



## **Results Briefing for FY10**

**22 May 2010**

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- FY10 ( Apr 2009 to Mar 2010)
  - Total cash earnings<sup>(1)</sup> for the year ended 31 Mar 2010 (“FY10”) amounted to S\$ 57.9 million versus S\$60.9 million for the previous financial year
- 4Q FY10
  - For 4Q FY10, CitySpring will pay a distribution per unit (“DPU”) of 1.05 Singapore cents. This is in line with the previous guidance provided
- Annual DPU of 4.20 Singapore cents targeted for FY11<sup>(2)</sup>

(1) *Cash Earnings is defined as EBITDA adjusted for non-cash items and lease receivable, less cash interest, cash tax, upfront financing fees and maintenance capex, and before principal repayment of debt and minority interest*

(2) *Assuming no material changes to the Group in FY11*

(S\$ million)	FY09	FY10
Group Cash Earnings	60.9	57.9
Distribution to Unitholders	34.3	39.4

- CitySpring has delivered steady performance across all businesses for FY10
- CitySpring has delivered total distributions of S\$39.4 million for FY10
- CitySpring's distributions are paid from net operating cashflow

- CitySpring, as a business trust, is structured to make distributions based on cash earnings. Our underlying businesses provide essential utility services to communities:
  - City Gas is the sole producer and retailer of town gas
  - SingSpring is the only water desalination plant in Singapore supplying water to the PUB
  - Basslink is the only electricity interconnector between Tasmania and Victoria in Australia
  - Basslink Telecoms provides wholesale telecoms capacity between Tasmania and Victoria
- City Gas' stable cashflow is supported by a large diversified customer base which uses town gas primarily for cooking, while the stability of SingSpring's and Basslink's cashflow is supported by respective long-term availability-based contracts with state-owned entities
- As Trustee-Manager, our primary focus is to protect the stability of cashflow from these businesses to deliver regular and stable distributions to unitholders

### City Gas

- Achieved higher sales volume of 1.8 billion kWh despite the challenging economic environment
- Customer base increased by 2% to about 620,000 from FY09
- Recorded \$25.5 million in cash earnings for FY10
- 3 upward tariff adjustments were granted by the Energy Market Authority:
  - 1.14 cent/kWh from 1 Aug 09
  - 2.24 cent/kWh from 1 Nov 09
  - 0.40 cent/kWh from 1 Feb 10
- Successfully signed on major commercial customers such as Resorts World Sentosa (including Universal Studios), ION Orchard, 313@Somerset, TripleOne Somerset, Orchard Central, Illuma, City Square Mall and Tampines One
- Reported record daily gas send-out of 881,022 cubic metres during the year
- 100% plant availability
- Launched “Go Green, Go Gas” campaign to home-owners to enhance customers’ awareness on advantages of using gas water heaters
  - Such heaters emit less carbon dioxide and provide energy savings, which translates into lower utility expenditure
- Opened a second City Gas Gallery at Woodlands Civic Centre

**SingSpring**

- Achieved total cash earnings of S\$18.5 million
- Continues to maintain record of 100% availability and met all the terms under the Water Purchase Agreement with PUB
- Supplied an average of 57,226 m<sup>3</sup> of water per day to PUB, representing 42% of the SingSpring plant's capacity, which is 10% more than last year
- Received HACCP<sup>(1)</sup> certification on 19 Apr 2010

(1) HACCP stands for Hazard Analysis Critical Control Point. It is a food safety management system.



**Basslink**

- Achieved cash earnings of A\$22.2 million
- Achieved cumulative availability of 98.8% for the 12 months ended 31 Dec 2009
- Cumulative availability for the three months ended 31 Mar 2010 was 99.9%
- Basslink Telecoms was officially launched on 16 July 2009 in a ceremony attended by the Tasmanian Premier David Bartlett and the Federal Minister for Communications Senator Steven Conroy
  - It provides wholesale telecoms capacity between Tasmania and Victoria and has signed several telecoms service providers as customers

