



AGM Presentation

16 July 2010

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1 Overview

2 Assets – City Gas, SingSpring and Basslink

3 Financial Results

4 Acquisition Strategy

5 Summary

Background

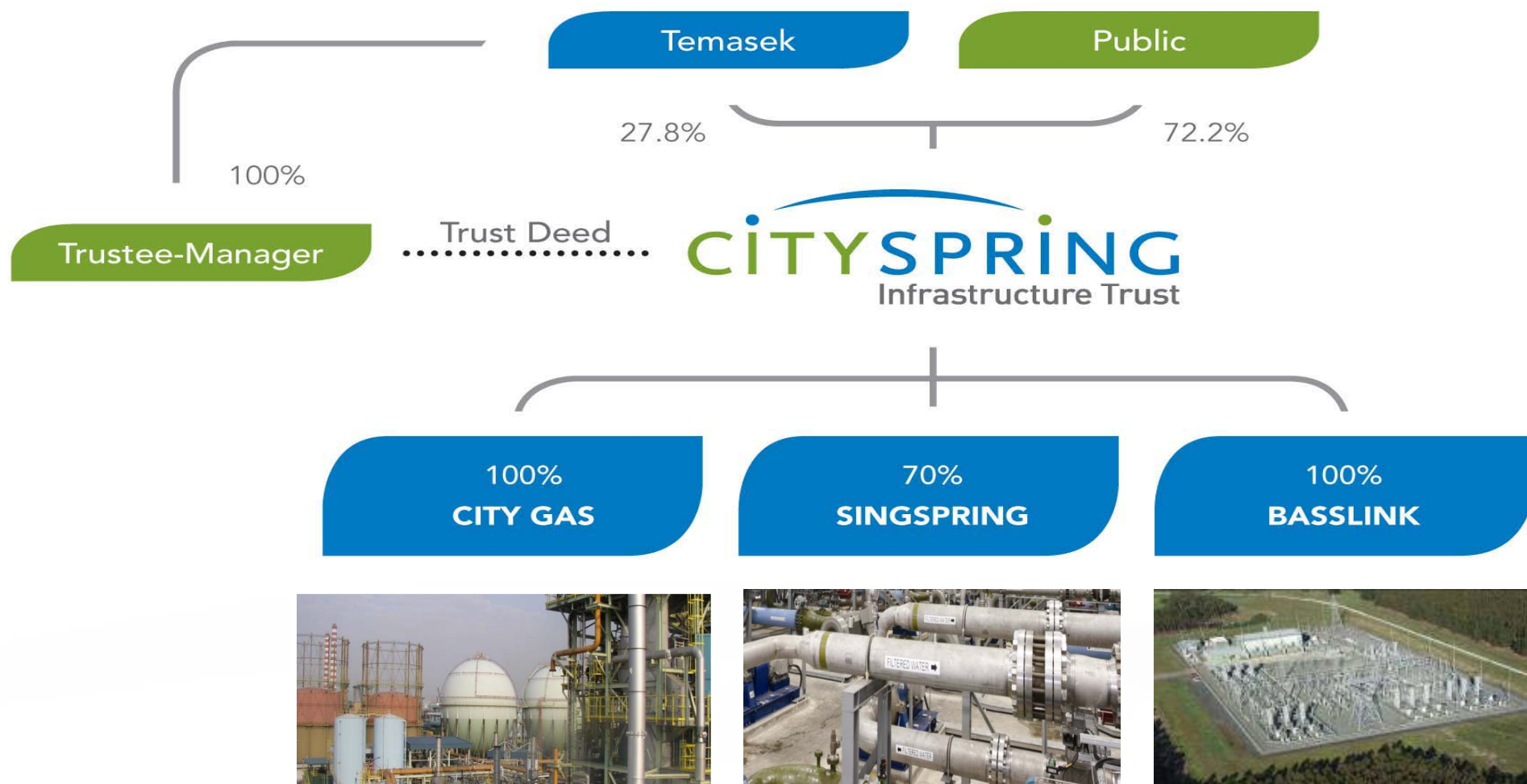
- First infrastructure business trust listed on the Singapore Exchange (“SGX”)
- Temasek’s key platform for infrastructure investments

Investors

- Sponsor – Temasek (27.8%)
- More than 21,000 investors

Investment Mandate

- Investment criteria:
 - Long term, regular and predictable cashflow
 - Long term capital growth
 - Exercise control/significant influence
- Primary geographical focus in Asia, Middle East, Australia and New Zealand
- Sector focus in utilities, transportation/logistics and communications



Owns and operates essential utility assets

- CitySpring has successfully completed a fully-underwritten renounceable 1-for-1 rights issue on 24 September 2009 to raise gross proceeds of approximately S\$235.2 million
- Subscription rate was 138.8%
- Received strong support from existing institutional and retail investors
- CitySpring's investor base has increased from 17,000 to 21,000 post the Rights Issue

