CITYSPRING Infrastructure Trust
(Reg. No. 2007001)

Financial Statement And Distribution Announcement for the Quarter ended 30 June 2014

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CITYSPRING INFRASTRUCTURE TRUST
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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.

City-OG Gas Energy Services Pte Ltd ("City-OG Gas"), is a business venture between City Gas and Osaka Gas Co., Ltd ("Osaka Gas"). The business venture which sells natural gas to industrial customers commenced operations on 1 August 2013.

SingSpring is the 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. Basslink Telecoms provides broadband capacity to telecoms carriers and service providers between Hobart, Tasmania and Melbourne, Victoria.

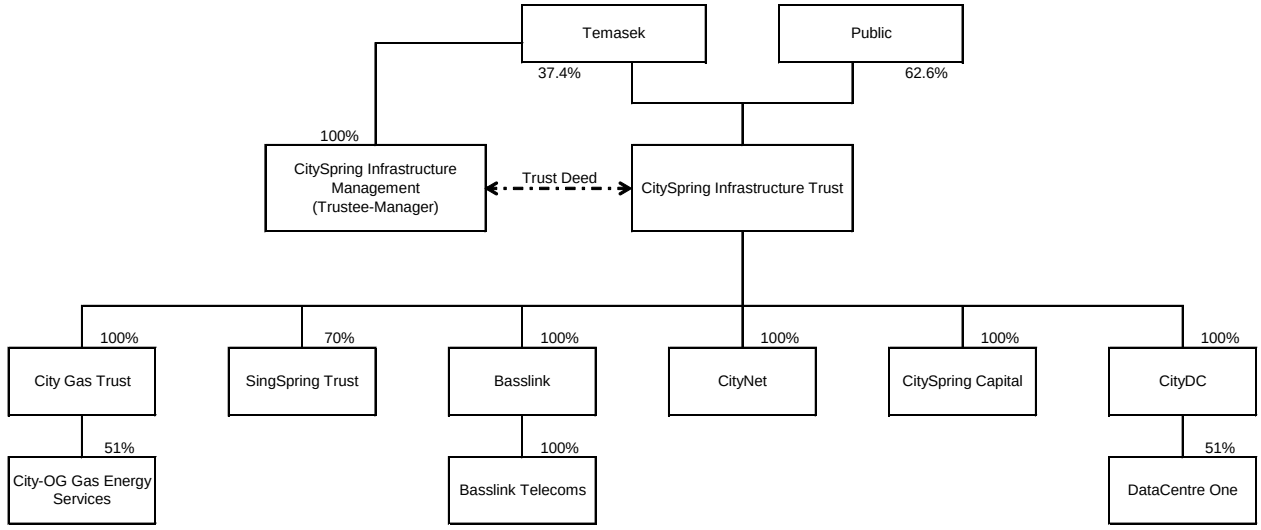
CitySpring Capital was established on 2 October 2012 to issue notes under the Multicurrency Medium Term Note Programme that was established on 11 October 2012.

CityNet is the trustee-manager of NetLink Trust ("NetLink"). Singapore Telecommunications Limited ("SingTel") is the sole unitholder of NetLink Trust, and retains a 100% economic interest in the business and assets of NetLink Trust. CityNet, in its capacity as trustee-manager of NetLink, owns, installs, operates and maintains assets consisting of ducts, manholes and central offices. On 28 November 2013, NetLink Trust completed the acquisition of OpenNet Pte. Ltd. The principal activities of OpenNet are to design, build and operate the fibre network for Singapore's Next Generation Nationwide Broadband Network.

CitySpring had announced on 30 June 2014 and 3 July 2014 that it had entered into a joint venture with Shimizu Corporation ("Shimizu") to develop and lease a data centre in Singapore. The joint venture, Data Centre One Pte Ltd, is 51% owned by CitySpring through 100% owned CityDC Pte Ltd and 49% owned by Shimizu. It will lease the data centre in Singapore to 1-Net Singapore Pte Ltd, a wholly-owned subsidiary of MediaCorp Pte Ltd. As the transaction is an interested person transaction under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, an extraordinary general meeting will be convened on 22 August 2014 to seek unitholders' approval for the transaction.

