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CITYSPRING INFRASTRUCTURE TRUST
(Reg. No. 2007001)

Financial Statement And Distribution Announcement for the Quarter ended 30 June 2013

INTRODUCTION

CitySpring Infrastructure Trust ("CitySpring") was constituted under a trust deed dated 5 January 2007. CitySpring Infrastructure Management Pte. Ltd. ("Trustee-Manager") was appointed the Trustee-Manager. CitySpring was listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 12 February 2007.

CitySpring's objective is to invest in infrastructure assets and to provide Unitholders with long-term regular and predictable distributions.

CitySpring's portfolio comprises 100% of City Gas Trust ("City Gas"), 70% of SingSpring Trust ("SingSpring"), 100% of Basslink Pty Ltd ("Basslink") (including 100% of Basslink Telecoms Pty Ltd ("Basslink Telecoms")) and 100% of CityNet Infrastructure Management Pte. Ltd. ("CityNet").

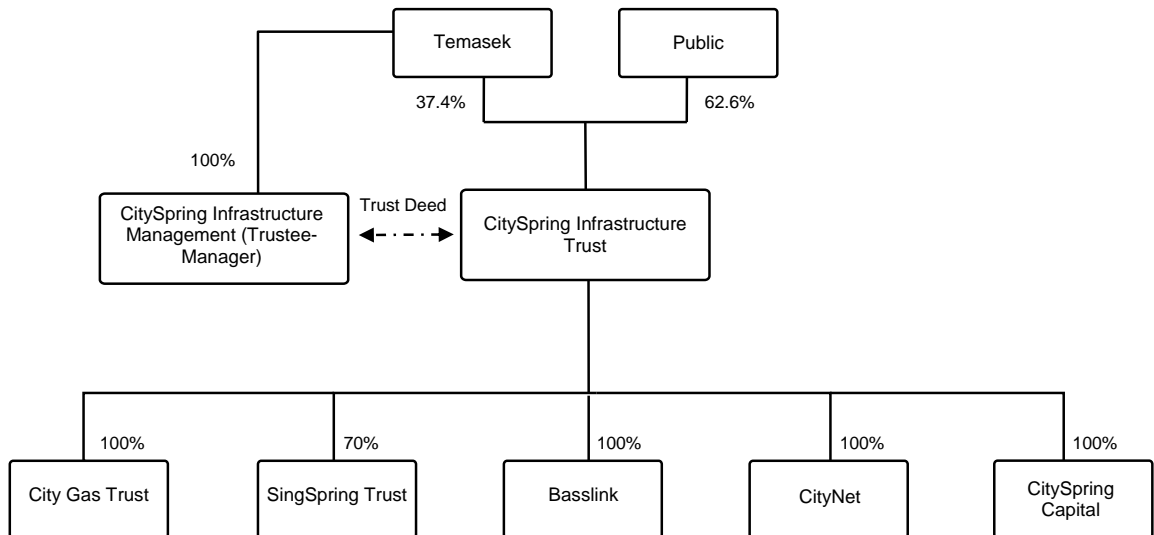
City Gas is the sole producer and retailer of town gas and the sole user of the low-pressured piped town gas network in Singapore. SingSpring is the sole supplier of desalinated water to the Public Utilities Board, Singapore's national water agency.

Basslink owns and operates a 370 km high voltage electricity interconnector between the electricity grids of the States of Tasmania and Victoria in Australia. 290 km of the link is laid under the Bass Strait, making it the world's second longest undersea electricity transmission cable. Basslink Telecoms provides broadband capacity to telecoms carriers and service providers between Hobart, Tasmania and Melbourne, Victoria.

On 22 July 2011, CityNet was awarded a mandate to act as the trustee-manager of NetLink Trust ("NetLink"). CityNet, in its capacity as trustee-manager of NetLink, owns, installs, operates and maintains the assets (transferred from Singapore Telecommunications Limited) for the purpose of facilitating telecommunication activities.

CitySpring Capital was established on 2 October 2012 to issue notes under the Multicurrency Medium Term Note Programme that was established on 11 October 2012.

The CitySpring Group is shown in the chart below.



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INTRODUCTION (cont'd)

Background to Analysing Financial Statements

Cash earnings

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 cash flows generated by the businesses, and removes the effect of the accounting treatment of non-cash items on our financial statements.

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.

