CITYSPRING Infrastructure Trust

Annual General Meeting - Presentation

30 July 2014

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3 Financial Results & Unit Performance

4 Pursuing Growth

Providing Essential Services

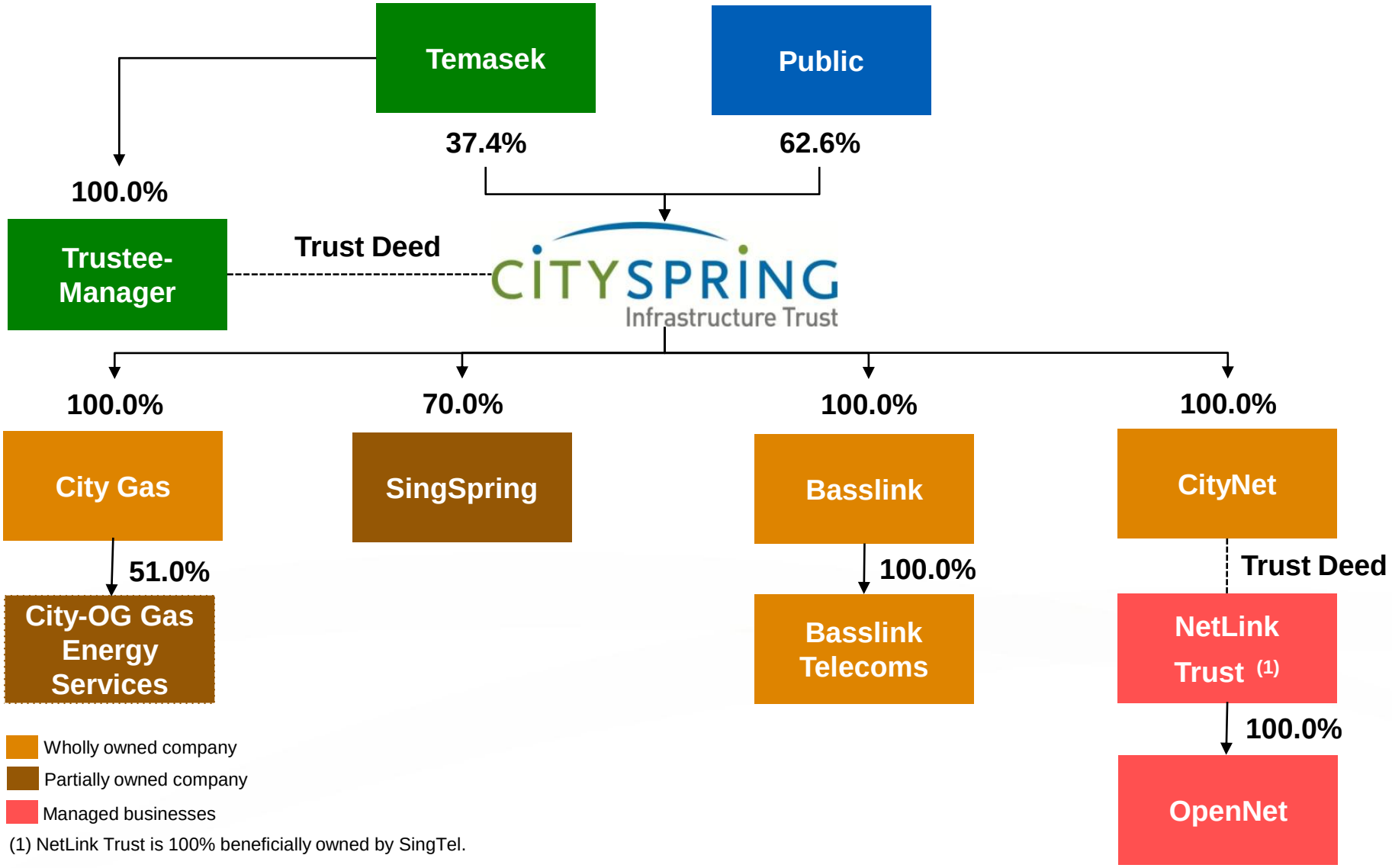


- *City Gas – delivering town gas to 690,000 customers all over Singapore*
- *SingSpring – delivering desalinated water daily to the PUB*
- *CityNet – managing 7 SingTel Exchanges and the island-wide fibre network for Singapore's Next Gen-National Broadband Network*



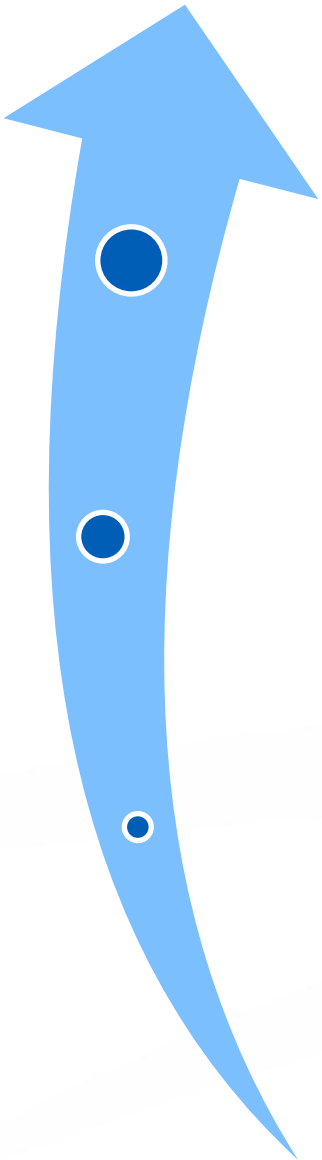
- *Basslink – transporting electricity across the Bass Straits between the States of Tasmania and Victoria*
- *Basslink Telecoms – providing broadband capacity to telecoms carriers and service providers between Hobart, Tasmania and Melbourne, Victoria*

Corporate Structure



Owns and operates essential utility assets

Expanding Our Portfolio



June 2014

DataCentre One

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

Shimizu Corporation is a leading architectural, civil engineering and general contracting firm.

November 2013

CityNet

Awarded a mandate by **SingTel** to manage the telecom assets transferred from SingTel to NetLink Trust.

CityNet expanded its management role of NetLink Trust following the acquisition of OpenNet in 2013.

