CITYSPRING Infrastructure Trust
(Reg. No. 2007001)

Financial Statement And Distribution Announcement for the Second Quarter and Half Year ended 30 September 2010

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CITYSPRING INFRASTRUCTURE TRUST
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Financial Statement And Distribution Announcement for the Second Quarter and Half Year ended 30 September 2010

INTRODUCTION

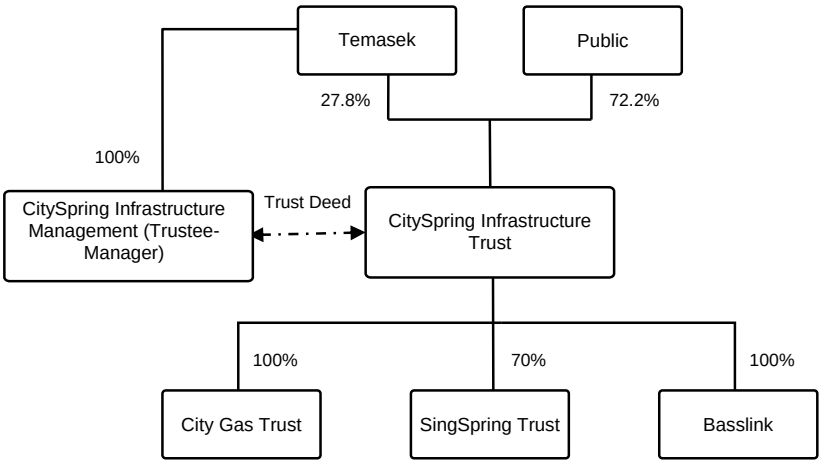
CitySpring Infrastructure Trust ("CitySpring") was constituted under a trust deed dated 5 January 2007. CitySpring Infrastructure Management Pte. Ltd. ("Trustee-Manager") was appointed the Trustee-Manager. CitySpring was listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 12 February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

CitySpring Group completed the acquisition of Basslink on 31 August 2007. 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. Embedded in the interconnector are fibre optic cables. Basslink Telecoms Pty Ltd, a wholly owned subsidiary of CitySpring, successfully commercialised these cables when it commenced carrying commercial traffic from July 2009.

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 cashflow generated by the businesses, and removes the effect of the accounting treatment of non-cash items on our financial statements.

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

INTRODUCTION (cont'd)

Background to Analysing Financial Statements (cont'd)

Hedging Rationale

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

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

Debt and gearing

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

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

Energy costs

At City Gas Trust, 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 Trust as fuel costs are passed through to the end-users. However, at any point in time, the actual tariff may not exactly match fuel costs as tariff changes are subject to a periodic regulatory process whereas fuel prices change daily. Short term impact may therefore be evident if there are sharp changes in fuel prices.

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

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

Other Income

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

Other gains / (losses) - net

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

CITYSPRING INFRASTRUCTURE TRUST
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Financial Statement And Distribution Announcement for the Second Quarter and Half Year ended 30 September 2010

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

(i) Consolidated Income Statement

	2Q FY11	2Q FY10	Change	1H FY11	1H FY10	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Revenue	**103,794**	**92,106**	**12.7**	**207,664**	**174,939**	**18.7**
Other income	**1,528**	**628**	**143.3**	**2,228**	**1,136**	**96.1**
Other gains/(losses) - net	**1,014**	**(1,562)**	**N/M**	**(6,406)**	**6,430**	**N/M**
Expenses						
Fuel and electricity costs	(34,206)	(31,851)	(7.4)	(70,459)	(54,465)	(29.4)
Transportation costs	(19,142)	(18,085)	(5.8)	(37,887)	(35,946)	(5.4)
Depreciation and amortisation	(13,469)	(13,503)	0.3	(26,950)	(26,288)	(2.5)
Staff costs	(5,195)	(4,390)	(18.3)	(8,322)	(8,617)	3.4
Operation and maintenance costs	(5,273)	(5,567)	5.3	(10,473)	(9,545)	(9.7)
Finance costs	(21,097)	(25,481)	17.2	(42,128)	(43,792)	3.8
Management fee	(1,494)	(920)	(62.4)	(2,954)	(1,793)	(64.8)
Other operating expenses	(8,465)	(7,587)	(11.6)	(15,483)	(13,575)	(14.1)
Total expenses	(108,341)	(107,384)	(0.9)	(214,656)	(194,021)	(10.6)
Loss before income tax	**(2,005)**	**(16,212)**	**87.6**	**(11,170)**	**(11,516)**	**3.0**
Income tax (expense)/credit	(1,619)	(1)	N/M	(14,310)	19,661	N/M
Net (loss)/profit after income tax	**(3,624)**	**(16,213)**	**77.6**	**(25,480)**	**8,145**	**N/M**
Attributable to:						
Unitholders of the Trust	(3,988)	(16,569)	75.9	(26,084)	7,437	N/M
Non-controlling interest	364	356	(2.2)	604	708	(14.7)
	(3,624)	**(16,213)**	**77.6**	**(25,480)**	**8,145**	**N/M**

