



AGM Presentation

28 July 2011

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1 Overview

2 Businesses

3 Financial Results

4 Acquisition Strategy

5 Summary

Background

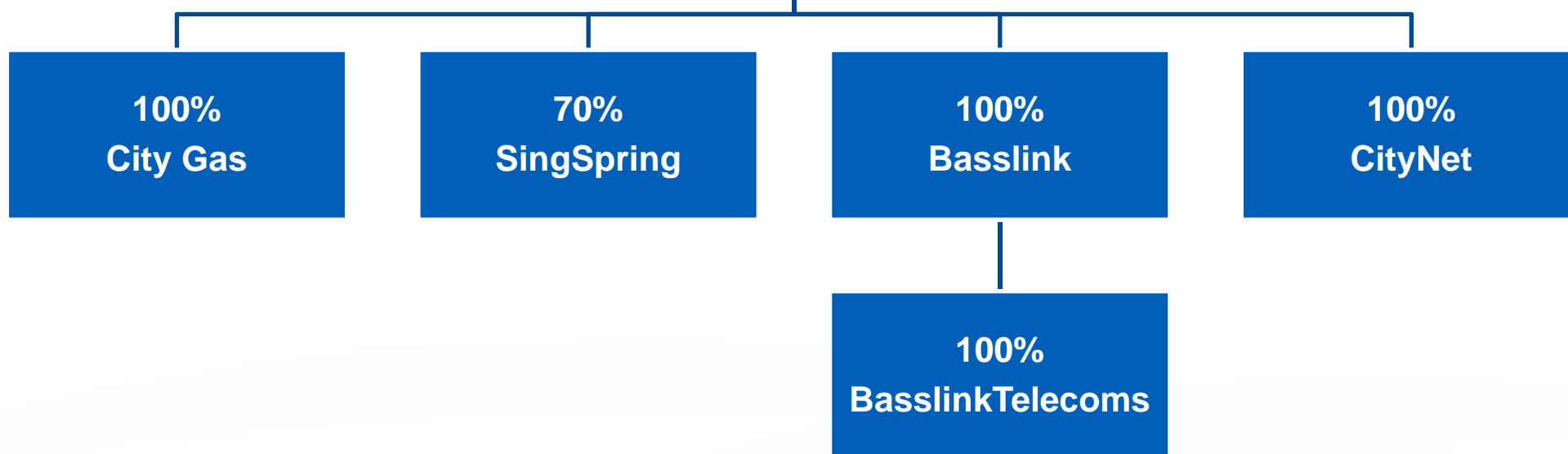
- First infrastructure business trust listed on the Mainboard of the SGX-ST
- Temasek's platform for infrastructure investments
 - Supports CitySpring's aim to position itself as a leading player in the infrastructure sector

Investors

- Sponsor – Temasek is CitySpring's largest unitholder (27.8%)
- Approximately 20,000 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

