

Financial Statement And Distribution Announcement for the Third Quarter ended 31 December 2009

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

Financial Statement And Distribution Announcement for the Third Quarter ended 31 December 2009

INTRODUCTION

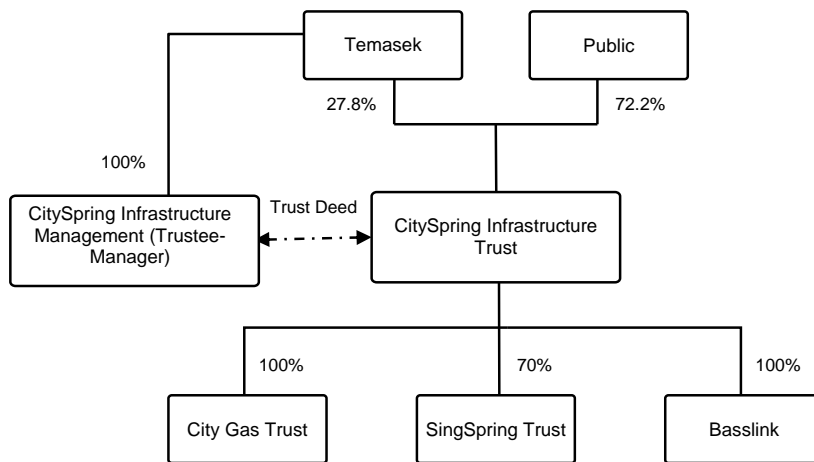
CitySpring Infrastructure Trust ("CitySpring") was constituted under a trust deed dated 5 January 2007. CitySpring Infrastructure Management Pte. Ltd. ("Trustee-Manager") was appointed the Trustee-Manager. CitySpring was listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 12 February 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 from National Grid International Ltd 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. 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 infrastructure assets, being capital intensive, tend to show accounting losses due to fairly large amount of non-cash depreciation charges.

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.

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Financial Statement And Distribution Announcement for the Third Quarter ended 31 December 2009

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, its fuel costs consist mainly 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 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, its net energy costs for its first three years of commercial operations (December 2005 – December 2008) varied with the cost of fuel. To reduce the volatility of its exposure to changes in energy prices, SingSpring Trust contracted energy hedges. With effect from 16 December 2008, the above energy costs arrangement ceased and SingSpring Trust's energy cost has been rebased in accordance with the principles set out in the Water Purchase Agreement with Public Utilities Board.

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 exchange gains or losses.

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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.

(i) Consolidated Income Statement

	3Q FY10	3Q FY09	Change	YTD FY10	YTD FY09	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	95,239	101,153	(5.8)	270,178	301,469	(10.4)
Other income	874	1,455	(39.9)	2,222	4,741	(53.1)
Other gains/(losses)- net	979	(23,723)	N/M	7,792	(30,777)	N/M
Expenses						
Fuel and electricity costs	(31,509)	(30,390)	(3.7)	(86,357)	(112,463)	23.2
Transportation costs	(18,189)	(17,737)	(2.5)	(54,135)	(53,564)	(1.1)
Depreciation and amortisation	(13,968)	(12,151)	(15.0)	(40,256)	(40,083)	(0.4)
Staff costs	(5,364)	(4,362)	(23.0)	(13,981)	(13,952)	(0.2)
Operation and maintenance costs	(4,982)	(4,145)	(20.2)	(14,527)	(12,191)	(19.2)
Finance costs	(20,293)	(22,039)	7.9	(64,085)	(66,779)	4.0
Management fee	(1,428)	(880)	(62.3)	(3,221)	(2,708)	(18.9)
Other operating expenses	(8,675)	(7,624)	(13.8)	(22,462)	(22,252)	(0.9)
Total expenses	(104,408)	(99,328)	(5.1)	(299,024)	(323,992)	7.7
Loss before income tax	(7,316)	(20,443)	64.2	(18,832)	(48,559)	61.2
Income tax credit/(expense)	6,349	(793)	N/M	26,010	(1,035)	N/M
Net (loss)/profit after income tax	(967)	(21,236)	95.4	7,178	(49,594)	N/M
Attributable to:						
Unitholders of the Trust	(1,351)	(21,253)	93.6	6,086	(49,811)	N/M
Minority interest	384	17	N/M	1,092	217	N/M
	(967)	(21,236)	95.4	7,178	(49,594)	N/M