August 2013

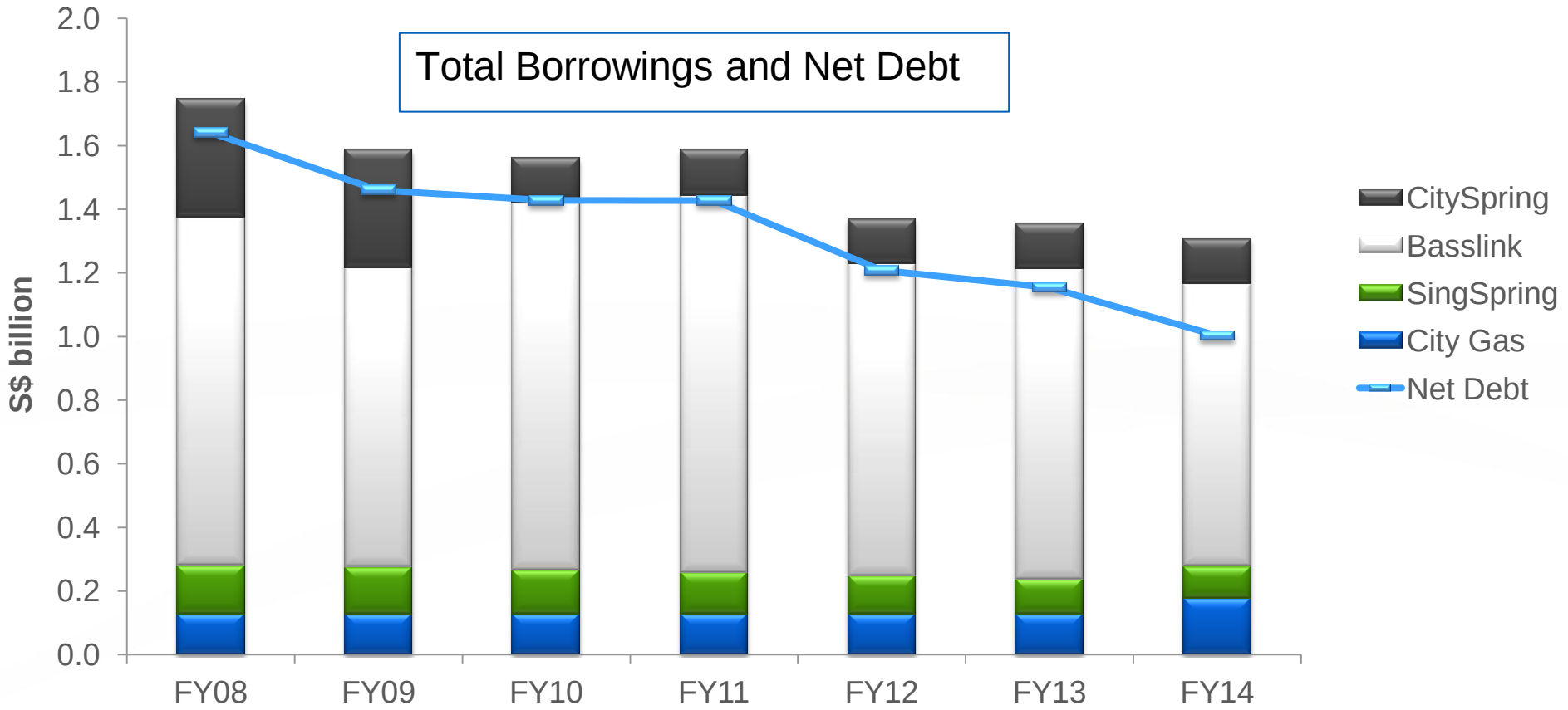
City-OG Gas Energy Services

JV with **Osaka Gas** to market and sell natural gas to industrial customers in Singapore.

Osaka Gas is a leading energy supplier with its core natural gas supply business serving 7 million customers in the Kansai Region, Japan.

Group Borrowings

- Total borrowings and net debt have come down over time
- Our objective on leverage is to ensure that our businesses have sufficient financial flexibility to meet their capital expenditure and operational needs
- Maturity of CitySpring's and City Gas' loans extended to August 2017 and February 2019 respectively
- Refinancing of Basslink debt is currently in progress



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City Gas











Sale of Natural Gas	Production of Town Gas	Transmission / Distribution of Town Gas	Retail	Meter Reading, Billing & Collection
Piped Gas Importers	City Gas	Gas Network Operator	City Gas	SP Services