INTRODUCTION (cont'd)

The CitySpring Group is shown in the chart below.



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 cash flows 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, maintenance capital expenditure, non-controlling interests and before principal repayment of debt.

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 CitySpring 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.

INTRODUCTION (cont'd)

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 for town gas 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 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 derivative financial instruments and currency translation gains or losses.

CITYSPRING INFRASTRUCTURE TRUST
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Financial Statement And Distribution Announcement for the Quarter ended 30 June 2014

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

	1Q FY15	1Q FY14	Change
	S$'000	S$'000	%
Revenue	**133,361**	**127,050**	**5.0**
Other income	**823**	**691**	**19.1**
Other losses - net	**(2,829)**	**(631)**	**N/M**
Expenses			
Fuel and electricity costs	(51,821)	(51,305)	(1.0)
Gas transportation costs	(21,042)	(21,075)	0.2
Depreciation and amortisation	(13,011)	(13,528)	3.8
Staff costs	(6,585)	(5,956)	(10.6)
Operation and maintenance costs	(5,365)	(5,753)	6.7
Finance costs	(17,104)	(17,156)	0.3
Management fees	(1,809)	(1,760)	(2.8)
Other operating expenses	(9,018)	(11,337)	20.5
Total expenses	(125,755)	(127,870)	1.7
Profit/(loss) before tax	**5,600**	**(760)**	**N/M**
Income expense	(2,069)	(765)	N/M
Net profit/(loss) after tax	**3,531**	**(1,525)**	**N/M**
Profit/(loss) attributable to:			
Unitholders of the Trust	2,528	(1,824)	N/M
Non-controlling interests	1,003	299	234.9
	3,531	**(1,525)**	**N/M**

Refer to paragraphs 8.1 for further details.

N/M - Not meaningful

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

	1Q FY15	1Q FY14	Change
	S$'000	S$'000	%
Net profit/(loss) after tax	**3,531**	**(1,525)**	**N/M**
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to income statement			
Cash flow hedges:			
- Fair value (losses)/gains	(34,800)	15,889	N/M
- Transfer to income statement	2,612	2,653	(1.5)
Currency translation differences relating to consolidation of foreign subsidiaries	478	(10,891)	N/M
Other comprehensive (loss)/income, net of tax	**(31,710)**	**7,651**	**N/M**
Total comprehensive (loss)/income	**(28,179)**	**6,126**	**N/M**
Attributable to:			
Unitholders of the Trust	(29,113)	5,155	N/M
Non-controlling interests	934	971	(3.8)
	(28,179)	**6,126**	**N/M**

(iii) Additional information[1]

	1Q FY15	1Q FY14	Change
	S$'000	S$'000	%
EBITDA	**35,186**	**29,465**	**19.4**
Cash earnings[2]			
Attributable to:			
Unitholders of the Trust	**22,600**	**15,987**	**41.4**
Non-controlling interest	2,068	1,153	79.4

N/M - Not meaningful

[1] This does not form part of the statutory financial statements

[2] 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 interests and before principal repayment of debt

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 Jun 2014	As at 31 Mar 2014
	S$'000	S$'000
ASSETS		
Current assets		
Cash and bank deposits	309,049	304,327
Trade and other receivables	67,165	68,554
Finance lease receivables	8,467	8,382
Inventories	20,287	20,040
Other current assets	7,007	3,878
Total current assets	**411,975**	**405,181**
Non-current assets		
Derivative financial instruments	-	3,859
Finance lease receivables	137,534	139,708
Other assets	2,040	2,137
Property, plant and equipment	1,007,924	1,008,471
Intangibles	385,981	388,486
Total non-current assets	**1,533,479**	**1,542,661**
Total assets	**1,945,454**	**1,947,842**
LIABILITIES		
Current liabilities		
Derivative financial instruments	15,023	15,039
Trade and other payables	98,682	105,574
Current tax liabilities	10,271	9,061
Borrowings	152,648	152,450
Total current liabilities	**276,624**	**282,124**
Non-current liabilities		
Derivative financial instruments	39,142	7,169
Borrowings	1,153,750	1,145,278
Notes payable to non-controlling interest	15,000	15,000
Deferred tax liabilities	23,414	23,756
Provisions	24,742	24,044
Other payables	87,442	84,137
Total non-current liabilities	**1,343,490**	**1,299,384**
Total liabilities	**1,620,114**	**1,581,508**
Net assets	**325,340**	**366,334**
UNITHOLDERS' FUNDS		
Units in issue	886,731	886,731
Hedging reserve	(153,736)	(121,597)
Translation reserve	(23,646)	(24,144)
Capital reserve	38,710	38,710
Accumulated losses	(434,687)	(424,760)
	313,372	354,940
Non-controlling interests	11,968	11,394
Total unitholders' funds	**325,340**	**366,334**

