

Financial Statement And Distribution Announcement for the Quarter ended 30 September 2008

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

Financial Statement And Distribution Announcement for the Quarter ended 30 September 2008

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.

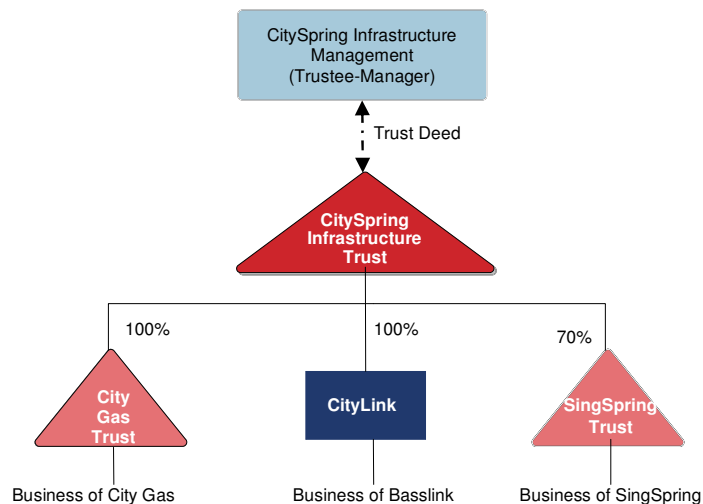
The initial assets of CitySpring are 100% owned City Gas Trust, the sole producer and retailer of town gas and the sole user of the low-pressured piped town gas network in Singapore and 70% owned SingSpring Trust, the sole supplier of desalinated water to the Public Utilities Board, Singapore’s national water agency.

The acquisition of the assets and business undertakings of the initial assets were only completed on 12 February 2007 which was the official listing date. There were no operating activities for the period prior to 12 February 2007. The first reporting period for CitySpring was from 5 January 2007 to 31 March 2007.

On 31 July 2007, the Trustee-Manager announced that it had entered into an agreement to acquire 100% of Basslink from National Grid International Ltd (“National Grid”) for an enterprise value of A\$1,177 million (approximately S\$1,521 million).

Basslink is 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 Basslink the world’s second longest undersea electricity transmission cable.

The enlarged CitySpring Group is shown in the chart below.



CitySpring’s acquisition of Basslink was completed on 31 August 2007. The actual results for the quarter ended 30 September 2008 and the 6 months ended 30 September 2008 comprises the results of the initial assets of City Gas Trust and SingSpring Trust and the results of Basslink. However, the results for the corresponding quarter and the 6 months ended 30 September of the previous year includes only one month results of Basslink.

CitySpring Infrastructure Management Pte. Ltd. as Trustee-Manager of CitySpring Infrastructure Trust had issued a Circular dated 24 January 2008 (“Basslink Circular”) to seek the approval of Unitholders for, among other things, the ratification of the acquisition of Basslink and the issue of new units pursuant to an equity fund raising to be undertaken by CitySpring. The Basslink Circular included projections for the Enlarged CitySpring Group for the periods from 5 January 2007 to 31 March 2008 and 1 April 2008 to 31 March 2009 (FY 2009). The pro-rated projections for FY 2009 in paragraph 9 are those of the Enlarged CitySpring Group as disclosed in the Basslink Circular.

CITYSPRING INFRASTRUCTURE TRUST
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- 1(a) **An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated Income Statement

	Quarter			6 months ended		
	01/07/08 to 30/09/08	01/07/07 to 30/09/07 Note (a)	Change	01/04/08 to 30/09/08	01/04/07 to 30/09/07	Change
Note	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	100,945	76,639	31.7	200,316	141,124	41.9
Other (loss)/income	(9,292)	3,764	N/M	(1,288)	1,454	N/M
Expenses						
Fuel and electricity costs	(46,414)	(26,666)	(74.1)	(82,073)	(50,023)	(64.1)
Transportation costs	(17,987)	(17,497)	(2.8)	(35,827)	(34,722)	(3.2)
Depreciation and amortisation	(13,863)	(8,046)	(72.3)	(27,932)	(12,937)	(115.9)
Staff costs	(4,752)	(4,047)	(17.4)	(9,590)	(7,549)	(27.0)
Operations and maintenance costs	(3,806)	(3,321)	(14.6)	(8,046)	(6,031)	(33.4)
Finance costs	(23,297)	(10,168)	(129.1)	(44,740)	(12,831)	(248.7)
Management fee	(888)	(1,389)	36.1	(1,828)	(3,046)	40.0
Other operating expenses	(9,190)	(7,411)	(24.0)	(17,108)	(12,200)	(40.2)
Total expenses	(120,197)	(78,545)	(53.0)	(227,144)	(139,339)	(63.0)
(Loss)/profit before income tax	(28,544)	1,858	N/M	(28,116)	3,239	N/M
Income tax (expense)/credit	(8,168)	17	N/M	(242)	(129)	(87.6)
Net (loss)/profit after tax	(36,712)	1,875	N/M	(28,358)	3,110	N/M
Attributable to:						
Unitholders of the Trust	(36,625)	1,676	N/M	(28,558)	3,790	N/M
Minority interest	(87)	199	N/M	200	(680)	N/M
	(36,712)	1,875	N/M	(28,358)	3,110	N/M

