



## **Results Briefing for 2Q FY11 and 1H FY11**

**11 November 2010**

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**1 Overview**

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**2 Group Financial Results**

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**3 Subsidiaries' Financial Results**

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- **1H FY11**
  - Total cash earnings<sup>(1)</sup> of S\$ 40.9 million, 74.1% higher than 1H FY10
- **2Q FY11**
  - Total cash earnings<sup>(1)</sup> of S\$ 23.1 million, compared to S\$ 9.6 million in 2Q FY10
- CitySpring will pay a distribution per unit (“DPU”) of 1.05 Singapore cents for 2Q 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 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 today 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. The Trustee-Manager is in discussions with S&P regarding the status of the credit rating, and will make an announcement upon any further development.
- The Trustee-Manager reviews the distribution policy of CitySpring Infrastructure Trust quarterly, and will take the credit ratings, among other relevant factors, into account in its continuing review of the distribution policy. In the event that a change is made to the distribution policy, the Trustee-Manager will make an announcement regarding such change. The Trustee-Manager has also been reviewing the capital structure of the Group, and is formulating a capital plan in the best interests of unitholders.

### City Gas

- City Gas achieved total cash earnings of \$13.1 million for the quarter
- Its customer base grew by 2% from 613,000 as at the end of 2Q FY10 to about 626,000 as at the end of 2Q FY11
- Daily gas-send out in 2Q FY11 at a record high of 903,000 cubic metres during Hari Raya Eve, compared to the average of 826,000 cubic metres during the quarter
- Successfully implemented and supplied town gas to a gas-fired Trigenation plant at a major hotel
- 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\$4.7 million for the quarter
- SingSpring continues to maintain record of 100% availability and met all the terms under the WPA with PUB
- For 2Q FY11, SingSpring supplied an average of 33,926 cubic metres of water per day to PUB, representing about 25% of the SingSpring plant's capacity

### Basslink

- Basslink achieved cash earnings of A\$6.3 million for the quarter
- CRSM was negative for the quarter
- An unplanned outage lasting 11.5 hours occurred on 15 Sep 2010 due to the failure of a valve-cooling pipe component. If there are no further outages, the cumulative availability for the calendar year 2010 will still be above the target of 97% and enable Basslink to receive the full Facility Fee
- Basslink Telecoms has signed a major long-term contract with a customer during this financial year. The majority of the service fee under this contract is payable over the first three years. The first payment which has been received has been recognised as cash earnings for the current quarter
- Basslink Telecoms has contributed more than 10% of Basslink Group revenue for 1H FY11



1 Overview

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**2 Group Financial Results**

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3 Subsidiaries' Financial Results

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# Group Financial Results

## Group Consolidated Income Statement

	2Q FY11	2Q FY10		1H FY11	1H FY10	
	Actual S\$'000	Actual S\$'000	Change %	Actual S\$'000	Actual S\$'000	Change %
<b>Revenue</b>	103,794	92,106	12.7	207,664	174,939	18.7
<b>Other income</b>	1,528	628	143.3	2,228	1,136	96.1
<b>Other gains/(losses) - net</b>	1,159	(677)	N/M	(149)	(630)	76.3
<b>Total expenses</b>	(108,341)	(107,384)	(0.9)	(214,656)	(194,021)	(10.6)
<b>Loss before fair value changes on DFI and income tax</b>	(1,860)	(15,327)	87.9	(4,913)	(18,576)	73.6
Fair value (loss)/gain on DFI	(145)	(885)	83.6	(6,257)	7,060	N/M
<b>Loss before income tax</b>	(2,005)	(16,212)	87.6	(11,170)	(11,516)	3.0
Income tax (expense)/credit	(1,619)	(1)	N/M	(14,310)	19,661	N/M
<b>Net (loss)/profit after income tax</b>	(3,624)	(16,213)	77.6	(25,480)	8,145	N/M
<b>EBITDA</b>	<b>31,829</b>	<b>22,361</b>	<b>42.3</b>	<b>56,550</b>	<b>57,763</b>	<b>(2.1)</b>
<b>Cash earnings <sup>(1)</sup></b>	<b>23,111</b>	<b>9,630</b>	<b>140.0</b>	<b>40,911</b>	<b>23,496</b>	<b>74.1</b>
<b>Cash earnings less NCI</b>	<b>21,952</b>	<b>8,457</b>	<b>159.6</b>	<b>38,755</b>	<b>21,151</b>	<b>83.2</b>