Refer to paragraph 8.2 for further details.

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 Jun 2014	As at 31 Mar 2014
	S$'000	S$'000
ASSETS		
Current assets		
Cash and bank deposits	89,404	93,542
Trade and other receivables	7,505	7,525
Other current assets	92	24
Total current assets	**97,001**	**101,091**
Non-current assets		
Long-term receivables	230,570	230,570
Subsidiary companies	465,573	465,573
Total non-current assets	**696,143**	**696,143**
Total assets	**793,144**	**797,234**
LIABILITIES		
Current liabilities		
Derivative financial instrument	-	13
Trade and other payables	2,185	2,166
Current tax liabilities	27	20
Borrowings	142,237	142,041
Total current liabilities	**144,449**	**144,240**
Total liabilities	**144,449**	**144,240**
Net assets	**648,695**	**652,994**
UNITHOLDERS' FUNDS		
Units in issue	886,731	886,731
Hedging reserve	-	(13)
Accumulated losses	(238,036)	(233,724)
Total unitholders' funds	**648,695**	**652,994**

Refer to paragraph 8.3 for further details.

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

	As at 30 Jun 2014	As at 31 Mar 2014
	S$'000	S$'000
Secured borrowings		
Amount repayable within one year	152,648	152,450
Amount repayable after one year	1,153,750	1,145,278
	1,306,398	1,297,728

The Group has completed the loan documentation for the refinancing of the CitySpring corporate loan of S$142.3 million. The existing loan will be repaid and the new loan will be drawn down on 15 August 2014. Upon the drawdown of the new loan, the loan convenants relating to controlling unitholder or change in control as stated below will no longer apply as they do not form part of the terms of the new loan.

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[3], 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.

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 existing CitySpring corporate loan which matures on 15 August 2014:

(i) if Temasek Holdings (Private) Limited ("Temasek") ceases to own, free from encumbrances, all the issued shares in the Trustee-Manager; or

(ii) 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) Other facilities

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

(c) Interest rate hedges

The Trustee-Manager has entered into various interest rate swaps to hedge the exposure of CitySpring to interest rate volatilities under the facility agreement to which it is 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.

[3] 30% unitholder of SingSpring Trust

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

	1Q FY15	1Q FY14
	S$'000	S$'000
Operating activities		
Profit/(loss) before tax	5,600	(760)
Adjustments for:		
Depreciation and amortisation	13,011	13,528
Finance costs	17,104	17,156
Interest income	(529)	(459)
Fair value loss/(gain) on derivative financial instruments	2,155	(1,069)
Property, plant and equipment written off	-	4
Unrealised translation loss	50	69
Operating cash flow before working capital changes	37,391	28,469
Changes in working capital :		
Inventories	(246)	275
Trade and other receivables	519	1,633
Trade and other payables	(3,583)	734
Cash generated from operations	34,081	31,111
Interest received	457	433
Interest paid	(13,248)	(15,113)
Net cash generated from operating activities	**21,290**	**16,431**
Investing activity		
Purchase of property, plant and equipment	(1,534)	(306)
Net cash used in investing activity	**(1,534)**	**(306)**
Financing activities		
Increase in restricted cash	(1,281)	(5,661)
Repayment of borrowings	(2,611)	(2,611)
Distributions paid to unitholders of the Trust	(12,455)	(12,455)
Distributions paid by subsidiary to non-controlling interest	(360)	(300)
Net cash used in financing activities	**(16,707)**	**(21,027)**
Net increase/(decrease) in cash and cash equivalents	**3,049**	**(4,902)**
Cash and cash equivalents at beginning of the period	259,700	164,637
Effect of currency translation on cash and cash equivalents	193	(2,630)
Cash and cash equivalents at end of the period (Note a)	**262,942**	**157,105**