N/M - Not meaningful

Notes:

- (a) CitySpring's acquisition of Basslink was completed on 31 August 2007. The results for the comparative figures ended 30 September 2007 comprises the results of the initial assets of City Gas Trust and SingSpring Trust and the results of Basslink since acquisition date on 31 August 2007.
- (b) For the quarter ended 30 September 2008, other loss of S\$9.3 million comprises mainly S\$13.7 million non-cash fair value loss on derivative financial instruments, which is partly reduced by realised gain on derivative financial instruments of S\$2.7 million, interest income of S\$1.3 million and other cash income of S\$0.4 million. The non-cash fair value loss relates mainly to the 25-year floating interest rate hedge which is currently in-the-money and provides Basslink with a hedge against the floating interest rate of its medium term bonds.

For the quarter ended 30 September 2007, other income of S\$3.8 million comprises mainly realised gain on derivative financial instruments of S\$1.7 million, non-cash fair value gain on derivative financial instruments of S\$1.0 million, interest income of S\$0.7 million and other cash income of S\$0.4 million.

CITYSPRING INFRASTRUCTURE TRUST
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Financial Statement And Distribution Announcement for the Quarter ended 30 September 2008

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

Balance Sheet (Group)

	30/09/08	31/03/08
	S\$'000	S\$'000
ASSETS		
Non-current assets		
Derivative financial instruments	58,719	96,558
Finance lease receivable	182,006	185,474
Other assets	226	235
Property, plant and equipment	1,169,367	1,308,973
Intangibles	461,461	473,897
Total non-current assets	1,871,779	2,065,137
Current assets		
Cash and cash equivalents	99,422	105,982
Derivative financial instruments	31,874	50,708
Trade and other receivables	54,035	57,004
Finance lease receivable	6,787	6,657
Inventories	12,457	13,036
Other current assets	4,756	1,818
Total current assets	209,331	235,205
Total assets	2,081,110	2,300,342
LIABILITIES		
Current liabilities		
Trade and other payables	63,131	63,053
Current tax liabilities	2,435	2,386
Borrowings	7,130	373,634
Total current liabilities	72,696	439,073
Non-current liabilities		
Derivative financial instruments	15,484	18,485
Borrowings	1,608,508	1,345,368
Notes payable to minority interest	15,000	15,000
Deferred tax liabilities	23,404	23,952
Other non-current liabilities	74,543	82,835
Total non-current liabilities	1,736,939	1,485,640
Total liabilities	1,809,635	1,924,713
Net assets	271,475	375,629
EQUITY		
Units issued and reserves attributable to Unitholders of the Trust		
Units in issue	451,157	451,157
Hedging reserve	(33,004)	(3,555)
Translation reserve	(34,526)	(6,376)
Accumulated losses	(126,687)	(81,715)
	256,940	359,511
Minority interest	14,535	16,118
Total Unitholders' funds	271,475	375,629

Notes:

- (a) The main changes in the balance sheet items as at 30/09/08 as compared to 31/03/08 were the refinancing of short term loan to long term loan, fair value changes in the derivative financial instruments with its consequential impact on deferred tax liabilities and translation differences on the consolidation of the Basslink Group.