N/M - Not meaningful

(ii) Additional Information

EBITDA	26,457	13,011	103.3	84,220	55,011	53.1
Cash earnings¹	10,909	20,286	(46.2)	34,405	39,107	(12.0)

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

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Financial Statement And Distribution Announcement for the Third Quarter ended 31 December 2009

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)

(iii) Consolidated Statement of Comprehensive Income

	3Q FY10	3Q FY09	YTD FY10	YTD FY09
	S\$'000	S\$'000	S\$'000	S\$'000
Net (loss)/profit after income tax	(967)	(21,236)	7,178	(49,594)
Other comprehensive income:				
Cash flow hedges:				
- Fair value gains/(losses)	10,947	(173,415)	48,761	(200,089)
- Transfer to income statement	2,782	(1,789)	8,243	(8,324)
Translation differences relating to financial statements of foreign subsidiaries	1,436	(1,338)	25,799	(25,870)
Other comprehensive income, net of tax	15,165	(176,542)	82,803	(234,283)
Total comprehensive income	14,198	(197,778)	89,981	(283,877)
Attributable to:				
Unitholders of the Trust	13,841	(196,271)	88,974	(282,428)
Minority interest	357	(1,507)	1,007	(1,449)
	14,198	(197,778)	89,981	(283,877)

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Financial Statement And Distribution Announcement for the Third Quarter ended 31 December 2009

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)

	31/12/09	31/03/09
	S\$'000	S\$'000
ASSETS		
Current assets		
Cash and bank deposits	126,667	125,934
Derivative financial instruments	14,366	4,927
Trade and other receivables	44,768	43,956
Finance lease receivables	7,121	6,918
Inventories	11,647	12,379
Other current assets	3,744	1,488
Total current assets	208,313	195,602
Non-current assets		
Derivative financial instruments	97,768	14,806
Finance lease receivables	173,141	178,556
Other assets	4,649	4,030
Property, plant and equipment	1,247,062	1,079,389
Intangibles	440,816	441,187
Total non-current assets	1,963,436	1,717,968
Total assets	2,171,749	1,913,570
LIABILITIES		
Current liabilities		
Derivative financial instruments	3,489	8,760
Trade and other payables	69,596	68,665
Current tax liabilities	2,432	2,443
Borrowings	8,878	9,164
Total current liabilities	84,395	89,032
Non-current liabilities		
Derivative financial instruments	19,692	19,723
Borrowings	1,507,187	1,547,952
Notes payable to minority unitholder	15,000	15,000
Deferred tax liabilities	22,461	23,739
Other non-current liabilities	84,123	69,602
Total non-current liabilities	1,648,463	1,676,016
Total liabilities	1,732,858	1,765,048
Net assets	438,891	148,522
EQUITY		
Unitholders' funds		
Units in issue	680,245	451,157
Hedging reserve	(48,191)	(105,279)
Translation reserve	(18,758)	(44,557)
Accumulated losses	(186,842)	(165,489)
	426,454	135,832
Minority interest	12,437	12,690
Total unitholders' funds	438,891	148,522

Note:

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 31 December 2009, the Group had a hedging reserve of negative S\$48.2 million (31 March 2009: negative S\$105.3 million). The fair value movements in hedging reserve are non-cash and do not reflect the fundamental value of the Group's businesses.

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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)

	31/12/09	31/03/09
	S\$'000	S\$'000
ASSETS		
Current assets		
Cash and bank deposits	34,899	35,241
Derivative financial instruments	-	*
Trade and other receivables	325,479	333,400
Other current assets	67	28
Total current assets	360,445	368,669
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	746,150	754,374
LIABILITIES		
Current liabilities		
Trade and other payables	2,118	1,351
Current tax liabilities	41	37
Total current liabilities	2,159	1,388
Non-current liabilities		
Borrowings	140,618	363,389
Total non-current liabilities	140,618	363,389
Total liabilities	142,777	364,777
Net assets	603,373	389,597
EQUITY		
Unitholders' funds		
Units in issue	680,245	451,157
Accumulated losses	(76,872)	(61,560)
Total unitholders' funds	603,373	389,597

* - Amount less than S\$1,000

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

	31/12/09	31/03/09
	S\$'000	S\$'000
Secured bank loans		
Amount repayable within one year	8,878	9,164
Amount repayable after one year	1,507,187	1,547,952
	1,516,065	1,557,116

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.