Hedging Rationale

SingSpring and Basslink have long-term 20 and 25 years contracts respectively with state-owned utilities. These contracts are availability-based and produce steady cash flows which are largely not affected by volume or utilisation. As these assets, together with City Gas, have been acquired using partly debt financing at variable interest rate, the CitySpring Group may enter into long-term contracts to protect these cash flows from interest rate risk pursuant to its active risk management policy. This policy is consistent with the CitySpring Group's stated objective of delivering regular and stable distributions to unitholders.

Accounting standards require movements in the fair value of held-for-trading contracts to be recorded in the income statements and hedging contracts to be recognised in hedging reserve. Such movements are non-cash in nature and do not reflect the fundamental value of the CitySpring Group's businesses. Due to the long term nature of these contracts, movements in fair value of these contracts can be significant.

Debt and gearing

All of our operating units utilise non-recourse financing that is specifically structured to match the stable and long-term contracted cash flows from their customers. Generally, our philosophy towards our overall debt structure is to ensure that all of our businesses have sufficient financial flexibility to meet their capital expenditure and operational needs, and at the same time are able to service their debt obligations promptly and reliably. This ensures that we have an optimal capital structure with the flexibility for us to execute our growth strategies.

As such, consolidated debt-to-equity ratio at the CitySpring level is not a relevant measure of our indebtedness.

Energy costs

At City Gas, fuel costs consist mainly of the cost of natural gas. This is in turn recoverable from the fuel component of the town gas tariffs determined by the Energy Market Authority. On a long term basis, changes in fuel costs are expected to have no impact on City Gas as fuel costs are passed through to the end-users. However, at any point in time, the actual tariff for town gas may not exactly match fuel costs as tariff changes are subject to a periodic regulatory process whereas fuel prices change daily. Short term impact may therefore be evident if there are changes in fuel prices.

At SingSpring, the energy cost is recovered from PUB in accordance with the principles set out in the Water Purchase Agreement.

At Basslink, energy costs do not form a substantial portion of its operating expenses relative to its other operating costs.

Other Income

Other income includes interest income, rental income and other miscellaneous operating income.

Other gains / (losses) - net

This includes realised gains or losses and fair value gains or losses from held-for-trading financial assets and currency translation gains or losses.

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Financial Statement And Distribution Announcement for the Quarter ended 30 June 2013

1(a) An income statement and statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

(i) **Consolidated Income Statement**

	1Q FY14	1Q FY13	Change
	S\$'000	S\$'000	%
Revenue	127,050	132,578	(4.2)
Other income	691	896	(22.9)
Other losses - net	(631)	(6,960)	90.9
Expenses			
Fuel and electricity costs	(51,305)	(53,620)	4.3
Gas transportation costs	(21,075)	(20,224)	(4.2)
Depreciation and amortisation	(13,528)	(13,590)	0.5
Staff costs	(5,956)	(5,551)	(7.3)
Operation and maintenance costs	(5,753)	(5,425)	(6.0)
Finance costs	(17,156)	(16,108)	(6.5)
Management fees	(1,760)	(1,477)	(19.2)
Other operating expenses	(11,337)	(11,703)	3.1
Total expenses	(127,870)	(127,698)	(0.1)
Loss before tax	(760)	(1,184)	35.8
Income tax expense	(765)	(2,714)	71.8
Net loss after tax	(1,525)	(3,898)	60.9
(Loss)/profit attributable to:			
Unitholders of the Trust	(1,824)	(4,247)	57.1
Non-controlling interest	299	349	(14.3)
	(1,525)	(3,898)	60.9

Refer to paragraphs 8.1 for further details.

Financial Statement And Distribution Announcement for the Quarter ended 30 June 2013

1(a) An income statement and statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

(ii) Consolidated Statement of Comprehensive Income

	1Q FY14	1Q FY13	Change
	S\$'000	S\$'000	%
Net loss after tax	(1,525)	(3,898)	60.9
Other comprehensive income/(loss):			
<u>Items that may be reclassified subsequently to income statement</u>			
Cash flow hedges:			
- Fair value gains/(losses)	15,889	(65,627)	N/M
- Transfer to income statement	2,653	1,498	77.1
Currency translation differences relating to consolidation of foreign subsidiaries	(10,891)	(2,281)	N/M
Other comprehensive income/(loss), net of tax	7,651	(66,410)	N/M
Total comprehensive income/(loss)	6,126	(70,308)	N/M
Attributable to:			
Unitholders of the Trust	5,155	(70,497)	N/M
Non-controlling interest	971	189	N/M
	6,126	(70,308)	N/M