N/M - Not meaningful

CITYSPRING INFRASTRUCTURE TRUST
(Reg. No. 2007001)

Financial Statement And Distribution Announcement for the Second Quarter and Half Year ended 30 September 2010

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

(ii) Consolidated Statement of Comprehensive Income

	2Q FY11	2Q FY10	Change	1H FY11	1H FY10	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Net (loss)/profit after income tax	**(3,624)**	**(16,213)**	**77.6**	**(25,480)**	**8,145**	**N/M**
Other comprehensive income/(loss):						
Cash flow hedges:						
- Fair value (losses)/gains	(3,487)	(6,092)	42.8	(34,531)	37,814	N/M
- Transfer to income statement	1,618	2,799	(42.2)	3,619	5,460	(33.7)
Translation differences relating to consolidation of foreign subsidiaries	7,706	9,225	(16.5)	(4,375)	24,363	N/M
Other comprehensive income/(loss), net of tax	**5,837**	**5,932**	**(1.6)**	**(35,287)**	**67,637**	**N/M**
Total comprehensive income/(loss)	**2,213**	**(10,281)**	**N/M**	**(60,767)**	**75,782**	**N/M**
Attributable to:						
Unitholders of the Trust	1,872	(10,309)	N/M	(61,105)	75,132	N/M
Non-controlling interest	341	28	N/M	338	650	(48.0)
	2,213	**(10,281)**	**N/M**	**(60,767)**	**75,782**	**N/M**

(iii) Additional Information

	2Q FY11	2Q FY10	Change	1H FY11	1H FY10	Change
	S$'000	S$'000	%	S$'000	S$'000	%
EBITDA	**31,829**	**22,361**	**42.3**	**56,550**	**57,763**	**(2.1)**
Cash earnings[1]	**23,111**	**9,630**	**140.0**	**40,911**	**23,496**	**74.1**
Attributable to:						
Unitholders of the Trust	21,952	8,457	159.6	38,755	21,151	83.2
Non-controlling interest	1,159	1,173	(1.2)	2,156	2,345	(8.1)

N/M - Not meaningful

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

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

Balance Sheet (Group)

	As at 30 Sept 2010	As at 31 Mar 2010
	S$'000	S$'000
ASSETS		
Current assets		
Cash and bank deposits	150,346	132,975
Derivative financial instruments	7,132	12,720
Trade and other receivables	47,458	52,795
Finance lease receivables	7,337	7,188
Inventories	13,820	13,552
Other current assets	3,788	2,933
Total current assets	**229,881**	**222,163**
Non-current assets		
Derivative financial instruments	46,908	95,419
Finance lease receivables	167,616	171,368
Other assets	4,195	4,538
Property, plant and equipment	1,224,302	1,257,152
Intangibles	432,543	438,807
Total non-current assets	**1,875,564**	**1,967,284**
Total assets	**2,105,445**	**2,189,447**
LIABILITIES		
Current liabilities		
Derivative financial instruments	-	2,207
Trade and other payables	83,312	75,606
Current tax liabilities	1,472	2,520
Borrowings	150,656	9,025
Total current liabilities	**235,440**	**89,358**
Non-current liabilities		
Derivative financial instruments	20,648	20,540
Borrowings	1,380,946	1,528,671
Notes payable to non-controlling interest	15,000	15,000
Deferred tax liabilities	23,339	21,928
Other non-current liabilities	83,682	85,255
Total non-current liabilities	**1,523,615**	**1,671,394**
Total liabilities	**1,759,055**	**1,760,752**
Net assets	**346,390**	**428,695**
EQUITY		
Unitholders' funds		
Units in issue	680,245	680,245
Hedging reserve	(80,566)	(49,920)
Translation reserve	(21,008)	(16,633)
Accumulated losses	(242,016)	(195,354)
	336,655	418,338
Non-controlling interest	9,735	10,357
Total unitholders' funds	**346,390**	**428,695**