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# Group Financial Results

## Group Consolidated Income Statement

	4Q FY10	4Q FY09		FY10	FY09	
	Actual S\$'000	Actual S\$'000	Change %	Actual S\$'000	Actual S\$'000	Change %
<b>Revenue</b>	117,969	97,270	21.3	388,147	398,739	(2.7)
<b>Other income</b>	1,123	728	54.3	3,345	5,469	(38.8)
<b>Other (losses)/gains - net</b>	(9)	(864)	N/M	(40)	809	N/M
<b>Total expenses</b>	(115,358)	(108,484)	(6.3)	(414,382)	(432,476)	4.2
<b>Profit/(loss) before fair value changes on DFI and income tax</b>	3,725	(11,350)	N/M	(22,930)	(27,459)	16.5
Fair value (loss)/gain on DFI	(1,670)	8,865	N/M	6,153	(23,585)	N/M
<b>Profit/(loss) before income tax</b>	2,055	(2,485)	N/M	(16,777)	(51,044)	67.1
Income tax (expense)/credit	(6)	2,328	N/M	26,004	1,293	N/M
<b>Net profit/(loss) after income tax</b>	2,049	(157)	N/M	9,227	(49,751)	N/M
<b>EBITDA</b>	<b>36,550</b>	<b>29,546</b>	<b>23.7</b>	<b>120,770</b>	<b>84,557</b>	<b>42.8</b>
<b>Cash earnings <sup>(1)</sup></b>	<b>23,448</b>	<b>21,833</b>	<b>7.4</b>	<b>57,853</b>	<b>60,940</b>	<b>(5.1)</b>
<b>Cash earnings less MI</b>	<b>22,417</b>	<b>20,883</b>	<b>7.3</b>	<b>53,265</b>	<b>56,703</b>	<b>(6.1)</b>

N/M - Not meaningful

DFI - Derivative financial instruments

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

	<b>FY09</b>	<b>FY10</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Cash Earnings	60,940	57,853
Applied as follows:		
Principal Repayment of SingSpring Loan	(4,100)	(9,463)
Minority Interests	(4,237)	(4,588)
Distribution to Unitholders	(34,300)	(39,442)

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 and etc. Cash earnings, on the other hand, serves as a better indicator of our performance to our Unitholders.

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	4Q FY10	4Q FY09		FY10	FY09	
	Actual S\$'000	Actual S\$'000	Change %	Actual S\$'000	Actual S\$'000	Change %
<b>Revenue</b>	73,608	65,620	12.2	258,788	294,259	(12.1)
<b>Other income</b>	579	331	74.9	1,551	1,876	(17.3)
<b>Other (losses)/gains - net</b>	(24)	(134)	82.1	559	(842)	N/M
<b>Expenses</b>						
Fuel and electricity costs	(31,004)	(17,127)	(81.0)	(109,914)	(123,081)	10.7
Transportation costs	(18,350)	(17,467)	(5.1)	(72,485)	(71,031)	(2.0)
Depreciation and amortisation	(3,952)	(4,038)	2.1	(16,344)	(16,043)	(1.9)
Staff costs	(5,734)	(3,391)	(69.1)	(17,612)	(15,810)	(11.4)
Finance costs <sup>(1)</sup>	(7,311)	(7,332)	0.3	(29,649)	(23,329)	(27.1)
Other operating expenses	(9,332)	(10,541)	11.5	(30,860)	(32,357)	4.6
<b>Total expenses</b>	<b>(75,683)</b>	<b>(59,896)</b>	<b>(26.4)</b>	<b>(276,864)</b>	<b>(281,651)</b>	<b>1.7</b>
<b>(Loss)/profit before income tax</b>	<b>(1,520)</b>	<b>5,921</b>	<b>N/M</b>	<b>(15,966)</b>	<b>13,642</b>	<b>N/M</b>
Income tax credit/(expense)	586	(190)	N/M	2,645	(1,639)	N/M
<b>Net (loss)/profit after income tax</b>	<b>(934)</b>	<b>5,731</b>	<b>N/M</b>	<b>(13,321)</b>	<b>12,003</b>	<b>N/M</b>
<b>EBITDA</b>	<b>9,728</b>	<b>17,270</b>	<b>(43.7)</b>	<b>29,973</b>	<b>52,898</b>	<b>(43.3)</b>
<b>Cash earnings</b>	<b>8,548</b>	<b>16,229</b>	<b>(47.3)</b>	<b>25,478</b>	<b>48,797</b>	<b>(47.8)</b>

<sup>(1)</sup> Includes QPDS interest payable to CitySpring

City Gas Trust recorded cash earnings of S\$25.5 million in FY10 compared to S\$48.8 million in FY09. This was due mainly to the impact of time-lag in the adjustment of gas tariffs to reflect actual fuel cost. Over a period of time, these fluctuations should leave City Gas Trust neutral to the effect of changes in fuel costs.