- Majority of debt of the Group is at Basslink
- Borrowing in Australia currency provides a natural hedge against foreign exchange exposure
- Net proceeds of approximately S\$227.5 million from the Rights Issue has been utilised for partial repayment of CitySpring's corporate loan, reducing the outstanding borrowings to S\$142.5 million
- No refinancing till Aug 2011 and remaining average life of debt is about 6 years
- Interest rate hedging in place. No significant interest rate exposure

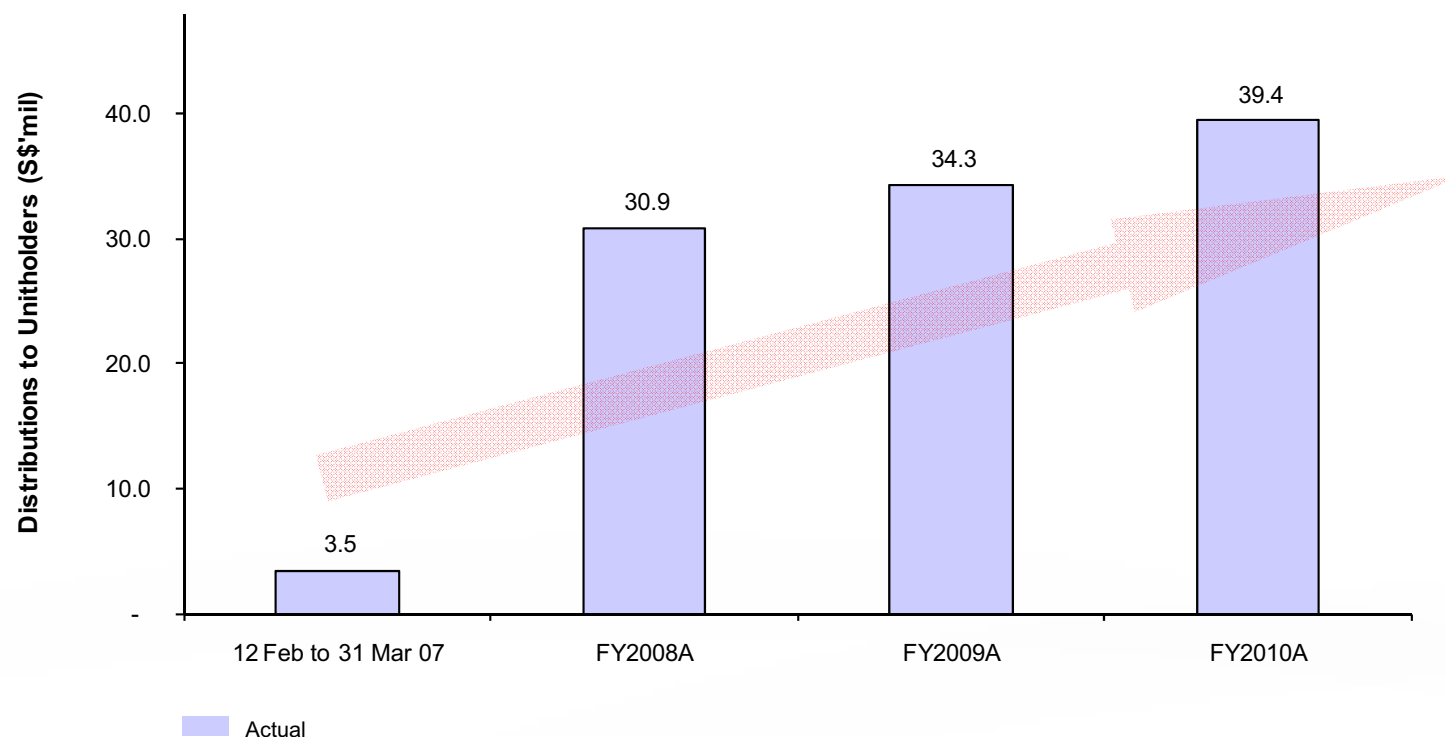
Debt Structure	Type	Amount (million)	Due Date	Interest Rate Hedging
CitySpring	Corporate Loan	S\$142.5	Aug 2011	100%
City Gas	Term Loan	S\$128.0	Feb 2012	100%
SingSpring	Amortising Term Loan	S\$137.5 ⁽¹⁾	Fully repaid by 2024	75%
Basslink	MTN	A\$486.0	Aug 2015	100% ⁽²⁾
	CIB	A\$190.0 ⁽³⁾	Aug 2017	Fixed rate
	CIB	A\$190.0 ⁽³⁾	Aug 2019	Fixed rate

(1) Balance as at 31 March 2010

(2) Hedging in excess of A\$486m via the 25-year floating interest rate hedge with Hydro Tasmania

(3) Inflation-linked bonds. Principal amount will accrete with inflation.