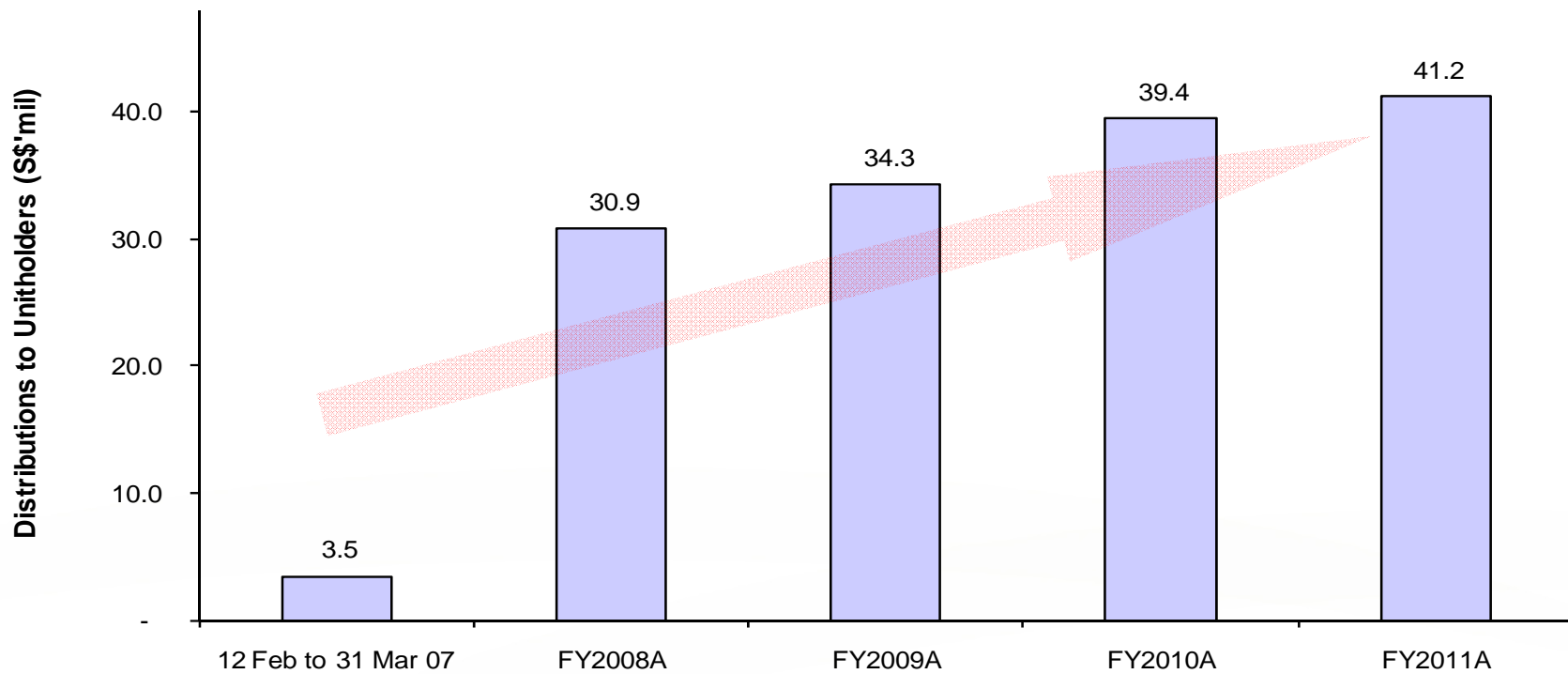
- Majority of debt of the Group is at Basslink
- Borrowing in Australia currency provides a natural hedge against foreign exchange exposure
- Interest rate hedging in place for substantial part of our borrowings

Debt Structure	Type	Amount (mil)	Due Date
CitySpring	Corporate Loan	S\$142.3	Aug 2014
City Gas	Term Loan	S\$128.0	Feb 2014
SingSpring	Amortising Term Loan	S\$129.0 ⁽¹⁾	Fully repaid by 2024
Basslink	MTN	A\$486.0	Aug 2015
	CIB	A\$190.0 ⁽²⁾	Aug 2017
	CIB	A\$190.0 ⁽²⁾	Aug 2019

(1) Balance as at 31 March 2011

(2) 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 FY11, CitySpring has returned cumulative distributions close to S\$150 million to its Unitholders.

