

Financial Statement And Distribution Announcement for the Second Quarter and Half Year ended 30 September 2011

TABLE OF CONTENTS

Item No.	Description	Page No.
	Introduction	1 - 2
1(a)(i)	Consolidated Income Statement	3
1(a)(ii)	Consolidated Statement of Comprehensive Income	4
1(a)(iii)	Additional Information	4
1(b)(i)	Balance Sheets	5 – 6
1(b)(ii)	Aggregate amount of group's borrowings and debt securities	7 – 8
1(c)	Consolidated Cash Flow Statement	9
1(d)(i)	Statement of movements in unitholders' fund	10 – 11
1(d)(ii)	Details of any changes in the units	12
1(d)(iii)	Total number of issued shares excluding treasury shares	12
1(d)(iv)	Statement of movement in treasury shares	12
2 - 3	Review Statement	12
4 - 5	Changes in Accounting Policies	12
6	Earnings per unit ('EPU') and distribution per unit ('DPU')	13
7	Net asset value ("NAV") per unit	13
8	Review of Performance	14 – 17
9	Variance from forecast / prospect statement	17
10	Outlook & Prospects	18 – 19
11 - 12	Distribution	20
13	Interested Person Transactions	21 – 22
14	Confirmation by the Board	22
Appendix 1	Auditor's Review Report	23

CITYSPRING INFRASTRUCTURE TRUST
(Reg. No. 2007001)

Financial Statement And Distribution Announcement for the Second Quarter and Half Year ended 30 September 2011

INTRODUCTION

CitySpring Infrastructure Trust ("CitySpring") was constituted under a trust deed dated 5 January 2007. CitySpring Infrastructure Management Pte. Ltd. ("Trustee-Manager") was appointed the Trustee-Manager. CitySpring was listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 12 February 2007.

CitySpring's objective is to invest in infrastructure assets and to provide Unitholders with long-term regular and predictable distributions.

CitySpring's portfolio comprises 100% of City Gas Trust ("City Gas"), 70% of SingSpring Trust ("SingSpring"), 100% of Basslink Pty Ltd ("Basslink") (including 100% of Basslink Telecoms Pty Ltd ("Basslink Telecoms")) and 100% of CityNet Infrastructure Management Pte Ltd. ("CityNet").

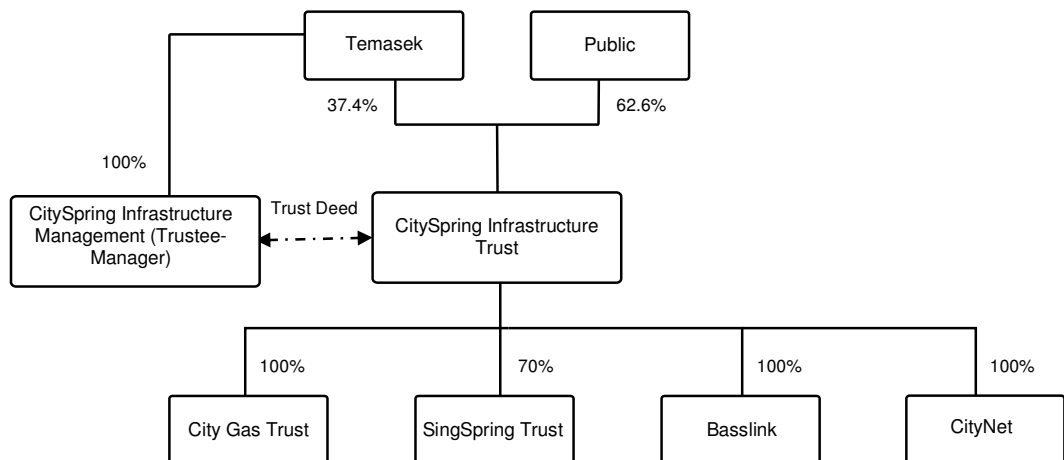
City Gas is the sole producer and retailer of town gas and the sole user of the low-pressured piped town gas network in Singapore. SingSpring is the sole supplier of desalinated water to the Public Utilities Board, Singapore's national water agency.

Basslink owns and operates a 370 km high voltage electricity interconnector between the electricity grids of the States of Tasmania and Victoria in Australia. 290 km of the link is laid under the Bass Strait, making it the world's second longest undersea electricity transmission cable. Embedded in the interconnector are fibre optic cables. Basslink Telecoms successfully commercialised these cables when it commenced carrying commercial traffic from July 2009.

On 22 July 2011, CityNet was awarded a mandate to act as the trustee-manager of NetLink Trust ("NetLink"). CityNet in its capacity as trustee-manager of NetLink will carry on the business of owning, installing, operating and maintaining certain assets (transferred from Singapore Telecommunications Limited) for the purpose of facilitating telecommunication activities.

CitySpring completed an 11-for-20 Rights Issue on 12 September 2011 which raised net proceeds of S\$205.1 million. The subscription rate was 130.05%. The number of units in issue increased from 979.9 million to 1,518.9 million. Following the Rights Issue, Temasek Holdings Private Limited's unitholding in CitySpring increased from 27.9% to 37.4%.

The CitySpring Group is shown in the chart below.



CITYSPRING INFRASTRUCTURE TRUST
(Reg. No. 2007001)

Financial Statement And Distribution Announcement for the Second Quarter and Half Year ended
30 September 2011

INTRODUCTION (cont'd)

Background to Analysing Financial Statements

Cash earnings

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.

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.

Hedging Rationale

SingSpring and Basslink have long-term 20 and 25 years contracts respectively with state-owned utilities. These contracts are availability-based and produce steady cash flows which are largely not affected by volume or utilisation. As these assets, together with City Gas, have been acquired using partly debt financing at variable interest rate, the CitySpring Group may enter into long-term contracts to protect these cash flows from interest rate risk pursuant to its active risk management policy. This policy is consistent with the CitySpring Group's stated objective of delivering regular and stable distributions to unitholders.

Accounting standards require movements in the fair value of held-for-trading contracts to be recorded in the income statements and hedging contracts to be recognised in hedging reserve. Such movements are non-cash in nature and do not reflect the fundamental value of the Group's businesses. Due to the long term nature of these contracts, movements in fair value of these contracts can be significant.

Debt and gearing

All of our operating units utilise non-recourse financing that is specifically structured to match the stable and long-term contracted cash flows from their customers. Generally, our philosophy towards our overall debt structure is to ensure that all of our businesses have sufficient financial flexibility to meet their capital expenditure and operational needs, and at the same time are able to service their debt obligations promptly and reliably. This ensures that we have an optimal capital structure with the flexibility for us to execute our growth strategies.

As such, consolidated debt-to-equity ratio at the CitySpring level is not a relevant measure of our indebtedness.

Energy costs

At City Gas, fuel costs consist mainly of the cost of natural gas. This is in turn recoverable from the fuel component of the town gas tariffs determined by the Energy Market Authority. On a long term basis, changes in fuel costs are expected to have no impact on City Gas as fuel costs are passed through to the end-users. However, at any point in time, the actual tariff may not exactly match fuel costs as tariff changes are subject to a periodic regulatory process whereas fuel prices change daily. Short term impact may therefore be evident if there are sharp changes in fuel prices.