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

	2Q FY11	2Q FY10	1H FY11	1H FY10
	S\$'000	S\$'000	S\$'000	S\$'000
Cash Earnings	23,111	9,630	40,911	23,496
Applied as follows:				
Principal Repayment of SingSpring Loan	(2,325)	(2,366)	(4,575)	(4,732)
Non-controlling interest	(1,159)	(1,172)	(2,156)	(2,345)
Distribution to Unitholders	(10,289)	(10,289)	(20,578)	(18,864)

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

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2

Group Financial Results

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3

**Subsidiaries' Financial Results**

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# Subsidiaries' Financial Results

## City Gas

	2Q FY11 Actual S\$'000	2Q FY10 Actual S\$'000	Change %	1H FY11 Actual S\$'000	1H FY10 Actual S\$'000	Change %
<b>Revenue</b>	77,088	61,228	25.9	152,301	117,738	29.4
<b>Other income</b>	252	230	9.6	338	363	(6.9)
<b>Other gains/(losses) - net</b>	18	(4)	N/M	5	(9)	N/M
<b>Expenses</b>						
Fuel and electricity costs	(31,292)	(28,879)	(8.4)	(63,694)	(49,537)	(28.6)
Transportation costs	(19,142)	(18,085)	(5.8)	(37,887)	(35,946)	(5.4)
Depreciation and amortisation	(3,945)	(4,150)	4.9	(7,845)	(8,249)	4.9
Staff costs	(4,326)	(3,586)	(20.6)	(6,904)	(7,277)	5.1
Finance costs <sup>(1)</sup>	(7,484)	(7,473)	(0.1)	(14,886)	(14,864)	(0.1)
Other operating expenses	(8,301)	(6,706)	(23.8)	(15,717)	(12,774)	(23.0)
<b>Total expenses</b>	(74,490)	(68,879)	(8.1)	(146,933)	(128,647)	(14.2)
<b>Profit/(loss) before income tax</b>	2,868	(7,425)	N/M	5,711	(10,555)	N/M
Income tax (expense)/credit	(504)	861	N/M	(986)	1,376	N/M
<b>Net profit/(loss) after income tax</b>	2,364	(6,564)	N/M	4,725	(9,179)	N/M
<b>EBITDA</b>	<b>14,282</b>	<b>4,185</b>	<b>241.3</b>	<b>28,415</b>	<b>12,530</b>	<b>126.8</b>
<b>Cash earnings</b>	<b>13,120</b>	<b>3,042</b>	<b>331.3</b>	<b>26,220</b>	<b>10,290</b>	<b>154.8</b>