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

Balance Sheet (Trust)

	As at 30 Sept 2010	As at 31 Mar 2010
	S$'000	S$'000
ASSETS		
Current assets		
Cash and bank deposits	51,141	41,087
Trade and other receivables	309,905	325,197
Other current assets	97	26
Total current assets	**361,143**	**366,310**
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
Total assets	**746,848**	**752,015**
LIABILITIES		
Current liabilities		
Trade and other payables	1,820	1,895
Current tax liabilities	60	34
Borrowings	141,398	-
Total current liabilities	**143,278**	**1,929**
Non-current liabilities		
Borrowings	-	140,873
Total non-current liabilities	**-**	**140,873**
Total liabilities	**143,278**	**142,802**
Net assets	**603,570**	**609,213**
EQUITY		
Unitholders' funds		
Units in issue	680,245	680,245
Accumulated losses	(76,675)	(71,032)
Total unitholders' funds	**603,570**	**609,213**

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

	As At 30 Sept 2010	As at 31 Mar 2010
	S$'000	S$'000
Secured bank loans		
Amount repayable within one year	150,656	9,025
Amount repayable after one year	1,380,946	1,528,671
	1,531,602	1,537,696

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 the Trustee-Manager and Hyflux Ltd, and a charge over the shares held by the Trustee-Manager in SingSpring Pte Ltd. The corporate loan granted to CitySpring is secured over its assets and business undertakings, including a charge over the units in City Gas Trust, 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.

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

	2Q FY11	2Q FY10	1H FY11	1H FY10
	S$'000	S$'000	S$'000	S$'000
Cash flows from operating activities				
Net (loss)/profit after income tax	(3,624)	(16,213)	(25,480)	8,145
Adjustments for:				
Income tax expense/(credit)	1,619	1	14,310	(19,661)
Depreciation and amortisation	13,469	13,503	26,950	26,288
Finance costs	21,097	25,481	42,128	43,792
Interest income	(732)	(411)	(1,358)	(801)
Fair value loss/(gain) on derivative financial instruments	145	885	6,257	(7,060)
Property, plant and equipment written off	-	-	-	4
Unrealised translation loss/(gain)	(13)	402	218	40
Operating cash flow before working capital changes	31,961	23,648	63,025	50,747
Changes in working capital :				
Inventories	(153)	756	(268)	629
Trade and other receivables	3,822	(4,514)	8,075	(1,994)
Trade and other payables	13,075	11,736	8,267	2,787
Cash generated from operations	48,705	31,626	79,099	52,169
Interest received	723	390	1,398	776
Interest paid	(17,361)	(16,823)	(34,702)	(31,328)
Income tax paid	(6)	-	(1,079)	-
Net cash generated from operating activities	**32,061**	**15,193**	**44,716**	**21,617**
Cash flows from investing activities				
Purchase of property, plant and equipment	(535)	(797)	(603)	(1,297)
Net cash used in investing activities	**(535)**	**(797)**	**(603)**	**(1,297)**
Cash flows from financing activities				
Decrease/(increase) in restricted cash	122	1,208	(323)	(412)
Repayment of borrowings	(2,325)	(229,865)	(4,575)	(232,231)
Net proceeds raised from issue of units	-	227,838	-	227,838
Distributions paid to unitholders of the Trust	(10,289)	(8,575)	(20,578)	(17,150)
Distributions paid by subsidiary to non-controlling interest	(600)	(840)	(960)	(840)
Net cash used in financing activities	**(13,092)**	**(10,234)**	**(26,436)**	**(22,795)**
Net increase/(decrease) in cash and cash equivalents	**18,434**	**4,162**	**17,677**	**(2,475)**
Cash and cash equivalents at beginning of the period	96,185	92,685	98,928	96,848
Effect of currency translation on cash and cash equivalents	1,609	1,682	(377)	4,156
Cash and cash equivalents at end of the period (Note a)	**116,228**	**98,529**	**116,228**	**98,529**

Note a:

	As at 30 Sept 2010	As at 30 Sept 2009
	S$'000	S$'000
Cash and short term deposits as at 30 Sept	150,346	131,805
Less: Restricted cash	(34,118)	(33,276)
Cash and cash equivalents	**116,228**	**98,529**