At SingSpring, the energy cost is recovered from PUB in accordance with the principles set out in the Water Purchase Agreement.

At Basslink, energy costs do not form a substantial portion of its operating expenses relative to its other operating costs.

Other Income

Other income includes interest income, rental income and other miscellaneous operating income.

Other gains / (losses) - net

This includes realised gains or losses and fair value gains or losses from held-for-trading financial assets and currency translation gains or losses.

CITYSPRING INFRASTRUCTURE TRUST
(Reg. No. 2007001)

**Financial Statement And Distribution Announcement for the Second Quarter and Half Year ended
30 September 2011**

1(a) An income statement and statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

(i) **Consolidated Income Statement**

	2Q FY12	2Q FY11	Change	1H FY12	1H FY11	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	116,546	103,794	12.3	227,210	207,664	9.4
Other income	1,259	1,528	(17.6)	2,253	2,228	1.1
Other gains/(losses) - net	11,778	1,014	N/M	10,559	(6,406)	N/M
Expenses						
Fuel and electricity costs	(48,125)	(34,206)	(40.7)	(94,520)	(70,459)	(34.1)
Transportation costs	(20,321)	(19,142)	(6.2)	(40,457)	(37,887)	(6.8)
Depreciation and amortisation	(13,739)	(13,469)	(2.0)	(27,834)	(26,950)	(3.3)
Staff costs	(5,468)	(5,195)	(5.3)	(10,193)	(8,322)	(22.5)
Operation and maintenance costs	(5,365)	(5,273)	(1.7)	(12,494)	(10,473)	(19.3)
Finance costs	(27,543)	(21,097)	(30.6)	(49,842)	(42,128)	(18.3)
Management fees	(1,470)	(1,494)	1.6	(2,771)	(2,954)	6.2
Other operating expenses	(10,536)	(8,465)	(24.5)	(18,328)	(15,483)	(18.4)
Total expenses	(132,567)	(108,341)	(22.4)	(256,439)	(214,656)	(19.5)
Loss before income tax	(2,984)	(2,005)	(48.8)	(16,417)	(11,170)	(47.0)
Income tax expense	(21,837)	(1,619)	N/M	(22,699)	(14,310)	(58.6)
Net loss after income tax	(24,821)	(3,624)	N/M	(39,116)	(25,480)	(53.5)
Loss attributable to:						
Unitholders of the Trust	(25,127)	(3,988)	N/M	(39,701)	(26,084)	52.2
Non-controlling interest	306	364	(15.9)	585	604	(3.1)
	(24,821)	(3,624)	N/M	(39,116)	(25,480)	53.5

Refer to paragraphs 8.1 and 8.2 for further details.

CITYSPRING INFRASTRUCTURE TRUST
(Reg. No. 2007001)

**Financial Statement And Distribution Announcement for the Second Quarter and Half Year ended
30 September 2011**

1(a) An income statement and statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

(ii) Consolidated Statement of Comprehensive Income

	2Q FY12	2Q FY11	Change	1H FY12	1H FY11	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Net loss after income tax	(24,821)	(3,624)	N/M	(39,116)	(25,480)	53.5
Other comprehensive (loss)/income:						
Cash flow hedges:						
- Fair value losses	(54,702)	(3,487)	N/M	(58,583)	(34,531)	(69.7)
- Transfer to income statement	1,405	1,618	(13.2)	2,948	3,619	(18.5)
Currency translation differences relating to consolidation of foreign subsidiaries	(2,710)	7,706	N/M	(1,911)	(4,375)	56.3
Other comprehensive (loss)/income, net of tax	(56,007)	5,837	N/M	(57,546)	(35,287)	(63.1)
Total comprehensive (loss)/income	(80,828)	2,213	N/M	(96,662)	(60,767)	(59.1)
Total comprehensive (loss)/income attributable to:						
Unitholders of the Trust	(80,463)	1,872	N/M	(96,593)	(61,105)	58.1
Non-controlling interest	(365)	341	N/M	(69)	338	N/M
	(80,828)	2,213	N/M	(96,662)	(60,767)	59.1

(iii) Additional information

	2Q FY12	2Q FY11	Change	1H FY12	1H FY11	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
EBITDA	37,445	31,829	17.6	59,633	56,550	5.5
Cash earnings¹	15,553	23,111	(32.7)	19,179	40,911	(53.1)
Attributable to:						
Unitholders of the Trust	14,451	21,952	(34.2)	17,012	38,755	(56.1)
Non-controlling interest	1,102	1,159	(4.9)	2,167	2,156	0.5

N/M - Not meaningful

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

CITYSPRING INFRASTRUCTURE TRUST
(Reg. No. 2007001)

Financial Statement And Distribution Announcement for the Second Quarter and Half Year ended 30 September 2011

1(b)(i) **Statements of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

Balance Sheet (Group)

	As at 30 Sept 2011	As at 31 Mar 2011
	S\$'000	S\$'000
ASSETS		
Current assets		
Cash and bank deposits	151,593	159,094
Derivative financial instruments	460	9,694
Trade and other receivables	57,459	49,802
Finance lease receivables	7,645	7,505
Inventories	12,738	13,184
Other current assets	6,853	3,565
Total current assets	236,748	242,844
Non-current assets		
Derivative financial instruments	3,401	77,993
Finance lease receivables	159,971	163,863
Other assets	3,598	4,005
Property, plant and equipment	1,179,995	1,234,503
Intangibles	420,842	428,063
Total non-current assets	1,767,807	1,908,427
Total assets	2,004,555	2,151,271
LIABILITIES		
Current liabilities		
Derivative financial instruments	3,824	3,065
Trade and other payables	85,940	80,812
Current tax liabilities	174	84
Borrowings	137,303	279,182
Total current liabilities	227,241	363,143
Non-current liabilities		
Derivative financial instruments	15,112	13,435
Borrowings	1,187,195	1,287,065
Notes payable to non-controlling interest	15,000	15,000
Deferred tax liabilities	23,789	24,700
Other payables	90,380	90,616
Total non-current liabilities	1,331,476	1,430,816
Total liabilities	1,558,717	1,793,959
Net assets	445,838	357,312
UNITHOLDERS' FUNDS		
Units in issue	886,731	680,245
Hedging reserve	(111,766)	(56,785)
Translation reserve	(18,400)	(16,489)
Accumulated losses	(319,865)	(259,586)
	436,700	347,385
Non-controlling interest	9,138	9,927
Total unitholders' funds	445,838	357,312

Refer to paragraph 8.3 for further details.