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

Consolidated Cash Flow Statement

	3Q FY10	3Q FY09	YTD FY10	YTD FY09
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Net (loss)/profit after income tax	(967)	(21,236)	7,178	(49,594)
Adjustments for:				
Income tax (credit)/expense	(6,349)	793	(26,010)	1,035
Depreciation and amortisation	13,968	12,151	40,256	40,083
Finance costs	20,293	22,039	64,085	66,779
Interest income	(488)	(736)	(1,289)	(3,292)
Fair value (gain)/loss on derivative financial instruments	(763)	22,273	(7,823)	32,450
Property, plant and equipment written off	-	58	4	58
Loss on disposal of property, plant and equipment	-	-	-	44
Unrealised translation (gain)/loss	(230)	1,341	(191)	2,957
Operating cash flow before working capital changes	25,464	36,683	76,210	90,520
Changes in working capital:				
Inventories	103	526	732	1,105
Trade and other receivables	4,349	5,020	2,355	8,938
Trade and other payables	(4,338)	(11,811)	(1,551)	(10,084)
Cash generated from operations	25,578	30,418	77,746	90,479
Interest received	480	757	1,256	3,299
Interest paid	(17,561)	(16,127)	(48,889)	(52,140)
Income tax paid	(15)	-	(15)	-
Net cash generated from operating activities	8,482	15,048	30,098	41,638
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,175)	(1,131)	(2,472)	(1,534)
Proceeds from sale of property, plant and equipment	-	-	-	66
Net cash used in investing activities	(1,175)	(1,131)	(2,472)	(1,468)
Cash flows from financing activities				
Decrease/(increase) in restricted cash	849	(353)	438	(3,860)
Net proceeds from borrowings	-	-	-	361,585
Repayment of borrowings	(2,486)	(700)	(234,717)	(371,935)
Net proceeds raised from issue of units	-	-	227,838	-
Distributions paid to unitholders of the Trust	(10,289)	(8,575)	(27,439)	(24,989)
Distributions paid by subsidiary to minority unitholder	(420)	(810)	(1,260)	(2,451)
Net cash used in financing activities	(12,346)	(10,438)	(35,140)	(41,650)
Net (decrease)/increase in cash and cash equivalents	(5,039)	3,479	(7,514)	(1,480)
Cash and cash equivalents at beginning of the period	98,529	60,451	96,848	68,064
Effect of currency translation on cash and cash equivalents	381	(2,647)	4,537	(5,301)
Cash and cash equivalents at end of the period (Note a)	93,871	61,283	93,871	61,283

Note a:

Cash and short term deposits as at 31 December
Less: Restricted cash
Cash and cash equivalents

31/12/09	31/12/08
S\$'000	S\$'000
126,667	98,163
(32,796)	(36,880)
93,871	61,283

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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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.

<u>Group</u>	← Attributable to Unitholders of the Trust →				Minority Interest	Total
	Units in Issue	Hedging Reserve	Translation Reserve	Accumulated Losses		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2010						
Balance as at 1 April 2009	451,157	(105,279)	(44,557)	(165,489)	135,832	148,522
Total comprehensive income	-	46,297	15,138	24,006	85,441	86,063
Distributions paid	-	-	-	(8,575)	(8,575)	(8,575)
Balance as at 30 June 2009	451,157	(58,982)	(29,419)	(150,058)	212,698	226,010
Units issued	235,183	-	-	-	235,183	235,183
Units issue cost	(6,095)	-	-	-	(6,095)	(6,095)
Total comprehensive income	-	(2,965)	9,225	(16,569)	(10,309)	(10,281)
Distributions paid	-	-	-	(8,575)	(8,575)	(9,415)
Balance as at 30 September 2009	680,245	(61,947)	(20,194)	(175,202)	422,902	435,402
Total comprehensive income	-	13,756	1,436	(1,351)	13,841	14,198
Distributions paid	-	-	-	(10,289)	(10,289)	(10,709)
Balance as at 31 December 2009	680,245	(48,191)	(18,758)	(186,842)	426,454	438,891
2009						
Balance as at 1 April 2008	451,157	(3,555)	(6,376)	(81,715)	359,511	375,629
Total comprehensive income	-	29,039	12,523	8,067	49,629	51,655
Distributions paid	-	-	-	(7,839)	(7,839)	(8,580)
Balance as at 30 June 2008	451,157	25,484	6,147	(81,487)	401,301	418,704
Total comprehensive income	-	(62,106)	(37,055)	(36,625)	(135,786)	(137,754)
Distributions paid	-	-	-	(8,575)	(8,575)	(9,475)
Balance as at 30 September 2008	451,157	(36,622)	(30,908)	(126,687)	256,940	271,475
Total comprehensive income	-	(173,680)	(1,338)	(21,253)	(196,271)	(197,778)
Distributions paid	-	-	-	(8,575)	(8,575)	(9,385)
Balance as at 31 December 2008	451,157	(210,302)	(32,246)	(156,515)	52,094	64,312