- CitySpring's distributions are supported by cash earnings backed by long-term customers contracts of Basslink and SingSpring, and strong market position of City Gas



- At the end of FY10, CitySpring has returned distributions in excess of S\$100 million to its Unitholders
- Annual DPU of 4.20 Singapore cents targeted for FY11⁽¹⁾

(1) Assuming no material changes to the Group in FY11

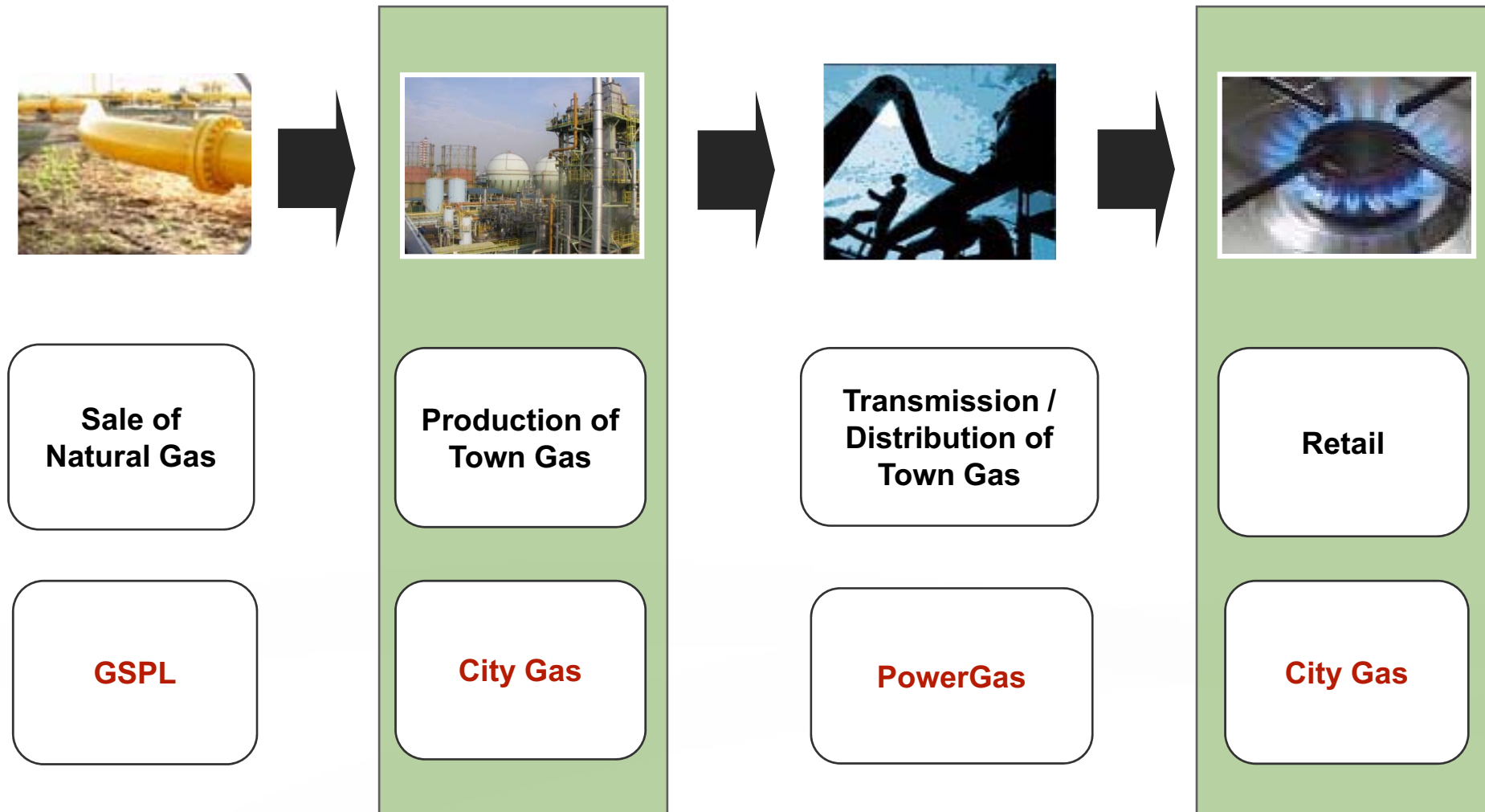
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Sole producer and retailer of town gas in Singapore
Stable cashflow from a wide customer base

