distribution per unit (“DPU”) of 1.05 Singapore cents for 3Q FY11.

(1) Cash earnings is defined as EBITDA adjusted for cash and non-cash items, less cash interest, cash tax, upfront financing fees and maintenance capital expenditure and before principal repayment of debt and non-controlling interest

- As mentioned before, the Trustee-Manager has been reviewing the capital structure of the Group. The Trustee-Manager seeks to put in place a robust capital plan, taking into account relevant factors such as the mix of debt and equity, the financing structure and the cash flows. In determining the distribution of CitySpring Infrastructure Trust quarterly, the Trustee-Manager will take into account, among other things, the objective of achieving a robust capital plan.
- The Trustee-Manager will make an announcement in the event that a capital plan or a change in distribution policy has been decided by the Trustee-Manager.
- As part of the acquisition in August 2007, Basslink issued three bonds maturing in 2015, 2017 and 2019. These bonds are rated BBB- and Baa2 by Standard & Poor's ("S&P") and Moody's respectively. Under the financing agreements relating to these bonds, if the standalone credit rating for the bonds falls to the level of either BB+ or Ba1, Basslink would not be allowed to make distributions to CitySpring. Over the last three years, Basslink has distributed an average of A\$4 million per quarter to CitySpring. The Trustee-Manager of CitySpring Infrastructure Trust received notification from S&P that it has placed the rating on these bonds on CreditWatch with negative implications because of, according to S&P, increased vulnerability of the project to its debt-refinancing task in 2015.
- On 26 November 2010, S&P informed the Trustee-Manager that the ratings of the bonds remain on CreditWatch and that the CreditWatch may be resolved if A\$20 million escrow account is set up by end of January 2011 through a structure satisfactory to S&P. The Trustee-Manager has set up an escrow account in January 2011.

City Gas

- City Gas achieved total cash earnings of \$12.8 million for the quarter
- Its customer base grew by about 2% from 616,000 as at the end of 3Q FY10 to about 629,400 as at the end of 3Q FY11
- Average daily town gas-send out in 3Q FY11 was about 818,000 cubic metres, compared to the average of 783,000 cubic metres during the same quarter of last financial year.
- Town gas volume growth has improved for most segments and in particular, the hospitality and F&B segments

SingSpring

- SingSpring achieved total cash earnings of S\$4.3 million for the quarter
- SingSpring continues to maintain record of 100% availability and met all the terms under the WPA with PUB
- For 3Q FY11, SingSpring supplied an average of 36,139 cubic metres of water per day to PUB, representing about 26% of the SingSpring plant's capacity

Basslink

- Basslink achieved cash earnings of A\$2.2 million for the quarter
- CRSM⁽²⁾ was negative A\$5.2 million for the quarter
- The cumulative availability for the calendar year 2010 was 97.12%, which is above the target of 97%. Basslink has therefore received the full Facility Fee for the calendar year.
- Basslink Telecoms has contributed more than 10% of Basslink Group revenue for the period April to December 2010

⁽²⁾ Commercial Risk Sharing Mechanism ("CRSM") is a mechanism provided under the Basslink Services Agreement ("BSA") between Hydro Tasmania and Basslink for the sharing of the market risk associated with participating in the National Electricity Market of Australia. The objective of the parties in setting this mechanism was for the net payments to be zero in the long term. However, in the short term, CRSM payments could fluctuate and affect the revenues of Basslink under the BSA. CRSM payments are based on the differences between the high and low Victorian electricity pool prices, subject to a maximum of a +25% increase (i.e., a payment to Basslink) and -20% decrease (i.e., a payment from Basslink).

1 Overview

2 Group Financial Results

3 Subsidiaries' Financial Results

Group Financial Results

Group Consolidated Income Statement

	3Q FY11	3Q FY10		9M FY11	9M FY10	
	Actual S\$'000	Actual S\$'000	Change %	Actual S\$'000	Actual S\$'000	Change %
Revenue	107,005	95,239	12.4	314,669	270,178	16.5
Other income	919	713	29.0	3,147	1,850	70.1
Other gains /(losses) - net	569	2	N/M	420	(628)	N/M
Total expenses	(109,686)	(104,033)	(5.4)	(324,342)	(298,055)	(8.8)
Loss before fair value changes on DFI and income tax	(1,193)	(8,079)	85.2	(6,106)	(26,655)	77.1
Fair value gain/(loss) on DFI	376	763	(50.7)	(5,881)	7,823	N/M
Loss before income tax	(817)	(7,316)	88.8	(11,987)	(18,832)	36.3
Income tax credit/(expense)	11,071	6,349	74.4	(3,239)	26,010	N/M
Net profit/(loss) after income tax	10,254	(967)	N/M	(15,226)	7,178	N/M
EBITDA	34,390	26,457	30.0	90,940	84,220	8.0
Cash earnings ⁽¹⁾	17,864	10,909	63.8	58,775	34,405	70.8
Cash earnings less NCI	16,812	9,696	73.4	55,567	30,848	80.1