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

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					Non-Controlling Interest	Total
	Units in Issue	Hedging Reserve	Translation Reserve	Accumulated Losses	Total		
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
2011							
Balance as at 1 Apr 2010	680,245	(49,920)	(16,633)	(195,354)	418,338	10,357	428,695
Total comprehensive loss	-	(28,800)	(12,081)	(22,096)	(62,977)	(3)	(62,980)
Distributions paid	-	-	-	(10,289)	(10,289)	(360)	(10,649)
Balance as at 30 Jun 2010	**680,245**	**(78,720)**	**(28,714)**	**(227,739)**	**345,072**	**9,994**	**355,066**
Total comprehensive (loss)/income	-	(1,846)	7,706	(3,988)	1,872	341	2,213
Distributions paid	-	-	-	(10,289)	(10,289)	(600)	(10,889)
Balance as at 30 Sept 2010	**680,245**	**(80,566)**	**(21,008)**	**(242,016)**	**336,655**	**9,735**	**346,390**
2010							
Balance as at 1 Apr 2009	451,157	(105,279)	(44,557)	(165,489)	135,832	12,690	148,522
Total comprehensive income	-	46,297	15,138	24,006	85,441	622	86,063
Distributions paid	-	-	-	(8,575)	(8,575)	-	(8,575)
Balance as at 30 Jun 2009	**451,157**	**(58,982)**	**(29,419)**	**(150,058)**	**212,698**	**13,312**	**226,010**
Units issued	235,183	-	-	-	235,183	-	235,183
Units issue cost	(6,095)	-	-	-	(6,095)	-	(6,095)
Total comprehensive (loss)/income	-	(2,965)	9,225	(16,569)	(10,309)	28	(10,281)
Distributions paid	-	-	-	(8,575)	(8,575)	(840)	(9,415)
Balance as at 30 Sept 2009	**680,245**	**(61,947)**	**(20,194)**	**(175,202)**	**422,902**	**12,500**	**435,402**

Trust

	Units in Issue	Accumulated Losses	Total
	S$'000	S$'000	S$'000
2011			
Balance as at 1 Apr 2010	680,245	(71,032)	609,213
Total comprehensive income	-	6,600	6,600
Distributions paid	-	(10,289)	(10,289)
Balance as at 30 Jun 2010	**680,245**	**(74,721)**	**605,524**
Total comprehensive income	-	8,335	8,335
Distributions paid	-	(10,289)	(10,289)
Balance as at 30 Sept 2010	**680,245**	**(76,675)**	**603,570**
2010			
Balance as at 1 Apr 2009	451,157	(61,560)	389,597
Total comprehensive income	-	4,850	4,850
Distributions paid	-	(8,575)	(8,575)
Balance as at 30 Jun 2009	**451,157**	**(65,285)**	**385,872**
Units issued	235,183	-	235,183
Units issue cost	(6,095)	-	(6,095)
Total comprehensive income	-	1,270	1,270
Distributions paid	-	(8,575)	(8,575)
Balance as at 30 Sept 2009	**680,245**	**(72,590)**	**607,655**

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 30/09/10	As at 31/03/10
Total issued units	979,931,008	979,931,008

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

Not applicable.

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

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

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

The Auditor's Review Report dated 11 November 2010 on the interim financial report of CitySpring Infrastructure Trust and its subsidiaries for the half year ended 30 September 2010 is enclosed in Appendix 1.

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

The accounting policies and methods of computation applied in the financial statements for the current financial period are consistent with those described in the audited financial statements for the financial year ended 31 March 2010.

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

With effect from 1 April 2010, the Group adopted the following new or amended Singapore Financial Reporting Standards ("FRS") which are relevant to the Group's operations:

- Amendment to FRS 39 Financial Instruments: Recognition and Measurement - Eligible Hedged Items
- FRS 27 (revised) Consolidated and Separate Financial Statements
- FRS 103 (revised) Business Combinations

The adoption of the above FRS does not have any significant impact on the financial statements.