(iii) Additional information¹

	1Q FY14	1Q FY13	Change
	S\$'000	S\$'000	%
EBITDA	29,465	27,865	5.7
Cash earnings²	15,987	21,101	(24.2)
Attributable to:			
Unitholders of the Trust	15,987	21,101	(24.2)
Non-controlling interest	1,153	1,181	(2.4)

N/M - Not meaningful

¹ This does not form part of the statutory financial statements

² 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

CITYSPRING INFRASTRUCTURE TRUST
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Financial Statement And Distribution Announcement for the Quarter ended 30 June 2013

1(b)(i) **Statements of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

Balance Sheet (Group)

	As at 30 Jun 2013	As at 31 Mar 2013
	S\$'000	S\$'000
ASSETS		
Current assets		
Cash and bank deposits	197,866	202,364
Trade and other receivables	63,200	64,924
Finance lease receivables	8,145	8,067
Inventories	17,821	18,096
Other current assets	5,577	3,059
Total current assets	292,609	296,510
Non-current assets		
Finance lease receivables	145,951	148,040
Other assets	2,486	2,865
Property, plant and equipment	1,034,302	1,160,928
Intangibles	396,813	404,463
Total non-current assets	1,579,552	1,716,296
Total assets	1,872,161	2,012,806
LIABILITIES		
Current liabilities		
Derivative financial instruments	14,484	13,820
Trade and other payables	99,836	99,433
Current tax liabilities	6,321	5,189
Borrowings	137,796	137,547
Total current liabilities	258,437	255,989
Non-current liabilities		
Derivative financial instruments	12,134	36,270
Borrowings	1,106,286	1,206,776
Notes payable to non-controlling interest	15,000	15,000
Deferred tax liabilities	24,351	24,204
Provisions	25,818	28,541
Other payables	71,611	80,873
Total non-current liabilities	1,255,200	1,391,664
Total liabilities	1,513,637	1,647,653
Net assets	358,524	365,153
UNITHOLDERS' FUNDS		
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

Refer to paragraph 8.2 for further details.

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Financial Statement And Distribution Announcement for the Quarter ended 30 June 2013

- 1(b)(i) Statements of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year (cont'd)

Balance Sheet (Trust)

	As at 30 Jun 2013	As at 31 Mar 2013
	S\$'000	S\$'000
ASSETS		
Current assets		
Cash and bank deposits	93,741	78,556
Trade and other receivables	7,188	7,163
Other current assets	96	52
Total current assets	101,025	85,771
Non-current assets		
Long-term receivables	230,570	230,570
Subsidiary companies	606,573	606,573
Total non-current assets	837,143	837,143
Total assets	938,168	922,914
LIABILITIES		
Current liabilities		
Derivative financial instrument	136	48
Trade and other payables	2,291	2,227
Current tax liabilities	49	46
Total current liabilities	2,476	2,321
Non-current liabilities		
Borrowings	141,456	141,264
Total non-current liabilities	141,456	141,264
Total liabilities	143,932	143,585
Net assets	794,236	779,329
UNITHOLDERS' FUNDS		
Units in issue	886,731	886,731
Hedging reserve	(136)	(48)
Accumulated losses	(92,359)	(107,354)
Total unitholders' funds	794,236	779,329

Refer to paragraph 8.3 for further details.

Financial Statement And Distribution Announcement for the Quarter ended 30 June 2013

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	As at 30 June 2013	As at 31 Mar 2013
	S\$'000	S\$'000
Secured borrowings		
Amount repayable within one year	137,796	137,547
Amount repayable after one year	1,106,286	1,206,776
	1,244,082	1,344,323

Details of any collateral at CitySpring

The bank borrowings are secured over the assets and business undertakings of City Gas, SingSpring and Basslink Group. The loan granted to SingSpring is also secured by a charge over the units in SingSpring held by the Trustee-Manager and Hyflux Ltd³, and a charge over the shares held by the Trustee-Manager in SingSpring Pte Ltd. The corporate loan granted to CitySpring is secured over its assets and business undertakings, including a charge over the units in City Gas, and the shares in City Gas Pte Ltd and in CityLink Investments Pte Ltd ("CityLink"), the holding company of Basslink, held by the Trustee-Manager. CityLink has provided a corporate guarantee for the corporate loan.

Loan covenants relating to controlling unitholder or change in control

This information was announced on 28 October 2011 pursuant to new Rule 704(31) of the SGX-ST Listing Manual and is included here for Unitholders' information.