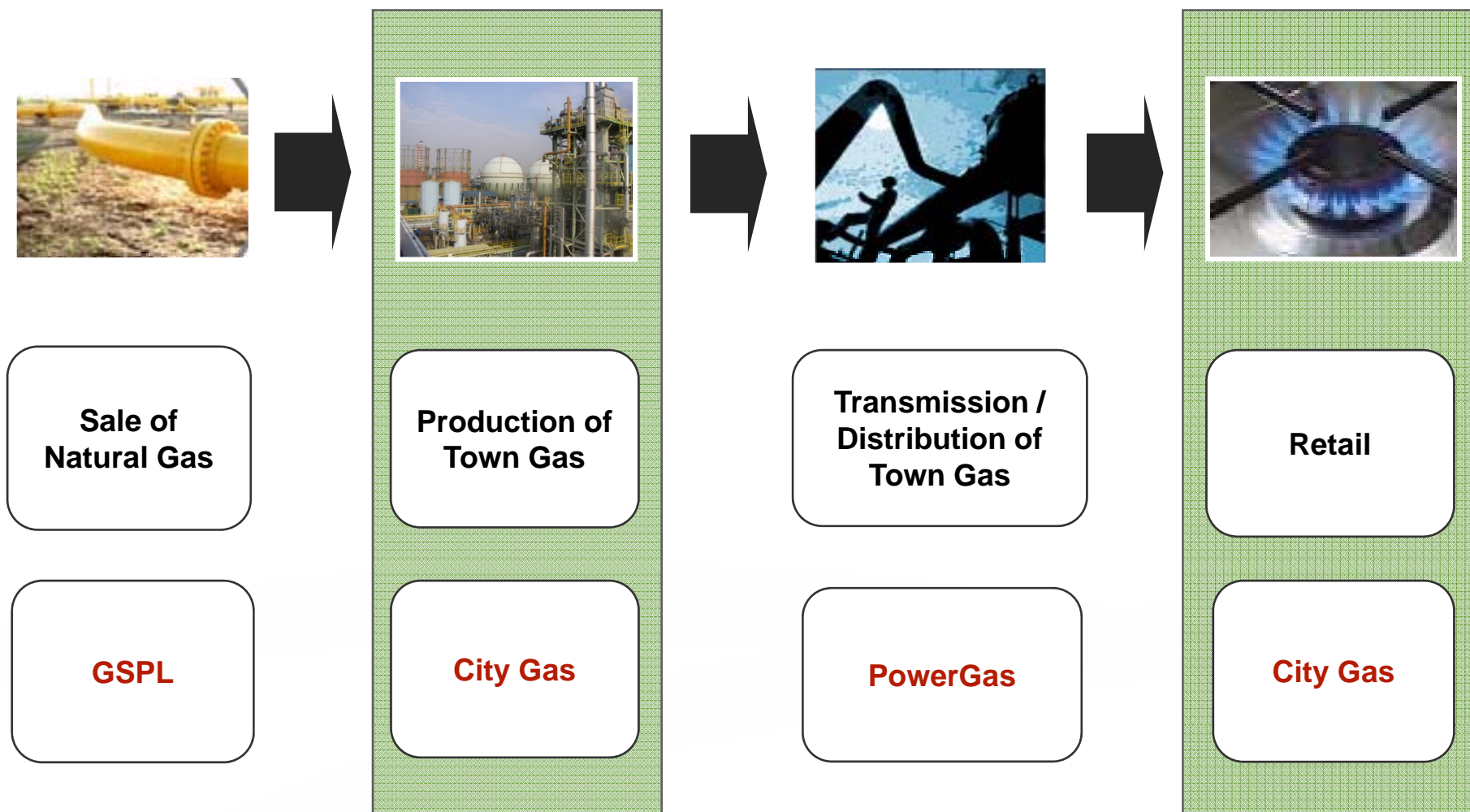
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Sole producer and retailer of town gas in Singapore

Stable cashflow from a wide customer base of over 630,000 customers as at end of FY2011