**Singapore's Water Policy –
“Four Taps Approach”**

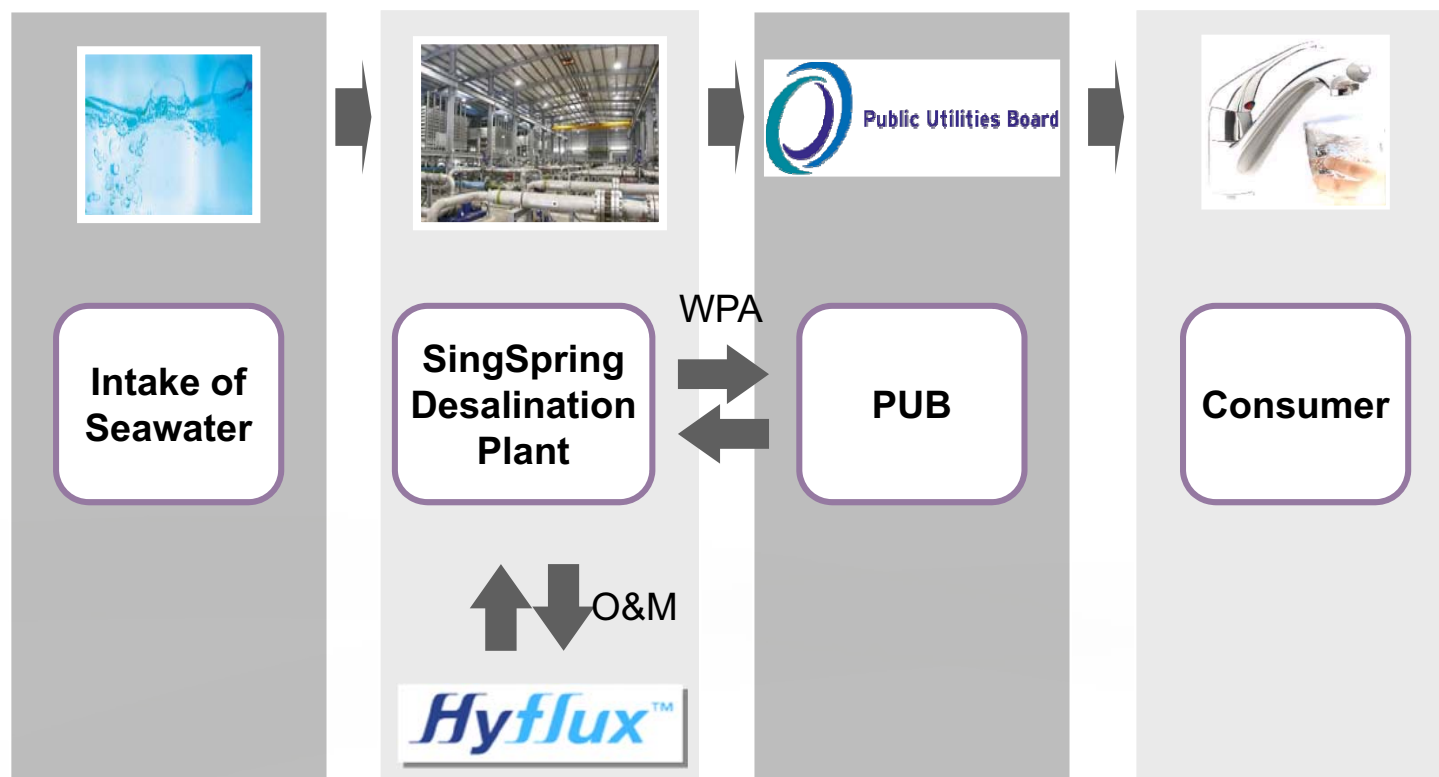
1. Local Catchment Water

2. Imported Johor Water

3. NEWater – Recycled
Water

4. Desalinated Water

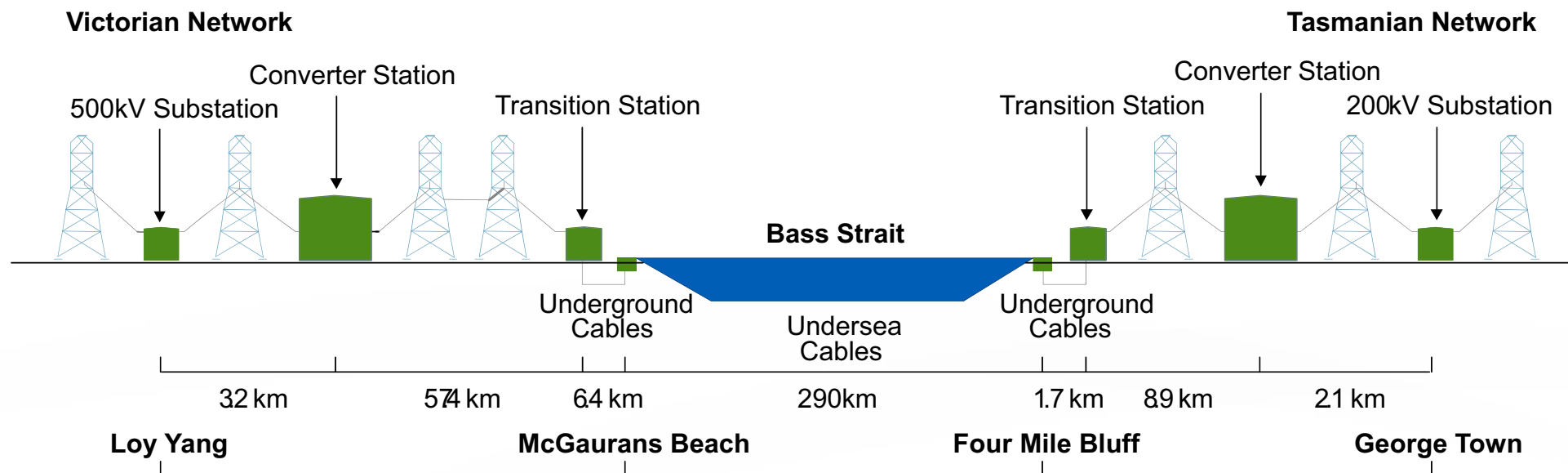
Seawater Desalination Process



Long-term contract with PUB, Singapore's national water agency

Long-term, regular and predictable cashflow due to WPA

- **Unique:** Basslink is the only subsea electricity transmission cable, connecting the states of Victoria and Tasmania in Australia
- **Strategic:** Basslink was constructed to allow Tasmania to participate in the National Electricity Market (“NEM”) and to provide power stability



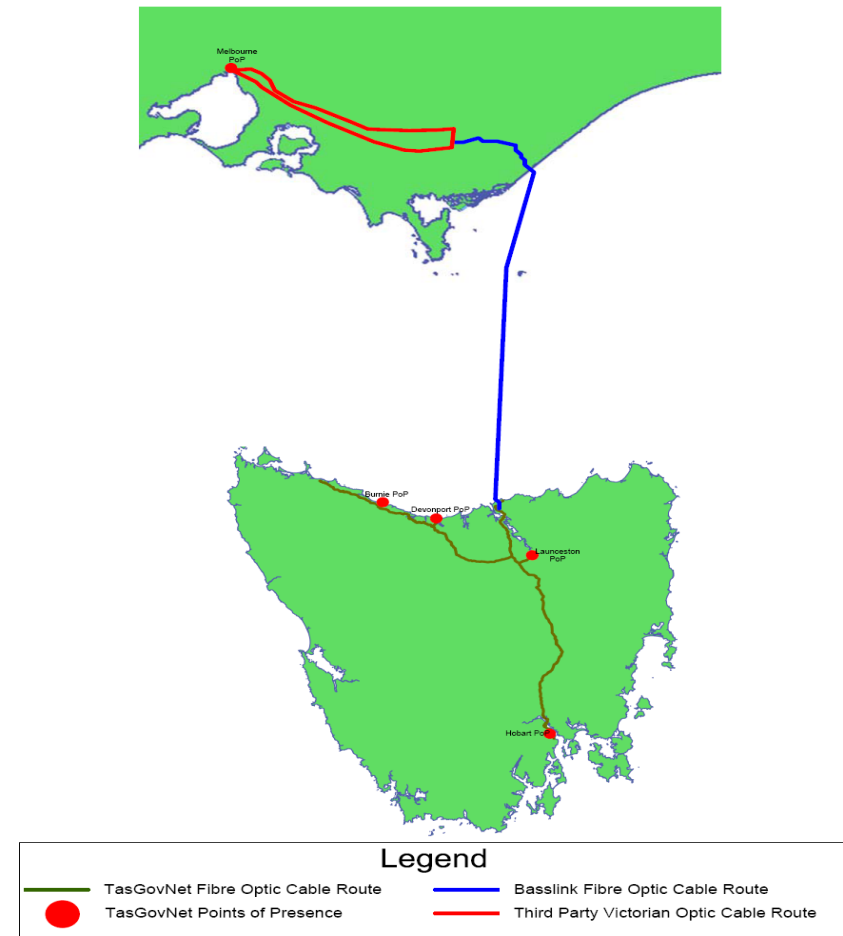
Long-term contract with Hydro Tasmania, a state-owned utility

Long-term, regular and predictable cashflow due to contract

- On 3 July 2009, Basslink's fibre optic cables were commercialised and started carrying customers' traffic
- Basslink Telecoms, as a wholesale service provider, offers **basic IP connectivity and transmission capacity** from PoPs⁽¹⁾ in Tasmania via Bass Strait to PoPs in Melbourne
 - 2 PoPs in Hobart, Tasmania – PipeNetwork and Aurora Datacentres
 - 2 PoPs in Melbourne – Primus and NextGen Datacentres

Note:-

1 Points of presence



The only alternative provider of connection between Tasmania and mainland Australia, and is seen as highly strategic

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(S\$ million)	FY10	FY09
Group Cash Earnings ⁽¹⁾	57.9	60.9
Distribution to Unitholders	39.4	34.3

- CitySpring has delivered steady performance across all businesses
- Total cash earnings for FY10 was S\$57.9 million
- CitySpring has delivered total distributions of S\$39.4 million for FY10
- CitySpring's distributions are paid from net operating cashflow
- Annual DPU of 4.20 Singapore cents targeted for FY11⁽²⁾