(a) Under the CitySpring corporate loan:

- (i) if Temasek Holdings (Private) Limited ("Temasek") ceases to own, free from encumbrances, all the issued shares in the Trustee-Manager; or
- (ii) the Trustee-Manager resigns or is removed as trustee-manager of CitySpring,

any lender under this facility agreement may require the borrower to repay that lender's share of the loan outstanding together with interest and other amounts accrued thereon.

- (b) Under the City Gas facility agreement, if more than half of the directors of the borrower are not those appointed or re-elected as at the conclusion of the annual general meeting of the borrower immediately before the date on which Temasek first ceases to own at least 20% of the issued share capital of the Trustee-Manager, unless the majority lenders under this facility agreement consent, all outstanding amounts under the facility must be repaid together with interest and other amounts accrued thereon.

(c) Other facilities

The repayment of the above credit facilities upon the occurrence of a change in control of CitySpring or the Trustee-Manager could also cause a default under other credit facilities of CitySpring and its subsidiaries, even if the change in control itself does not, as the financial effect of such repayment could constitute a material adverse effect affecting CitySpring and its subsidiaries, taken as a whole.

(d) Interest rate hedges

The Trustee-Manager has entered into various interest rate swaps to hedge the exposure of CitySpring and its subsidiaries to interest rate volatilities under the various facility agreements to which they are a party.

If the underlying facility agreement to which an interest rate hedge relates is terminated by reason of the occurrence of a change in control of CitySpring or the Trustee-Manager as described above, the relevant interest rate hedge may also be terminated. In such a case, amounts payable under the relevant interest rate hedge will be netted off and payable to the relevant party to whom such net amount is owed.

³ 30% unitholder of SingSpring Trust

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1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Cash Flow Statement

	1Q FY14	1Q FY13
	S\$'000	S\$'000
Operating activities		
Loss before tax	(760)	(1,184)
Adjustments for:		
Depreciation and amortisation	13,528	13,590
Finance costs	17,156	16,108
Interest income	(459)	(648)
Fair value (gain)/loss on derivative financial instruments	(1,069)	6,760
Property, plant and equipment written off	4	-
Unrealised translation loss	69	41
Operating cash flow before working capital changes	28,469	34,667
Changes in working capital :		
Inventories	275	(767)
Trade and other receivables	1,633	800
Trade and other payables	734	812
Cash generated from operations	31,111	35,512
Interest received	433	669
Interest paid	(15,113)	(16,185)
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 (Note a)	157,105	125,130

Note a:

	As at	As at
	30 Jun 2013	30 Jun 2012
	S\$'000	S\$'000
Cash and bank deposits as at 30 June	197,866	164,848
Less: Restricted cash	(40,761)	(39,718)
Cash and cash equivalents	157,105	125,130

Restricted cash represents the amount of cash and cash equivalents required to be set aside to meet interest and principal repayments for loans extended to CitySpring and its subsidiary entities and also for secured bank guarantees for the Group.

Refer to paragraph 8.4 for further details.

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Financial Statement And Distribution Announcement for the Quarter ended 30 June 2013

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in unit or (ii) changes in unit other than those arising from capitalisation issues and distributions to unitholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group

	Attributable to Unitholders of the Trust				Non-controlling Interest	Total	
	Units in Issue	Hedging Reserve	Translation Reserve	Accumulated Losses			Total
	S\$'000	S\$'000	S\$'000	S\$'000			S\$'000
2014							
Balance as at 1 Apr 2013	886,731	(143,465)	(14,394)	(372,837)	356,035	9,118	
Total comprehensive income/(loss)	-	17,870	(10,891)	(1,824)	5,155	971	
<u>Contributions by and distributions to owners</u>							
Distributions paid	-	-	-	(12,455)	(12,455)	(300)	
Total transactions with owners in their capacity as owners	-	-	-	(12,455)	(12,455)	(300)	
Balance as at 30 Jun 2013	886,731	(125,595)	(25,285)	(387,116)	348,735	9,789	
2013							
Balance as at 1 Apr 2012	886,731	(109,048)	(11,983)	(341,257)	424,443	9,393	
Total comprehensive (loss)/income	-	(63,969)	(2,281)	(4,247)	(70,497)	189	
<u>Contributions by and distributions to owners</u>							
Distributions paid	-	-	-	(12,455)	(12,455)	(450)	
Total transactions with owners in their capacity as owners	-	-	-	(12,455)	(12,455)	(450)	
Balance as at 30 Jun 2012	886,731	(173,017)	(14,264)	(357,959)	341,491	9,132	