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

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

	2Q FY11	2Q FY10	1H FY11	1H FY10
(i) Weighted average number of units	979,931,008	521,919,776	979,931,008	506,029,947
(ii) (Loss)/earnings per unit for the period based on the weighted average number of units in issue (cents)				
- Basic and diluted	(0.41)	(3.17)	(2.66)	1.47
(iii) Number of units issued at end of period	979,931,008	979,931,008	979,931,008	979,931,008
(iv) Distribution per unit for the period (cents)	1.05	1.05	2.10	2.80

6.2 Cash earnings per unit for the financial period

	2Q FY11	2Q FY10	1H FY11	1H FY10
Cash earnings per unit for the period based on the weighted average number of units in issue (cents)				
- Basic and diluted	2.24	1.62	3.95	4.18

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

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

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

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

	Group		Trust	
	30/09/10	31/03/10	30/09/10	31/03/10
Net asset value per unit (S$)	0.34	0.43	0.62	0.62

The Group NAV per unit before hedging and translation reserves is S$0.45 as at 30 September 2010 and S$0.49 as at 31 March 2010.

The number of units used for computation of actual NAV per unit is 979,931,008 which is the number of units in issue as at 30 September 2010 and 31 March 2010.

The Group adopts an active risk management strategy and where appropriate would enter into contracts to protect its cash flow. This policy is consistent with the Group's stated objective of delivering regular and stable distributions to unitholders. Accounting standards require movements in the fair value of held-for-trading contracts to be recorded in the income statement and of hedging contracts to be recognised in the hedging reserve. At 30 September 2010, the Group had a hedging reserve of negative S$80.6 million (31 March 2010: negative S$49.9 million). 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 (2Q FY11 vs 2Q FY10)

Revenue
Group revenue for 2Q FY11 was S$103.8 million which was S$11.7 million higher than 2Q FY10.

At City Gas Trust, revenue of S$77.1 million in 2Q FY11 was higher than its revenue of S$61.2 million in 2Q FY10. This was due mainly to higher tariffs charged in response to higher feedstock costs for gas production and higher volume of gas sold.

SingSpring's revenue of S$9.3 million in 2Q FY11 was lower than its revenue of S$9.8 million in 2Q FY10. The lower revenue was due to lower dispatch of 25% for 2Q FY11 as compared to 42% for 2Q FY10.

Basslink's revenue of A$14.2 million in 2Q FY11 was lower compared to A$17.6 million in 2Q FY10 due to lower CRSM[2] payment. These were partly offset by revenue from its telecoms services which commenced carrying commercial traffic from July 2009.

Other income
This comprises interest income and other miscellaneous income. Other income for 2Q FY11 was S$1.5 million which was higher than S$0.6 million recorded in 2Q FY10 due mainly to higher interest income and refund of property tax.

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

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)

Other gains/(losses) – net
Other gains – net of S$1.0 million in 2Q FY11 and other losses – net of S$1.6 million in 2Q FY10 were mainly due to fair value movement on derivative financial instruments and currency translation movements.

Operating Expenses
Fuel and electricity costs of S$34.2 million in 2Q FY11 were higher than the costs of S$31.9 million in 2Q FY10 due mainly to higher fuel cost for City Gas Trust.

Depreciation and amortisation costs were S$13.5 million for 2Q FY11 and 2Q FY10.

Finance costs of S$21.1 million in 2Q FY11 were lower compared to S$25.5 million in 2Q FY10 due mainly to lower finance costs from lower corporate debt during the half year which was partly offset by higher currency translation rate,

Other operating expenses of S$8.5 million in 2Q FY11 were lower compared to S$7.6 million in 2Q FY10 due mainly to higher currency translation rate and higher marketing expense in the current period.

Cash earnings
2Q FY11 cash earnings was S$23.1 million which was S$13.5 million higher than in 2Q FY10.

City Gas Trust recorded cash earnings of S$13.1 million in 2Q FY11 compared to S$3.0 million in 2Q FY10. City Gas Trust's short term profit margins can be affected by movements in fuel costs. This is because City Gas Trust can only change the tariffs at which it charges its customers once every three months, whereas fuel costs fluctuate on the open market more frequently. From quarter to quarter, there is therefore potentially a mis-match between City Gas Trust's fuel costs and tariffs, although the tariff adjustments mechanism is designed to ensure that we fully recover our fuel costs over a period of time.

SingSpring desalination plant continues to achieve 100% availability and recorded cash earnings of S$4.7 million in 2Q FY11 which was comparable with 2Q FY10. SingSpring incurred higher finance costs from higher fixed interest rate on the hedged portion of the loan as contracted with lenders under the existing financing agreement which was offset by the refund of property tax.