Sole producer and retailer of town gas in Singapore

Stable cash flow from a wide customer base of more than 690,000 customers

City-OG Gas Energy Services

Energy Audit

Natural Gas Supply and Retail

Energy Solutions



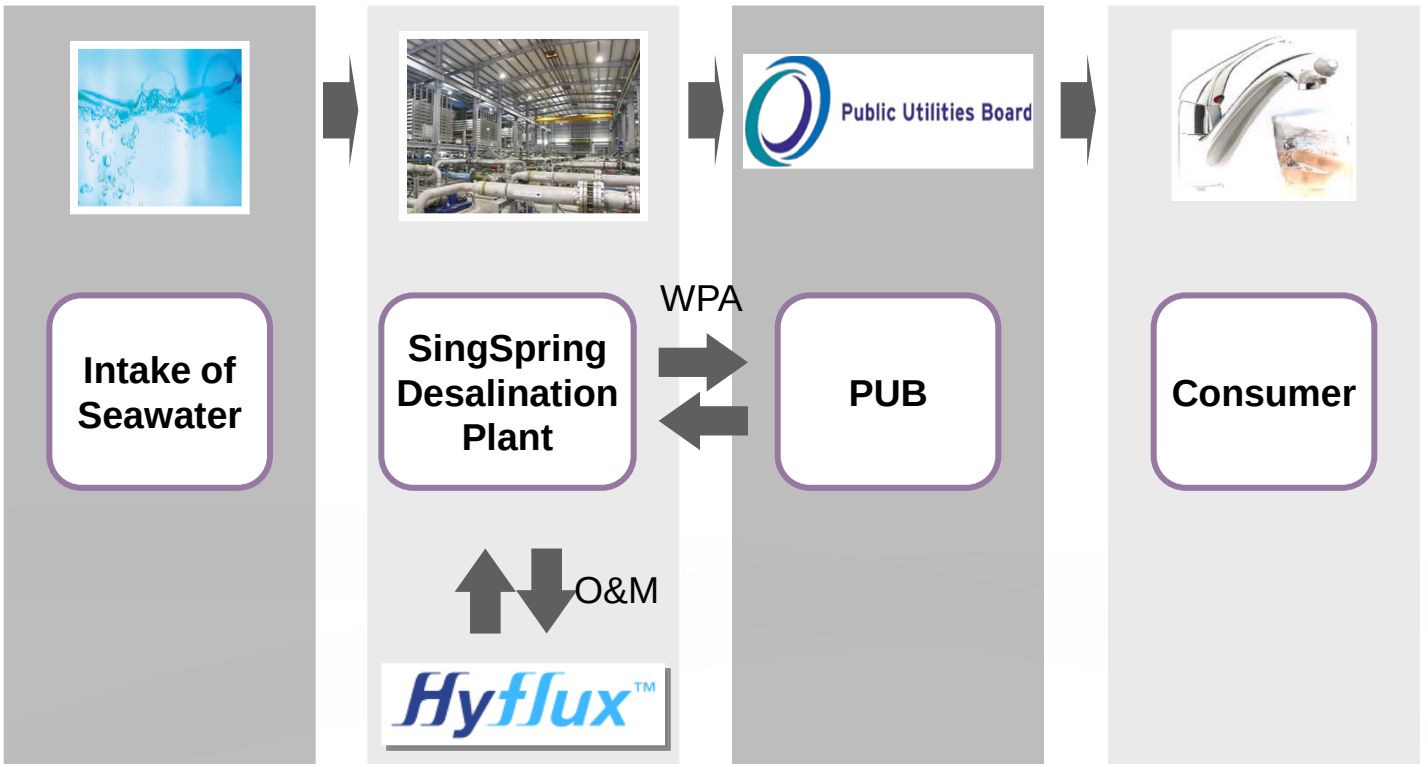
Industrial Users

Retailer of natural gas and provider of energy services to industrial users

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

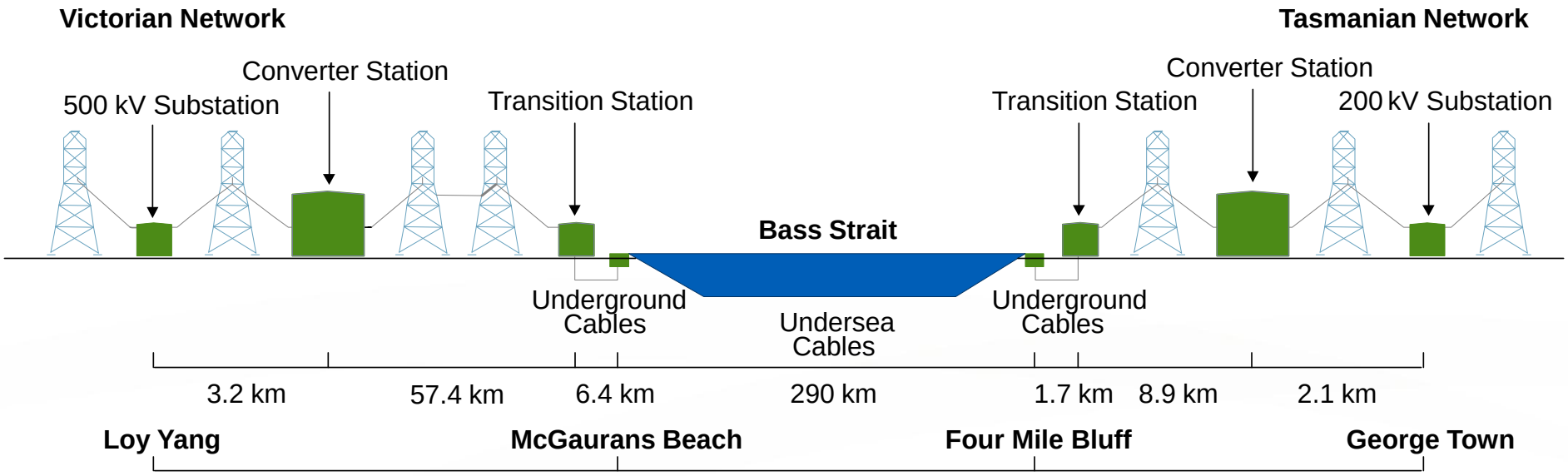


Long-term, regular and predictable cashflow due to Water Purchase Agreement with PUB

Basslink Interconnector

- Basslink is the only subsea electricity transmission cable, connecting the states of Victoria and Tasmania in Australia