CITYSPRING INFRASTRUCTURE TRUST
(Reg. No. 2007001)

**Financial Statement And Distribution Announcement for the Second Quarter and Half Year ended
30 September 2011**

**1(b)(i) Statements of financial position (for the issuer and group), together with a comparative statement as
at the end of the immediately preceding financial year (cont'd)**

Balance Sheet (Trust)

	As at 30 Sept 2011	As at 31 Mar 2011
	S\$'000	S\$'000
ASSETS		
Current assets		
Cash and bank deposits	70,973	74,389
Trade and other receivables	1,197	287,019
Other current assets	105	40
Total current assets	72,275	361,448
Non-current assets		
Long-term receivables	230,570	230,570
Subsidiary companies	642,578	155,135
Total non-current assets	873,148	385,705
Total assets	945,423	747,153
LIABILITIES		
Current liabilities		
Trade and other payables	3,540	1,689
Current tax liabilities	134	83
Borrowings	-	141,931
Total current liabilities	3,674	143,703
Non-current liabilities		
Borrowings	140,133	-
Total non-current liabilities	140,133	-
Total liabilities	143,807	143,703
Net assets	801,616	603,450
UNITHOLDERS' FUNDS		
Unitholders' funds		
Units in issue	886,731	680,245
Accumulated losses	(85,115)	(76,795)
Total unitholders' funds	801,616	603,450

Refer to paragraph 8.4 for further details.

CITYSPRING INFRASTRUCTURE TRUST
(Reg. No. 2007001)

Financial Statement And Distribution Announcement for the Second Quarter and Half Year ended 30 September 2011

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	As at 30 Sept 2011	As at 31 Mar 2011
	S\$'000	S\$'000
Secured bank loans		
Amount repayable within one year	137,303	279,182
Amount repayable after one year	1,187,195	1,287,065
	1,324,498	1,566,247

Details of any collateral at CitySpring

The bank borrowings are secured over the assets and business undertakings of City Gas, SingSpring and Basslink Group. The loan granted to SingSpring is also secured by a charge over the units in SingSpring held by the Trustee-Manager and Hyflux Ltd, and a charge over the shares held by the Trustee-Manager in SingSpring Pte Ltd. The corporate loan granted to CitySpring is secured over its assets and business undertakings, including a charge over the units in City Gas, and the shares in City Gas Pte Ltd and in CityLink Investments Pte Ltd ("CityLink"), the holding company of Basslink, held by the Trustee-Manager. CityLink has provided a corporate guarantee for the corporate loan.

The CitySpring corporate loan which matured in August 2011 was refinanced. The loan will now mature in August 2014. The City Gas loan which matures in February 2012 has also been refinanced with a new loan of the same amount and which will be drawn down upon the maturity of the existing loan. The loan maturity of the new loan is February 2014.

Loan covenants relating to controlling unitholder or change in control

This information was announced on 28 October 2011 pursuant to new Rule 704(31) of the SGX-ST Listing Manual and is included here for Unitholders' information.

(a) Under the CitySpring corporate loan:

- (a) if Temasek Holdings (Private) Limited ("**Temasek**") ceases to own, free from encumbrances, all the issued shares in the Trustee-Manager; or
- (b) the Trustee-Manager resigns or is removed as trustee-manager of CitySpring,

any lender under this facility agreement may require the borrower to repay that lender's share of the loan outstanding together with interest and other amounts accrued thereon.

(b) Under the City Gas facility agreement, if more than half of the directors of the borrower are not those appointed or re-elected as at the conclusion of the annual general meeting of the borrower immediately before the date on which Temasek first ceases to own at least 20% of the issued share capital of the Trustee-Manager, unless the majority lenders under this facility agreement consent, all outstanding amounts under the facility must be repaid together with interest and other amounts accrued thereon.

This facility agreement is to be refinanced by a new S\$128 million Facility Agreement dated 3 June 2011 between City Gas Pte Ltd, in its capacity as trustee of City Gas Trust, as borrower, and DBS Bank, as Facility Agent, and others. The new facility agreement contains the same condition as described above. No loan has yet been drawn down under the new facility agreement as at 31 October 2011.

**CITYSPRING INFRASTRUCTURE TRUST
(Reg. No. 2007001)**

**Financial Statement And Distribution Announcement for the Second Quarter and Half Year ended
30 September 2011**

1(b)(ii) Aggregate amount of group's borrowings and debt securities (cont'd)

Loan covenants relating to controlling unitholder or change in control (cont'd)

(c) Other facilities

The repayment of the above credit facilities upon the occurrence of a change in control of CitySpring or the Trustee-Manager could also cause a default under other credit facilities of CitySpring and its subsidiaries, even if the change in control itself does not, as the financial effect of such repayment could constitute a material adverse effect affecting CitySpring and its subsidiaries, taken as a whole.

(d) Interest rate hedges

The Trustee-Manager has entered into various interest rate swaps to hedge the exposure of CitySpring and its subsidiaries to interest rate volatilities under the various facility agreements to which they are a party.

If the underlying facility agreement to which an interest rate hedge relates is terminated by reason of the occurrence of a change in control of CitySpring or the Trustee-Manager as described above, the relevant interest rate hedge may also be terminated. In such a case, amounts payable under the relevant interest rate hedge will be netted off and payable to the relevant party to whom such net amount is owed.

CITYSPRING INFRASTRUCTURE TRUST
(Reg. No. 2007001)

Financial Statement And Distribution Announcement for the Second Quarter and Half Year ended 30 September 2011

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Cash Flow Statement

	2Q FY12	2Q FY11	1H FY12	1H FY11
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Net loss after income tax	(24,821)	(3,624)	(39,116)	(25,480)
Adjustments for:				
Income tax expense	21,837	1,619	22,699	14,310
Depreciation and amortisation	13,739	13,469	27,834	26,950
Finance costs	27,543	21,097	49,842	42,128
Interest income	(851)	(732)	(1,625)	(1,358)
Fair value loss on derivative financial instruments	6,160	145	7,648	6,257
Property, plant and equipment written off	-	-	3	-
Gain associated with purchase and cancellation of Basslink bonds	(19,417)	-	(19,417)	-
Gain on disposal of property, plant and equipment	(21)	-	(25)	-
Unrealised translation loss/(gain)	374	(13)	338	218
Operating cash flow before working capital changes	24,543	31,961	48,181	63,025
Changes in working capital :				
Inventories	469	(153)	445	(268)
Trade and other receivables	(3,889)	3,822	(5,335)	8,075
Trade and other payables	16,646	13,075	12,631	8,267
Cash generated from operations	37,769	48,705	55,922	79,099
Interest received	945	723	1,860	1,398
Interest paid	(21,272)	(17,361)	(39,204)	(34,702)
Income tax paid	(52)	(6)	(52)	(1,079)
Net cash generated from operating activities	17,390	32,061	18,526	44,716
Investing activities				
Purchase of property, plant and equipment	(1,440)	(535)	(2,146)	(603)
Proceeds from sale of property, plant and equipment	162	-	166	-
Net cash used in investing activities	(1,278)	(535)	(1,980)	(603)
Financing activities				
(Increase)/decrease in restricted cash	(3,533)	122	(5,288)	(323)
Repayment of borrowings and purchase and cancellation of bonds	(200,160)	(2,325)	(202,530)	(4,575)
Net proceeds raised from issue of units	205,107	-	205,107	-
Payment of loan upfront fee	-	-	(3,979)	-
Distributions paid to unitholders of the Trust	(10,289)	(10,289)	(20,578)	(20,578)
Distributions paid by subsidiary to non-controlling interest	(360)	(600)	(720)	(960)
Net cash used in financing activities	(9,235)	(13,092)	(27,988)	(26,436)
Net increase/(decrease) in cash and cash equivalents	6,877	18,434	(11,442)	17,677
Cash and cash equivalents at beginning of the period	80,608	96,185	98,825	98,928
Effect of currency translation on cash and cash equivalents	(677)	1,609	(575)	(377)
Cash and cash equivalents at end of the period (Note a)	86,808	116,228	86,808	116,228