Note a:

	As at 30 Jun 2014	As at 30 Jun 2013
	S$'000	S$'000
Cash and bank deposits as at 30 June	309,049	197,866
Less: Restricted cash	(46,107)	(40,761)
Cash and cash equivalents	**262,942**	**157,105**

Restricted cash represents the amount of cash and cash equivalents required to be set aside to meet interest and principal repayments for loans extended to CitySpring and its subsidiary entities and also for secured bank guarantees for the Group.

Refer to paragraph 8.4 for further details.

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.

Group

	Attributable to Unitholders of the Trust							
	Units in Issue	Hedging Reserve	Translation Reserve	Capital Reserve	Accumulated Losses	Total	Non-controlling Interests	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
2015								
Balance as at 1 Apr 2014	886,731	(121,597)	(24,144)	38,710	(424,760)	354,940	11,394	366,334
Total comprehensive (loss)/income	-	(32,139)	498	-	2,528	(29,113)	934	(28,179)
Contributions by and distributions to owners								
Distributions paid	-	-	-	-	(12,455)	(12,455)	(360)	(12,815)
Total transactions with owners in their capacity as owners	-	-	-	-	(12,455)	(12,455)	(360)	(12,815)
Balance as at 30 Jun 2014	**886,731**	**(153,736)**	**(23,646)**	**38,710**	**(434,687)**	**313,372**	**11,968**	**325,340**
2014								
Balance as at 1 Apr 2013	886,731	(143,465)	(14,394)	-	(372,837)	356,035	9,118	365,153
Total comprehensive income/(loss)	-	17,870	(10,891)	-	(1,824)	5,155	971	6,126
Contributions by and distributions to owners								
Distributions paid	-	-	-	-	(12,455)	(12,455)	(300)	(12,755)
Total transactions with owners in their capacity as owners	-	-	-	-	(12,455)	(12,455)	(300)	(12,755)
Balance as at 30 Jun 2013	**886,731**	**(125,595)**	**(25,285)**	**-**	**(387,116)**	**348,735**	**9,789**	**358,524**

Trust

	Units in Issue	Hedging Reserve	Accumulated Losses	Total
	S$'000	S$'000	S$'000	S$'000
2015				
Balance as at 1 Apr 2014	886,731	(13)	(233,724)	652,994
Total comprehensive income	-	13	8,143	8,156
Contributions by and distributions to owners				
Distributions paid	-	-	(12,455)	(12,455)
Total transactions with owners in their capacity as owners	-	-	(12,455)	(12,455)
Balance as at 30 Jun 2014	**886,731**	**-**	**(238,036)**	**648,695**
2014				
Balance as at 1 Apr 2013	886,731	(48)	(107,354)	779,329
Total comprehensive (loss)/income	-	(88)	27,450	27,362
Contributions by and distributions to owners				
Distributions paid	-	-	(12,455)	(12,455)
Total transactions with owners in their capacity as owners	-	-	(12,455)	(12,455)
Balance as at 30 Jun 2013	**886,731**	**(136)**	**(92,359)**	**794,236**

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.

Not applicable.

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 Jun 2014	As at 31 Mar 2014
Total issued units	1,518,893,062	1,518,893,062

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 figures have not been audited nor reviewed by the Auditor.

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

Not applicable.

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 2014.

