



Results Briefing for 1Q FY14

13 August 2013

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1 **Overview**

2 **Group Financial Results**

3 **Subsidiaries' Financial Results**

- **Cash Earnings**

- 1Q FY14

- Total cash earnings⁽¹⁾ of S\$16.0 million, compared to S\$21.1 million in 1Q FY13

- **Distribution Per Unit (“DPU”)**

- CitySpring will pay a DPU of 0.82 Singapore cents for 1Q FY14. This is in line with the target annual DPU of 3.28⁽²⁾ Singapore cents for FY14

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

(2) *Baring unforeseen circumstances and assuming no material changes to the group in FY14*

City Gas

- City Gas achieved total cash earnings of S\$13.1 million for the quarter
- Its customer base grew by about 2.6% from 655,980 as at the end of 1Q FY13 to about 673,320 as at the end of 1Q FY14
- The average monthly town gas sales volume has increased by 2.5% to 138,760,000 kWh compared to a year ago
- City-OG Gas Energy Services Pte Ltd (“City-OG Gas”), the business venture between City Gas and Osaka Gas Co., Ltd (“Osaka Gas”), was recently granted a Gas Retailer Licence from the Energy Market Authority. City Gas has transferred 49% of City-OG Gas to Osaka Gas on 1 August 2013 for a consideration of S\$39.2 million. The business venture which sells natural gas to industrial customers commenced operations on 1 August 2013

SingSpring

- Achieved total cash earnings⁽³⁾ of S\$3.5 million for the quarter
- Achieved 100% availability and met all the terms under the Water Purchase Agreement with PUB

⁽³⁾ *Attributable to CitySpring Infrastructure Trust*

Basslink

- Achieved cash earnings of A\$1.4 million for the quarter
- CRSM⁽⁴⁾ was negative A\$3.6 million for the quarter
- Achieved cumulative availability of 95.45% for the 6 months ended 30 June 2013 (6 months ended 30 June 2012: 100%)

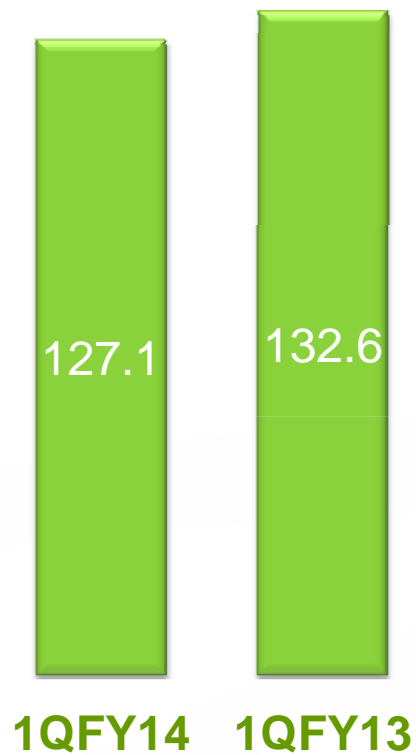
⁽⁴⁾ The Commercial Risk Sharing Mechanism ("CRSM") is a mechanism provided under the Basslink Services Agreement ("BSA") between Basslink and Hydro Tasmania ("HT") for the sharing of the market risk associated with participating in the National Electricity Market of Australia. The CRSM payments are based on the differences between the high and low Victorian electricity pool prices, and are subject to a maximum +25% increase (i.e., a payment to Basslink) and -20% decrease (i.e., a payment from Basslink) of the unadjusted facility fee under the BSA.

1 Overview

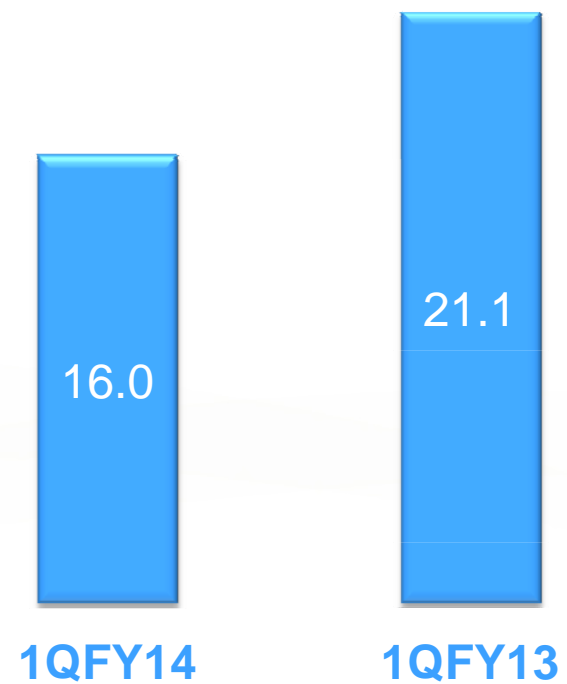
2 Group Financial Results

3 Subsidiaries' Financial Results

Revenue (\$\$ millions)