Note a:

Cash and short term deposits as at 30 Sept
Less: Restricted cash
Cash and cash equivalents

As at	As at
30 Sept 2011	30 Sept 2010
S\$'000	S\$'000
151,593	150,346
(64,785)	(34,118)
86,808	116,228

Restricted cash represents the amount of cash and cash equivalents pledged to the bank as security for the bank loans extended to CitySpring, SingSpring and the Basslink Group. The increase in restricted cash as at 30 September 2011 compared to 30 September 2010 was due to a A\$20 million escrow amount that CitySpring placed for the benefit of Basslink. This escrow amount has since been released.

Refer to paragraph 8.5 for further details.

CITYSPRING INFRASTRUCTURE TRUST
(Reg. No. 2007001)

Financial Statement And Distribution Announcement for the Second Quarter and Half Year ended 30 September 2011

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in unit or (ii) changes in unit other than those arising from capitalisation issues and distributions to unitholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

<u>Group</u>	Attributable to Unitholders of the Trust				Non-controlling Interest	Total	
	Units in Issue	Hedging Reserve	Translation Reserve	Accumulated Losses			Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
2012							
Balance as at 1 Apr 2011	680,245	(56,785)	(16,489)	(259,586)	347,385	9,927	357,312
Total comprehensive (loss)/income	-	(2,355)	799	(14,574)	(16,130)	296	(15,834)
<u>Contributions by and distributions to owners</u>							
Distributions paid	-	-	-	(10,289)	(10,289)	(360)	(10,649)
Total transactions with owners in their capacity as owners	-	-	-	(10,289)	(10,289)	(360)	(10,649)
Balance as at 30 Jun 2011	680,245	(59,140)	(15,690)	(284,449)	320,966	9,863	330,829
Total comprehensive loss	-	(52,626)	(2,710)	(25,127)	(80,463)	(365)	(80,828)
<u>Contributions by and distributions to owners</u>							
Units issued	210,195	-	-	-	210,195	-	210,195
Units issue cost	(3,709)	-	-	-	(3,709)	-	(3,709)
Distributions paid	-	-	-	(10,289)	(10,289)	(360)	(10,649)
Total transactions with owners in their capacity as owners	206,486	-	-	(10,289)	196,197	(360)	195,837
Balance as at 30 Sept 2011	886,731	(111,766)	(18,400)	(319,865)	436,700	9,138	445,838
2011							
Balance as at 1 Apr 2010	680,245	(49,920)	(16,633)	(195,354)	418,338	10,357	428,695
Total comprehensive loss	-	(28,800)	(12,081)	(22,096)	(62,977)	(3)	(62,980)
<u>Contributions by and distributions to owners</u>							
Distributions paid	-	-	-	(10,289)	(10,289)	(360)	(10,649)
Total transactions with owners in their capacity as owners	-	-	-	(10,289)	(10,289)	(360)	(10,649)
Balance as at 30 Jun 2010	680,245	(78,720)	(28,714)	(227,739)	345,072	9,994	355,066
Total comprehensive (loss)/income	-	(1,846)	7,706	(3,988)	1,872	341	2,213
<u>Contributions by and distributions to owners</u>							
Distributions paid	-	-	-	(10,289)	(10,289)	(600)	(10,889)
Total transactions with owners in their capacity as owners	-	-	-	(10,289)	(10,289)	(600)	(10,889)
Balance as at 30 Sept 2010	680,245	(80,566)	(21,008)	(242,016)	336,655	9,735	346,390

CITYSPRING INFRASTRUCTURE TRUST
(Reg. No. 2007001)

Financial Statement And Distribution Announcement for the Second Quarter and Half Year ended 30 September 2011

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in unit or (ii) changes in unit other than those arising from capitalisation issues and distributions to unitholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Trust

	Units in Issue	Accumulated Losses	Total
	S\$'000	S\$'000	S\$'000
2012			
Balance as at 1 Apr 2011	680,245	(76,795)	603,450
Total comprehensive income	-	7,138	7,138
<u>Contributions by and distributions to owners</u>			
Distributions paid	-	(10,289)	(10,289)
Total transactions with owners in their capacity as owners	-	(10,289)	(10,289)
Balance as at 30 Jun 2011	680,245	(79,946)	600,299
Total comprehensive income	-	5,120	5,120
<u>Contributions by and distributions to owners</u>			
Units issued	210,195	-	210,195
Units issue cost	(3,709)	-	(3,709)
Distributions paid	-	(10,289)	(10,289)
Total transactions with owners in their capacity as owners	206,486	(10,289)	196,197
Balance as at 30 Sept 2011	886,731	(85,115)	801,616
2011			
Balance as at 1 Apr 2010	680,245	(71,032)	609,213
Total comprehensive income	-	6,600	6,600
<u>Contributions by and distributions to owners</u>			
Distributions paid	-	(10,289)	(10,289)
Total transactions with owners in their capacity as owners	-	(10,289)	(10,289)
Balance as at 30 Jun 2010	680,245	(74,721)	605,524
Total comprehensive income	-	8,335	8,335
<u>Contributions by and distributions to owners</u>			
Distributions paid	-	(10,289)	(10,289)
Total transactions with owners in their capacity as owners	-	(10,289)	(10,289)
Balance as at 30 Sept 2010	680,245	(76,675)	603,570

CITYSPRING INFRASTRUCTURE TRUST
(Reg. No. 2007001)

Financial Statement And Distribution Announcement for the Second Quarter and Half Year ended 30 September 2011

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	01/07/11 to 30/09/11	01/07/10 to 30/09/10	01/04/11 to 30/09/11	01/04/10 to 30/09/10
Issued units at the beginning of the period	979,931,008	979,931,008	979,931,008	979,931,008
Rights issue (Note a)	538,962,054	-	538,962,054	-
Issued units at the end of the period	1,518,893,062	979,931,008	1,518,893,062	979,931,008

(a) Rights Units issued on 12 September 2011 pursuant to the completion of the fully underwritten renounceable rights issue

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 30/09/11	As at 31/03/11
Total issued units	1,518,893,062	979,931,008

- 1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The financial information as set out in paragraphs 1, 5, 6.1, 6.2 and 7 of this announcement have been extracted from the interim financial report that have been reviewed in accordance with SSRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

The Auditor's Review Report dated 3 November 2011 on the interim financial report of CitySpring Infrastructure Trust and its subsidiaries for the half year ended 30 September 2011 is enclosed in Appendix 1.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation applied in the financial statements for the current financial period are consistent with those described in the audited financial statements for the financial year ended 31 March 2011.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

With effect from 1 April 2011, the Group adopted the following new or amended Singapore Financial Reporting Standards ("FRS") which are relevant to the Group's operations:

- FRS 24 (revised) Related Party Disclosures

The adoption of the above FRS does not have any significant impact on the financial statements as it is a disclosure standard.