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 2014, the Group adopted the following new or amended Singapore Financial Reporting Standards ("FRS") which are relevant to the Group's operations:

- Revised FRS 27 Separate Financial Statements
- Revised FRS 28 Investments in Associates and Joint Ventures
- Amendments to FRS 32 – Offsetting of Financial Assets and Financial Liabilities
- FRS 110 Consolidated Financial Statements
- FRS 111 Joint Arrangements
- FRS 112 Disclosure of Interests in Other Entities
- Amendments to the transition guidances of FRS 110 Consolidated Financial Statements, FRS 111 Joint Arrangements and FRS 112 Disclosure of Interests in Other Entitites
- Amendments to FRS 110, FRS 112 and FRS 27: Investment Entities
- Amendments to FRS 36 Recoverable Amount Disclosures for Non-financial Assets
- Amendments to FRS 39 Novation of Derivatives and Continuation of Hedge Accounting
- INT FRS 121 Levies

The adoption of these standards did not have any effect on the financial performance or position of the Group and the Trust.

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

	1Q FY15	1Q FY14
(i) Weighted average number of units	1,518,893,062	1,518,893,062
(ii) Earnings/(loss) per unit for the period based on the weighted average number of units in issue (cents)		
- Basic and diluted	0.17	(0.12)
(iii) Number of units issued at end of period	1,518,893,062	1,518,893,062
(iv) Distribution per unit for the period (cents)	0.82	0.82

6.2 Cash earnings per unit attributable to unitholders for the financial period

	1Q FY15	1Q FY14
Cash earnings per unit for the period based on the weighted average number of units in issue (cents)		
- Basic and diluted	1.49	1.05

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.

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 Jun 2014	31 Mar 2014	30 Jun 2014	31 Mar 2014
Net asset value per unit (cents)	20.6	23.4	42.7	43.0

The Group NAV per unit before hedging and translation reserves is 32.3 cents as at 30 June 2014 and 33.0 cents as at 31 March 2014.

The number of units used for computation of actual NAV per unit is 1,518,893,062 which is the number of units in issue as at 30 June 2014 and 31 March 2014.

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 hedging contracts to be recognised in the hedging reserve. At 30 June 2014, the Group had a hedging reserve of negative S$153.7 million (31 March 2014: negative S$121.6 million). Due to the long term nature of some of these contracts, movements in fair value of these contracts can be significant. The fair value movements in hedging reserve are non-cash and do not reflect the fundamental value of the Group's businesses.

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 (1Q FY15 vs 1Q FY14)

Revenue

Group revenue for 1Q FY15 was S$133.4 million which was S$6.3 million higher than 1Q FY14.

At City Gas, revenue of S$98.6 million in 1Q FY15 was S$1.8 million higher than its revenue of S$96.8 million in 1Q FY14. This was due mainly to higher volume of gas sold.

SingSpring's revenue of S$8.9 million in 1Q FY15 was S$0.7 million lower than its revenue of S$9.6 million in 1Q FY14. This was due mainly to lower energy revenue due to lower fuel costs.

Basslink's revenue of A$21.3 million (approximately S$24.9 million) in 1Q FY15 was higher than A$16.3 million (approximately S$20.1 million) in 1Q FY14. It was due mainly to CRSM[4] of A$1.0 million (approximately S$1.2 million) as a result of a positive adjustment[5] in 1Q FY15 compared to negative A$3.6 million (approximately S$4.5 million) in 1Q FY14.

CityNet contributed revenue of S$1.0 million in 1Q FY15 which was higher than its revenue of S$0.5 million in 1Q FY14. This was due mainly to the additional management fee following the completion of the acquisition of OpenNet by NetLink Trust on 28 November 2013.

Other income

This comprises interest income and other miscellaneous income. Other income was S$0.8 million in 1Q FY15 compared to S$0.7 million 1Q FY14.

Other losses/gains – net

Other losses – net of S$2.8 million in 1Q FY15 compared to S$0.6 million 1Q FY14 were due mainly to fair value movement on derivative instruments and currency translation movement.

Operating Expenses

Fuel and electricity costs of S$51.8 million in 1Q FY15 were marginally higher than S$51.3 million in 1Q FY14.

Depreciation and amortisation costs were S$13.0 million in 1Q FY15 which were marginally lower than S$13.5 million recorded in 1Q FY14.