Basslink's cash earnings for 2Q FY11 was A$6.3 million compared to A$4.8 million in 2Q FY10. Basslink Telecoms has signed a major long-term contract with a customer during this financial year. The majority of the service fee under this contract is payable over the first three years. The first payment which has been received has been recognised as cash earnings for the current quarter. The increase in Basslink Telecoms contribution has been offset by negative CRSM payments.

8.2 Income Statement (1H FY11 vs 1H FY10)

Revenue
Group revenue for 1H FY11 was S$207.7 million which was S$32.7 million higher than 1H FY10.

At City Gas Trust, revenue of S$152.3 million in 1H FY11 was higher than its revenue of S$117.7 million in 1H FY10. This was due mainly to higher tariffs charged in response to higher feedstock costs for gas production and higher volume of gas sold.

SingSpring's revenue of S$19.9 million in 1H FY11 was higher than its revenue of S$18.0 million in 1H FY10. The higher revenue was due mainly to higher electricity cost incurred which was passed through to PUB. This was offset by the YTD dispatch of 31% compared to 33% for the corresponding period.

Basslink's revenue of A$28.9 million in 1H FY11 was lower compared to A$33.8 million in 1H FY10 due to lower CRSM[2] payment. This was partly offset by revenue from its telecoms services which commenced carrying commercial traffic from July 2009. Basslink Telecoms has contributed more than 10% of Basslink Group revenue for 1H FY11.

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

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)

Other income

This comprises interest income and other miscellaneous income. Other income for 1H FY11 was S$2.2 million which was higher than S$1.1 million recorded in 1H FY10 due mainly to higher interest income and refund of property tax.

Other gains/(losses) – net

Other losses – net of S$6.4 million in 1H FY11 and other gains – net of S$6.4 million in 1H FY10 were mainly due to fair value movement on derivative financial instruments and currency translation movements.

Operating Expenses

Fuel and electricity costs of S$70.5 million in 1H FY11 were higher than the costs of S$54.5 million in 1H FY10 due mainly to higher fuel cost for City Gas Trust.

Depreciation and amortisation costs were S$26.9 million and S$26.3 million for 1H FY11 and 1H FY10 respectively.

Finance costs of S$42.1 million in 1H FY11 were lower compared to S$43.8 million in 1H FY10 due mainly to lower finance costs from lower corporate debt during the half year which was partly offset by higher currency translation rate.

Other operating expenses of S$15.5 million in 1H FY11 were higher compared to S$13.6 million in 1H FY10 due mainly to higher currency translation rate and higher marketing expense in the current period.

Cash earnings

1H FY11 cash earnings was S$40.9 million which was S$17.4 million higher than in 1H FY10.

City Gas Trust recorded cash earnings of S$26.2 million in 1H FY11 compared to S$10.3 million in 1H FY10. City Gas Trust' short term profit margins can be affected by movements in fuel costs. This is because City Gas Trust can only change the tariffs at which it charges its customers once every three months, whereas fuel costs fluctuate on the open market more frequently. From quarter to quarter, there is therefore potentially a mis-match between City Gas' fuel costs and tariffs, although the tariff adjustments mechanism is designed to ensure that we fully recover our fuel costs over a period of time.

SingSpring recorded cash earnings of S$8.8 million for 1H FY11 compared to S$9.4 million in 1H FY10. SingSpring incurred higher finance costs from higher fixed interest rate on the hedged portion of the loan as contracted with lenders under the existing financing agreement which was partly offset by the refund of property tax.

Basslink's cash earnings for 1H FY11 was A$8.8 million compared to A$9.7 million in 1H FY10. The lower cash earnings in 1H FY11 was due to negative CRSM payments which was offset by contributions from its telecoms services which has been carrying traffic from July 2009.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. (cont'd)

8.3 Balance Sheet - Group

Total assets as at 30 September 2010 was S$2,105 million which was lower than total assets of S$2,189 million as at 31 March 2010. This was mainly due to depreciation charges for property plant and equipment, amortisation charges for intangible assets other than goodwill, effect of translation of overseas subsidiary asset balances at a lower closing rate at 30 September 2010 as compared with 31 March 2010 and the effects of mark-to-market changes in the derivative financial instruments.

Total liabilities as at 30 September 2010 was S$1,759 million which was lower than total liabilities of S$1,761 million as at 31 March 2010. This was mainly due to repayment of bank loan, effect of translation of overseas subsidiary liability balances at a lower closing rate at 30 September 2010 as compared with 31 March 2010. The S$142 million corporate loan has been classified as current liabilities as at 30 September 2010 as it matures on 30 August 2011 and the Trust is in negotiations with banks to re-finance the loan.