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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 capitalisation issues and distributions to unitholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (cont'd)

Trust

	Units in Issue	Accumulated Losses	Total
	S\$'000	S\$'000	S\$'000
2010			
Balance as at 1 April 2009	451,157	(61,560)	389,597
Total comprehensive income	-	4,850	4,850
Distributions paid	-	(8,575)	(8,575)
Balance as at 30 June 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 September 2009	680,245	(72,590)	607,655
Total comprehensive income	-	6,007	6,007
Distributions paid	-	(10,289)	(10,289)
Balance as at 31 December 2009	680,245	(76,872)	603,373
2009			
Balance as at 1 April 2008	451,157	(55,127)	396,030
Total comprehensive income	-	10,090	10,090
Distributions paid	-	(7,839)	(7,839)
Balance as at 30 June 2008	451,157	(52,876)	398,281
Total comprehensive income	-	6,584	6,584
Distributions paid	-	(8,575)	(8,575)
Balance as at 30 September 2008	451,157	(54,867)	396,290
Total comprehensive income	-	6,026	6,026
Distributions paid	-	(8,575)	(8,575)
Balance as at 31 December 2008	451,157	(57,416)	393,741

- 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.

	01/10/09 to 31/12/09	01/10/08 to 31/12/08	01/04/09 to 31/12/09	01/04/08 to 31/12/08
Issued units at the beginning of the period	979,931,008	489,965,504	489,965,504	489,965,504
Rights issue (Note a)	-	-	489,965,504	-
Issued units at the end of the period	979,931,008	489,965,504	979,931,008	489,965,504

(a) Rights Units issued on 24 September 2009 pursuant to the completion of the fully underwritten renounceable rights issue

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Financial Statement And Distribution Announcement for the Third Quarter ended 31 December 2009

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.

	31/12/09	31/03/09
Total issued units	<u>979,931,008</u>	<u>489,965,504</u>

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

Not applicable.

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

The figures have not been audited nor reviewed by the Auditors.

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

Not applicable.

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

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

On 1 April 2009, the Group adopted the following relevant new or revised Financial Reporting Standards (FRS)

- FRS 1 (revised 2008) – Presentation of financial statements

FRS 1 (revised 2008) requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from the components of comprehensive income taken directly to equity. These components taken directly to equity are presented in a separate Statement of Comprehensive Income.

- FRS 108 – Operating segments

FRS 108 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. The reportable operating segments have not been changed as they are consistent with the internal reporting provided to the Board of Directors, the chief operating decision-maker of the Group. The measure of performance disclosed has been changed to cash earnings to align with the way the Board evaluates segment performance and decides on allocation of resources.

- FRS 23 (revised 2007) – Amendment to FRS 23, Borrowing costs

The revised standard removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of qualifying asset as part of that asset.

The adoption of the above FRS does not have any significant impact on the accounting policies.

Financial Statement And Distribution Announcement for the Third Quarter ended 31 December 2009

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

	3Q FY10	3Q FY09	YTD FY10	YTD FY09
(i) Weighted average number of units	979,931,008	489,965,504	664,571,393	489,965,504
(ii) (Loss)/earnings per unit for the period based on the weighted average number of units in issue (cents)				
- Basic and diluted	(0.14)	(4.34)	0.92	(10.17)
(iii) Number of units issued at end of period	979,931,008	489,965,504	979,931,008	489,965,504
(iv) Distribution per unit for the period (cents)	1.05 ^(#)	1.75	3.85	5.25

^(#) Post Rights Issue

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	
	31/12/09	31/03/09	31/12/09	31/03/09
Net asset value per unit (S\$)	0.44	0.28	0.62	0.80

The Group NAV per unit before hedging and translation reserves is S\$0.50 as at 31 December 2009 and S\$0.58 as at 31 March 2009.

The number of units used for computation of actual NAV per unit is 979,931,008 and 489,965,504 which is the number of units in issue as at 31 December 2009 and 31 March 2009 respectively.