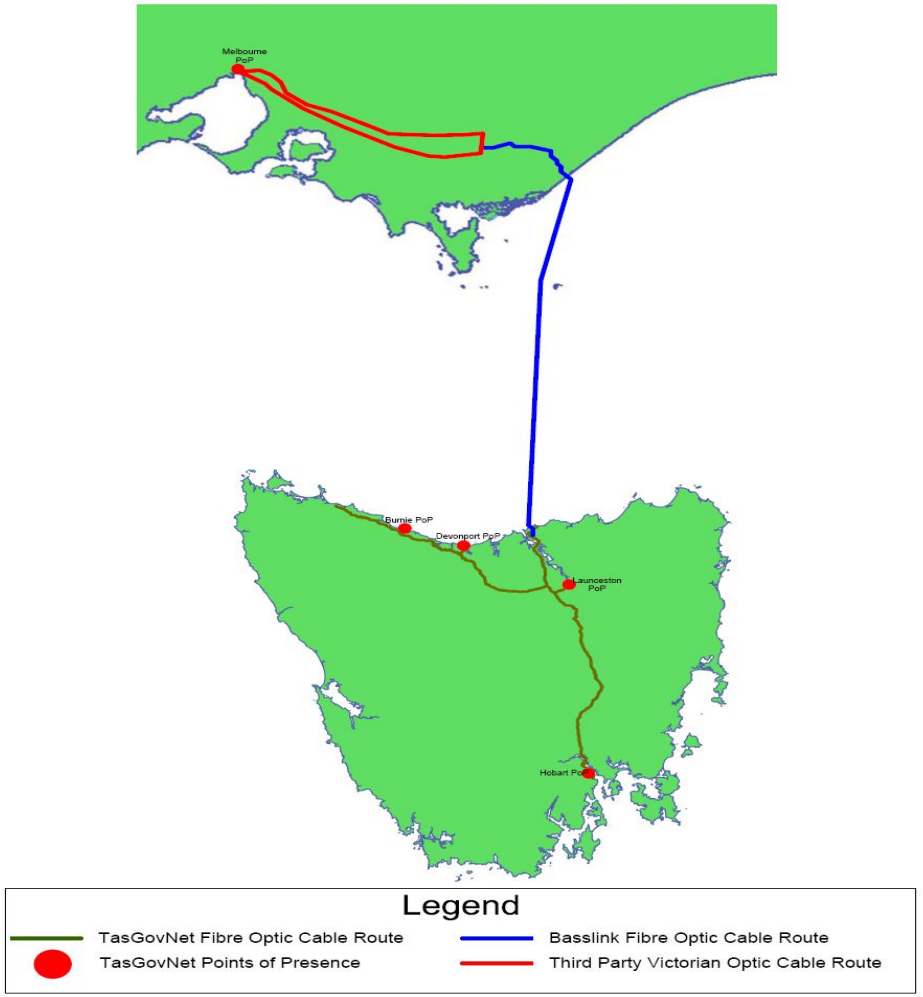
- Basslink was constructed to allow Tasmania to participate in the National Electricity Market ("NEM") and to provide power stability



Cashflow underpinned by long-term contract with Hydro Tasmania

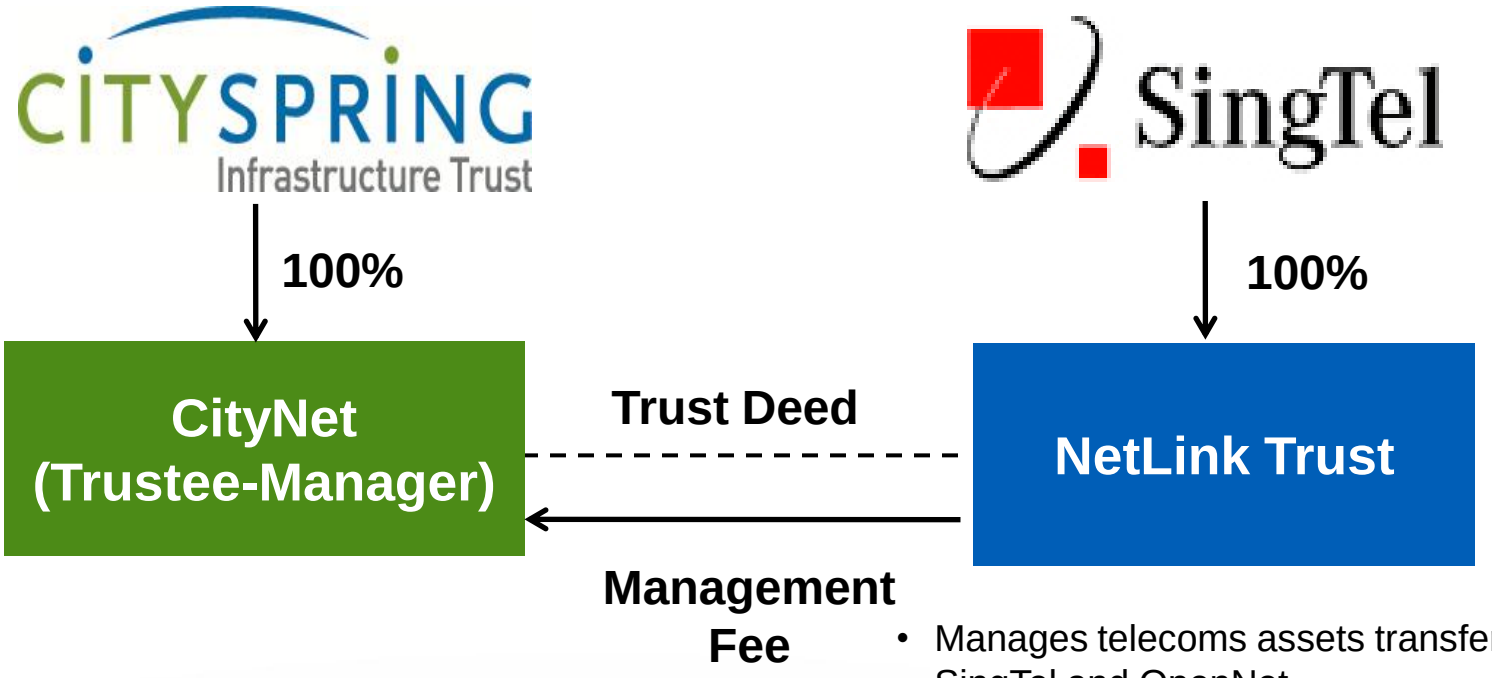
Basslink Telecoms

- Basslink Telecoms provides broadband capacity to telecoms carriers and service providers between Hobart, Tasmania and Melbourne, Victoria



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

CityNet



- Manages telecoms assets transferred from SingTel and OpenNet

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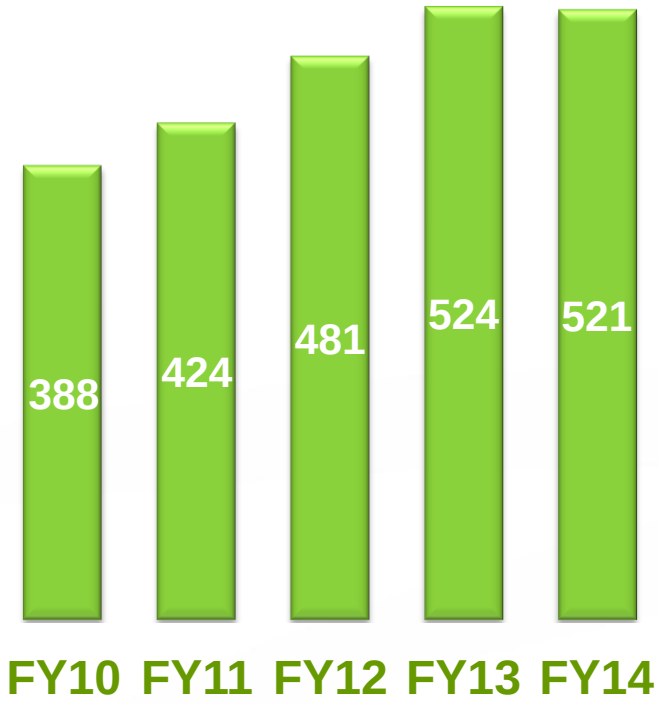
2 Businesses