Total unitholders funds as at 30 September 2010 was S$346 million which was lower than total unitholders funds of S$429 million as at 31 March 2010. This was mainly due to net loss after tax recorded for the half year ended 30 September 2010, distribution to unitholders, the effects of mark-to-market changes in the derivative financial instruments on hedging reserve and effect of translation at a lower closing rate at 30 September 2010 as compared with 31 March 2010.

8.4 Balance Sheet – Trust

The S$142 million corporate loan has been classified as current liabilities as at 30 September 2010 as it matures on 30 August 2011 and the Trust is in negotiations with banks to re-finance the loan.

8.5 Cashflow

Cash and cash balances less restricted cash as at 30 September 2010 was S$116.2 million which was an increase of S$18.4 million compared to S$96.2 million as at 30 June 2010. This was mainly due to the net cash generated from operating activities of S$32.1 million for the quarter ended 30 September 2010.

Cash and cash balances as at 30 September 2010 increased S$17.7 million for the 1H FY 11 compared to a decrease of S$2.5 million for the corresponding period. Net cash generated from operating activities for 1H FY 11 was S$44.7 million compared with S$21.6 million for 1H FY 10.

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 2011 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

Basslink and SingSpring have long-term contracts with state-owned utilities. Basslink Telecoms, which commenced services from July 2009, has sold capacity to several customers. In Singapore, the opening of the two integrated resorts and a number of prime shopping malls in the Orchard Road area, all of which have significant food and beverage businesses should have a positive impact on town gas consumption.

City Gas Trust's 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 Trust has adjusted its gas tariff downwards on average by approximately 5% for the quarter commencing November 2010 to reflect lower fuel costs.

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

As disclosed since 3Q FY10, Basslink Pty Ltd ("Basslink") and Hydro Tasmania ("HT") are in discussions with regard to the interpretation of certain terms of the Basslink Services Agreement ("BSA") for the application to the commercial risk sharing mechanism ("CRSM") calculations. The outcome of the discussions may have an impact on the CRSM calculations for calendar year 2009. Based on HT's purported interpretation of these terms, HT had claimed an additional A$6.9m in CRSM payment for calendar year 2009. The BSA contains dispute resolution procedures which can be activated to resolve matters such as those mentioned above. These procedures require a party to issue a dispute notice, and ultimately may require HT and Basslink to enter into arbitration. As announced on 20 September 2010, Basslink has received a dispute notice on 17 September 2010 on the CRSM matters and other alleged breaches of the BSA and consequently, the dispute resolution procedures will proceed. The Group has taken legal advice on these issues. No provision for any liabilities against the Group arising from these discussions has been made in the financial statements.

As part of the acquisition in August 2007, Basslink issued three bonds maturing in 2015, 2017 and 2019. These bonds are rated BBB- and Baa2 by Standard & Poor's ("S&P") and Moody's respectively. Under the financing agreements relating to these bonds, if the standalone credit rating for the bonds falls to the level of either BB+ or Ba1, Basslink would not be allowed to make distributions to CitySpring. Over the last three years, Basslink has distributed an average of A$4 million per quarter to CitySpring. The Trustee-Manager of CitySpring Infrastructure Trust received notification today from S&P that it has placed the rating on these bonds on CreditWatch with negative implications because of, according to S&P, increased vulnerability of the project to its debt-refinancing task in 2015. The Trustee-Manager is in discussions with S&P regarding the status of the credit rating, and will make an announcement upon any further development.

The Trustee-Manager reviews the distribution policy of CitySpring Infrastructure Trust quarterly, and will take the credit ratings, among other relevant factors, into account in its continuing review of the distribution policy. In the event that a change is made to the distribution policy, the Trustee-Manager will make an announcement regarding such change. The Trustee-Manager has also been reviewing the capital structure of the Group, and is formulating a capital plan in the best interests of unitholders.

11. Distributions

(a) Current financial period reported on

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

(*) Post Rights

(b) Corresponding Period of the Immediately Preceding Financial Period

Any distributions declared for the current financial period	:	Yes
Amount	:	S$10,289,275
Distribution period	:	From 01/07/2009 to 30/09/2009
Distribution type	:	Cash, Tax-Exempt Income
Distribution rate	:	1.05 Singapore cents per unit
Par value	:	Not applicable
Tax rate	:	Distributions received by either Singapore tax resident Unitholders or non-Singapore tax resident Unitholders are exempt from Singapore income tax and also not subject to Singapore withholding tax. Unitholders are not entitled to tax credits of any taxes paid by the Trustee-Manager of CitySpring.