Trust

	Units in Issue	Hedging Reserve	Accumulated Losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000
2014				
Balance as at 1 Apr 2013	886,731	(48)	(107,354)	779,329
Total comprehensive income	-	(88)	27,450	27,362
<u>Contributions by and distributions to owners</u>				
Distributions paid	-	-	(12,455)	(12,455)
Total transactions with owners in their capacity as owners	-	-	(12,455)	(12,455)
Balance as at 30 Jun 2013	886,731	(136)	(92,359)	794,236
2013				
Balance as at 1 Apr 2012	886,731	(124)	(92,090)	794,517
Total comprehensive (loss)/income	-	39	8,004	8,043
<u>Contributions by and distributions to owners</u>				
Distributions paid	-	-	(12,455)	(12,455)
Total transactions with owners in their capacity as owners	-	-	(12,455)	(12,455)
Balance as at 30 Jun 2012	886,731	(85)	(96,541)	790,105

Financial Statement And Distribution Announcement for the Quarter ended 30 June 2013

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Not applicable.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	As at 30/06/13	As at 31/03/13
Total issued units	1,518,893,062	1,518,893,062

- 1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the Auditor.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The accounting policies and methods of computation applied in the financial statements for the current financial period are consistent with those described in the audited financial statements for the financial year ended 31 March 2013.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

With effect from 1 April 2013, the Group adopted the following new or amended Singapore Financial Reporting Standards ("FRS") which are relevant to the Group's operations:

- Amendments to FRS 1 Presentation of Items of Other Comprehensive Income
- Revised FRS 19 Employee Benefits
- FRS 113 Fair Value Measurements
- Amendments to FRS 107 Disclosure – Offsetting of Financial Assets and Financial Liabilities
- Improvements of FRSs 2012
 - Amendment to FRS 1 Presentation of Financial Statements
 - Amendment to FRS 16 Property, Plant and Equipment
 - Amendment to FRS 32 Financial Instruments: Presentation

The adoption of the above FRS did not result in any substantial change to the Group's accounting policies or any material impact on the financial statements of the Group.

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Financial Statement And Distribution Announcement for the Quarter ended 30 June 2013

6. Earnings per unit of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year.

6.1 Earnings per unit and distribution per unit for the financial period

	1Q FY14	1Q FY13
(i) Weighted average number of units	1,518,893,062	1,518,893,062
(ii) Loss per unit for the period based on the weighted average number of units in issue (cents)		
- Basic and diluted	(0.12)	(0.28)
(iii) Number of units issued at end of period	1,518,893,062	1,518,893,062
(iv) Distribution per unit for the period (cents)	0.82	0.82

6.2 Cash earnings per unit attributable to unitholders for the financial period

	1Q FY14	1Q FY13
Cash earnings per unit for the period based on the weighted average number of units in issue (cents)		
- Basic and diluted	1.05	1.39

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.

7. Net asset value (for the issuer and the group) per unit based on the total number of issued units excluding treasury shares at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.

Net asset value (“NAV”) per unit based on units issued at the end of the period

	Group		Trust	
	30/06/13	31/03/13	30/06/13	31/03/13
Net asset value per unit (cents)	23.0	23.4	52.3	51.3

The Group NAV per unit before hedging and translation reserves is 32.9 cents as at 30 June 2013 and 33.8 cents as at 31 March 2013.

The number of units used for computation of actual NAV per unit is 1,518,893,062 which is the number of units in issue as at 30 June 2013 and 31 March 2013.

The Group adopts an active risk management strategy and where appropriate would enter into contracts to protect its cash flow. This policy is consistent with the Group’s stated objective of delivering regular and stable distributions to unitholders. Accounting standards require movements in the fair value of held-for-trading contracts to be recorded in the income statement and hedging contracts to be recognised in the hedging reserve. At 30 June 2013, the Group had a hedging reserve of negative S\$125.6 million (31 March 2013: negative S\$143.5 million). Due to the long term nature of some of these contracts, movements in fair value of these contracts can be significant. The fair value movements in hedging reserve are non-cash and do not reflect the fundamental value of the Group’s businesses.

Financial Statement And Distribution Announcement for the Quarter ended 30 June 2013

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

8.1 Income Statement (1Q FY14 vs 1Q FY13)

Revenue

Group revenue for 1Q FY14 was S\$127.1 million which was S\$5.5 million lower than 1Q FY13.

At City Gas, revenue of S\$96.8 million in 1Q FY14 was lower than its revenue of S\$98.5 million in 1Q FY13. This was due mainly to lower tariffs charged in response to the lower feedstock costs.