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Financial Statement And Distribution Announcement for the Quarter ended 30 September 2008

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

Balance Sheet (Trust)

	30/09/08	31/03/08
	S\$'000	S\$'000
ASSETS		
Non-current assets		
Long-term receivables	230,570	230,570
Investment in subsidiaries	155,135	155,135
Total non-current assets	385,705	385,705
Current assets		
Cash and cash equivalents	33,488	7,027
Derivative financial instruments	108	-
Trade and other receivables	340,983	6,053
Other current assets	17	34
Total current assets	374,596	13,114
Total assets	760,301	398,819
LIABILITIES		
Current liabilities		
Trade and other payables	1,876	2,781
Current tax liabilities	28	8
Total current liabilities	1,904	2,789
Non-current liabilities		
Borrowings	362,107	-
Total non-current liabilities	362,107	-
Total liabilities	364,011	2,789
Net assets	396,290	396,030
EQUITY		
Units issued and reserves attributable to Unitholders of the Trust		
Units in issue	451,157	451,157
Accumulated losses	(54,867)	(55,127)
Total Unitholders' funds	396,290	396,030

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

	30/09/08	31/03/08
	S\$'000	S\$'000
Secured bank loans		
Amount repayable within one year	7,130	373,634
Amount repayable after one year	1,608,508	1,345,368
	1,615,638	1,719,002

Details of any collateral at CitySpring

The bank borrowings are secured over the assets and business undertakings of City Gas Trust, SingSpring Trust and Basslink Group. The loan granted to SingSpring Trust is also secured by a charge over the units in SingSpring Trust held by CitySpring Infrastructure Management Pte. Ltd. (as Trustee-Manager of CitySpring Infrastructure Trust) ("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 Trust, and the shares in City Gas Pte Ltd and CityLink Investments Pte Ltd ("CityLink") held by the Trustee-Manager and a corporate guarantee issued by CityLink.

CITYSPRING INFRASTRUCTURE TRUST
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Financial Statement And Distribution Announcement for the Quarter ended 30 September 2008

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

Consolidated Cash Flow Statement for the quarter ended 30 September 2008

Notes	Quarter		6 months ended	
	01/07/08 to 30/09/08	01/07/07 to 30/09/07	01/04/08 to 30/09/08	01/04/07 to 30/09/07
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Net (loss)/profit	(36,712)	1,875	(28,358)	3,110
Adjustments for:				
Income tax expense/(credit)	8,168	(17)	242	129
Depreciation and amortisation	13,863	8,046	27,932	12,937
Finance costs	23,297	10,168	44,740	12,831
Interest income	(1,292)	(683)	(2,556)	(820)
Fair value loss/(gain) on derivative financial instruments	13,754	(1,041)	10,177	1,963
(Gain)/loss on disposal of property, plant and equipment	-	(34)	44	(34)
Unrealised translation losses	1,548	-	1,616	-
Operating cash flow before working capital changes	22,626	18,314	53,837	30,116
Changes in working capital				
Trade and other receivables	6,175	(495)	3,918	(50)
Inventories	(9)	442	579	543
Trade and other payables	598	8,466	1,727	1,306
Income tax paid	-	(10,000)	-	(10,000)
Interest received	1,282	679	2,542	784
Interest paid	(17,876)	(3,277)	(36,013)	(5,433)
Net cash generated from operating activities	12,796	14,129	26,590	17,266
Cash flows from investing activities				
Purchase of property, plant and equipment	(177)	(68)	(403)	(91)
Proceeds from sale of property, plant and equipment	-	212	66	212
Acquisition of subsidiaries, net of cash acquired	-	(1,400,872)	-	(1,400,872)
Net cash used in investing activities	(177)	(1,400,728)	(337)	(1,400,751)
Cash flows from financing activities				
Increase in restricted cash	(3,441)	(27,382)	(3,507)	(29,031)
Proceeds from units issued by subsidiary to minority interest	-	-	-	144
Net proceeds from borrowings	361,585	1,545,065	361,585	1,545,065
Repayment of borrowings	(370,536)	(76,915)	(371,235)	(77,698)
Distribution paid to unitholders of the Group	(8,575)	(7,349)	(16,414)	(10,859)
Distribution paid by subsidiary to its minority unitholder	(900)	(264)	(1,641)	(357)
Net cash (used in)/generated from financing activities	(21,867)	1,433,155	(31,212)	1,427,264
Net (decrease)/increase in cash and cash equivalents	(9,248)	46,556	(4,959)	43,779
Effect of currency translation on cash and cash equivalents	(3,678)	(8,217)	(2,654)	(8,217)
Cash and cash equivalents at beginning of the period	73,377	46,849	68,064	49,626
Cash and cash equivalents at end of the period	60,451	85,188	60,451	85,188

Notes:

- (a) Included in trade and other payables is the settlement of transaction costs in relation to previous year's acquisition of subsidiary which had been accrued for.