Financial Statement And Distribution Announcement for the Second Quarter and Half Year ended 30 September 2011

6. Earnings per unit of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year.

6.1 Earnings per unit and distribution per unit for the financial period

	2Q FY12	2Q FY11	1H FY12	1H FY11
(i) Weighted average number of units	1,085,380,106	979,931,008	1,032,943,669	979,931,008
(ii) Loss per unit for the period based on the weighted average number of units in issue (cents)				
- Basic and diluted	(2.32)	(0.41)	(3.84)	(2.66)
(iii) Number of units issued at end of period	1,518,893,062	979,931,008	1,518,893,062	979,931,008
(iv) Distribution per unit for the period (cents)	0.82 ⁽¹⁾	1.05	1.87 ⁽²⁾	2.10

⁽¹⁾ Post 2011 Rights Issue

⁽²⁾ Aggregate of 1.05 cents (pre rights) declared in 1Q FY12 and 0.82 cents (post 2011 rights) declared for 2Q FY 12

6.2 Cash earnings per unit for the financial period

	2Q FY12	2Q FY11	1H FY12	1H FY11
Cash earnings per unit for the period based on the weighted average number of units in issue (cents)				
- Basic and diluted	1.33	2.24	1.65	3.95

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.

7. Net asset value (for the issuer and the group) per unit based on the total number of issued units excluding treasury shares at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.

Net asset value ("NAV") per unit based on units issued at the end of the period

	Group		Trust	
	30/09/11	31/03/11	30/09/11	31/03/11
Net asset value per unit (cents)	28.8	35.4	52.8	61.6

The Group NAV per unit before hedging and translation reserves is 37.3 cents as at 30 September 2011 and 42.9 cents as at 31 March 2011.

The number of units used for computation of actual NAV per unit is 1,518,893,062 and 979,931,008 which is the number of units in issue as at 30 September 2011 and 31 March 2011 respectively.

The Group adopts an active risk management strategy and where appropriate would enter into 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 held-for-trading contracts to be recorded in the income statement and of hedging contracts to be recognised in the hedging reserve. At 30 September 2011, the Group had a hedging reserve of negative S\$111.8 million (31 March 2011: negative S\$56.8 million). The fair value movements in hedging reserve are non-cash and do not reflect the fundamental value of the Group's businesses.

**Financial Statement And Distribution Announcement for the Second Quarter and Half Year ended
30 September 2011**

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

8.1 Income Statement (2Q FY12 vs 2Q FY11)

Revenue

Group revenue for 2Q FY12 was S\$116.5 million which was S\$12.7 million higher than 2Q FY11.

At City Gas, revenue of S\$85.0 million in 2Q FY12 was higher than its revenue of S\$77.1 million in 2Q FY11 due mainly to higher volume of town gas and natural gas sold.

SingSpring's revenue of S\$9.5 million in 2Q FY12 was higher than its revenue of S\$9.3 million in 2Q FY11. The higher revenue was due mainly to higher electricity cost incurred which was passed through to PUB.

Basslink's revenue of A\$16.8 million (approximately S\$21.7 million) in 2Q FY12 was higher compared to A\$14.2 million (approximately S\$17.4 million) in 2Q FY11. The higher revenue was due mainly to higher revenue from telecoms services and a lower negative CRSM².

CityNet commenced operations on 22 July 2011 and contributed revenue of S\$0.4 million in 2Q FY12.

Other income

This comprises interest income and other miscellaneous income. Other income for 2Q FY12 was S\$1.3 million which was lower than S\$1.5 million recorded in 2Q FY11 due mainly to lower miscellaneous income.

Other gains/(losses) – net

Other gains – net was S\$11.8 million in 2Q FY12. On 30 September 2011, CitySpring announced that its subsidiary Basslink had purchased and canceled bonds with total principal amount of A\$170 million at a total purchase price of A\$155.4 million. As a result of this, there was a recorded gain associated with purchase and cancellation of the bonds of A\$14.9 million (approximately S\$19.4 million). This was offset by fair value losses on derivative financial instruments. Other gains – net was S\$1.0 million in 2Q FY11 which was mainly due to currency translation gains and partly offset by fair value losses on derivative financial instruments..

Operating Expenses

Fuel and electricity costs of S\$48.1 million in 2Q FY12 were higher than the costs of S\$34.2 million in 2Q FY11 due mainly to higher fuel cost incurred for City Gas.

Depreciation and amortisation costs were S\$13.7 million and S\$13.5 million in 2Q FY12 and 2Q FY11 respectively due to higher depreciation charges and higher currency translation rate applied in the current period.

Finance costs of S\$27.5 million in 2Q FY12 were higher compared to S\$21.1 million in 2Q FY11. The increase in finance costs in 2Q FY12 were mainly due to payment of early redemption guarantee fee and write off of debt amortisation costs associated with the bond purchase and cancellation as explained above.

Other operating expenses were S\$10.5 million and S\$8.5 million in 2Q FY12 and 2Q FY11 respectively. Other operating expenses were higher due mainly to expenses incurred for the Trust's recent fully underwritten renounceable rights issue.

² 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, though there is no assurance such objective could 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) of the unadjusted facility fee under the BSA

**Financial Statement And Distribution Announcement for the Second Quarter and Half Year ended
30 September 2011**

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. (cont'd)**

8.1 Income Statement (2Q FY12 vs 2Q FY11) (cont'd)

Income tax

Income tax expense for 2Q FY12 and 2Q FY11 were due mainly to reduction of deferred tax asset resulting from derecognition of previously recognised acquired tax losses of a subsidiary entity.

Cash earnings

2Q FY12 cash earnings was S\$15.6 million which was S\$7.5 million lower than in 2Q FY11.

City Gas recorded cash earnings of S\$6.2 million in 2Q FY12 compared to S\$13.1 million in 2Q FY11. City Gas's short term profit margins can be affected by movements in fuel costs. This is because City Gas can only change the tariffs at which it charges its customers once every three months, whereas fuel costs fluctuate on the open market more frequently. From quarter to quarter, there is therefore potentially a mis-match between City Gas's fuel costs and tariffs, although the tariff adjustments mechanism is designed to ensure that we fully recover our fuel costs over a period of time. City Gas has obtained approval from the authority to increase its general tariff by 8% with effect from 1 November 2011.