3 **Financial Results & Unit Performance**

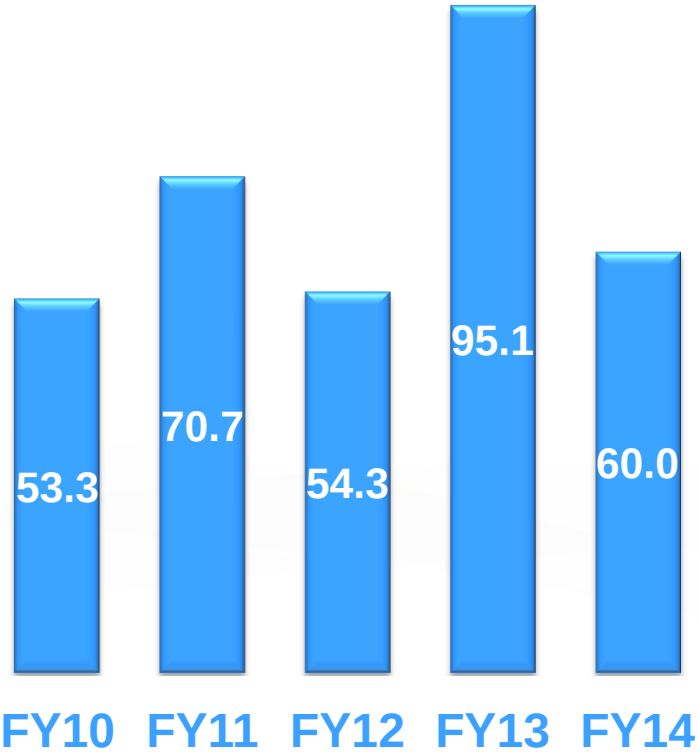
4 Pursuing Growth

Revenue and Cash Earnings

Revenue (S$ millions)



Cash Earnings[(1)] (S$ millions)



(1) Cash earnings is defined as EBITDA adjusted for cash and non-cash items, less cash interest, cash tax, upfront financing fees, maintenance capital expenditure, non-controlling interest and before principal repayment of debt.

FY14 Cash Earnings Lower Than FY13

Factors contributing to the lower cash earnings are:

- The time lag in the adjustment of gas tariffs to reflect actual fuel cost for City Gas

- Lower contributions from Basslink

Group Cash Earnings

	FY14 S$'000	FY13 S$'000
Cash Earnings	60,023	95,061
Applied as follows:		
Principal Repayment of Subsidiary Entity Loan	(10,443)	(9,479)
Distribution to Unitholders	(49,820)	(49,820)
Net Balance	**(240)**	**35,762**

Unrestricted group cash and bank balances as at 31 March 2014 was S$259.7 million.

We measure our performance using cash earnings, instead of accounting profits or losses. Accounting profits are affected by non-cash items such as depreciation and amortisation, accounting taxes, etc. Cash earnings, on the other hand, serves as a better indicator of our performance to our Unitholders.

City Gas - Business Highlights

City Gas

- City Gas achieved total cash earnings of S$45.7 million for FY14
- Its customer base grew by about 3% from 670,000 as at the end of FY13 to about 690,000 as at the end of FY14
- The average monthly town gas sales volume has increased by 2.1% to 139,595,000 kWh compared to a year ago
- Achieved 100% plant availability
- City-OG Gas achieved total cash earnings of US$1.2 million(1) (approximately S$1.5m) for the 8 months period from Aug 2013 to March 2014

(1) *Attributable to CitySpring Infrastructure Trust*

SingSpring - Business Highlights

SingSpring

- Achieved total cash earnings of S$14.2 million for FY14
- Achieved 99.44% availability for the financial year and met all the terms under the Water Purchase Agreement with PUB
- Awarded BizSAFE Star accreditation by Workplace Safety and Health Council in January 2014

Basslink - Business Highlights

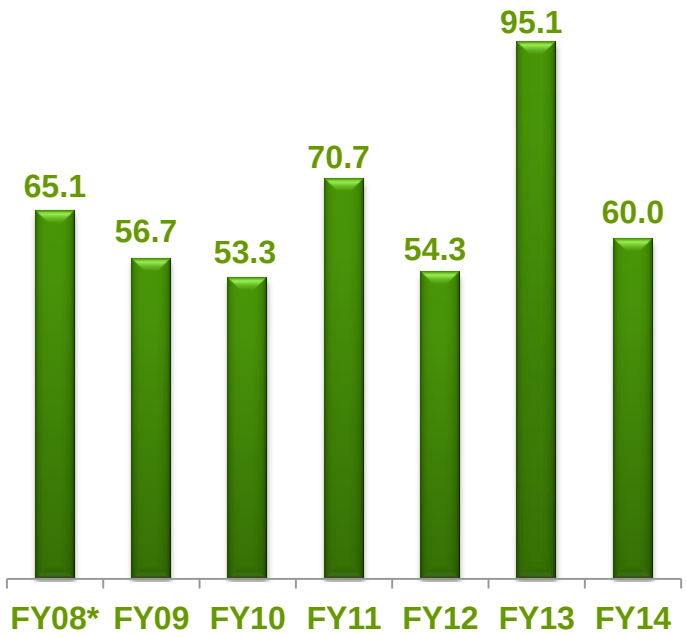
Basslink

- Achieved cash earnings of A$7.9 million (approximately S$9.3m) for FY14
- CRSM[(1)] was negative A$13.4 million (approximately S$15.7m) for FY14
- Achieved cumulative availability of 97.53% for the 12 months ended 31 December 2013 and 99.63% for the three months ended 31 March 2014
- The outcome of the arbitration and legal costs awards were announced on 15 January 2014 and 5 February 2014 respectively