(1) Cash Earnings is defined as EBITDA adjusted for non-cash items and lease receivable, less cash interest, cash tax, upfront financing fees and maintenance capex, and before principal repayment of debt and minority interest

(2) Assuming no material changes to the Group in FY11

Financial Results

Group Consolidated Income Statement

	FY10	FY09	
	Actual	Actual	Change
	S\$'000	S\$'000	%
Revenue	388,147	398,739	(2.7)
Other income	3,345	5,469	(38.8)
Other (losses)/gains - net	(40)	809	N/M
Total expenses	(414,382)	(432,476)	4.2
Profit/(loss) before fair value changes on DFI and income tax	(22,930)	(27,459)	16.5
Fair value (loss)/gain on DFI	6,153	(23,585)	N/M
Profit/(loss) before income tax	(16,777)	(51,044)	67.1
Income tax (expense)/credit	26,004	1,293	N/M
Net profit/(loss) after income tax	9,227	(49,751)	N/M
EBITDA	120,770	84,557	42.8
Cash earnings ⁽¹⁾	57,853	60,940	(5.1)
Cash earnings less MI	53,265	56,703	(6.1)

9,458

(17,307)

N/M - Not meaningful

DFI - Derivative financial instruments

(1) Cash Earnings is defined as EBITDA adjusted for non-cash items and lease receivable, less cash interest, cash tax, upfront financing fees and maintenance capex, and before principal repayment of debt and minority interest

City Gas

- Achieved higher sales volume of 1.8 billion kWh despite the challenging economic environment
- Customer base increased by 2% to about 620,000 from FY09
- Recorded \$25.5 million in cash earnings for FY10
- 3 upward tariff adjustments were granted by the Energy Market Authority:
 - 1.14 cent/kWh from 1 Aug 09
 - 2.24 cent/kWh from 1 Nov 09
 - 0.40 cent/kWh from 1 Feb 10
- Successfully signed on major commercial customers such as Resorts World Sentosa (including Universal Studios), ION Orchard, 313@Somerset, TripleOne Somerset, Orchard Central, Illuma, City Square Mall and Tampines One
- Reported record daily gas send-out of 881,022 cubic metres during the year
- 100% plant availability
- Launched “Go Green, Go Gas” campaign to home-owners to enhance customers’ awareness on advantages of using gas water heaters
 - Such heaters emit less carbon dioxide and provide energy savings, which translates into lower utility expenditure
- Opened a second City Gas Gallery at Woodlands Civic Centre

SingSpring

- Achieved total cash earnings of S\$18.5 million
- Continues to maintain record of 100% availability and met all the terms under the Water Purchase Agreement with PUB
- Supplied an average of 57,226 m³ of water per day to PUB, representing 42% of the SingSpring plant's capacity
- Received HACCP⁽¹⁾ certification on 19 Apr 2010

(1) HACCP stands for Hazard Analysis Critical Control Point. It is a food safety management system.