Cash Earnings (\$\$ millions)



Factors contributing to lower cash earnings are:

- The time lag in the adjustment of gas tariffs to reflect actual fuel cost
- Lower contributions from Basslink

Application of Cash Earnings

	1Q FY14	1Q FY13
	S\$'000	S\$'000
Cash Earnings	15,987	21,101
Applied as follows:		
Principal Repayment of Subsidiary Entity Loan	(2,611)	(2,370)
Distribution to Unitholders	(12,455)	(12,455)

We measure our performance using cash earnings, instead of accounting profits or losses. Accounting profits are affected by non-cash items such as depreciation and amortisation, accounting taxes and etc. Cash earnings, on the other hand, serves as a better indicator of our performance to our Unitholders.

1 Overview

2 Group Financial Results

3 Subsidiaries' Financial Results

	1Q FY14	1Q FY13	
	Actual S\$'000	Actual S\$'000	Change %
Revenue	96,831	98,492	(1.7)
Other income	241	260	(7.3)
Other gains - net	82	120	(31.7)
Expenses			
Fuel and electricity costs	(48,089)	(48,793)	1.4
Gas transportation costs	(21,075)	(20,224)	(4.2)
Depreciation and amortisation	(3,658)	(3,564)	(2.6)
Staff costs	(5,094)	(4,802)	(6.1)
Finance costs ⁽¹⁾	(6,913)	(6,923)	0.1
Other operating expenses	(9,354)	(7,672)	(21.9)
Total expenses	(94,183)	(91,978)	(2.4)
Profit before income tax	2,971	6,894	(56.9)
Income tax expense	(507)	(776)	34.7
Net profit after income tax	2,464	6,118	(59.7)
EBITDA	13,516	17,362	(22.2)
Cash earnings	13,106	16,806	(22.0)

⁽¹⁾ Includes QPDS interest payable to CitySpring

City Gas Trust recorded cash earnings of S\$13.1 million in 1Q FY14 compared to S\$16.8 million in 1Q FY13. This was due mainly to the time-lag in the adjustment of gas tariffs to reflect actual fuel cost.

	1Q FY14	1Q FY13	
	Actual S\$'000	Actual S\$'000	Change %
Revenue	9,552	11,935	(20.0)
Other income	2	2	-
Expenses			
Fuel and electricity costs	(3,099)	(4,748)	34.7
Depreciation and amortisation	(912)	(912)	-
Operation and maintenance costs	(1,876)	(2,318)	19.1
Finance costs ⁽¹⁾	(2,091)	(2,197)	4.8
Other operating expenses	(372)	(357)	(4.2)
Total expenses	(8,350)	(10,532)	20.7
Profit before income tax	1,204	1,405	(14.3)
Income tax expense	(206)	(241)	14.5
Net profit after income tax	998	1,164	(14.3)
EBITDA	4,205	4,512	(6.8)
Cash earnings attributable to CitySpring Infrastructure Trust	3,501	3,566	(1.8)

⁽¹⁾ Includes QPDS interest payable to CitySpring and NCI

SingSpring desalination plant achieved 100% availability and recorded cash earnings of S\$3.5 million in 1Q FY14 compared to S\$3.6 million in 1Q FY13.