SingSpring desalination plant continues to achieve 100% availability and recorded cash earnings of S\$4.5 million in 2Q FY12 compared to S\$4.7 million in 2Q FY11.

Basslink's cash earnings for 2Q FY12 was A\$5.9 million (approximately S\$7.6 million) compared to A\$6.3 million (approximately S\$7.7 million) in 2Q FY11. The lower cash earnings was due to payment of early redemption guarantee fee of A\$2.2 million (approximately S\$2.8 million) associated with the purchase and cancellation of Basslink bonds which was partly offset by lower negative CRSM payment and higher contributions from Basslink Telecoms. CRSM was negative A\$3.5 million (approximately S\$4.5 million) for 2Q FY12 compared to negative A\$5.6 million (approximately S\$6.9 million) for 2Q FY11.

CityNet contributed cash earnings of S\$0.4 million in 2Q FY12.

8.2 Income Statement (1H FY12 vs 1H FY11)

Revenue

Group revenue for 1H FY12 was S\$227.2 million which was S\$19.5 million higher than 1H FY11.

At City Gas, revenue of S\$166.3 million in 1H FY12 was higher than its revenue of S\$152.3 million in 1H FY11. This was due mainly to higher tariffs charged in response to higher feedstock costs for gas production and higher volume of gas sold.

SingSpring's revenue of S\$18.9 million in 1H FY12 was lower than its revenue of S\$19.9 million in 1H FY11. The lower revenue was due mainly to lower YTD average dispatch of 25% compared to 31% for the corresponding period.

Basslink's revenue of A\$32.0 million (approximately S\$41.6 million) in 1H FY12 was higher compared to A\$28.9 million (approximately S\$35.4 million) in 1H FY11 due to lower negative CRSM payment and higher revenue from its telecoms services. Basslink Telecoms has contributed more than 10% of Basslink Group revenue for 1H FY12.

CityNet commenced operations on 22 July 2011 and contributed revenue of S\$0.4 million in 2Q FY12.

Other income

This comprises interest income and other miscellaneous income. Other income for 1H FY12 was S\$2.2 million which was comparable to 1H FY11.

**Financial Statement And Distribution Announcement for the Second Quarter and Half Year ended
30 September 2011**

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. (cont'd)**

8.1 Income Statement (1H FY12 vs 1H FY11) (cont'd)

Other gains/(losses) – net

Other gains – net was S\$10.5 million in 1H FY12. As explained in the analysis of the 2Q FY12 results, this was mainly due to gain associated with purchase and cancellation of the bonds of A\$14.9 million (approximately S\$19.4 million). This was offset by fair value losses on derivative financial instruments. Other losses – net of S\$6.4 million in 1H FY11 were mainly due to fair value losses on derivative financial instruments and currency translation losses.

Operating Expenses

Fuel and electricity costs of S\$94.5 million in 1H FY12 were higher than the costs of S\$70.5 million in 1H FY11 due mainly to higher fuel cost for City Gas Trust.

Depreciation and amortisation costs were S\$27.8 million and S\$26.9 million for 1H FY12 and 1H FY11 respectively.

Finance costs of S\$49.8 million in 1H FY12 were higher compared to S\$42.1 million in 1H FY11. The increase in finance costs in 1H FY12 were mainly due to payment of early redemption guarantee fee and write off of debt amortisation costs associated with the bond purchase and cancellation as explained above.

Other operating expenses of S\$18.3 million in 1H FY12 were higher compared to S\$15.5 million in 1H FY11 due mainly to higher marketing expense in the current period, expenses incurred for the Trust's recent fully underwritten renounceable rights issue and higher currency translation rate.

Income tax

Income tax expense for 1H FY12 and 1H FY11 were due mainly to reduction of deferred tax asset resulting from derecognition of previously recognized acquired tax losses of a subsidiary entity.

Cash earnings

1H FY12 cash earnings was S\$19.2 million which was S\$21.7 million lower than in 1H FY11.

City Gas recorded cash earnings of S\$10.3 million in 1H FY12 compared to S\$26.2 million in 1H FY11. City Gas' short term profit margins can be affected by movements in fuel costs. This is because City Gas can only change the tariffs at which it charges its customers once every three months, whereas fuel costs fluctuate on the open market more frequently. From quarter to quarter, there is therefore potentially a mis-match between City Gas' fuel costs and tariffs, although the tariff adjustments mechanism is designed to ensure that we fully recover our fuel costs over a period of time. Also loan upfront fees of S\$1.7 million was paid for the refinancing of its loan. City Gas has obtained approval from the authority to increase its tariff by 8% with effect from 1 November 2011.

SingSpring recorded cash earnings of S\$8.8 million for 1H FY12 which was comparable to 1H FY11.

Basslink's cash earnings for 1H FY12 was A\$5.4 million (approximately S\$7.0 million) compared to A\$8.8 million (approximately S\$10.7 million) in 1H FY11. The lower cash earnings in 1H FY12 was due to payment of early redemption guarantee fee associated with purchase and cancellation of the bonds and costs of A\$1.9 million (approximately S\$2.5 million) for a marine cable survey which is required once in two years. This was partly offset by lower negative CRSM payments (1H FY12: negative A\$8.4 million (approximately S\$10.9 million); 1H FY11 A\$9.5 million (approximately S\$12.1 million)) and higher contributions from telecoms revenue.

CityNet contributed cash earnings of S\$0.4 million during the period.

Loan upfront fees of S\$2.1 million for the refinancing of the corporate loan were paid during the current period.

Financial Statement And Distribution Announcement for the Second Quarter and Half Year ended 30 September 2011

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. (cont'd)**

8.3 Balance Sheet – Group

Total assets as at 30 September 2011 was S\$2,005 million which was lower than total assets of S\$2,151 million as at 31 March 2011. This was mainly due to depreciation charges for property plant and equipment, amortisation charges for intangible assets other than goodwill and the effects of mark-to-market changes in the derivative financial instruments and a lower closing translation rate as at 30 September 2011 as compared with 31 March 2011.

Total liabilities as at 30 September 2011 was S\$1,559 million which was lower than total liabilities of S\$1,794 million as at 31 March 2011. This was mainly due to the effect of translation of overseas subsidiary liability balances at a lower closing rate at 30 September 2011 as compared with 31 March 2011.

The corporate loan of S\$142 million which was drawn down in August 2011 and matures in August 2014 has been classified as non-current liability. City Gas loan of S\$128 million which has been refinanced in June 2011 continues to be classified as current liabilities as the loan matures in February 2012. The new loan will only be drawn down when the existing loan matures.

Total unitholders funds as at 30 September 2011 was S\$446 million which was higher than total unitholders funds of S\$357 million as at 31 March 2011. On 12 September 2011, 538,962,054 additional units were issued at 39 cents pursuant to a fully underwritten renounceable rights issue. This was partly offset by the net loss after tax recorded for the half year ended 30 September 2011, distribution to unitholders and the effects of mark-to-market changes in the derivative financial instruments on hedging reserve.