Basslink

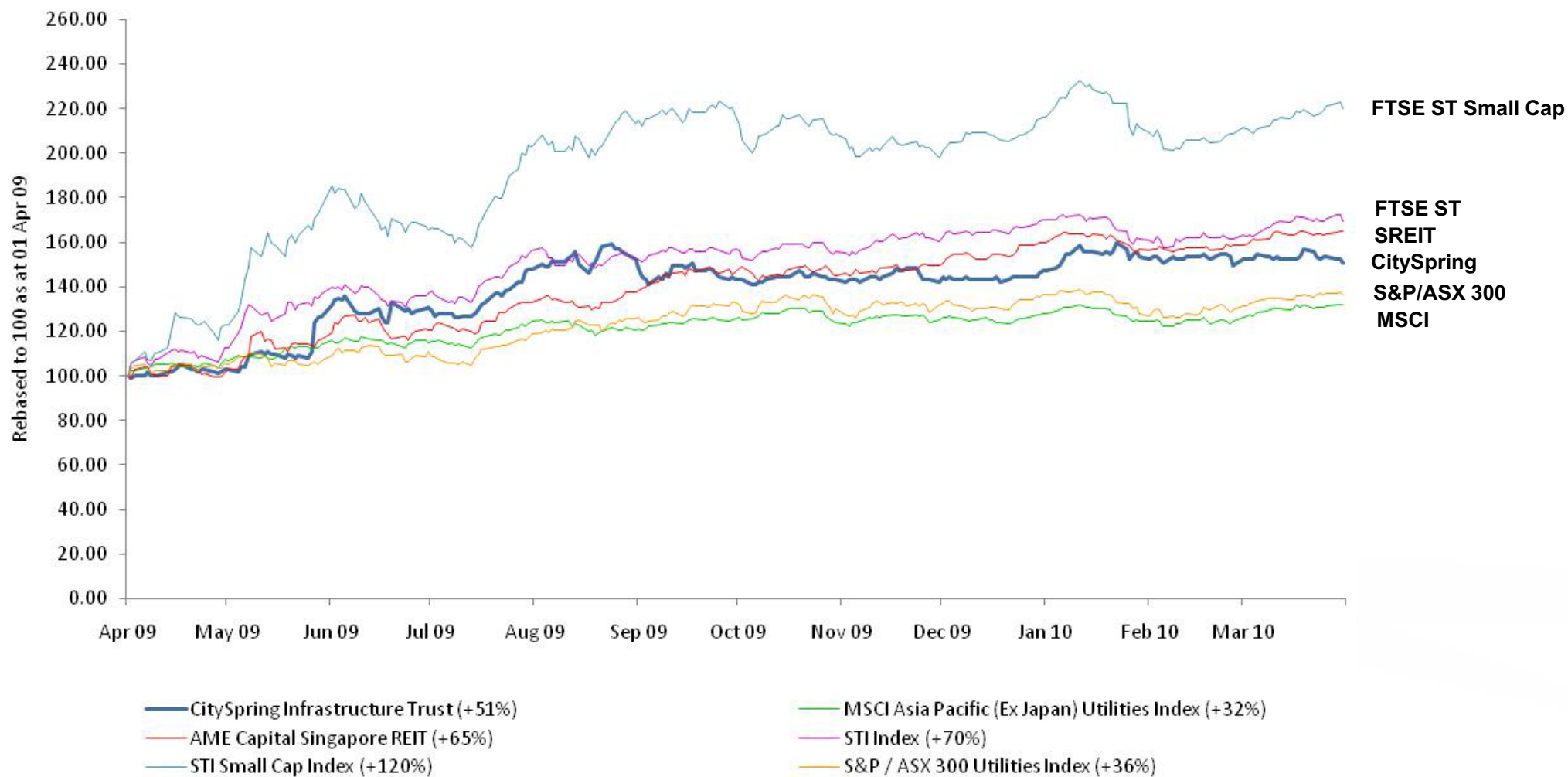
- Achieved cash earnings of A\$22.2 million
- Achieved cumulative availability of 98.8% for the 12 months ended 31 Dec 2009
- Cumulative availability for the three months ended 31 Mar 2010 was 99.9%
- An unplanned outage due to the failure of a valve-cooling pipe component during 17-26 Apr 2010. Barring unforeseen circumstances, the cumulative availability for the calendar year 2010 is expected to be above the target 97%
- Basslink Telecoms was officially launched on 16 July 2009 in a ceremony attended by the Tasmanian Premier David Bartlett and the Federal Minister for Communications Senator Steven Conroy
 - It provides wholesale telecoms capacity between Tasmania and Victoria and has signed several telecoms service providers as customers (e.g. Aurora Energy, Internode and Exetel)

Firm Name	Recomm.	Date	Target Price
OCBC	Hold	24 June 2010	S\$0.60
Kim Eng	Buy	7 June 2010	S\$0.69
DBS	Buy	25 May 2010	S\$0.67
Morgan Stanley	Buy	12 Feb 2010	S\$0.80
S&P's	N/A*	25 May 2010	N/A*
Average			S\$0.69

Disclaimer: The information above is collated from published analyst reports. The opinions expressed are those of the individual analysts and are subject to change. S&P's does not provide recommendation and target price

Unit Price Performance

1 April 2009 to 31 March 2010



Source: Bloomberg

1 Overview

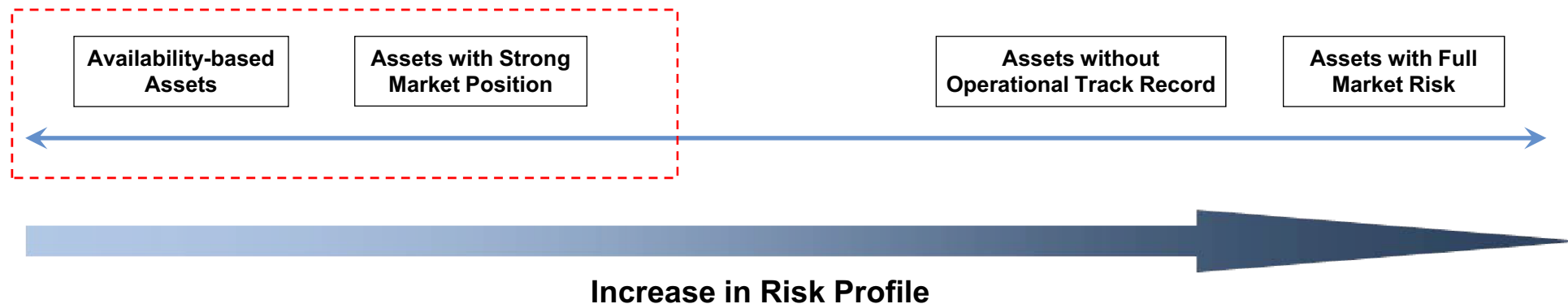
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CitySpring's Acquisition Strategy and Investment Focus



