



Extraordinary General Meeting - Presentation

22 August 2014

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2 Data Centre Market

3 DataCentre One Pte Ltd

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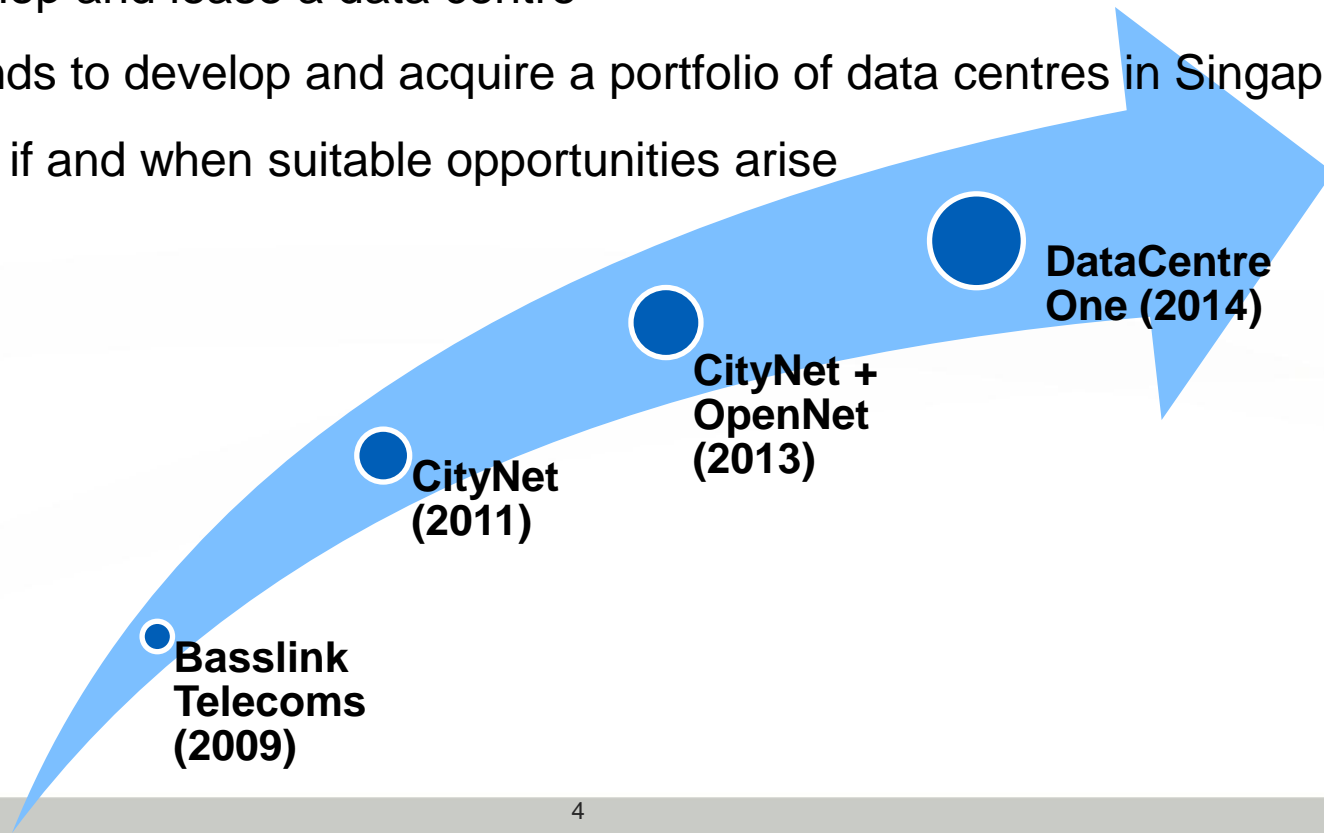


- *City Gas – delivering town gas to 690,000 customers all over Singapore*
- *SingSpring – delivering desalinated water daily to the PUB*
- *CityNet – managing 7 SingTel Exchanges and the island-wide fibre network for Singapore's Next Gen-National Broadband Network*

- *Basslink – transporting electricity across the Bass Straits between the States of Tasmania and Victoria*
- *Basslink Telecoms – providing broadband capacity to telecoms carriers and service providers between Hobart, Tasmania and Melbourne, Victoria*



- Telecoms infrastructure is a key sector of focus for CitySpring, which has existing businesses in CityNet and Basslink Telecoms
- CitySpring's aim is to build up a portfolio of telecoms businesses that will generate long-term, regular and predictable cashflows
- CitySpring will deepen its presence in the sector through the recently announced joint venture to develop and lease a data centre
- CitySpring intends to develop and acquire a portfolio of data centres in Singapore and the Asia-Pacific if and when suitable opportunities arise