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

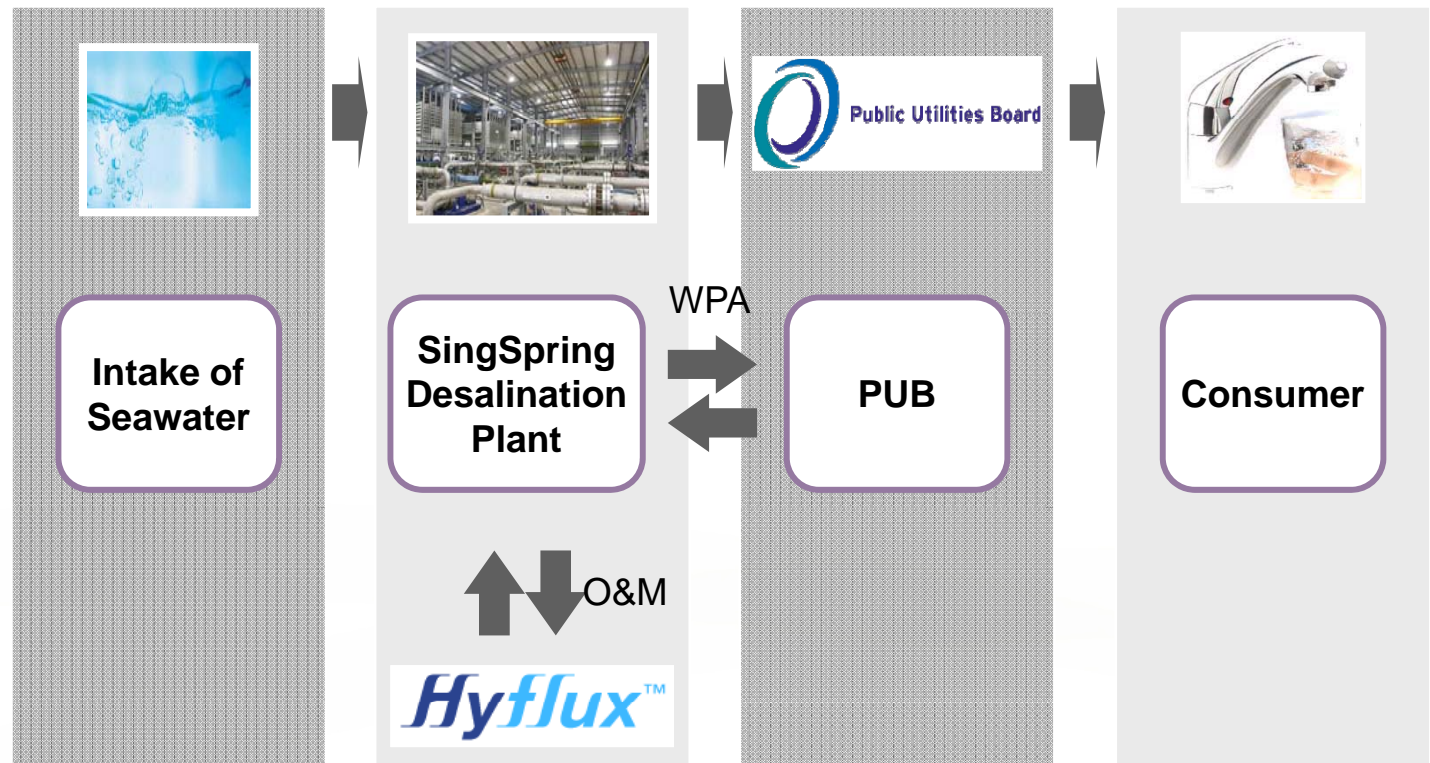
1. Local Catchment Water

2. Imported Johor Water

3. NEWater – Recycled Water

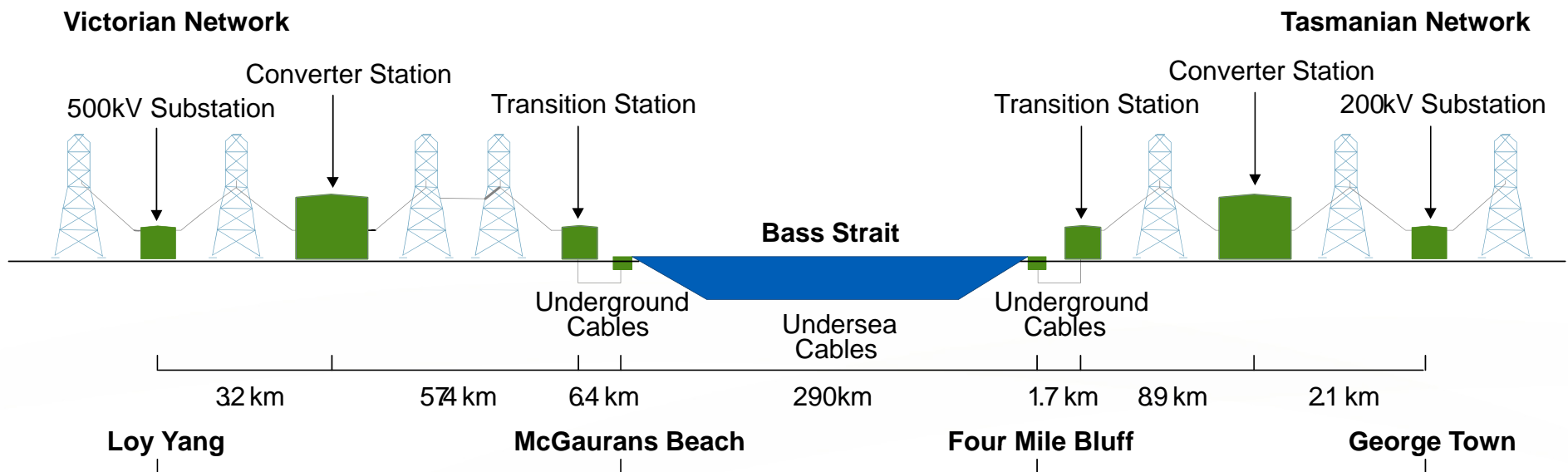
4. Desalinated Water

Seawater Desalination Process



**Long-term, regular and predictable cashflow due to
Water Purchase Agreement with PUB**

- **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

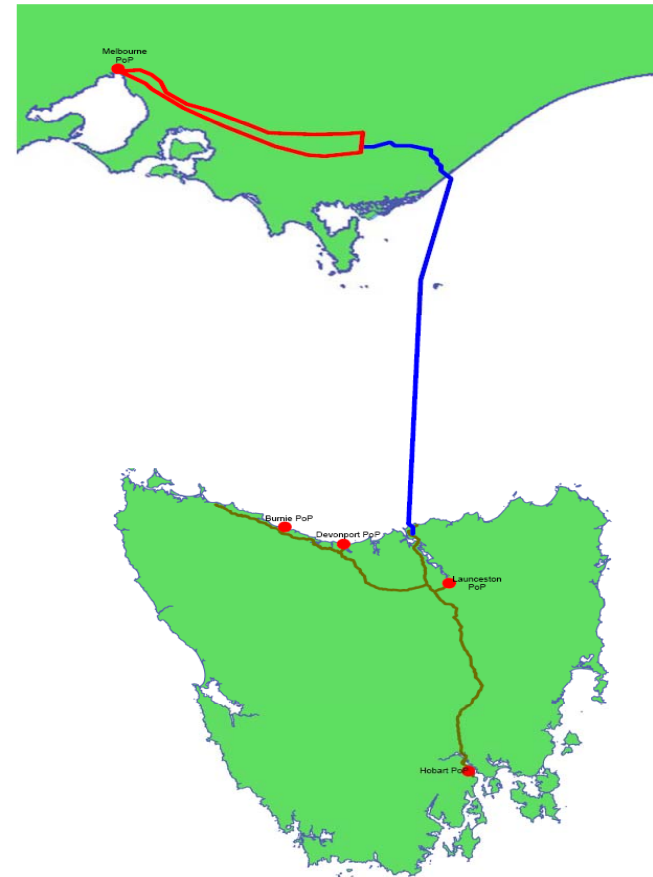


Long-term, regular and predictable cashflow due to contract with Hydro Tasmania

- 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



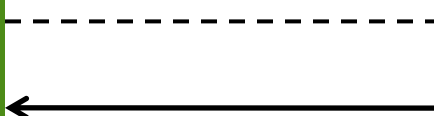
The only alternative provider of telecommunication connectivity between Tasmania and mainland Australia, and is seen as highly strategic



100%



Trust Deed



Management
Fee



100%



- Holds telecoms assets transferred from SingTel:
 - Exchange buildings
 - Ducts and manholes
- Provides access to exchange buildings, ducts and manholes to SingTel, OpenNet and others

- CityNet, a wholly-owned subsidiary of CitySpring, has been appointed as the trustee-manager for NetLink Trust (“NetLink”)
- NetLink is a business trust set up to own Singapore-based telecommunication infrastructure assets transferred from SingTel
- The establishment of NetLink and the management of this trust by a neutral party is to meet the “open access” requirements of Infocomm Development Authority of Singapore (“IDA”)
- For acting as the trustee-manager of NetLink, CityNet will receive an annual management fee of approximately S\$2.1 million. Additionally, CityNet may receive an incentive fee if it secures new customers for access and use of the NetLink’s assets
- The assets and liabilities of NetLink will not be consolidated into the financial statements of CitySpring as NetLink is 100% beneficially owned by SingTel
- CitySpring already owns and manages Basslink Telecoms, a wholesale broadband telecoms service provider in Australia. CitySpring believes this trustee-manager role of NetLink is a unique, valuable opportunity to manage telecommunication infrastructure assets in Singapore, which could be leveraged for future investment and growth in the telecommunication sector in Singapore and elsewhere

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(S\$ million)	FY11	FY10
Group Cash Earnings ⁽¹⁾	74.9	57.9
Distribution to Unitholders	41.2	39.4

- Total cash earnings for FY11 was S\$74.9 million
- CitySpring has delivered total distributions of S\$41.2 million for FY11
- CitySpring's distributions are paid from net operating cashflows