8.4 Balance Sheet – Trust

The following are the main highlights at the Trust

- The S\$142 million corporate loan is classified as non-current liabilities as at 30 September 2011 as the Trust has drawn down the corporate loan in August 2011, extending the maturity to August 2014.
- On 12 September 2011, 538,962,054 additional units were issued at 39 cents pursuant to a fully underwritten renounceable rights issue.

8.5 Cashflow

Cash generated from operating activities was S\$18.5 million for 1H FY12 as compared to S\$44.7 million for 1H FY11. The lower cash generated was due to the lower cash earnings as explained in paragraph 8.2 (refer to the performance review of 1H FY12 vs 1H FY11). In September 2011, CitySpring completed its rights issue which raised net proceeds of S\$205.1 million. The proceeds were partially used to purchase and cancel Basslink bonds with total principal amount of A\$170 million (including accretion since issuance in 2007 and interest accrued to 30 September 2011) at a total purchase price of A\$155.4 million (equivalent to S\$201.3 million). Other cash applied for financing activities comprised mainly distributions to Unitholders of CitySpring and non-controlling interest of a subsidiary and payment of upfront fees for refinancing of the CitySpring and City Gas loans.

Cash and cash balances less restricted cash as at 30 September 2011 was S\$86.8 million which was a decrease of S\$29.4 million compared to S\$116.2 million as at 30 September 2010. This was mainly due to the A\$20 million (equivalent to S\$25.3 million) that CitySpring placed in an escrow account (which is included as restricted cash) for the benefit of Basslink. This escrow amount has since been released.

- 9 **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast statement for financial year 2012 has been disclosed.

**Financial Statement And Distribution Announcement for the Second Quarter and Half Year ended
30 September 2011**

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Group Operations

Basslink and SingSpring have long-term contracts with state-owned utilities. Basslink Telecoms, which commenced services from July 2009, has sold capacity to several customers. In Singapore, the tourism and hospitality related sectors may see slower growth due to the current uncertainty in the global economy.

City Gas' cash earnings could fluctuate depending on changes in tariffs in response to changes in fuel costs. The tariff adjustments mechanism is designed to ensure that we fully recover our fuel costs over a period of time. City Gas has announced that it has obtained approval to increase gas tariff by 8% from 1 November 2011.

On 22 September 2011, Infocomm Development Authority of Singapore granted a facilities based operator licence to CityNet as trustee-manager of NetLink for the ownership, installation, maintenance and operation of a nationwide network of telecommunication ducts, manholes and central offices (transferred from Singapore Telecommunications Ltd), and for the provision of access to and use of the same (including the provision of operation and maintenance services) to other telecommunication licensees.

Basslink Telecoms provides wholesale telecoms transmission services between Hobart and Melbourne in Australia. The Australian Competition and Consumer Commission ("ACCC") has issued an Interim Access Determination ("IAD") in respect of the declared Domestic Transmission Capacity Service ("DTCS") on 18 April 2011. Under the IAD, the ACCC has prescribed price terms for transmission services on certain routes. Basslink Telecoms is monitoring the impact of such regulation. The ACCC has commenced its public inquiry into making a Final Access Determination for the DTCS.

The Electricity Supply Industry Expert Panel Act 2010 established an independent Panel to conduct an investigation into, and provide guidance to the Tasmania Parliament on the current position and future development of Tasmania's electricity industry. This review, which is ongoing, may lead to further development of Tasmania's electricity industry, which could in turn have an impact on Basslink.

Discussions with Hydro Tasmania regarding CRSM

As disclosed since 1Q FY11, Basslink and Hydro Tasmania ("HT") are in discussions with regard to the interpretation of certain terms of the Basslink Services Agreement ("BSA") for the application to the CRSM calculations. The outcome of the discussions may have an impact on the CRSM calculations for calendar year 2009. Based on HT's purported interpretation of these terms, HT had claimed an additional A\$6.9 million in CRSM payment for calendar year 2009. The BSA contains dispute resolution procedures which can be activated to resolve matters such as those mentioned above. These procedures require a party to issue a dispute notice, and ultimately may require HT and Basslink to enter into arbitration. As announced on 20 September 2010, Basslink has received a dispute notice on 17 September 2010 on the CRSM matters and other alleged breaches of the BSA and consequently, the dispute resolution procedures will proceed.

Basslink and HT had entered into a standstill agreement on 10 February 2011, which provides a period until 30 June 2011 in which both parties are to further negotiate in good faith a final settlement on the CRSM-related matters underlying the dispute resolution process and on a number of other issues including potential changes to the BSA relating to a new method of calculating the CRSM payment and the incentive adjustment payment, and to use best endeavours to obtain any necessary approvals to any agreed changes by the end of the standstill period. There is no assurance that the standstill agreement will lead into a final settlement. If there is no final settlement by the end of the standstill period, the standstill agreement will fall away and the dispute resolution process will resume and the matter may be referred to arbitration. This standstill agreement was extended twice from 30 June 2011 to 30 September 2011. Both parties are still in discussion and may consider a further extension of this standstill agreement.

The Group has taken legal advice on these issues. No provision for any liabilities against Basslink arising from these discussions has been made in the financial statements.

**Financial Statement And Distribution Announcement for the Second Quarter and Half Year ended
30 September 2011**

- 10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months. (cont'd)**

Basslink Bonds' Credit Rating Update

As part of the acquisition in August 2007, Basslink issued three bonds maturing in 2015, 2017 and 2019. The bonds comprise A\$486 million floating rate bonds due August 2015, and two tranches of A\$190 million fixed rate capital indexed bonds due August 2017 ("2017 Bonds") and August 2019 respectively. These bonds were rated BBB- and Baa2 by Standard & Poor's ("S&P") and Moody's respectively.

In November 2010, S&P placed the bonds' BBB- rating on CreditWatch with negative implications. In February 2011, S&P removed the CreditWatch and affirmed the bonds' rating at BBB- with a negative outlook after CitySpring placed A\$20 million in escrow for the benefit of Basslink.

As announced on 30 September 2011, Basslink purchased and canceled the 2017 Bonds with total principal amount of A\$170 million (including inflation accretion since issuance in 2007 and interest accrued to 30 September 2011) at a total purchase price of A\$155.4 million.

On 11 October 2011, S&P affirmed the bonds' rating at BBB- and revised the bonds' outlook to stable from negative. The A\$20 million escrow account for the benefit of Basslink has also been released.