SingSpring's revenue of S\$9.6 million in 1Q FY14 was lower than its revenue of S\$11.9 million in 1Q FY13 was due mainly to lower despatch and lower fuel costs.

Basslink's revenue of A\$16.3 million (approximately S\$20.1 million) in 1Q FY14 was lower than A\$16.9 million (approximately S\$21.6 million) in 1Q FY13. CRSM for 1Q FY14 was negative A\$3.6 million (approximately S\$4.5 million) compared to negative A\$3.5 million (approximately S\$4.5 million) in 1Q FY13. Basslink Telecoms revenue was marginally lower in 1Q FY14 when compared to 1Q FY13.

CityNet contributed revenue of S\$0.5 million in both 1Q FY14 and 1Q FY13.

Other income

This comprises interest income and other miscellaneous income. Other income for 1Q FY14 was S\$0.7 million which was lower than S\$0.9 million recorded in 1Q FY13 due mainly to lower interest income.

Other losses – net

Other losses – net of S\$0.6 million in 1Q FY14 and S\$7.0 million 1Q FY13 were due mainly to fair value movement on derivative instruments and currency translation movements.

Operating Expenses

Fuel and electricity costs of S\$51.3 million in 1Q FY14 were lower than the costs of S\$53.6 million in 1Q FY13 due mainly to lower fuel cost incurred for SingSpring and City Gas.

Depreciation and amortisation costs were S\$13.5 million in 1Q FY14 which were marginally lower than S\$13.6 million recorded in 1Q FY13.

Finance costs of S\$17.2 million in 1Q FY14 were higher compared to S\$16.1 million in 1Q FY13. The increase was due mainly to higher interest indexation for Basslink bonds due to higher inflation offsetted by lower translation rate applied in the current period.

Other operating expenses of S\$11.3 million in 1Q FY14 was marginally lower than the S\$11.7 million in 1Q FY13.

Income tax

Income tax expense of S\$0.8 million in 1Q FY14 was lower than the S\$2.7 million in 1Q FY13. Income tax expense for 1Q FY14 comprises mainly provision for current income tax expense. 1Q FY13 income tax expense related to both provision for current income tax expense and reduction of deferred tax assets resulting from derecognition of previously recognised acquired tax losses of a subsidiary entity.

Financial Statement And Distribution Announcement for the Quarter ended 30 June 2013

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. (cont'd)**

8.1 Income Statement (1Q FY14 vs 1Q FY13) (cont'd)

Cash earnings

1Q FY14 cash earnings was S\$16.0 million which was S\$5.1 million lower than in 1Q FY13.

City Gas recorded cash earnings of S\$13.1 million in 1Q FY14 compared to S\$16.8 million in 1Q FY13. City Gas' short term profit margins can be affected by movements in fuel costs. This is because City Gas can only change the tariffs at which it charges its customers once every three months, whereas fuel costs fluctuate daily on the open market. From quarter to quarter, there is therefore potentially a mis-match between City Gas' fuel costs and tariffs, although the tariff adjustments mechanism is designed to ensure that we fully recover our fuel costs over a period of time.

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

Basslink's cash earnings was A\$1.4 million (approximately S\$1.8 million) in 1Q FY14 and A\$2.3 million (approximately S\$2.9 million) in 1Q FY13. The difference was due mainly to lower cash earnings contribution 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.

CityNet contributed cash earnings of S\$0.5 million in 1Q FY14 and 1Q FY13 respectively.

8.2 Balance Sheet – Group

Total assets and liabilities were lower as at 30 June 2013 compared to 31 March 2013 due to the effect of translation of overseas subsidiary asset and liability balances at a lower closing rate at 30 June 2013 as compared to 31 March 2013.

In addition, depreciation charges for property plant and equipment, and amortisation charges for intangible assets other than goodwill resulted in total assets of S\$1,872.2 million as at 30 June 2013 being lower than total assets of S\$2,012.8 million as at 31 March 2013.

Total liabilities as at 30 Jun 2013 was S\$1,513.6 million which was lower than total liabilities of S\$1,647.7 million as at 31 March 2013. This was due mainly to repayment of bank loan, and decrease in mark-to-market liability of the derivative financial instruments.

Total unitholders' funds as at 30 Jun 2013 was S\$358.5 million which was lower than total unitholders' funds of S\$365.2 million as at 31 March 2013. This was due mainly to distribution to unitholders and the effects of mark-to-market changes of the derivative financial instruments on hedging reserve at 30 June 2013 as compared with 31 March 2013. Translation reserve increased from negative S\$14.4 million at 31 March 2013 to S\$25.3 million at 30 June 2013 due to the lower translation closing rate.