Finance costs of S$17.1 million in 1Q FY15 were comparable to S$17.2 million in 1Q FY14.

Other operating expenses of S$9.0 million in 1Q FY15 was lower than S$11.3 million in 1Q FY14. The lower operating expenses in 1Q FY15 was due mainly to the absence of legal fees incurred for the dispute.

Income tax

Income tax expense was S$2.1 million in 1Q FY15 compared to S$0.8 million in 1Q FY14. 1Q FY15 income tax expense comprises mainly current income tax expense and deferred income tax expense. 1Q FY14 income tax expense comprises mainly current income tax expense and deferred income tax credit.

[4] 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.

[5] The adjustment is in accordance with paragraph (b) of schedule 4 of the BSA, where the rolling 5-year cumulative CRSM shall be capped at -17% if it exceeds -17%.

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 (1Q FY15 vs 1Q FY14) (cont'd)

Cash earnings

1Q FY15 cash earnings was S$22.6 million which was S$6.6 million higher than S$16.0 million in 1Q FY14.

City Gas recorded cash earnings of S$12.7 million in 1Q FY15 compared to S$13.1 million in 1Q FY14. 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 daily on the open market. 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.

SingSpring desalination plant achieved 100% availability in 1Q FY15, and recorded cash earnings of S$4.0 million which was higher than S$3.5 million in 1Q FY14 due mainly to lower finance cost.

Basslink's cash earnings was A$6.7 million (approximately S$7.8 million) in 1Q FY15 which was higher compared to A$1.4 million (approximately S$1.8 million) in 1Q FY14. The higher cash earnings was due mainly to CRSM of A$1.0 million (approximately S$1.2 million) as a result of a positive adjustment [6] in 1Q FY15 compared to negative A$3.6 million (approximately S$4.5 million) in 1Q FY14, and absence of legal fees incurred for the dispute in 1Q FY15.

CityNet contributed cash earnings of S$1.0 million in 1Q FY15 which was S$0.5 million higher than 1Q FY14. This was due mainly to the additional management fee following the completion of the acquisition of OpenNet by NetLink Trust on 28 November 2013.

8.2 Balance Sheet – Group

Total assets as at 30 June 2014 was S$1,945.5 million which as marginally lower than total assets of S$1,947.8 million as at 31 March 2014.

Total liabilities as at 30 June 2014 was S$1,620.1 million which was higher than total liabilities of S$1,581.5 million as at 31 March 2014. This was due mainly to increase in mark-to-market liability of the derivative financial instruments.

Total unitholders' funds as at 30 June 2014 was S$313.4 million which was lower than total unitholders' funds of S$354.9 million as at 31 March 2014. This was due mainly to distribution to unitholders and effects of mark-to-market changes of the derivative financial instruments on hedging reserve.

[6] The adjustment is in accordance with paragraph (b) of schedule 4 of the BSA, where the rolling 5-year cumulative CRSM shall be capped at -17% if it exceeds -17%.

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 – Trust

There was no significant movement in the assets and liabilities of the Trust as at 30 June 2014 compared to 31 March 2014.

The Group has completed the loan documentation for the refinancing of the CitySpring corporate loan of S$142.3 million. The existing loan will be repaid and the new loan will be drawn down on 15 August 2014.

8.4 Cashflow

Cash generated from operating activities was S$21.3 million for 1Q FY15 compared to S$16.4 million for 1Q FY14. The higher cash generated was due to the higher cash earnings as explained in paragraph 8.1 (refer to the performance review of 1Q FY15 vs 1Q FY14).

Net cash used in financing activities of S$16.7 million comprised mainly distributions to Unitholders of CitySpring and non-controlling interest of a subsidiary.

Cash and bank deposits less restricted cash as at 30 June 2014 was S$262.9 million which was an increase of S$105.8 million compared to S$157.1 million as at 30 June 2013. This was due mainly to the proceeds of S$39.2 million from the sale of 49% of City-OG Gas to Osaka Gas in August 2013 and the higher loan amount by S$50.0 million at City Gas.

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 2015 has been disclosed.

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.