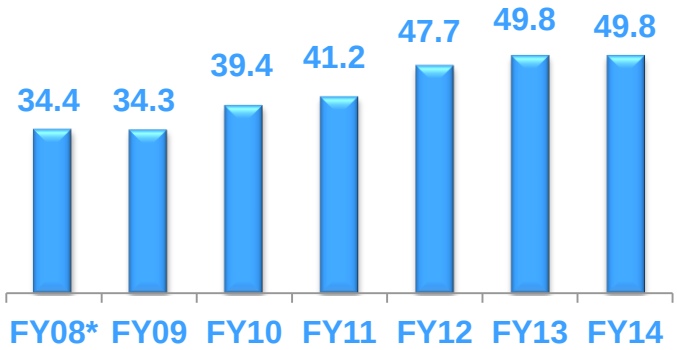
(1) The Commercial Risk Sharing Mechanism ("CRSM") is a mechanism provided under the Basslink Services Agreement ("BSA") between Basslink and Hydro Tasmania ("HT") for the sharing of the market risk associated with participating in the National Electricity Market of Australia. The CRSM payments are based on the differences between the high and low Victorian electricity pool prices, and are subject to a maximum +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.

Sustainable Distributions

Group Cash Earnings (S$ millions)



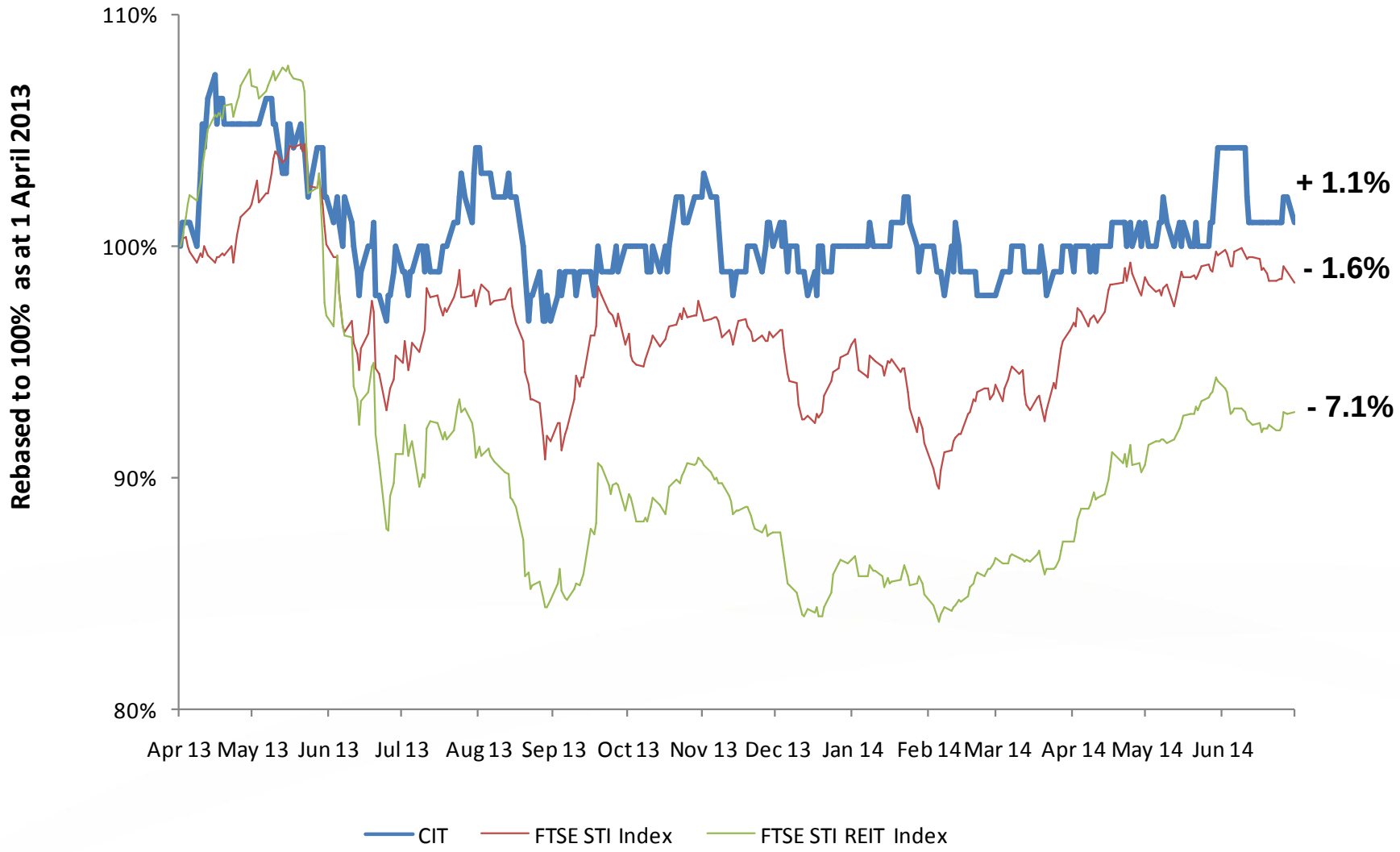
Total Distribution (S$ millions)



- CitySpring distributes to unitholders out of Group Cash Earnings.
- Annual DPU of 3.28 Singapore cents is targeted for FY15 (barring unforeseen circumstances and assuming no material changes to the Group).
- The Group has consolidated cash balance of S$304.3 million as at 31 March 2014, of which S$259.7 million is unrestricted and S$44.6 million is restricted.
- The accumulated cash balance can be used to fund future acquisitions and general corporate purposes.