8.3 Balance Sheet – Trust

Net asset value increased by S\$14.9 million during the quarter mainly due to the higher distribution from a subsidiary entity. This is represented in the increase in cash and cash balances of S\$15.2 million as at 30 June 2013 compared to 31 March 2013.

8.4 Cashflow

Cash generated from operating activities was S\$16.2 million for 1Q FY14 compared to S\$20.0 million for 1Q FY13. The lower cash generated was due to the lower cash earnings as explained in paragraph 8.1 (refer to the performance review of 1Q FY14 vs 1Q FY13). Net cash used in financing activities of S\$21.0 million comprised mainly distributions to Unitholders of CitySpring and non-controlling interest of a subsidiary.

Cash and bank deposits less restricted cash as at 30 June 2013 was S\$157.1 million which was an increase of S\$32.0 million compared to as at 30 June 2012. This was due to cash generated from operations.

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9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast statement for financial year 2014 has been disclosed.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Group Operations

Basslink and SingSpring have long-term contracts with state-owned utilities. For City Gas business, the tourism and hospitality related sectors may see slower growth due to the current uncertainty in the global economy.

City Gas' cash earnings could fluctuate depending on changes in tariffs in response to changes in fuel costs. The tariff adjustments mechanism is designed to ensure that we fully recover our fuel costs over a period of time. City Gas has announced that it has obtained approval to decrease gas tariff by 1.74% from 1 August 2013. The tariff reduction is due to lower fuel prices.

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.

Basslink Telecoms provides wholesale telecoms transmission services between Hobart and Melbourne in Australia. The Australian Competition and Consumer Commission ("ACCC") published a Domestic Transmission Capacity Service Final Access Determination ("FAD") on 22 June 2012. Under the FAD, the ACCC has prescribed price terms for transmission services on certain routes, including the Hobart-Melbourne route served by Basslink Telecoms. Services offered by Basslink Telecoms are therefore subject to regulated pricing. This has led to lower pricing for contracts renewed in the financial year 2013 and therefore is expected to have a material negative impact on the total revenue for Basslink Telecoms for the current financial year. Basslink Telecoms had signed a major long-term contract with a customer in FY11 and the majority of the service fee under this contract was paid in three annual instalments. Accordingly, for FY14 onwards, the cash earnings contribution from this contract will be substantially lower as the majority of the service fee has been received.

Arbitration between Basslink Pty Ltd ("BPL") and Hydro Tasmania ("HT")

Interpretation of the Basslink Services Agreement ("BSA") has given rise to certain disputes between BPL and HT which have now been referred to arbitration.

The arbitration will cover claims by HT in 2010 about the payments due under the CRSM formula in 2009 and other alleged breaches of the BSA.

The arbitration will also cover BPL's claims. Primarily, BPL has claimed it is operating and bidding Basslink in accordance with the BSA, based on its view of the requirements of the BSA as embodied in BPL's protocol for bidding (known as the "dynamic protocol"). HT disputes BPL's approach, and considers BPL to have breached the BSA and that it is suffering losses as a result of BPL's operations and bidding.

BPL's position is that it will vigorously defend against the claims by HT in the arbitration and will vigorously pursue BPL's claims against HT in the arbitration.

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11. Distributions

(a) Current financial period reported on

Any distributions declared for the current financial period	:	Yes
Amount	:	S\$12,454,923
Distribution period	:	From 01/04/2013 to 30/06/2013
Distribution type	:	Cash, Tax-Exempt Income
Distribution rate	:	0.82 Singapore cents per unit
Par value	:	Not applicable
Tax rate	:	Distributions received by either Singapore tax resident Unitholders or non-Singapore tax resident Unitholders are exempt from Singapore income tax and also not subject to Singapore withholding tax. Unitholders are not entitled to tax credits of any taxes paid by the Trustee-Manager of CitySpring.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any distributions declared for the current financial period	:	Yes
Amount	:	S\$12,454,923
Distribution period	:	From 01/04/2012 to 30/06/2012
Distribution type	:	Cash, Tax-Exempt Income
Distribution rate	:	0.82 Singapore cents per unit
Par value	:	Not applicable
Tax rate	:	Distributions received by either Singapore tax resident Unitholders or non-Singapore tax resident Unitholders are exempt from Singapore income tax and also not subject to Singapore withholding tax. Unitholders are not entitled to tax credits of any taxes paid by the Trustee-Manager of CitySpring.