CITYSPRING INFRASTRUCTURE TRUST
(Reg. No. 2007001)

**Financial Statement And Distribution Announcement for the Second Quarter and Half Year ended
30 September 2011**

11. Distributions

(a) Current financial period reported on

Any distributions declared for the current financial period	:	Yes
Amount	:	S\$12,454,923
Distribution period	:	From 01/07/2011 to 30/09/2011
Distribution type	:	Cash, Tax-Exempt Income
Distribution rate	:	0.82 Singapore cents per unit ^(*)
Par value	:	Not applicable
Tax rate	:	Distributions received by either Singapore tax resident Unitholders or non-Singapore tax resident Unitholders are exempt from Singapore income tax and also not subject to Singapore withholding tax. Unitholders are not entitled to tax credits of any taxes paid by the Trustee-Manager of CitySpring.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any distributions declared for the current financial period	:	Yes
Amount	:	S\$10,289,275
Distribution period	:	From 01/07/2010 to 30/09/2010
Distribution type	:	Cash, Tax-Exempt Income
Distribution rate	:	1.05 Singapore cents per unit
Par value	:	Not applicable
Tax rate	:	Distributions received by either Singapore tax resident Unitholders or non-Singapore tax resident Unitholders are exempt from Singapore income tax and also not subject to Singapore withholding tax. Unitholders are not entitled to tax credits of any taxes paid by the Trustee-Manager of CitySpring.

(c) Date Payable : 28 November 2011

(d) Books closure date : The Transfer Books and Register of CitySpring Infrastructure Trust will be closed from 5.00 p.m. on 14 November 2011 for the purposes of determining each unitholder's entitlement to the distribution. Unitholders whose Securities Accounts with The Central Depository (Pte) Limited ("CDP") are credited with units at 5.00 p.m. on 14 November 2011 will be entitled to the distribution to be paid on 28 November 2011.

^(*) Post 2011 Rights

12. If no distribution has been declared/recommended, a statement to that effect

Not applicable.

CITYSPRING INFRASTRUCTURE TRUST
(Reg. No. 2007001)

Financial Statement And Distribution Announcement for the Second Quarter and Half Year ended 30 September 2011

13. INTERESTED PERSON TRANSACTIONS

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review excluding (1) transactions less than S\$100,000 and (2) transactions conducted under shareholders' mandate pursuant to Rule 920		Aggregate value of all interested person transactions conducted during the financial period under review (1) under shareholders' mandate pursuant to Rule 920* and (2) transactions disclosed in the IPO Prospectus and Circular seeking unitholders approval for Basslink acquisition (excluding transactions less than S\$100,000)	
	2Q FY12 S\$'000	2Q FY11 S\$'000	2Q FY12 S\$'000	2Q FY11 S\$'000
(a) Sales of Goods and Services				
Temasek Holdings (Private) Limited and its Associates				
- Singapore Power Limited				
- Powergas Limited	-	-	305	322
- SATS Catering Pte Ltd	-	-	1,685	1,255
(b) Reimbursement of expenses				
Temasek Holdings (Private) Limited and its Associates				
- Singapore Power Limited				
- Powergas Limited	-	-	1,321	1,354
- CitySpring Infrastructure Management Pte. Ltd.	-	72	-	-
(c) Purchases				
Temasek Holdings (Private) Limited and its Associates				
- Aetos Security Management Pte Ltd	-	-	151	157 ³
- Certis Cisco Security Pte Ltd	12 ³	13 ³	30 ³	-
- Singapore Power Limited				
- Gas Supply Pte Ltd	-	-	42,499 ⁴	28,758 ⁴
- Powergas Limited	-	-	20,293	20,010
- SP Services Limited	-	-	3,672 ⁵	3,232 ⁵
- SP Australia Networks				
- SPI PowerNet Pty Ltd	19	48	178	124
- SPI Networks Pty Ltd	8	26	20	-

³ This relates to security manning services which a subsidiary has agreed to cost share in a contract with its operator and the security company.

⁴ This includes the value of purchases of additional natural gas under the supplemental gas purchase agreement dated 16 May 2008, as approved by independent unitholders at the extraordinary general meeting held on 3 July 2008.

⁵ This includes the value of services rendered by SP Services Limited under the renewed utilities support services agreement dated 1 June 2009 as approved by independent unitholders at the extraordinary general meeting held on 22 July 2009.

CITYSPRING INFRASTRUCTURE TRUST
(Reg. No. 2007001)

Financial Statement And Distribution Announcement for the Second Quarter and Half Year ended 30 September 2011

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review excluding (1) transactions less than S\$100,000 and (2) transactions conducted under shareholders' mandate pursuant to Rule 920		Aggregate value of all interested person transactions conducted during the financial period under review (1) under shareholders' mandate pursuant to Rule 920* and (2) transactions disclosed in the IPO Prospectus and Circular seeking unitholders approval for Basslink acquisition (excluding transactions less than S\$100,000)	
	2Q FY12 S\$'000	2Q FY11 S\$'000	2Q FY12 S\$'000	2Q FY11 S\$'000

(d) Leasing of Assets (Rental charge)				
Temasek Holdings (Private) Limited and its Associates				
- Singapore Power Limited				
- Powergas Limited	-	-	123	99
- SP Services Limited	-	-	67	60
(e) Management Fee Expense (including Reimbursement of Expenses)				
Temasek Holdings (Private) Limited and its Associates				
- CitySpring Infrastructure Management Pte. Ltd.	23	79	1,592	1,528

* The Group has obtained a general mandate pursuant to Rule 920 for interested person transactions as approved by independent unitholders at the extraordinary general meeting held on 28 July 2011. The Group did not have a shareholders' mandate in relation to interested person transactions for the half year ended 30 September 2010.

14. Negative Confirmation by the Board pursuant to Rule 705(5)

The Board of CitySpring Infrastructure Management Pte. Ltd. (as Trustee-Manager of CitySpring Infrastructure Trust) has confirmed that, to the best of their knowledge, nothing has come to their attention which may render the unaudited interim financial results of the Group for the quarter ended 30 September 2011 to be false or misleading in any material aspect.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

BY ORDER OF THE BOARD
CITYSPRING INFRASTRUCTURE MANAGEMENT PTE. LTD.
(COMPANY REGISTRATION NO. 200614377M)
AS TRUSTEE-MANAGER OF CITYSPRING INFRASTRUCTURE TRUST

Susanna Cher
Company Secretary

Singapore
3 November 2011

CitySpring Infrastructure Trust and its Subsidiaries

**Independent Auditor's Report to the Board of Directors
CitySpring Infrastructure Management Pte. Ltd.
(as the Trustee-Manager of CitySpring Infrastructure Trust)**

Report on Review of Condensed Interim Financial Information

Introduction

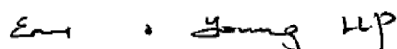
We have reviewed the condensed interim financial information of CitySpring Infrastructure Trust (the "Trust") and its subsidiaries (collectively, the "Group") set out on pages 2 to 33, which comprise the condensed balance sheets of the Trust and of the Group as of 30 September 2011 and the related condensed statements of income and comprehensive income of the Group, changes in unitholders' funds of the Trust and of the Group and cash flows of the Group for the six months ended 30 September 2011, and explanatory notes. The Trustee-Manager is responsible for the preparation and presentation of this condensed interim financial information in accordance with Singapore Financial Reporting Standard 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with Singapore Financial Reporting Standard 34, 'Interim Financial Reporting'.



Ernst & Young LLP
Public Accountants and Certified Public Accountants
Singapore
3 November 2011