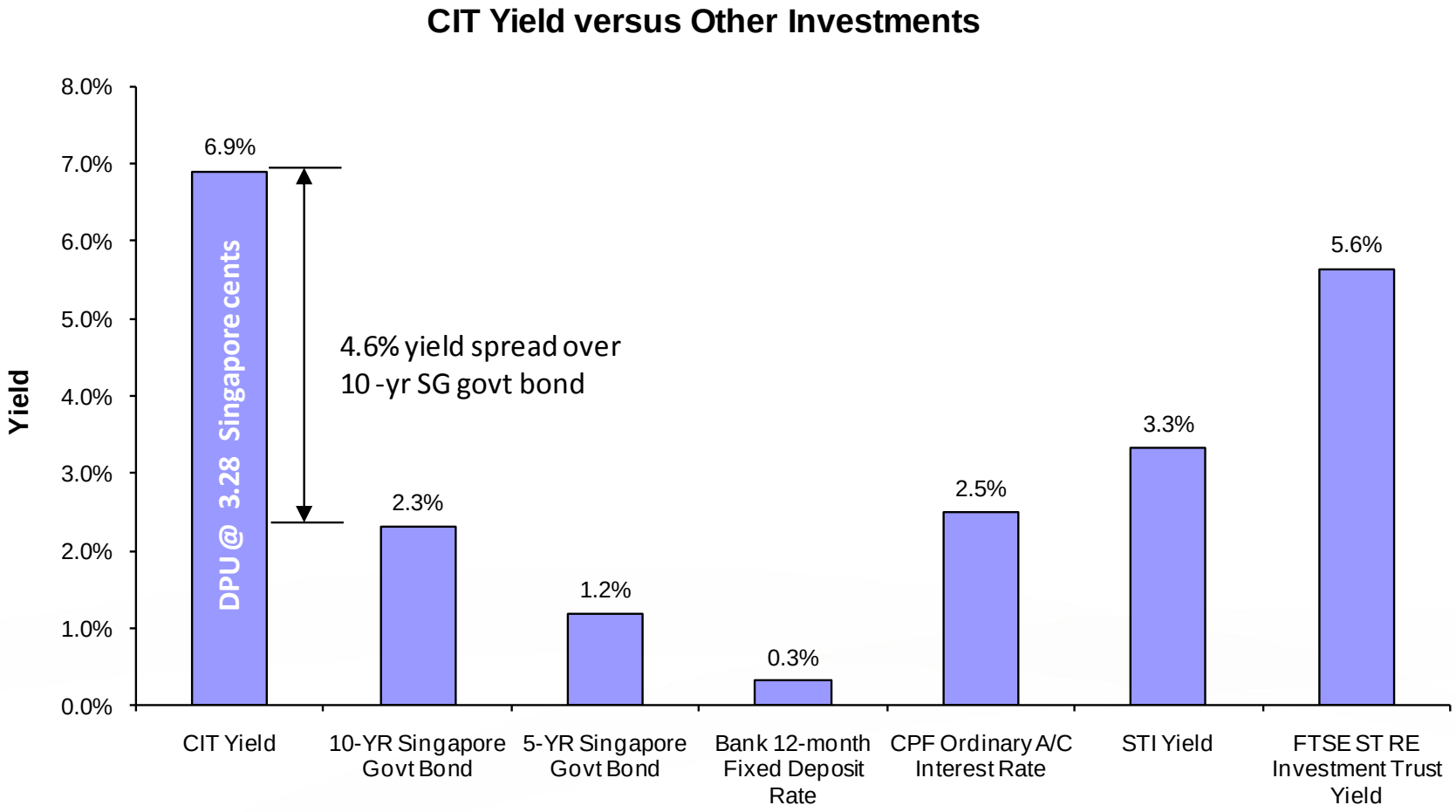
* FY08 covered the period from 5 Jan 2007 to 31 Mar 2008

Unit Price (1 Apr 2013 – 30 Jun 2014)



Source: Bloomberg

Yield Comparison



Note:
(1) CitySpring's trading price was S$ 0.475 as at 30 June 14
(2) All figures are as at 30 June 14
(3) Source: Bloomberg

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CitySpring Portfolio

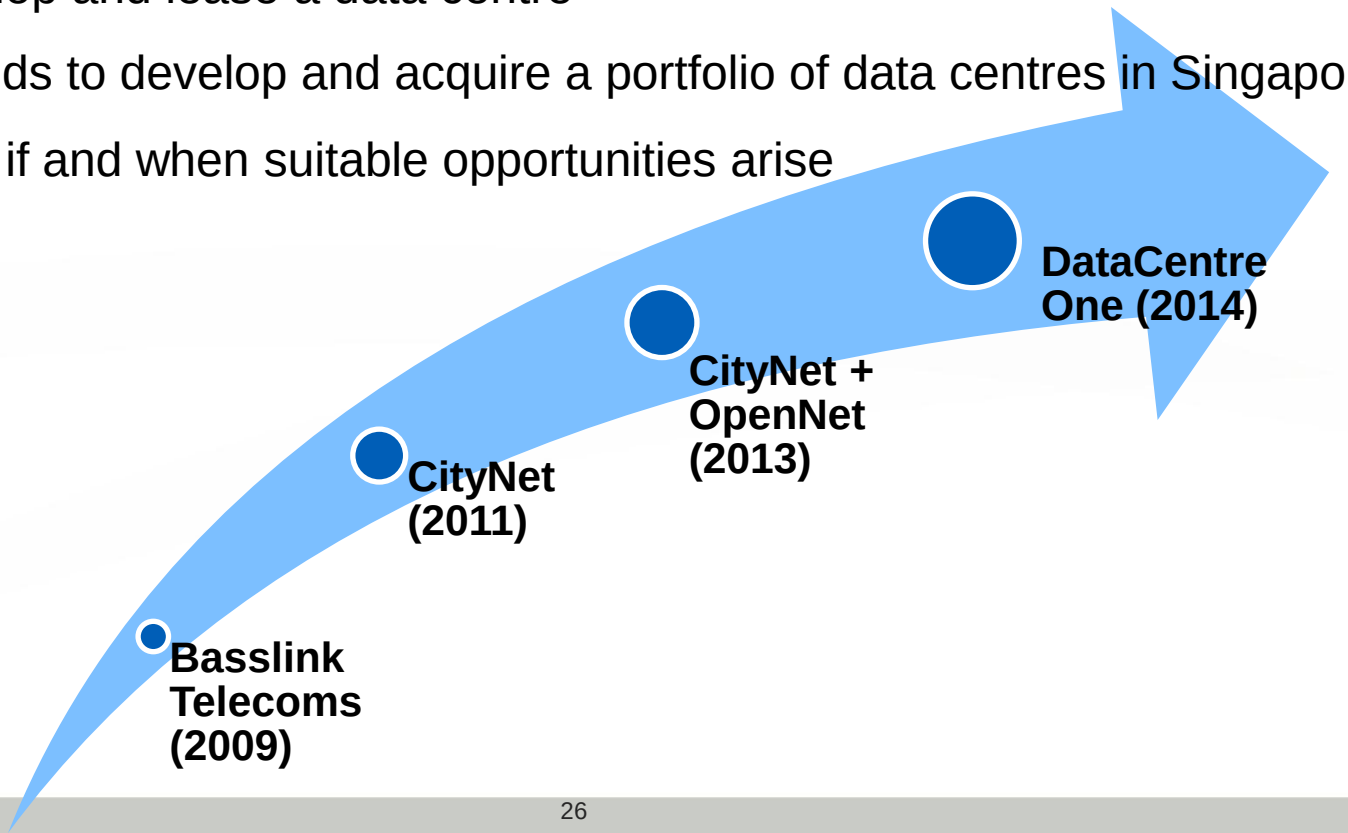
2007	2008	2009	2010	2011	2012	2013	2014
IPO City Gas SingSpring **Acquisition** Basslink	**New Biz** Basslink Telecoms		**New Biz** CityNet (Initial TM role) Basslink Consulting	**New Biz** City Gas-Osaka JV	**New Biz** CityNet (Expanded TM role) (1)		**New Biz** DataCentre One (2)