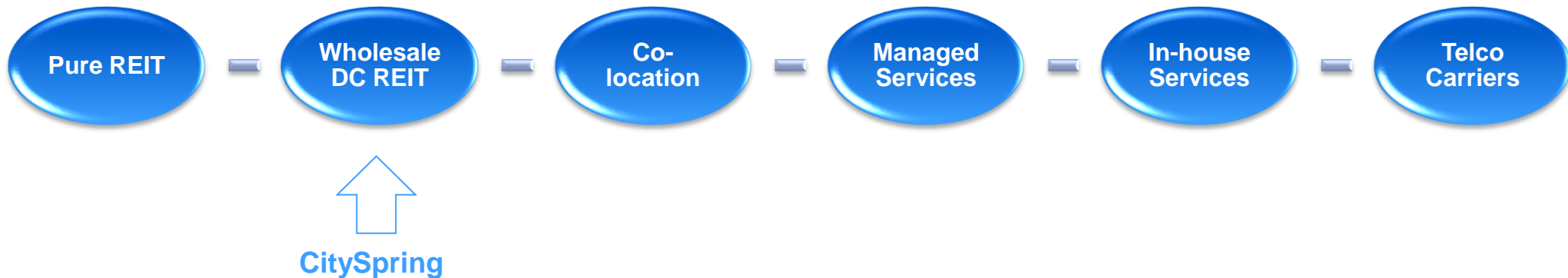
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- The data centre industry, both worldwide and in Singapore, has been growing steadily over the recent years as a result of growing Internet penetration into the consumer and corporate markets.
- Over the course of 2012 – 2015, the compound annual growth rate of data centre space is forecasted to be 8.5% in Singapore and 11.7% in the Asia-Pacific region with demand for data centre workload in the Asia-Pacific region expected to be sustainably healthy in the foreseeable future.
- This demand for data centre space has been growing at a quicker pace than supply growth – in Singapore alone, data centre space was almost fully-utilised at a 92% utilisation rate in 2013 and demand growth had outstripped supply growth by an average of 3% per annum between 2010 and 2013.
- Singapore's competitive advantages:
 - Reliable and stable energy pricing
 - High speed network connectivity to other regional key markets
 - Highly educated workforce - ready pool of potential data centre employees
 - Stable business climate, with strong government support
 - Favorable geographical location, with no earthquakes and other natural disasters

Data Centre Segments

Segmentation by Services Provided

Other Segments



- Develops and owns building shell and mechanical & electrical equipment
- Provides space and power capacity
- Provides building maintenance services
- Contracts with wholesale large tenant(s), eg data centre operator(s) on long-term basis

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CitySpring in JV with Shimizu Corporation to build a S\$130 million data centre for long-term lease to MediaCorp subsidiary



Customer:	1-Net Singapore Pte Ltd (“1-Net”)
Lease Term:	20 + approximately 8 years
JV Partner:	Shimizu Corporation (“Shimizu”)
CitySpring’s Equity Stake in the JV:	51%
Project Cost:	Approximately S\$130 million
Location:	Marsiling Lane and Riverside Road
Land Area:	Approximately 8,538m ²
Floor Area:	4 floors of data centre halls and 1 floor of office and ancillary space. GFA of approx 214,000 sqf
Expected Construction Start:	3 rd quarter 2014
Expected Completion:	1 st quarter 2016
EPC:	Shimizu Corporation (Singapore Branch)
Design Work:	DSCO Group Pte Ltd
Design Review:	Shimizu Corporation (First-Class Architecture Office)
Uptime Classification :	Tier 3

- Shimizu is a global engineering, procurement and construction contractor, with a market capitalisation of S\$7.3 billion as at 22 July 2014 (“Latest Practicable Date”) and consolidated revenues of S\$18.8 billion for the year ended 31 March 2014.
- In Singapore, it holds a General Builder Class 1 license granted by the Building and Construction Authority (“BCA”) and is therefore permitted to undertake projects of any value. In addition, it is also a BCA-licensed Specialist Builder for Pre-cast Concrete Work, Piling Works and Site Investigation Work and a BCA-graded Class A1 contractor in the General Building and Civil Engineering Categories.
- In terms of quality and safety certification, Shimizu has attained the following: ISO 9000 (Quality Management System) for Design Management, Building and Civil Engineering Construction Services, ISO 14000 (Environmental Management System) for Building and Civil Engineering Construction Services and BizSAFE-level Star by the Workplace Safety and Health Council.
- Shimizu has constructed and developed 20 data centres in Japan.