	4Q FY10	4Q FY09		FY10	FY09	
	Actual S\$'000	Actual S\$'000	Change %	Actual S\$'000	Actual S\$'000	Change %
<b>Revenue</b>	15,024	11,195	34.2	41,981	31,220	34.5
<b>Other income</b>	4	5	(20.0)	16	65	(75.4)
<b>Other gains - net</b>	-	-	-	-	2,946	N/M
<b>Expenses</b>						
Fuel and electricity costs	(6,773)	(3,987)	(69.9)	(13,963)	(10,303)	(35.5)
Depreciation and amortisation	(912)	(912)	-	(3,648)	(3,648)	-
Operation and maintenance costs	(3,397)	(2,545)	(33.5)	(9,175)	(7,375)	(24.4)
Finance costs <sup>(1)</sup>	(2,480)	(1,968)	(26.0)	(8,374)	(8,131)	(3.0)
Other operating expenses	(363)	(1,519)	76.1	(1,319)	(2,324)	43.2
<b>Total expenses</b>	<b>(13,925)</b>	<b>(10,931)</b>	<b>(27.4)</b>	<b>(36,479)</b>	<b>(31,781)</b>	<b>(14.8)</b>
<b>Profit before fair value changes on DFI and income tax</b>	<b>1,103</b>	<b>269</b>	<b>N/M</b>	<b>5,518</b>	<b>2,450</b>	<b>125.2</b>
Fair value loss on DFI	-	-	-	-	(2,711)	N/M
<b>Profit/(loss) before income tax</b>	<b>1,103</b>	<b>269</b>	<b>N/M</b>	<b>5,518</b>	<b>(261)</b>	<b>N/M</b>
Income tax (expense)/credit	(198)	537	N/M	(974)	1,790	N/M
<b>Net profit after income tax</b>	<b>905</b>	<b>806</b>	<b>12.3</b>	<b>4,544</b>	<b>1,529</b>	<b>197.2</b>
<b>EBITDA</b>	<b>4,491</b>	<b>3,144</b>	<b>42.8</b>	<b>17,524</b>	<b>11,453</b>	<b>53.0</b>
<b>Cash earnings</b>	<b>4,239</b>	<b>3,969</b>	<b>6.8</b>	<b>18,548</b>	<b>17,373</b>	<b>6.8</b>

<sup>(1)</sup> Includes QPDS interest payable to CitySpring and MI

SingSpring desalination plant continues to achieve 100% availability and recorded cash earnings of S\$18.5 million in FY10 compared to S\$17.4 million in FY09.

	4Q FY10	4Q FY09		FY10	FY09	
	Actual A\$'000	Actual A\$'000	Change %	Actual A\$'000	Actual A\$'000	Change %
<b>Revenue</b>	23,460	19,697	19.1	72,009	64,614	11.4
<b>Other income</b>	411	414	(0.7)	1,406	2,676	(47.5)
<b>Other gains - net</b>	5	924	(99.5)	27	3,664	(99.3)
<b>Expenses</b>						
Fuel and electricity costs	(78)	(72)	(8.3)	(292)	(236)	(23.7)
Depreciation and amortisation	(7,037)	(7,067)	0.4	(28,056)	(28,624)	2.0
Staff costs	(756)	(472)	(60.2)	(2,514)	(1,777)	(41.5)
Operation and maintenance costs	(1,069)	(2,762)	61.3	(3,733)	(4,223)	11.6
Finance costs	(13,777)	(14,659)	6.0	(52,814)	(58,710)	10.0
Intangibles write-off	-	(9,699)	N/M	-	(9,699)	N/M
Other operating expenses	(947)	(3,296)	71.3	(3,660)	(6,117)	40.2
<b>Total expenses</b>	<b>(23,664)</b>	<b>(38,027)</b>	<b>37.8</b>	<b>(91,069)</b>	<b>(109,386)</b>	<b>16.7</b>
<b>Profit/(loss) before fair value changes on DFI and income tax</b>	212	(16,992)	N/M	(17,627)	(38,432)	54.1
Fair value (loss)/gain on DFI	(1,475)	6,900	N/M	5,236	(18,232)	N/M
<b>Loss before income tax</b>	<b>(1,263)</b>	<b>(10,092)</b>	<b>87.5</b>	<b>(12,391)</b>	<b>(56,664)</b>	<b>78.1</b>
Income tax (expense)/credit	(630)	1,719	N/M	20,057	1,057	N/M
<b>Net (loss)/profit after income tax</b>	<b>(1,893)</b>	<b>(8,373)</b>	<b>77.4</b>	<b>7,666</b>	<b>(55,607)</b>	<b>N/M</b>
<b>EBITDA</b>	<b>19,140</b>	<b>11,220</b>	<b>70.6</b>	<b>67,073</b>	<b>27,994</b>	<b>139.6</b>
<b>Cash earnings</b>	<b>10,784</b>	<b>5,951</b>	<b>81.2</b>	<b>22,153</b>	<b>18,319</b>	<b>20.9</b>

Basslink's cash earnings for FY10 was A\$22.2 million compared to A\$18.3 million in FY09. The higher cash earnings in FY10 was due to higher facility fee from higher availability, higher CRSM and contributions from telecom services which commenced carrying commercial traffic from July 2009.