- (b)

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

30/09/08	30/09/07
S\$'000	S\$'000
99,422	122,276
(38,971)	(37,088)
60,451	85,188

Restricted cash represents the amount of cash and cash equivalents pledged to the bank as security for the bank loans extended to the Trust, SingSpring Trust and the Basslink Group.

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Financial Statement And Distribution Announcement for the Quarter ended 30 September 2008

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 capitalization 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 S\$'000	Hedging Reserve S\$'000	Translation reserve S\$'000	Accumulated Losses S\$'000	Total S\$'000	Minority interest S\$'000	Total equity S\$'000
2008							
Balance at 1 April 2008	451,157	(3,555)	(6,376)	(81,715)	359,511	16,118	375,629
Net change in hedging reserve	-	29,039	-	-	29,039	1,739	30,778
Currency translation differences	-	-	12,523	-	12,523	-	12,523
Net income recognised directly in equity	-	29,039	12,523	-	41,562	1,739	43,301
Net profit for the financial period	-	-	-	8,067	8,067	287	8,354
Total recognised income	-	29,039	12,523	8,067	49,629	2,026	51,655
Distributions paid	-	-	-	(7,839)	(7,839)	(741)	(8,580)
Balance at 30 June 2008	451,157	25,484	6,147	(81,487)	401,301	17,403	418,704
Net change in hedging reserve	-	(58,488)	-	-	(58,488)	(1,881)	(60,369)
Currency translation differences	-	-	(40,673)	-	(40,673)	-	(40,673)
Net loss recognised directly in equity	-	(58,488)	(40,673)	-	(99,161)	(1,881)	(101,042)
Net loss for the financial period	-	-	-	(36,625)	(36,625)	(87)	(36,712)
Total recognised expenses	-	(58,488)	(40,673)	(36,625)	(135,786)	(1,968)	(137,754)
Distributions paid	-	-	-	(8,575)	(8,575)	(900)	(9,475)
Balance at 30 September 2008	451,157	(33,004)	(34,526)	(126,687)	256,940	14,535	271,475
2007							
Balance at 1 April 2007	391,191	1,008	-	(56,078)	336,121	19,534	355,655
Net change in hedging reserve	-	(2,289)	-	-	(2,289)	(984)	(3,273)
Net loss recognised directly in equity	-	(2,289)	-	-	(2,289)	(984)	(3,273)
Net profit/(loss) for the financial period	-	-	-	2,114	2,114	(879)	1,235
Total recognised (expenses)/income	-	(2,289)	-	2,114	(175)	(1,863)	(2,038)
Units issued	59,966	-	-	-	59,966	-	59,966
Distributions paid	-	-	-	(3,510)	(3,510)	(93)	(3,603)
Balance at 30 June 2007	451,157	(1,281)	-	(57,474)	392,402	17,578	409,980
Net change in hedging reserve	-	(1,385)	-	-	(1,385)	(191)	(1,576)
Currency translation differences	-	-	8,217	-	8,217	-	8,217
Net (loss)/income recognised directly in equity	-	(1,385)	8,217	-	6,832	(191)	6,641
Net profit for the financial period	-	-	-	1,676	1,676	199	1,875
Total recognised (expenses)/income	-	(1,385)	8,217	1,676	8,508	8	8,516
Distributions paid	-	-	-	(7,349)	(7,349)	(264)	(7,613)
Balance at 30 September 2007	451,157	(2,666)	8,217	(63,147)	393,561	17,322	410,883

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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 capitalization 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
2008			
Balance at 1 April 2008	451,157	(55,127)	396,030
Net profit/total recognised income for the financial period	-	10,090	10,090
Distributions paid	-	(7,839)	(7,839)
	451,157	(52,876)	398,281
Balance at 30 June 2008			
Net profit/total recognised income for the financial period	-	6,584	6,584
Distributions paid	-	(8,575)	(8,575)
	451,157	(54,867)	396,290
Balance at 30 September 2008			
2007			
Balance at 1 April 2007	391,191	(66,845)	324,346
Net profit/total recognised income for the financial period	-	7,534	7,534
Units issued	59,966	-	59,966
Distributions paid	-	(3,510)	(3,510)
	451,157	(62,821)	388,336
Balance at 30 June 2007			
Net profit/total recognised income for the financial period	-	8,611	8,611
Distributions paid	-	(7,349)	(7,349)
	451,157	(61,559)	389,598
Balance at 30 September 2007			

Financial Statement And Distribution Announcement for the Quarter ended 30 September 2008

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.