What We Like

- Availability-based assets and/or assets with strong market positions, which have the following characteristics:
 - Secured/guaranteed revenue
 - Long-term concession
 - Reliable counterparties with good credit ratings
 - Essential utilities
- Examples:
 - Toll roads with stable/ramped-up traffic profile
 - Power plants with Power Purchase Agreement
 - Municipal water treatment plants with reputable counterparties

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Stable Businesses

- Well diversified portfolio of stable businesses providing essential services
 - City Gas – sole producer and retailer of town gas in Singapore
 - SingSpring – one of ‘four national taps’ of water sources in Singapore, capable of supplying up to 10% of Singapore’s daily water needs
 - Basslink – the only subsea electricity transmission cable connecting the states of Victoria and Tasmania in Australia
 - Basslink Telecoms – the only alternative provider of telecoms connection between the states of Victoria and Tasmania in Australia

Robust Financing Structure

- Long dated and competitively priced debt structures in place
 - Remaining average life of debt is about 6 years
- This financing structure has proven its robustness during the severe economic downturn
- The recent rights issue has enabled CitySpring to strengthen its balance sheet and enhance its financial flexibility to position for potential investment opportunities

Growth in Distributions

- CitySpring has grown its distributions to Unitholders since IPO
- Distributions were funded by operating cashflow and are supported by cash earnings backed by long-term customer contracts of Basslink and SingSpring, and strong market position of City Gas
- At the end of FY10, CitySpring has returned distributions in excess of S\$100 million to its Unitholders

Appendix

Group Financial Results

Group Consolidated Balance Sheet

	As at 31 Mar 10 S\$'000	As at 31 Mar 09 S\$'000
ASSETS		
Cash and bank deposits	132,975	125,934
Derivative financial instruments	108,139	19,733
Trade and other receivables	52,795	43,956
Inventories	13,552	12,379
Intangibles	438,807	441,187
Finance lease receivables	178,556	185,474
Property, plant and equipment	1,257,152	1,079,389
Other assets	7,471	5,518
Total assets	2,189,447	1,913,570
LIABILITIES		
Trade and other payables	75,606	68,665
Derivative financial instruments	22,747	28,483
Borrowings	1,537,696	1,557,116
Notes payable to minority unitholder	15,000	15,000
Other liabilities	109,703	95,784
Total liabilities	1,760,752	1,765,048
Net Assets	428,695	148,522
Units in issue	680,245	451,157
Hedging reserve	(49,920)	(105,279)
Translation reserve	(16,633)	(44,557)
Accumulated losses	(195,354)	(165,489)
	418,338	135,832
Minority interest	10,357	12,690
Total Unitholders' funds	428,695	148,522

Group Financial Results

Group Consolidated Cash Flow Statement

	FY10 Actual S\$'000	FY09 Actual S\$'000
Cash flows from operating activities		
Net profit/(loss) after income tax	9,227	(49,751)
Non-cash adjustments	105,312	173,327
Operating cash flow before working capital changes	114,539	123,576
Changes in operating assets and liabilities	(64,114)	(42,564)
Net cash generated from operating activities	50,425	81,012
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,163)	(4,277)
Proceeds from sale of property, plant and equipment	-	66
Net cash used in investing activities	(3,163)	(4,211)
Cash from financing activities		
(Increase)/decrease in restricted cash	(377)	4,806
Net proceeds from borrowings	-	361,585
Repayment of borrowings	(236,963)	(373,935)
Net proceeds raised from issue of units	227,838	-
Distributions paid to unitholders of the Trust	(37,728)	(33,564)
Distributions paid by subsidiary to minority unitholder	(3,360)	(2,451)
Net cash used in financing activities	(50,590)	(43,559)
Net increase/(decrease) in cash and cash equivalents	(3,328)	33,242
Cash and cash equivalents at beginning of the period	96,848	68,064
Effect of currency translation on cash and cash equivalents	5,408	(4,458)
Cash and cash equivalents at end of the period ⁽¹⁾	98,928	96,848

⁽¹⁾ Excludes restricted cash of S\$34,047 and S\$29,086 respectively

Group Financial Results

Group Cash Earnings

	FY10	FY09
	Actual	Actual
	S\$'000	S\$'000
EBITDA	120,770	84,557
Add/(less):		
Lease receivable repayment	6,918	6,657
Net finance cost	(65,827)	(61,354)
Financing fees	-	(10,638)
Fair value loss/(gain) on derivative financial instruments	(6,153)	23,585
Intangibles written off	-	10,997
Unit issue expenses	1,321	-
Other non-cash flow expenses	1,469	7,650
Maintenance capital expenditure incurred	(645)	(514)
Cash earnings	57,853	60,940
Less: Cash earnings attributable to MI	(4,588)	(4,237)
Cash earnings less MI	53,265	56,703



Thank You

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