(c) Date Payable : 30 August 2013

(d) Books closure date : The Transfer Books and Register of CitySpring Infrastructure Trust will be closed from 5.00 p.m. on 21 August 2013 for the purposes of determining each unitholder's entitlement to the distribution. Unitholders whose Securities Accounts with The Central Depository (Pte) Limited ("CDP") are credited with units at 5.00 p.m. on 21 August 2013 will be entitled to the distribution to be paid on 30 August 2013.

12. If no distribution has been declared/recommended, a statement to that effect

Not applicable.

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13. Interested Person Transactions

Name of Interested Person	Aggregate value of all interested person transactions conducted during the financial period under review under unitholders' mandate pursuant to Rule 920* (excluding transactions less than S\$100,000)	
	1Q FY14 S\$'000	1Q FY13 S\$'000
(a) Sales of Goods and Services		
Temasek Holdings (Private) Limited and its Associates		
- Singapore Power Limited		
- Powergas Limited	269	257
- SATS Catering Pte Ltd	1,556	1,796
(b) Management Fee Income		
Temasek Holdings (Private) Limited and its Associates		
- Singapore Telecommunications Limited		
- CityNet Infrastructure Management Pte Ltd (As Trustee-Manager of NetLink Trust)	534	534
(c) Reimbursement of expenses		
Temasek Holdings (Private) Limited and its Associates		
- Singapore Power Limited		
- Powergas Limited	1,396	1,364
- Singapore Telecommunications Limited		
- CityNet Infrastructure Management Pte Ltd (As Trustee-Manager of NetLink Trust)	10	-
- CitySpring Infrastructure Management Pte. Ltd.	13	17

* The Group has obtained a general mandate pursuant to Rule 920 for interested person transactions as approved by independent unitholders at the extraordinary general meeting held on 28 July 2011 and had obtained a renewal of the general mandate at the annual general meeting held on 10 July 2012.

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Financial Statement And Distribution Announcement for the Quarter ended 30 June 2013

13. Interested Person Transactions (cont'd)

Name of Interested Person	Aggregate value of all interested person transactions conducted during the financial period under review under unitholders' mandate pursuant to Rule 920* (excluding transactions less than S\$100,000)	
	1Q FY14 S\$'000	1Q FY13 S\$'000
(d) Purchases		
Temasek Holdings (Private) Limited and its Associates		
- Aetos Security Management Pte Ltd	170	169
- Certis Cisco Security Pte Ltd	60 ^{4,5}	43 ⁶
- Singapore Power Limited		
- Gas Supply Pte Ltd	37,379	43,623
- Powergas Limited	21,055	21,088
- SP Services Limited	3,887	3,761
- Sembcorp Power Pte Ltd	1,782	2,036
- SP Australia Networks		
- SPI PowerNet Pty Ltd	381	213
- SPI Networks Pty Ltd	35	29
- SPI Electricity Pty Ltd	1	1
(e) Leasing of Assets (Rental charge)		
Temasek Holdings (Private) Limited and its Associates		
- Singapore Power Limited		
- Powergas Limited	140	123
- SP Services Limited	67	67
(f) Management Fee Expense (including Reimbursement of Expenses)		
Temasek Holdings (Private) Limited and its Associates		
- CitySpring Infrastructure Management Pte. Ltd.	2,118	1,873

* The Group has obtained a general mandate pursuant to Rule 920 for interested person transactions as approved by independent unitholders at the extraordinary general meeting held on 28 July 2011 and had obtained a renewal of the general mandate at the annual general meeting held on 10 July 2012.

⁴ This relates to security manning services which a subsidiary has agreed to cost share in a contract with its operator and the security company.

⁵ This includes the security services which a third party has agreed to bear in full.

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Financial Statement And Distribution Announcement for the Quarter ended 30 June 2013

14. Confirmation by the Board pursuant to Rule 705(5)

The Board of CitySpring Infrastructure Management Pte. Ltd. (as Trustee-Manager of CitySpring Infrastructure Trust) has confirmed that, to the best of their knowledge, nothing has come to their attention which may render the unaudited interim financial results of the Group for the quarter ended 30 June 2013 to be false or misleading in any material aspect.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management of future events.

BY ORDER OF THE BOARD
CITYSPRING INFRASTRUCTURE MANAGEMENT PTE. LTD.
(COMPANY REGISTRATION NO. 200614377M)
AS TRUSTEE-MANAGER OF CITYSPRING INFRASTRUCTURE TRUST

Susanna Cher
Company Secretary

Singapore
13 August 2013