	30/9/08	31/3/08
Total issued units	489,965,504	489,965,504

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(i), 6(ii) 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 11 November 2008 on the interim financial report of CitySpring Infrastructure Trust and its subsidiaries for the half year ended 30 September 2008 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

Yes.

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

The adoption of interpretations effective for the financial year commencing 1 April 2008 did not result in any substantial changes to the accounting policies and methods of computation.

Financial Statement And Distribution Announcement for the Quarter ended 30 September 2008

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

Earnings per unit (“EPU”) and distribution per unit (“DPU”) for the financial period

	Actual	Actual	Actual	Actual
	01/07/08 to 30/09/08	01/07/07 to 30/09/07	01/04/08 to 30/09/08	01/04/07 to 30/09/07
(i) Weighted average number of units	489,965,504	489,965,504	489,965,504	489,310,322
(ii) (Loss)/earnings per unit for the period based on the weighted average number of units in issue (cents) - Basic and diluted	(7.48)	0.34	(5.83)	0.77
(iii) Number of units issued at end of period	489,965,504	489,965,504	489,965,504	489,965,504
(iv) Distribution per unit for the period (cents)	1.75	1.60	3.50	3.10

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	
	Actual 30/09/08	Actual 31/03/08	Actual 30/09/08	Actual 31/03/08
Net asset value per unit (S\$)	0.52	0.73	0.81	0.81

The number of units used for computation of actual NAV per unit is 489,965,504 which is the number of units in issue as at 30 September 2008 and 31 March 2008.

The Group NAV per unit before hedging and translation reserves is S\$0.66 as at 30 September 2008 and S\$0.75 as at 31 March 2008.

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.**

See Para 1 (a) and Para 1 (b)(i) on page 2 and 3 respectively.

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

Background to Analysing Financial Statements

Cash earnings

We measure our performance using cash earnings, instead of accounting profits or losses. Our basis for this is that infrastructure assets tend to show accounting losses due to the fairly large amount of non-cash depreciation expenses associated with infrastructure assets, which are typically capital intensive.

Our 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.

Cash earnings is a better indicator of our performance to our unitholders.

Debt and gearing

At CitySpring, all of our operating units utilises non-recourse financing that are specifically structured to match the stable and long-term contracted cashflows from its customers. Generally, our philosophy towards our overall debt structure is to ensure that all of our businesses must have sufficient financial flexibility to meet their capital expenditure and operational needs, and at the same time, service their debt obligations promptly and reliably. This ensures that our capital structure remains optimal in providing us with the flexibility to execute our growth strategies.

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

Energy costs

At City Gas Trust, its fuel costs consist mainly of the costs of natural gas which in turn are 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 is expected to have no impact on City Gas Trust as fuel costs are pass through. 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 changed daily. Short term impact may be evident if there are sharp changes in fuel prices.

As for SingSpring Trust, its energy costs for its first three years of commercial operations ending in December 2008 vary with the cost of fuel. To reduce the volatility of its energy exposure, SingSpring Trust has taken the step of contracting energy hedges to cover this exposure. Its hedge positions are structured according to SingSpring Trust's capacity utilisation and fuel prices in the market.

As for Basslink, energy costs do not form a substantial portion of its operating expenses relative to its other cost drivers.

Financial Statement And Distribution Announcement for the Quarter ended 30 September 2008

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

Current Quarter vs Projection

	Actual	Projection	
	01/07/08 to 30/09/08	01/07/08 to 30/09/08	Change
	Note (a)		
	S\$'000	S\$'000	%
Revenue	100,945	94,317	7.0
Other income - excluding fair value changes on derivative financial instruments	4,462	697	540.2
Expenses			
Fuel and electricity costs	(46,414)	(31,418)	(47.7)
Transportation costs	(17,987)	(17,237)	(4.4)
Depreciation and amortisation	(13,863)	(13,856)	(0.1)
Staff costs	(4,752)	(4,855)	2.1
Operations and maintenance costs	(3,806)	(4,047)	6.0
Finance costs	(23,297)	(22,621)	(3.0)
Management fee	(888)	(2,217)	59.9
Other operating expenses	(9,190)	(7,900)	(16.3)
Total expenses	(120,197)	(104,151)	(15.4)
Loss before fair value changes on derivative financial instruments and income tax	(14,790)	(9,137)	(61.9)
Fair value loss on derivative financial instruments	(13,754)	-	N/M
Loss before income tax	(28,544)	(9,137)	(212.4)
Income tax (expense)/credit	(8,168)	166	N/M
Net loss after tax	(36,712)	(8,971)	(309.2)
Attributable to:			
Unitholders of the Trust	(36,625)	(8,798)	(316.3)
Minority interest	(87)	(173)	49.7
	(36,712)	(8,971)	(309.2)
N/M - Not meaningful			
EBITDA	7,324	26,883	(72.8)
Cash earnings ⁽¹⁾	1,076	10,929	(90.2)

Notes:

- (a) The projection figures are derived by prorating the projection disclosed in the Basslink Circular to unitholders dated 24 January 2008.