# Appendix

# Group Financial Results

## Group Consolidated Balance Sheet

	As at 31 Mar 10 S\$'000	As at 31 Mar 09 S\$'000
<b>ASSETS</b>		
Cash and bank deposits	132,975	125,934
Derivative financial instruments	108,139	19,733
Trade and other receivables	52,795	43,956
Inventories	13,552	12,379
Intangibles	438,807	441,187
Finance lease receivables	178,556	185,474
Property, plant and equipment	1,257,152	1,079,389
Other assets	7,471	5,518
<b>Total assets</b>	<b>2,189,447</b>	<b>1,913,570</b>
<b>LIABILITIES</b>		
Trade and other payables	75,606	68,665
Derivative financial instruments	22,747	28,483
Borrowings	1,537,696	1,557,116
Notes payable to minority unitholder	15,000	15,000
Other liabilities	109,703	95,784
<b>Total liabilities</b>	<b>1,760,752</b>	<b>1,765,048</b>
<b>Net Assets</b>	<b>428,695</b>	<b>148,522</b>
Units in issue	680,245	451,157
Hedging reserve	(49,920)	(105,279)
Translation reserve	(16,633)	(44,557)
Accumulated losses	(195,354)	(165,489)
	418,338	135,832
Minority interest	10,357	12,690
<b>Total Unitholders' funds</b>	<b>428,695</b>	<b>148,522</b>

# Group Financial Results

## Group Consolidated Cash Flow Statement

	4Q FY10 Actual S\$'000	4Q FY09 Actual S\$'000	FY10 Actual S\$'000	FY09 Actual S\$'000
<b>Cash flows from operating activities</b>				
Net profit/(loss) after income tax	2,049	(157)	9,227	(49,751)
Non-cash adjustments	36,280	33,777	105,312	173,327
Operating cash flow before working capital changes	38,329	33,620	114,539	123,576
Changes in operating assets and liabilities	(18,002)	6,318	(64,114)	(42,564)
<b>Net cash generated from operating activities</b>	<b>20,327</b>	<b>39,938</b>	<b>50,425</b>	<b>81,012</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(691)	(2,743)	(3,163)	(4,277)
Proceeds from sale of property, plant and equipment	-	-	-	66
<b>Net cash used in investing activities</b>	<b>(691)</b>	<b>(2,743)</b>	<b>(3,163)</b>	<b>(4,211)</b>
<b>Cash from financing activities</b>				
(Increase)/decrease in restricted cash	(815)	8,666	(377)	4,806
Net proceeds from borrowings	-	-	-	361,585
Repayment of borrowings	(2,246)	(2,000)	(236,963)	(373,935)
Net proceeds raised from issue of units	-	-	227,838	-
Distributions paid to unitholders of the Trust	(10,289)	(8,575)	(37,728)	(33,564)
Distributions paid by subsidiary to minority unitholder	(2,100)	-	(3,360)	(2,451)
<b>Net cash used in financing activities</b>	<b>(15,450)</b>	<b>(1,909)</b>	<b>(50,590)</b>	<b>(43,559)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4,186</b>	<b>35,286</b>	<b>(3,328)</b>	<b>33,242</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>93,871</b>	<b>61,283</b>	<b>96,848</b>	<b>68,064</b>
<b>Effect of currency translation on cash and cash equivalents</b>	<b>871</b>	<b>279</b>	<b>5,408</b>	<b>(4,458)</b>
<b>Cash and cash equivalents at end of the period <sup>(1)</sup></b>	<b>98,928</b>	<b>96,848</b>	<b>98,928</b>	<b>96,848</b>

<sup>(1)</sup> Excludes restricted cash of S\$34,047 and S\$29,086 respectively

	4Q FY10 Actual S\$'000	4Q FY09 Actual S\$'000	FY10 Actual S\$'000	FY09 Actual S\$'000
<b>EBITDA</b>	<b>36,550</b>	<b>29,546</b>	<b>120,770</b>	<b>84,557</b>
<b>Add/(less):</b>				
Lease receivable repayment	1,706	1,641	6,918	6,657
Net finance cost	(16,467)	(16,272)	(65,827)	(61,354)
Financing fees	-	-	-	(10,638)
Fair value loss/(gain) on derivative financial instruments	1,670	(8,865)	(6,153)	23,585
Intangibles written off	-	10,997	-	10,997
Unit issue expenses	-	-	1,321	-
Other non-cash flow expenses	171	4,857	1,469	7,650
Maintenance capital expenditure incurred	(182)	(71)	(645)	(514)
<b>Cash earnings</b>	<b>23,448</b>	<b>21,833</b>	<b>57,853</b>	<b>60,940</b>
Less: Cash earnings attributable to MI	(1,031)	(950)	(4,588)	(4,237)
<b>Cash earnings less MI</b>	<b>22,417</b>	<b>20,883</b>	<b>53,265</b>	<b>56,703</b>