(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.*

	4Q FY11	4Q FY10		FY11	FY10	
	Actual S\$'000	Actual S\$'000	Change %	Actual S\$'000	Actual S\$'000	Change %
Revenue	109,810	117,969	(6.9)	424,479	388,147	9.4
Other income	3,760	828	354.1	6,907	2,678	157.9
Other gains /(losses) - net	115	(67)	N/M	535	(695)	N/M
Total expenses	(116,488)	(115,005)	(1.3)	(440,830)	(413,060)	(6.7)
(Loss)/profit before fair value changes on DFI and income tax						
	(2,803)	3,725	N/M	(8,909)	(22,930)	61.1
Fair value (loss)/gain on DFI	(1,377)	(1,670)	17.5	(7,258)	6,153	N/M
(Loss)/profit before income tax						
	(4,180)	2,055	N/M	(16,167)	(16,777)	3.6
Income tax (expense)/credit	(2,523)	(6)	N/M	(5,762)	26,004	N/M
Net (loss)/profit after income tax						
	(6,703)	2,049	N/M	(21,929)	9,227	N/M
EBITDA	30,037	36,550	(17.8)	120,977	120,770	0.2
Cash earnings ⁽¹⁾	16,119	23,448	(31.3)	74,894	57,853	29.5
Cash earnings less NCI	15,092	22,417	(32.7)	70,659	53,265	32.7

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*

City Gas

- City Gas achieved total cash earnings of \$47.1 million for FY11
- Its customer base grew by about 2% from 620,200 as at the end of 4Q FY10 to about 632,600 as at the end of 4Q FY11
- Town gas volume growth has improved for most segments and in particular, the hospitality and F&B segments
- Average daily town gas dispatched in FY11 continued to be encouraging at about 824,000 cubic metres, compared to the average of 788,000 cubic metres during last financial year
- 100% plant availability and record daily gas dispatched of 946,930 cubic metres during Chinese New Year Eve

SingSpring

- Achieved total cash earnings of S\$17.4 million for FY11
- Continues to maintain record of 100% availability and met all the terms under the Water Purchase Agreement with PUB
- Supplied an average of 38,850 m³ of water per day to PUB, representing 28% of the SingSpring plant's capacity
- Successfully completed HACCP⁽¹⁾ annual surveillance audit on 1 Apr 2011

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

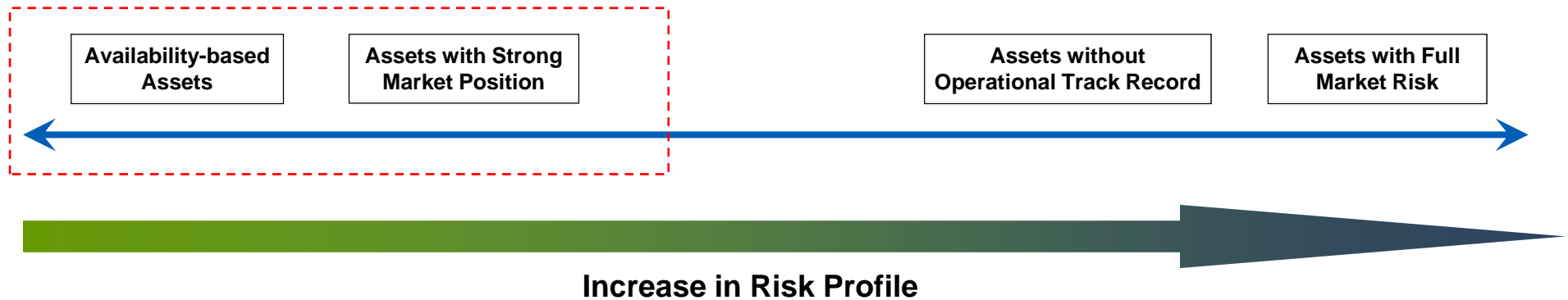
Basslink

- Achieved cash earnings of A\$15.7 million for FY11
- CRSM⁽¹⁾ was negative A\$16.7 million for FY11
- Achieved cumulative availability of 97.12% for the 12 months ended 31 Dec 2011
- Cumulative availability for the three months ended 31 Mar 2011 was 100%
- Basslink Telecoms has contributed more than 10% of Basslink Group FY11 revenue

(1) *Commercial Risk Sharing Mechanism (“CRSM”) is a mechanism provided under the Basslink Services Agreement (“BSA”) between Hydro Tasmania and Basslink for the sharing of the market risk associated with participating in the National Electricity Market of Australia. The objective of the parties in setting this mechanism was for the net payments to be zero in the long term, but there is no assurance that such objective will be met. However, in the short term, CRSM payments could fluctuate and affect the revenues of Basslink under the BSA. CRSM payments are based on the differences between the high and low Victorian electricity pool prices, subject to a maximum of a +25% increase (i.e., a payment to Basslink) and -20% decrease (i.e., a payment from Basslink).*