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 capital expenditure, and before principal repayment of debt and minority interest

Financial Statement And Distribution Announcement for the Quarter ended 30 September 2008

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

The Cash earnings for the quarter was S\$1.1 million compared to projections of S\$10.9 million. The decrease was due to a number of items which are non-recurring or result from the timing of payments as follows:-

- (i) Sharp increases in fuel cost at City Gas Trust during the quarter resulted in under-recovery of fuel cost as it was not matched by adequate adjustments in tariff rates. Fuel cost has since declined and City Gas Trust has obtained regulatory approval to maintain the current tariff for the next three months from 1 November 2008. This is expected to enable City Gas Trust to recover on the under-recovery of fuel cost for this quarter.
- (ii) Basslink suffered an unplanned outage in July 2008 which resulted in lower facility fee of A\$2 million as availability for July 2008 was 70.9%. A\$1 million is expected to be recovered during the remaining calendar year.
- (iii) Payment of one-time upfront fees for corporate loan of S\$7.8 million.
- (iv) CRSM² has been affected by the cool summer temperatures although the long term impact is expected to be neutral.

The pro-rated projections from the Basslink Circular had not assumed any fair value changes in the various derivative financial instruments of the subsidiary entities at the time of preparing the projections. The current market condition has resulted in S\$13.8 million in non-cash fair value loss in the Group's derivative financial instruments. These fair value losses during the quarter have resulted in the reversal of deferred tax assets previously recognised. These and the above mentioned factors affecting cash earnings resulted in the higher net loss after tax when compared to projections.

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

Forward looking prospects

The underlying performance of the three assets in the Group is expected to continue to remain stable. Two of the subsidiary entities, Basslink and SingSpring have long-term contract with state-owned utilities whilst City Gas Trust is the sole producer of town gas to over 600,000 customers in Singapore.

The Group does not have any re-financing requirements until 2011 and only 27% of its debt is subject to floating rates. The remaining debts are either subject to fixed rates or have been hedged.

CitySpring Trust is expected to meet the projected distribution of 7 cents for financial year ending 31 March 2009.

² Commercial Risk Sharing Mechanism relates to the sharing of market risk payment under the Basslink Service Agreement with Hydro Tasmania.

Financial Statement And Distribution Announcement for the Quarter ended 30 September 2008

11. Distributions

(a) Current financial period reported on

Any distributions declared for the current financial period	:	Yes
Amount	:	S\$8,574,396
Distribution period	:	From 01/07/2008 to 30/09/2008
Distribution type	:	Cash, Tax-Exempt Income
Distribution rate	:	1.75 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. The 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 Period

Any distributions declared for the current financial period	:	Yes
Amount	:	S\$7,839,448
Distribution period	:	From 01/07/2007 to 30/09/2007
Distribution type	:	Cash, Tax-Exempt Income
Distribution rate	:	1.60 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. The Unitholders are not entitled to tax credits of any taxes paid by the Trustee-Manager of CitySpring.

(c) Date Payable : 15 December 2008

(d) Books closure date : The Transfer Books and Register of CitySpring Infrastructure Trust will be closed from 5.00 p.m. on 26 November 2008 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 26 November 2008 will be entitled to the Distribution to be paid on 15 December 2008.

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 Quarter ended 30 September 2008

13. Confirmation by the Board pursuant to Rule 705(4)

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 interim financial results of the Group for the quarter ended 30 September 2008 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.

Morgan Stanley Asia (Singapore) Pte, Morgan Stanley & Co. International Limited and DBS Bank Ltd. were the joint advisers, joint book runners, joint lead managers and underwriters for the initial public offering of CitySpring Infrastructure Trust.

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
11 November 2008

**INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS 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 (the "Group") set out on pages 3 to 53, which comprise the interim balance sheets of the Trust and of the Group as of 30 September 2008 and the related consolidated interim statements of 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 2008, and a summary of significant accounting policies and other 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.



PricewaterhouseCoopers
Public Accountants and Certified Public Accountants

Singapore, 11 November 2008