N/M - Not meaningful

DFI - Derivative financial instruments

NCI - Non-controlling interest

(1) Cash earnings is defined as EBITDA adjusted for cash and non-cash items, less cash interest, cash tax, upfront financing fees and maintenance capital expenditure and before principal repayment of debt and non-controlling interest

	3Q FY11	3Q FY10	9M FY11	9M FY10
	S\$'000	S\$'000	S\$'000	S\$'000
Cash Earnings	17,864	10,909	58,775	34,405
Applied as follows:				
Principal Repayment of SingSpring Loan	(2,350)	(2,485)	(6,925)	(7,217)
Non-controlling interest	(1,052)	(1,213)	(3,208)	(3,557)
Distribution to Unitholders	(10,289)	(10,289)	(30,868)	(29,153)

We measure our performance using cash earnings, instead of accounting profits or losses. Cash earnings is a better indicator of our performance to our Unitholders on the basis that this more accurately reflects the cashflow generated by the businesses, and removes the effect of the accounting treatment of non-cash items on our financial statements

1 Overview

2 Group Financial Results

3 Subsidiaries' Financial Results

	3Q FY11	3Q FY10		9M FY11	9M FY10	
	Actual S\$'000	Actual S\$'000	Change %	Actual S\$'000	Actual S\$'000	Change %
Revenue	78,144	67,442	15.9	230,445	185,180	24.4
Other income	181	236	(23.3)	519	600	(13.5)
Other gains/(losses) - net	(44)	(5)	N/M	(39)	(14)	N/M
Expenses						
Fuel and electricity costs	(32,365)	(28,776)	(12.5)	(96,059)	(78,313)	(22.7)
Transportation costs	(19,494)	(18,189)	(7.2)	(57,381)	(54,135)	(6.0)
Depreciation and amortisation	(3,946)	(4,143)	4.7	(11,791)	(12,392)	4.8
Staff costs	(4,258)	(4,601)	7.5	(11,162)	(11,878)	6.0
Finance costs ⁽¹⁾	(7,474)	(7,474)	-	(22,360)	(22,338)	(0.1)
Other operating expenses	(7,796)	(8,381)	7.0	(23,513)	(21,156)	(11.1)
Total expenses	(75,333)	(71,564)	5.3	(222,266)	(200,212)	(11.0)
Profit/(loss) before income tax	2,948	(3,891)	N/M	8,659	(14,446)	N/M
Income tax (expense)/credit	(513)	683	N/M	(1,499)	2,059	N/M
Net profit/(loss) after income tax	2,435	(3,208)	N/M	7,160	(12,387)	N/M
EBITDA	14,349	7,715	86.0	42,764	20,245	111.2
Cash earnings	12,820	6,640	93.1	39,040	16,930	130.6

⁽¹⁾ Includes QPDS interest payable to CitySpring

	3Q FY11	3Q FY10		9M FY11	9M FY10	
	Actual S\$'000	Actual S\$'000	Change %	Actual S\$'000	Actual S\$'000	Change %
Revenue	9,557	8,942	6.9	29,500	26,957	9.4
Other income	1	5	(80.0)	563	12	N/M
Expenses						
Fuel and electricity costs	(2,980)	(2,422)	(23.0)	(9,574)	(7,190)	(33.2)
Depreciation and amortisation	(912)	(912)	-	(2,736)	(2,736)	-
Operating and maintenance costs	(1,779)	(1,780)	0.1	(5,622)	(5,778)	2.7
Finance costs ⁽¹⁾	(2,453)	(1,963)	(25.0)	(7,426)	(5,894)	(26.0)
Other operating expenses	(320)	(319)	(0.3)	(1,135)	(956)	(18.7)
Total expenses	(8,444)	(7,396)	(14.2)	(26,493)	(22,554)	(17.5)
Profit before income tax	1,114	1,551	(28.2)	3,570	4,415	(19.1)
Income tax expense	(197)	(272)	27.6	(641)	(776)	17.4
Net profit after income tax	917	1,279	(28.3)	2,929	3,639	(19.5)
EBITDA	4,477	4,421	1.3	13,727	13,033	5.3
Cash earnings	4,324	4,861	(11.0)	13,141	14,309	(8.2)

