



For immediate release

**CITYSPRING INFRASTRUCTURE TRUST
RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2008**

Key Highlights

- DPU of 1.75 Singapore cents declared for the quarter, an increase of 9.4% year-on-year
- Trustee-Manager expects to maintain its distribution guidance of 7 cents DPU for the full financial year

Singapore, 11 November 2008 – CitySpring Infrastructure Management Pte Ltd (“Trustee-Manager”), the Trustee-Manager of CitySpring Infrastructure Trust (“CitySpring”), Asia’s first listed infrastructure trust, today announced CitySpring’s results for the second quarter ended 30 September 2008 (“2Q FY09”).

Cash earnings¹ for the quarter was S\$1.1 million compared with S\$14.1 million for the corresponding quarter last year. The decline was due to a number of items which are non-recurring or result from the timing of payments as follows:

- (a) At City Gas Trust, tariffs are adjusted on a quarterly basis whereas fuel costs change much more regularly. During the quarter, a sharp increase in the price of fuel resulted in an under-recovery of fuel cost. The price of fuel has since declined and City Gas Trust has obtained regulatory approval to maintain its current tariffs for the three months from 1 November 2008. This is expected to enable City Gas Trust to recoup the under-recovery.
- (b) Basslink suffered an unplanned outage in July 2008 which resulted in a lower Facility Fee of A\$2 million of which A\$1 million is expected to be recovered during the remaining calendar year.
- (c) Payment of one-time upfront fee of \$7.8 million for the 3 year corporate loan which has an all-in cost of between 4% - 4.5% per annum.
- (d) The CRSM² has been affected by the cool summer temperatures, although the long term impact is expected to be neutral.

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 capital expenditure, and before principal repayment of debt and minority interest.

² Commercial Risk Sharing Mechanism relates to the sharing of market risk payment under the Basslink Service Agreement with Hydro Tasmania.

Cash earnings for the first half of FY09 was S\$18.9 million. The Trustee-Manager believes that cash earnings provides a better measure of the group's performance. Unlike profit before tax or EBITDA, it is not impacted by non-cash items and accounting treatment.

Summary of Results

(S\$'000)	2Q FY09	2Q FY08	Change (%)
Revenue	100,945	76,639	31.7
Other (loss)/income	(9,292)	3,764	N/M
Total expenses	(120,197)	(78,545)	(53.0)
(Loss)/Profit before income tax	(28,544)	1,858	N/M
Income tax (expense)/credit	(8,168)	17	N/M
(Loss)/Profit after tax	(36,712)	1,875	N/M
Cash earnings	1,076	14,089	(92.3)
DPU (cents)	1.75	1.6	9.4

The loss after tax of S\$36.7 million was due to a number of non-cash items including non-cash interest indexation expense, a non-cash marked-to-market loss for a 25-year floating interest rate hedge, as well as amortization and depreciation. The non-cash interest indexation expense relates to the increase in the principal amount of the capital indexed bonds³. The floating interest rate hedge, which is in-the-money, provides Basslink with a hedge against the floating interest rate of its medium term bonds. Total expenses, which includes all of the above non-cash items, was higher for the quarter compared to the corresponding period last year with the inclusion of a full quarter of Basslink's results, and higher fuel costs at City Gas Trust. The non-cash tax expense of S\$8.2 million relates to the reversal of previously recognised non-cash deferred tax assets.

CitySpring will pay a distribution per unit ("DPU") of 1.75 Singapore cents for 2Q FY09. The Trustee-Manager is reaffirming its guidance for a DPU of the same amount for the remaining quarters of the financial year.

Mr Fai Au Yeung, Chief Executive Officer of CitySpring Infrastructure Management Pte Ltd, explained: "CitySpring's distributions are funded by the cash earnings of our three assets which provide essential utility services to the communities they serve. Our second quarter results have been affected by a number of factors which are likely to be reversed in subsequent quarters. Barring unforeseen circumstances, we therefore expect to meet the full year distribution guidance of 7 cents per unit."

³ Please refer to page 19 of the Basslink Circular dated 24 January 2008 for details on the capital indexed bonds. The Circular can be found at http://www.cityspring.com.sg/pdf/announcement_circular_20080124.pdf

“CitySpring’s accumulated cash surplus at 30 September is about 3.7 times the current quarterly distribution, meaning that we already have very close to enough cash to pay for distributions for the next 12 months,” he added.

Outlook

On the outlook for CitySpring, Mr Au Yeung said: “While the economic environment and market sentiments are likely to remain depressed for some time, two of our businesses, Basslink and SingSpring, have long term contracts with state-owned utilities, whilst the third, City Gas, is the sole producer and retailer of town gas for over 600,000 customers in Singapore.”

Investors are requested to visit the CitySpring website (www.cityspring.com.sg) for full details of the 2Q FY09 results including a list of Frequently Asked Questions.

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About CitySpring Infrastructure Trust

CitySpring (www.cityspring.com.sg) is the first infrastructure trust registered with the Monetary Authority of Singapore. As a pioneer in a new asset class in Singapore, and with the sponsorship of Temasek Holdings, CitySpring aims to position itself as a leading player in a growing sector and achieve significant growth through acquisitions. It has been established with the principal objective of investing in infrastructure assets and providing unitholders with long-term, regular and predictable distributions.

CitySpring’s assets comprise 100% of City Gas Trust (www.citygas.com.sg), the sole producer and retailer of town gas and the sole user of the low-pressure piped town gas network in Singapore, 70% of SingSpring Trust (www.cityspring.com.sg/assets_ss.html), the sole supplier of desalinated water to the Public Utilities Board, Singapore’s national water agency and 100% of Basslink (www.basslink.com.au), the electricity interconnector linking Tasmania to mainland Australia.

CitySpring (Reuters: CITY.SI, Bloomberg: CITY SP) has been listed on the Main Board of the Singapore Exchange Securities Trading Limited (www.sgx.com) since 12 February 2007.

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