City Gas may see slower growth due to the current uncertainty in the 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 decrease gas tariff by 0.1% from 1 August 2014.

Arbitration between Basslink Pty Ltd ("BPL") and Hydro Tasmania ("HT")
The outcome of the arbitration and legal costs awards were announced on 15 January 2014 and 5 February 2014 respectively.

Refinancing Plans
As highlighted in paragraphs 8.2 and 8.3, the Group has completed the loan documentation for the refinancing of the CitySpring corporate loan of S$142.3 million. The existing loan will be repaid and the new loan will be drawn down on 15 August 2014.

Basslink had appointed a financial adviser for the refinancing of the Basslink bonds of A$486 million due in August 2015. In order to provide for capital management flexibility at Basslink, no cash distribution has been or will be received from Basslink until the refinancing plan has been finalised.

The above refinancing plans have no impact on the target annual distribution of 3.28 Singapore cents per unit for FY15 barring any unforeseen circumstances and assuming no material changes to the Group.

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 01/04/2014 to 30/06/2014
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$12,454,923
Distribution period	:	From 01/04/2013 to 30/06/2013
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.

(c) Date Payable : 29 August 2014

(d) Books closure date : The Transfer Books and Register of CitySpring Infrastructure Trust will be closed from 5.00 p.m. on 21 August 2014 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 21 August 2014 will be entitled to the distribution to be paid on 29 August 2014.

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

Not applicable.

13. Interested Person Transactions

The Group had 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 and had obtained a renewal of the general mandate at the annual general meeting held on 19 July 2013. The figures below are calculated based on the effective interest held by the Trust in each subsidiary.

Name of Interested Person	Aggregate value of all interested person transactions conducted during the financial period under review under unitholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)	
	1Q FY15 S$'000	**1Q FY14 S$'000**
(a) Sales of Goods and Services		
Temasek Holdings (Private) Limited and its Associates		
- Singapore Power Limited		
- Powergas Limited	294	269
- SATS Catering Pte Ltd	1,442	1,556
(b) Management Fee Income		
Temasek Holdings (Private) Limited and its Associates		
- Singapore Telecommunications Limited		
- CityNet Infrastructure Management Pte Ltd (As Trustee-Manager of NetLink Trust)	1,035	534
(c) Reimbursement of expenses		
Temasek Holdings (Private) Limited and its Associates		
- Singapore Power Limited		
- Powergas Limited	1,435	1,396
- Singapore Telecommunications Limited		
- CityNet Infrastructure Management Pte Ltd (As Trustee-Manager of NetLink Trust)	-	10
- CitySpring Infrastructure Management Pte. Ltd.	-	13

13. Interested Person Transactions (cont'd)

Name of Interested Person	Aggregate value of all interested person transactions conducted during the financial period under review under unitholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)	
	1Q FY15 S$'000	**1Q FY14 S$'000**
(d) Purchases		
Temasek Holdings (Private) Limited and its Associates		
- Aetos Security Management Pte Ltd	184	170
- Certis Cisco Security Pte Ltd	48[7,8]	42[7,8]
- Singapore Power Limited		
- Gas Supply Pte Ltd	34,438	37,379
- Powergas Limited	21,711	21,055
- SP Services Limited	4,030	3,887
- Sembcorp Power Pte Ltd	3	1,782
- SP Australia Networks		
- SPI PowerNet Pty Ltd	296	381
- SPI Networks Pty Ltd	38	35
- SPI Electricity Pty Ltd	44	1
(e) Leasing of Assets (Rental charge)		
Temasek Holdings (Private) Limited and its Associates		
- Singapore Power Limited		
- Powergas Limited	150	140
- SP Services Limited	67	67
(f) Management Fee Expense (including Reimbursement of Expenses)		
Temasek Holdings (Private) Limited and its Associates		
- CitySpring Infrastructure Management Pte. Ltd.	2,129	2,090

[7] This relates to security services which a subsidiary had agreed to cost share with its operator and its customer.

[8] This includes the security services which a third party has agreed to bear in full.

14. 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 June 2014 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 of 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
13 August 2014