	1Q FY14	1Q FY13	
	Actual A\$'000	Actual A\$'000	Change %
Revenue	16,255	16,938	(4.0)
Other income	278	370	(24.9)
Other gain/(losses) - net	332	(5,490)	N/M
Expenses			
Fuel and electricity costs	(95)	(62)	(53.2)
Depreciation and amortisation	(7,233)	(7,140)	(1.3)
Staff costs	(696)	(587)	(18.6)
Operation and maintenance costs	(1,292)	(990)	(30.5)
Finance costs	(11,360)	(10,129)	(12.2)
Other operating expenses	(2,958)	(4,048)	26.9
Total expenses	(23,634)	(22,956)	(3.0)
Loss before income tax	(6,769)	(11,138)	39.2
Income tax expense	-	(1,270)	N/M
Net loss after income tax	(6,769)	(12,408)	45.4
EBITDA	11,553	5,765	100.4
Cash earnings	1,423	2,261	(37.1)

Basslink's cash earnings for 1Q FY14 was A\$1.4 million compared to A\$2.3 million in 1Q FY13. The lower cash earnings was due mainly to lower contributions from Basslink Telecoms and higher legal fees incurred which was offset by the absence of the provision for CRSM dispute of A\$2.95 million made in 1Q FY13.

Appendix

Group Financial Results

Group Consolidated Income Statement

	1Q FY14	1Q FY13	
	Actual S\$'000	Actual S\$'000	Change %
Revenue	127,050	132,578	(4.2)
Other income	691	896	(22.9)
Other losses - net	(631)	(6,960)	90.9
Total expenses	(127,870)	(127,698)	(0.1)
Loss before income tax	(760)	(1,184)	35.8
Income tax expense	(765)	(2,714)	71.8
Net loss after income tax	(1,525)	(3,898)	60.9
EBITDA	29,465	27,865	5.7
Cash earnings	15,987	21,101	(24.2)

Group Financial Results

Group Consolidated Balance Sheet

	As at 30 June 13 S\$'000	As at 31 March 13 S\$'000
ASSETS		
Cash and bank deposits	197,866	202,364
Trade and other receivables	63,200	64,924
Inventories	17,821	18,096
Intangibles	396,813	404,463
Finance lease receivables	154,096	156,107
Property, plant and equipment	1,034,302	1,160,928
Other assets	8,063	5,924
Total assets	1,872,161	2,012,806
LIABILITIES		
Trade and other payables	99,836	99,433
Derivative financial instruments	26,618	50,090
Borrowings	1,244,082	1,344,323
Notes payable to non-controlling interest	15,000	15,000
Provisions	25,818	28,541
Other payables	102,283	110,266
Total liabilities	1,513,637	1,647,653
Net Assets	358,524	365,153
Units in issue	886,731	886,731
Hedging reserve	(125,595)	(143,465)
Translation reserve	(25,285)	(14,394)
Accumulated losses	(387,116)	(372,837)
	348,735	356,035
Non-controlling interest	9,789	9,118
Total Unitholders' funds	358,524	365,153

Group Financial Results

Group Consolidated Cash Flow Statement

	1Q FY14 Actual S\$'000	1Q FY13 Actual S\$'000
Operating activities		
Loss before income tax	(760)	(1,184)
Non-cash adjustments	29,229	35,851
Operating cash flow before working capital changes	28,469	34,667
Changes in working capital	(12,038)	(14,671)
Net cash generated from operating activities	16,431	19,996
Investing activities		
Purchase of property, plant and equipment	(306)	(170)
Net cash used in investing activities	(306)	(170)
Financing activities		
(Increase)/decrease in restricted cash	(5,661)	599
Repayment of borrowings	(2,611)	(2,370)
Distributions paid to unitholders of the Trust	(12,455)	(12,455)
Distributions paid by subsidiary to non-controlling interest	(300)	(450)
Net cash used in financing activities	(21,027)	(14,676)
Net (decrease)/increase in cash and cash equivalents	(4,902)	5,150
Cash and cash equivalents at beginning of the period	164,637	120,068
Effect of currency translation on cash and cash equivalents	(2,630)	(88)
Cash and cash equivalents at end of the period ⁽¹⁾	157,105	125,130

⁽¹⁾ Excludes restricted cash of S\$40,761 and S\$39,718 respectively

Group Financial Results

Group Cash Earnings

	1Q FY14 Actual S\$'000	1Q FY13 Actual S\$'000
EBITDA	29,465	27,865
Add/(less):		
Other cash receipts	1,685	1,600
Net finance costs	(13,637)	(13,917)
Fair value (gain)/loss on DFI	(1,069)	6,760
Other non-cash flow expenses	768	174
Maintenance capital expenditure incurred	(72)	(200)
Total	17,140	22,282
Less: Cash earnings attributable to NCI	(1,153)	(1,181)
Cash earnings	15,987	21,101