- 1-Net is an infocomm technology solutions provider in Singapore with revenues of S\$32.3 million and profits after taxes of S\$7.3 million for the year ended 31 March 2013.
- 1-Net currently manages a telco-class carrier-neutral Internet data centre, along with providing domestic and international connectivity, managed services and media delivery services etc.
- 1-Net is a MediaCorp Pte. Ltd. (“MediaCorp”) subsidiary. MediaCorp is a leading media company in Singapore.

- The Transaction will not have a material impact on CitySpring's net tangible assets and earnings per unit for the current financial year.
- If the Transaction is successfully completed and based on CitySpring's financial projections and assumptions for the transaction, the projected equity internal rate of return on the Transaction is higher than CitySpring's current cost of equity.
- For illustration purposes only, on a pro-forma basis, assuming that the Transaction was successfully completed and the annualised lease payment¹ was received at the end of FY14, the FY14 cash earnings² for CitySpring would have been approximately S\$6 million higher. The abovementioned is not a forecast nor a guidance on CitySpring's future performance or distribution.

[1] The fees for the initial lease term of 20 years are approximately S\$17 million to S\$21 million yearly. 1-Net is entitled to certain discounts on the fees during the first two years of the lease term, and such fees after discount during the first two years of the lease term will be approximately S\$11 million to S\$21 million yearly. The annualised lease payment is the average of the annual lease payments over the lease term.

[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 interests and before principal repayment of debt.

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Interested Person Transaction

- The Transaction constitutes an “interested person transaction” (“IPT”) under Chapter 9 of the Listing Manual of the Singapore Exchange:
 - DataCentre One (“JVC”), a 51%-owned subsidiary of CitySpring, is an “entity at risk”;
 - Temasek is a controlling shareholder of the Trustee-Manager, CitySpring Infrastructure Management Pte. Ltd, and a controlling Unitholder, and is accordingly an “interested person”;
 - 1-Net, an indirect wholly-owned subsidiary and associate of Temasek, is also an “interested person”; and
 - The Transaction is between JVC, an entity at risk, and 1-Net, an interested person.
- The Transaction is, due to its materiality, required to be approved by Unitholders pursuant to Chapter 9 of the Listing Manual, with Temasek and its associates abstaining.

- Total cost of S\$130 million to be funded approximately 50:50 by equity and long term debt. CitySpring and Shimizu will provide equity financing pro-rata to respective shareholdings in JVC.
- JVC is responsible for the design and construction of the DC and the maintenance of the Shell and the Shell M&E.
- 1-Net will lease the DC for 20 years from construction completion with an option to renew for a further approximately eight years.

- During the Lease Term, 1-Net will
 - pay JVC's annual fees of between S\$17 million and S\$21 million.
 - enjoy certain discounts on the fees during the first two years of the Lease Term such that the annual fees will be between S\$11 million and S\$21 million.
 - provide JVC a security deposit by way of a banker's guarantee.
 - be responsible for payment of all utility fees, GST levied in respect of the fees, occupation and lease of the DC, and property tax on the DC.
 - be responsible for the maintenance of the Core M&E and keeping the interior and exterior of the Shell and all fixtures and fittings in good condition.
- 1-Net will pay additional fees to JVC if it requires JVC to construct additional Core M&E equipment.
- 1-Net and JVC will review and agree on a revised fee for the Renewal Term, failing which the fees as set out in the Lease Agreement, which will be at least S\$21 million yearly, will apply.

Extracted from Page 29 of the Circular dated 29 July 2014:

“After carefully considering the information available to us as at the Latest Practicable Date, and based upon the monetary, industry, market, economic and other relevant conditions subsisting as at the Latest Practicable Date and based on our considerations above, we are of the opinion that the Transaction ((i) regardless of whether the Lease Agreement is renewed or the Additional Core M&E is required and, (ii) if the Lease Agreement is renewed and/or Additional Core M&E is required, extending to the inclusion of the agreed mechanisms covering the Fees for the Renewal Term and Additional Core M&E rates):

(a) is on normal commercial terms; and

(b) is not prejudicial to the interests of CitySpring and its minority Unitholders.”

Independent Directors' Recommendation

- Having considered the
 - terms of the Transaction,
 - IFA Advice, and
 - all other relevant circumstances,

The Independent Directors recommend that Unitholders VOTE IN FAVOUR of the ordinary resolution proposed to approve the Transaction.

- Unitholders' approval is sought for the proposed transaction between JVC, a 51%-owned subsidiary of CitySpring, and 1-Net relating to the development and lease of the Data Centre pursuant to (i) the Development Agreement and (ii) the Lease Agreement.



Thank You

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