(c) Date Payable : 15 December 2010

(d) Books closure date : The Transfer Books and Register of CitySpring Infrastructure Trust will be closed from 5.00 p.m. on 29 November 2010 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 29 November 2010 will be entitled to the distribution to be paid on 15 December 2010.

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

Not applicable.

13. INTERESTED PARTY TRANSACTIONS

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000) and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted during the financial period under review (1) under shareholders' mandate pursuant to Rule 920 and (2) transactions disclosed in the IPO Prospectus and Circular seeking unitholders approval for Basslink acquisition (excluding transactions less than S$100,000)	
	2Q FY11 S$'000	**2Q FY10 S$'000**	**2Q FY11 S$'000**	**2Q FY10 S$'000**
(a) Sales of Goods and Services				
Temasek Holdings (Private) Limited and its Associates				
- Singapore Power Limited				
- Powergas Limited	-	-	103	103
- SATS Catering Pte Ltd	-	-	1,255	1,168
(b) Reimbursement of expenses				
Temasek Holdings (Private) Limited and its Associates				
- Singapore Power Limited				
- Powergas Limited	-	-	1,077	1,040
- CitySpring Infrastructure Management Pte. Ltd.	72	70	-	-
(c) Purchases				
Temasek Holdings (Private) Limited and its Associates				
- Aetos Security Management Pte Ltd	-	-	157[3]	147[3]
- Certis Cisco Security Pte Ltd	13[3]	-	-	-
- Singapore Power Limited				
- Gas Supply Pte Ltd	-	-	28,758[4]	27,283
- Powergas Limited	-	-	19,647	19,879
- SP Services Limited	-	-	3,232[5]	3,120
- SembCorp Power	-	1,188	-	-
- SP Australia Networks				
- SPI PowerNet Pty Ltd	48	1	124	115
- SPI Networks Pty Ltd	26	23	-	-

[3] This includes security manning services which a subsidiary has agreed to share in a contract with its operator and the security company

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

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

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000) and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted during the financial period under review (1) under shareholders' mandate pursuant to Rule 920 and (2) transactions disclosed in the IPO Prospectus and Circular seeking unitholders approval for Basslink acquisition (excluding transactions less than S$100,000)	
	2Q FY11 S$'000	**2Q FY10 S$'000**	**2Q FY11 S$'000**	**2Q FY10 S$'000**
(d) Leasing of Assets (Rental charge)				
Temasek Holdings (Private) Limited and its Associates				
- Singapore Power Limited				
- Powergas Limited	-	-	99	99
- SP Services Limited	-	-	60	50
(e) Management Fee Expense (including Reimbursement of Expenses)				
Temasek Holdings (Private) Limited and its Associates				
- CitySpring Infrastructure Management Pte. Ltd.	79	78	1,528	974

CitySpring Infrastructure Management Pte. Ltd. (as Trustee-Manager of CitySpring Infrastructure Trust) and its subsidiaries does not have a shareholders' mandate pursuant to Rule 920 in relation to interested party transactions for financial periods ended 30 September 2010 and 30 September 2009.

14. 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 unaudited interim financial results of the Group for the quarter ended 30 September 2010 to be false or misleading in any material aspect.

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

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

Susanna Cher
Company Secretary

Singapore
11 November 2010

CitySpring Infrastructure Trust and its Subsidiaries

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

Report on Review of Condensed Interim Financial Information

Introduction

We have reviewed the condensed interim financial information of CitySpring Infrastructure Trust (the "Trust") and its subsidiaries (collectively, the "Group") set out on pages 2 to 31, which comprise the condensed balance sheets of the Trust and of the Group as of 30 September 2010 and the related condensed statements of income and comprehensive income of the Group, changes in unitholders' funds of the Trust and of the Group and cash flows of the Group for the six months ended 30 September 2010, and explanatory notes. The Trustee-Manager is responsible for the preparation and presentation of this condensed interim financial information in accordance with Singapore Financial Reporting Standard 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

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

Conclusion

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

Ernst & Young LLP

Ernst & Young LLP
Public Accountants and Certified Public Accountants
Singapore
11 November 2010