<sup>(1)</sup> Includes QPDS interest payable to CitySpring

	2Q FY11 Actual S\$'000	2Q FY10 Actual S\$'000	Change %	1H FY11 Actual S\$'000	1H FY10 Actual S\$'000	Change %
<b>Revenue</b>	9,312	9,841	(5.4)	19,943	18,015	10.7
<b>Other income</b>	560	3	N/M	562	7	N/M
<b>Expenses</b>						
Fuel and electricity costs	(2,829)	(2,889)	2.1	(6,594)	(4,768)	(38.3)
Depreciation and amortisation	(912)	(912)	-	(1,824)	(1,824)	-
Operating and maintenance costs	(1,711)	(2,354)	27.3	(3,843)	(3,998)	3.9
Finance costs <sup>(1)</sup>	(2,480)	(1,971)	(25.8)	(4,973)	(3,931)	(26.5)
Other operating expenses	(457)	(297)	(53.9)	(815)	(637)	(27.9)
<b>Total expenses</b>	<b>(8,389)</b>	<b>(8,423)</b>	<b>0.4</b>	<b>(18,049)</b>	<b>(15,158)</b>	<b>(19.1)</b>
<b>Profit before income tax</b>	<b>1,483</b>	<b>1,421</b>	<b>4.4</b>	<b>2,456</b>	<b>2,864</b>	<b>(14.2)</b>
Income tax expense	(271)	(234)	(15.8)	(444)	(504)	11.9
<b>Net profit after income tax</b>	<b>1,212</b>	<b>1,187</b>	<b>2.1</b>	<b>2,012</b>	<b>2,360</b>	<b>(14.7)</b>
<b>EBITDA</b>	<b>4,874</b>	<b>4,301</b>	<b>13.3</b>	<b>9,250</b>	<b>8,612</b>	<b>7.4</b>
<b>Cash earnings</b>	<b>4,683</b>	<b>4,728</b>	<b>(1.0)</b>	<b>8,817</b>	<b>9,448</b>	<b>(6.7)</b>

<sup>(1)</sup> Includes QPDS interest payable to CitySpring and NCI

	2Q FY11 Actual A\$'000	2Q FY10 Actual A\$'000	Change %	1H FY11 Actual A\$'000	1H FY10 Actual A\$'000	Change %
<b>Revenue</b>	14,187	17,593	(19.4)	28,860	33,799	(14.6)
<b>Other income</b>	433	321	34.9	871	638	36.5
<b>Other gains - net</b>	15	7	114.3	15	17	(11.8)
<b>Expenses</b>						
Fuel and electricity costs	(69)	(69)	-	(139)	(138)	(0.7)
Depreciation and amortisation	(7,023)	(7,044)	0.3	(14,080)	(13,986)	(0.7)
Staff costs	(708)	(687)	(3.1)	(1,155)	(1,156)	0.1
Operation and maintenance costs	(1,059)	(851)	(24.4)	(2,042)	(1,622)	(25.9)
Finance costs	(14,109)	(14,257)	1.0	(28,099)	(25,799)	(8.9)
Other operating expenses	(1,382)	(1,013)	(36.4)	(2,129)	(1,730)	(23.1)
<b>Total expenses</b>	(24,350)	(23,921)	(1.8)	(47,644)	(44,431)	(7.2)
<b>Loss before fair value changes on DFI and income tax</b>	(9,715)	(6,000)	(61.9)	(17,898)	(9,977)	(79.4)
Fair value (loss)/gain on DFI	(123)	(834)	85.3	(5,098)	6,260	N/M
<b>Loss before income tax</b>	(9,838)	(6,834)	(44.0)	(22,996)	(3,717)	N/M
Income tax (expense)/credit	(680)	(1,131)	39.9	(10,469)	16,209	N/M
<b>Net (loss)/profit after income tax</b>	(10,518)	(7,965)	(32.1)	(33,465)	12,492	N/M
<b>EBITDA</b>	<b>10,861</b>	<b>14,146</b>	<b>(23.2)</b>	<b>18,312</b>	<b>35,430</b>	<b>(48.3)</b>
<b>Cash earnings</b>	<b>6,273</b>	<b>4,781</b>	<b>31.2</b>	<b>8,755</b>	<b>9,733</b>	<b>(10.0)</b>