(1) CityNet expanded its management role in NetLink Trust after it completed the acquisition of OpenNet in November 2013.

(2) Subject to unitholders' approval.

Deepening Our Presence in the Telecoms Sector

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



DataCentre One

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



The investment is subject to Unitholders' approval at an EGM to be convened

Looking Ahead

- As a provider of essential services, we remain focused on ensuring the stability of our operations and maximising the efficiency of our assets to generate steady and sustained cash flow over the long term

- We will continue to place utmost emphasis on our financial stability and capacity for growth

- We will continue to seek out new investment opportunities in line with our investment mandate

Appendix

Group Consolidated Income Statement

	FY14	FY13	
	Actual S$'000	Actual S$'000	Change %
Revenue	521,052	523,888	(0.5)
Other income	2,809	3,352	(16.2)
Other (losses)/gains - net	(1,933)	(7,323)	73.6
Total expenses	(520,037)	(494,267)	(5.2)
Profit before tax	1,891	25,650	(92.6)
Income tax (expense)/credit	(1,549)	(6,071)	74.5
Net (loss)/profit after tax	342	19,579	(98.3)
EBITDA	**117,599**	**147,047**	**(20.0)**
Cash earnings	**60,023**	**95,061**	**(36.9)**

Group Consolidated Balance Sheet

	As at 31 Mar 14 S$'000	As at 31 Mar 13 S$'000
ASSETS		
Cash and bank deposits	304,327	202,364
Derivative financial instruments	3,859	-
Trade and other receivables	68,554	64,924
Inventories	20,040	18,096
Intangibles	388,486	404,463
Finance lease receivables	148,090	156,107
Property, plant and equipment	1,008,471	1,160,928
Other assets	6,015	5,924
Total assets	**1,947,842**	**2,012,806**
LIABILITIES		
Trade and other payables	105,574	99,433
Derivative financial instruments	22,208	50,090
Borrowings	1,297,728	1,344,323
Notes payable to non-controlling interest	15,000	15,000
Provisions	24,044	28,541
Other payables	116,954	110,266
Total liabilities	**1,581,508**	**1,647,653**
Net Assets	**366,334**	**365,153**
Units in issue	886,731	886,731
Hedging reserve	(121,597)	(143,465)
Translation reserve	(24,144)	(14,394)
Capital reserve [(1)]	38,710	-
Accumulated losses	(424,760)	(372,837)
	354,940	356,035
Non-controlling interest	11,394	9,118
Total Unitholders' funds	**366,334**	**365,153**

[(1)] *The gain on the disposal of the 49% shares in City-OG Gas, is accounted for as Capital Reserve at CitySpring Group consolidated level in accordance with FRS 110*

Group Consolidated Cash Flow Statement

	FY14 Actual S$'000	FY13 Actual S$'000
Operating activities		
Profit before tax	1,891	25,650
Non-cash adjustments	114,131	126,758
Operating cash flow before working capital changes	116,022	152,408
Changes in working capital	(32,771)	(46,535)
Net cash generated from operating activities	**83,251**	**105,873**
Investing activities		
Proceeds from change in ownership interest in subsidiary	39,200	-
Purchase of property, plant and equipment	(1,530)	(2,522)
Proceeds from sale of property, plant and equipment	28	25
Net cash (used in)/from investing activities	**37,698**	**(2,497)**
Financing activities		
(Increase)/decrease in restricted cash	(9,397)	2,478
Net proceeds from borrowings	178,000	-
Repayment of borrowings	(138,443)	(9,479)
Payment of loan upfront fee	(1,915)	-
Distributions paid to unitholders of the Trust	(49,820)	(49,820)
Distributions paid by subsidiary to non-controlling interest	(1,755)	(1,860)
Net cash from/(used in) financing activities	**(23,330)**	**(58,681)**
Net increase in cash and cash equivalents	**97,619**	**44,695**
Cash and cash equivalents at beginning of the period	**164,637**	**120,068**
Effect of currency translation on cash and cash equivalents	**(2,556)**	**(126)**
Cash and cash equivalents at end of the period [(2)]	**259,700**	**164,637**

(2) *Excludes restricted cash of S$44,627 and S$37,727 respectively*

Group Cash Earnings

	FY14 Actual S$'000	FY13 Actual S$'000
EBITDA	**117,599**	**147,047**
Add/(less):		
Other cash receipts	6,507	12,455
Net finance costs	(52,565)	(57,480)
Payment of loan upfront fee	(1,915)	-
Fair value loss/(gain) on DFI	(1,722)	5,412
Other non-cash flow expenses	(205)	(5,620)
Maintenance capital expenditure incurred	(1,562)	(2,080)
Total	66,137	99,734
Less: Cash earnings attributable to NCI	(6,114)	(4,673)
Cash earnings	**60,023**	**95,061**

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Thank You

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