



**For immediate release**

**CITYSPRING INFRASTRUCTURE TRUST  
RESULTS FOR THE QUARTER ENDED 31 DECEMBER 2008**

**Key Highlights**

- DPU of 1.75 Singapore cents for the quarter, an increase of 9.4% year-on-year
- Fundamentals of underlying businesses remain stable
- Trustee-Manager expects to meet projected DPU of 7 Singapore cents for the financial year ending 31 March 2009

**Singapore, 13 February 2009** – CitySpring Infrastructure Management Pte Ltd (“Trustee-Manager”), the Trustee-Manager of CitySpring Infrastructure Trust (“CitySpring”), today announced CitySpring’s results for the third quarter ended 31 December 2008 (“3Q FY09”).

CitySpring’s three businesses, City Gas, SingSpring and Basslink, all performed steadily. Cash earnings<sup>1</sup> for the quarter was S\$20.3 million compared to S\$1.1 million in the preceding quarter and 86% higher than Projection<sup>2</sup>. Some of the key items relating to the cash earnings include:

- From time to time, contribution from City Gas Trust could fluctuate from quarter to quarter depending on changes in tariffs in response to changes in fuel costs. Over a period, these fluctuations should leave City Gas Trust neutral to the effect of changes in fuel costs. During this quarter, City Gas Trust recorded higher cash earnings from a sharp decrease in fuel prices. This compares with much lower cash earnings during the previous quarter as a result of significantly higher fuel prices. City Gas Trust has since obtained regulatory approval to reduce its gas tariffs for the three months beginning 1 February 2009.
- Recovery of A\$1 million in facility fee by Basslink due to higher cumulative availability at year end when compared with the previous quarter.
- Negative CRSM<sup>3</sup> at Basslink and the payment of a one-off premium for a two-year interest rate floor to protect the cash flows on the over hedged portion of the floating interest rate hedge at Basslink (“Over Hedged FIRD”).

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<sup>1</sup> Cash earnings is defined as EBITDA adjusted for non-cash items and lease receivable, less cash interest, cash tax and maintenance capital expenditure, and before principal repayment of debt and minority interest.

<sup>2</sup> Projection figures are derived by prorating the projection disclosed in the Basslink Circular to unitholders dated 24 January 2008. The Circular can be found at [http://www.cityspring.com.sg/pdf/announcement\\_circular\\_20080124.pdf](http://www.cityspring.com.sg/pdf/announcement_circular_20080124.pdf).

<sup>3</sup> Commercial Risk Sharing Mechanism relates to the sharing of market risk payment under the Basslink Service Agreement with Hydro Tasmania.

Cash earnings for the nine months ended 31 December 2008 amounted to S\$39.1 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

The cash earnings of S\$20.3 million for this quarter compares with S\$20.5 million in the corresponding quarter in the previous year.

(S\$'000)	3Q FY09	3Q FY08	Change (%)
Revenue	101,153	97,801	3.4
Other (loss)/income	(19,857)	8,981	N/M
Total expenses	(101,739)	(104,537)	2.7
(Loss)/Profit before income tax	(20,443)	2,245	N/M
Income tax (expense)/credit	(793)	6,676	N/M
(Loss)/Profit after tax	(21,236)	8,921	N/M
Cash earnings	20,286	20,515	(1.1)
DPU (cents)	1.75	1.6	9.4

The CitySpring Group adopts an active risk management strategy, and where appropriate, would enter into hedging contracts to protect its cash flow. This policy is consistent with the Group's stated objective of delivering regular and stable distributions to unitholders. Accounting standards require movements in the fair value of these hedging contracts to be recorded in the profit and loss statements and balance sheets.

For 3Q FY09, the loss after tax of S\$21.2 million was due mainly to S\$22.3 million non-cash fair value loss on the Over Hedged FIRD at Basslink. The floating interest rate hedge provides Basslink with a hedge on its variable rate medium term bonds. Such movements in the fair value are non-cash in nature, and do not reflect the fundamental value of the Group's businesses. In view of the declining interest rate, the Group has purchased a two-year interest rate floor to protect the Over Hedged FIRD.

## Distributions

For the quarter, CitySpring will pay a Distribution Per Unit ("DPU") of 1.75 Singapore cents which is 9.4% higher than the DPU for 3Q FY08. Total DPU for the nine months to 31 December 2008 is 5.25 Singapore cents. The Trustee-Manager expects to meet the projected distribution of 7 Singapore cents for the financial year ending 31 March 2009 ("FY2009").

Mr Fai Au Yeung, Chief Executive Officer of CitySpring Infrastructure Management Pte Ltd, said: “The fundamentals of our three underlying businesses – City Gas Trust, SingSpring Trust and Basslink – continue to be stable. SingSpring Trust and Basslink have long-term contracts with state-owned utility firms while City Gas Trust enjoys a strong market position. These factors will continue to underpin CitySpring’s cash flows and provide support for our distributions moving forward.”

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### **About CitySpring Infrastructure Trust**

CitySpring ([www.cityspring.com.sg](http://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](http://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](http://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](http://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](http://www.sgx.com)) since 12 February 2007.

### **For investor and media enquiries, please contact:**

Ivan Tan  
Weber Shandwick  
T: +65 9635 9765  
E: [itan@webershandwick.com](mailto:itan@webershandwick.com)