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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
 - CityNet – trustee-manager for NetLink

Long-term Financing

- Long dated and competitively priced debt structures in place
 - Remaining average life of debt is about 6 years

Stable Distributions

- At the end of FY11, CitySpring has returned cumulative distributions of close to S\$150 million to its Unitholders
- 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

Appendix

Group Financial Results

Group Consolidated Balance Sheet

	As at 31 Mar 11 \$'000	As at 31 Mar 10 \$'000
ASSETS		
Cash and bank deposits	159,094	132,975
Derivative financial instruments	87,687	108,139
Trade and other receivables	49,802	52,795
Inventories	13,184	13,552
Intangibles	428,063	438,807
Finance lease receivables	171,368	178,556
Property, plant and equipment	1,234,503	1,257,152
Other assets	7,570	7,471
Total assets	2,151,271	2,189,447
LIABILITIES		
Trade and other payables	80,812	75,606
Derivative financial instruments	16,500	22,747
Borrowings	1,566,247	1,537,696
Notes payable to non-controlling interest	15,000	15,000
Other liabilities	115,400	109,703
Total liabilities	1,793,959	1,760,752
Net Assets	357,312	428,695
Units in issue	680,245	680,245
Hedging reserve	(56,785)	(49,920)
Translation reserve	(16,489)	(16,633)
Accumulated losses	(259,586)	(195,354)
	347,385	418,338
Non-controlling interest	9,927	10,357
Total Unitholders' funds	357,312	428,695

Group Financial Results

Group Consolidated Cash Flow Statement

	4Q FY11 Actual S\$'000	4Q FY10 Actual S\$'000	FY11 Actual S\$'000	FY10 Actual S\$'000
Cash flows from operating activities				
Net (loss)/profit after income tax	(6,703)	2,049	(21,929)	9,227
Non-cash adjustments	38,114	36,280	150,680	105,312
Operating cash flow before working capital changes	31,411	38,329	128,751	114,539
Changes in operating assets and liabilities	(16,119)	(18,002)	(49,213)	(64,114)
Net cash generated from operating activities	15,292	20,327	79,538	50,425
Cash flows from investing activities				
Purchase of property, plant and equipment	(454)	(691)	(1,391)	(3,163)
Proceeds from sale of property, plant and equipment	10	-	17	-
Net cash used in investing activities	(444)	(691)	(1,374)	(3,163)
Cash from financing activities				
Increase in restricted cash	(26,348)	(815)	(25,800)	(377)
Repayment of borrowings	(2,370)	(2,246)	(9,295)	(236,963)
Net proceeds raised from issue of units	-	-	-	227,838
Distributions paid to unitholders of the Trust	(10,289)	(10,289)	(41,156)	(37,728)
Distributions paid by subsidiary to non-controlling interest	(300)	(2,100)	(1,770)	(3,360)
Net cash used in financing activities	(39,307)	(15,450)	(78,021)	(50,590)
Net (decrease)/increase in cash and cash equivalents	(24,459)	4,186	143	(3,328)
Cash and cash equivalents at beginning of the period	123,222	93,871	98,928	96,848
Effect of currency translation on cash and cash equivalents	62	871	(246)	5,408
Cash and cash equivalents at end of the period ⁽¹⁾	98,825	98,928	98,825	98,928

⁽¹⁾ Excludes restricted cash of S\$60,269 and S\$34,047 respectively

	4Q FY11 Actual S\$'000	4Q FY10 Actual S\$'000	FY11 Actual S\$'000	FY10 Actual S\$'000
EBITDA	30,037	36,550	120,977	120,770
Add/(less):				
Other cash receipt	1,459	1,706	13,228	6,918
Net finance cost	(16,500)	(16,467)	(65,713)	(65,827)
Fair value loss/(gain) on DFI	1,377	1,670	7,258	(6,153)
Unit issue expenses	-	-	-	1,321
Other non-cash flow expenses	294	171	347	1,469
Maintenance capital expenditure incurred	(548)	(182)	(1,203)	(645)
Cash earnings	16,119	23,448	74,894	57,853
Less: Cash earnings attributable to NCI	(1,027)	(1,031)	(4,235)	(4,588)
Cash earnings less NCI	15,092	22,417	70,659	53,265



Thank You

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