⁽¹⁾ Includes QPDS interest payable to CitySpring and NCI

	3Q FY11	3Q FY10		9M FY11	9M FY10	
	Actual A\$'000	Actual A\$'000	Change %	Actual A\$'000	Actual A\$'000	Change %
Revenue	15,011	14,750	1.8	43,871	48,549	(9.6)
Other income	459	357	28.6	1,330	995	33.7
Other (losses)/gains - net	(11)	5	N/M	4	22	(81.8)
Expenses						
Fuel and electricity costs	(64)	(76)	15.8	(203)	(214)	5.0
Depreciation and amortisation	(7,045)	(7,033)	(0.2)	(21,125)	(21,019)	(0.5)
Staff costs	(650)	(602)	(7.9)	(1,805)	(1,758)	(2.7)
Operation and maintenance costs	(1,041)	(1,042)	0.1	(3,083)	(2,664)	(15.7)
Finance costs	(14,168)	(13,238)	(7.0)	(42,267)	(39,037)	(8.3)
Other operating expenses	(678)	(983)	31.1	(2,807)	(2,713)	(3.5)
Total expenses	(23,646)	(22,974)	(2.9)	(71,290)	(67,405)	(5.8)
Loss before fair value changes on DFI and income tax	(8,187)	(7,862)	(4.1)	(26,085)	(17,839)	(46.2)
Fair value gain/(loss) on DFI	384	451	(14.9)	(4,714)	6,711	N/M
Loss before income tax	(7,803)	(7,411)	(5.3)	(30,799)	(11,128)	N/M
Income tax credit/(expense)	9,625	4,478	114.9	(844)	20,687	N/M
Net profit/(loss) after income tax	1,822	(2,933)	N/M	(31,643)	9,559	N/M
EBITDA	12,973	12,503	3.8	31,285	47,933	(34.7)
Cash earnings	2,244	1,636	37.2	10,999	11,369	(3.3)

Appendix

Group Financial Results

Group Consolidated Balance Sheet

	As at 31 Dec 10 \$'000	As at 31 Mar 10 \$'000
ASSETS		
Cash and bank deposits	157,291	132,975
Derivative financial instruments	98,401	108,139
Trade and other receivables	48,254	52,795
Inventories	13,249	13,552
Intangibles	431,214	438,807
Finance lease receivables	173,141	178,556
Property, plant and equipment	1,251,306	1,257,152
Other assets	7,409	7,471
Total assets	2,180,265	2,189,447
LIABILITIES		
Trade and other payables	83,688	75,606
Derivative financial instruments	17,999	22,747
Borrowings	1,570,773	1,537,696
Notes payable to non-controlling interest	15,000	15,000
Other liabilities	111,996	109,703
Total liabilities	1,799,456	1,760,752
Net Assets	380,809	428,695
Units in issue	680,245	680,245
Hedging reserve	(51,607)	(49,920)
Translation reserve	(15,362)	(16,633)
Accumulated losses	(242,325)	(195,354)
	370,951	418,338
Non-controlling interest	9,858	10,357
Total Unitholders' funds	380,809	428,695

Group Financial Results

Group Consolidated Cash Flow Statement

	3Q FY11 Actual S\$'000	3Q FY10 Actual S\$'000	9M FY11 Actual S\$'000	9M FY10 Actual S\$'000
Cash flows from operating activities				
Net profit/(loss) after income tax	10,254	(967)	(15,226)	7,178
Non-cash adjustments	24,061	26,430	112,566	69,032
Operating cash flow before working capital changes	34,315	25,463	97,340	76,210
Changes in operating assets and liabilities	(14,785)	(16,982)	(33,094)	(46,112)
Net cash generated from operating activities	19,530	8,481	64,246	30,098
Cash flows from investing activities				
Purchase of property, plant and equipment	(334)	(1,175)	(937)	(2,472)
Proceeds from sale of property, plant and equipment	7	-	7	-
Net cash used in investing activities	(327)	(1,175)	(930)	(2,472)
Cash from financing activities				
Decrease in restricted cash	871	850	548	438
Repayment of borrowings	(2,350)	(2,486)	(6,925)	(234,717)
Net proceeds raised from issue of units	-	-	-	227,838
Distributions paid to unitholders of the Trust	(10,289)	(10,289)	(30,867)	(27,439)
Distributions paid by subsidiary to non-controlling interest	(510)	(420)	(1,470)	(1,260)
Net cash used in financing activities	(12,278)	(12,345)	(38,714)	(35,140)
Net increase/(decrease) in cash and cash equivalents	6,925	(5,039)	24,602	(7,514)
Cash and cash equivalents at beginning of the period	116,228	98,529	98,928	96,848
Effect of currency translation on cash and cash equivalents	69	381	(308)	4,537
Cash and cash equivalents at end of the period ⁽¹⁾	123,222	93,871	123,222	93,871

⁽¹⁾ Excludes restricted cash of S\$34,069 and S\$32,796 respectively

	3Q FY11 Actual S\$'000	3Q FY10 Actual S\$'000	9M FY11 Actual S\$'000	9M FY10 Actual S\$'000
EBITDA	34,390	26,457	90,940	84,220
Add/(less):				
Other cash receipt	1,593	1,744	11,786	5,212
Net finance cost	(16,807)	(16,861)	(49,213)	(49,360)
Fair value (gain)/loss on DFI	(376)	(763)	5,881	(7,823)
Unit issue expenses	-	71	-	1,321
Other non-cash flow expenses	(421)	261	36	1,298
Maintenance capital expenditure incurred	(515)	-	(655)	(463)
Cash earnings	17,864	10,909	58,775	34,405
Less: Cash earnings attributable to NCI	(1,052)	(1,213)	(3,208)	(3,557)
Cash earnings less NCI	16,812	9,696	55,567	30,848