# Appendix



# Group Financial Results

## Group Consolidated Balance Sheet

	As at 30 Sept 10 \$'000	As at 31 Mar 10 \$'000
<b>ASSETS</b>		
Cash and bank deposits	150,346	132,975
Derivative financial instruments	54,040	108,139
Trade and other receivables	47,458	52,795
Inventories	13,820	13,552
Intangibles	432,543	438,807
Finance lease receivables	174,953	178,556
Property, plant and equipment	1,224,302	1,257,152
Other assets	7,983	7,471
<b>Total assets</b>	<b>2,105,445</b>	<b>2,189,447</b>
<b>LIABILITIES</b>		
Trade and other payables	83,312	75,606
Derivative financial instruments	20,648	22,747
Borrowings	1,531,602	1,537,696
Notes payable to non-controlling interest	15,000	15,000
Other liabilities	108,493	109,703
<b>Total liabilities</b>	<b>1,759,055</b>	<b>1,760,752</b>
<b>Net Assets</b>	<b>346,390</b>	<b>428,695</b>
Units in issue	680,245	680,245
Hedging reserve	(80,566)	(49,920)
Translation reserve	(21,008)	(16,633)
Accumulated losses	(242,016)	(195,354)
	336,655	418,338
Non-controlling interest	9,735	10,357
<b>Total Unitholders' funds</b>	<b>346,390</b>	<b>428,695</b>

# Group Financial Results

## Group Consolidated Cash Flow Statement

	2Q FY11 Actual S\$'000	2Q FY10 Actual S\$'000	1H FY11 Actual S\$'000	1H FY10 Actual S\$'000
<b>Cash flows from operating activities</b>				
Net (loss)/profit after income tax	(3,624)	(16,213)	(25,480)	8,145
Non-cash adjustments	35,585	39,861	88,505	42,602
Operating cash flow before working capital changes	31,961	23,648	63,025	50,747
Changes in operating assets and liabilities	100	(8,455)	(18,309)	(29,130)
<b>Net cash generated from operating activities</b>	<b>32,061</b>	<b>15,193</b>	<b>44,716</b>	<b>21,617</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(535)	(797)	(603)	(1,297)
<b>Net cash used in investing activities</b>	<b>(535)</b>	<b>(797)</b>	<b>(603)</b>	<b>(1,297)</b>
<b>Cash from financing activities</b>				
Decrease/(Increase) in restricted cash	122	1,208	(323)	(412)
Repayment of borrowings	(2,325)	(229,865)	(4,575)	(232,231)
Net proceeds raised from issue of units	-	227,838	-	227,838
Distributions paid to unitholders of the Trust	(10,289)	(8,575)	(20,578)	(17,150)
Distributions paid by subsidiary to non-controlling interest	(600)	(840)	(960)	(840)
<b>Net cash used in financing activities</b>	<b>(13,092)</b>	<b>(10,234)</b>	<b>(26,436)</b>	<b>(22,795)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>18,434</b>	<b>4,162</b>	<b>17,677</b>	<b>(2,475)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>96,185</b>	<b>92,685</b>	<b>98,928</b>	<b>96,848</b>
<b>Effect of currency translation on cash and cash equivalents</b>	<b>1,609</b>	<b>1,682</b>	<b>(377)</b>	<b>4,156</b>
<b>Cash and cash equivalents at end of the period <sup>(1)</sup></b>	<b>116,228</b>	<b>98,529</b>	<b>116,228</b>	<b>98,529</b>

<sup>(1)</sup> Excludes restricted cash of S\$34,118 and S\$33,276 respectively

# Group Financial Results

## Group Cash Earnings

	2Q FY11 Actual S\$'000	2Q FY10 Actual S\$'000	1H FY11 Actual S\$'000	1H FY10 Actual S\$'000
<b>EBITDA</b>	<b>31,829</b>	<b>22,361</b>	<b>56,550</b>	<b>57,763</b>
<b>Add/(less):</b>				
Other cash receipts	8,401	1,743	10,193	3,468
Net finance cost	(16,187)	(16,801)	(32,406)	(32,499)
Fair value loss/(gain) on DFI	145	885	6,257	(7,060)
Unit issue expenses	-	1,250	-	1,250
Other non-cash flow expenses	(952)	654	457	1,124
Maintenance capital expenditure incurred	(125)	(462)	(140)	(550)
<b>Cash earnings</b>	<b>23,111</b>	<b>9,630</b>	<b>40,911</b>	<b>23,496</b>
Less: Cash earnings attributable to NCI	(1,159)	(1,173)	(2,156)	(2,345)
<b>Cash earnings less NCI</b>	<b>21,952</b>	<b>8,457</b>	<b>38,755</b>	<b>21,151</b>