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 31 December 2009, the Group had a hedging reserve of negative S\$48.2 million (31 March 2009: negative S\$105.3 million). The fair value movements in hedging reserve are non-cash and do not reflect the fundamental value of the Group's businesses.

Financial Statement And Distribution Announcement for the Third Quarter ended 31 December 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.**

Income Statement

3Q FY10 vs 3Q FY09

Revenue

Group revenue for 3Q FY10 was S\$95.2 million which was S\$5.9 million lower than 3Q FY09.

At City Gas Trust, revenue of S\$67.4 million in 3Q FY10 was lower than its revenue of S\$78.6 million in 3Q FY09. This is due mainly to lower tariffs charged in response to lower feedstock costs for gas production which was partially offset by volume growth in town gas sales.

SingSpring's revenue of S\$8.9 million in 3Q FY10 was higher than its revenue of S\$7.1 million in 3Q FY09 due to rebasing of energy costs in accordance with the Water Purchase Agreement which was effective from 16 December 2008. The dispatch level for the quarter was 26% whilst it was 25% during the corresponding quarter.

Basslink's revenue of A\$14.8 million in 3Q FY10 was lower compared to A\$15.4 million in 3Q FY09 due to lower CRSM² recorded during the current quarter compared to the corresponding quarter. Basslink recorded its first full quarter of 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 3Q FY10 was S\$0.9 million which was lower than S\$1.5 million recorded in 3Q FY09 due mainly to lower interest income.

Other gains / (losses) – net

Other gains – net of S\$1.0 million in 3Q FY10 comprises fair value gain on derivative financial instruments and realised currency translation gains. Other losses – net of S\$23.7 million in 3Q FY09 included realised gain on derivative financial instruments.

Operating Expenses

Fuel and electricity costs of S\$31.5 million in 3Q FY10 were higher than the costs of S\$30.4 million in 3Q FY09 due to higher fuel cost.

Depreciation and amortisation costs of S\$14.0 million in 3Q FY10 were higher compared to S\$12.2 million due to higher currency translation rate in the current period which was partially offset by lower amortisation costs as the intangible – customer contract recognised in respect of telecoms services was written off during the last financial year to pave the way for the commercialisation of the fibre optic cables (see above comment on telecoms revenue).

Finance costs of S\$20.3 million in 3Q FY10 were lower compared to S\$22.0 million due mainly to lower interest rates charged during the quarter and lower corporate debt.

Other operating expenses of S\$8.7 million in 3Q FY10 were higher compared to S\$7.6 million in 3Q FY09 due mainly to higher staff costs, property tax expense and higher selling expenses.

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 Third Quarter ended 31 December 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)**

Cash earnings

3Q FY10 cash earnings was S\$10.9 million which was S\$9.4 million lower than in 3Q FY09.

City Gas Trust recorded cash earnings of S\$6.6 million in 3Q FY10 compared to S\$20.9 million in 3Q FY09. From quarter to quarter, there may be short-term fluctuations in the cash earnings of City Gas Trust due to a 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. In this connection, a tariff increase of 13.8% was approved with effect on 1st November 2009 and a further tariff increase of 2.2% was approved with effect from 1st February 2010. Operating expenses for the quarter was higher due to higher staff costs and property tax expenses.

SingSpring desalination plant continues to achieve 100% availability and recorded cash earnings of S\$4.9 million in 3Q FY10 compared to S\$3.9 million in 3Q FY09.

Basslink underwent a planned outage during the quarter. Cumulative availability for the current calendar year was 98.8% compared with 94.6% last year. Basslink's cash earnings for 3Q FY10 was A\$1.6 million compared to A\$2.9 million in 3Q FY09. The lower cash earnings in 3Q FY10 was due to lower CRSM which was partly offset by contributions from its telecoms services which has been carrying traffic for several corporate customers from July 2009.

YTD FY10 vs YTD FY09

Revenue

YTD FY10 revenue of S\$270.2 million was S\$31.3 million lower than in YTD FY09.

At City Gas Trust, revenue of S\$185.2 million in YTD FY10 was lower than its revenue of S\$228.6 million in YTD FY09 due to lower tariffs charged in response to lower feedstock costs for gas production.

SingSpring's revenue of S\$26.9 million in YTD FY10 was higher than its revenue of S\$20.0 million in YTD FY09 due to rebasing of energy costs in accordance with the Water Purchase Agreement which was effective from 16 December 2008. The YTD FY10 dispatch level was 31%, whilst it was 26% during the corresponding period in FY09.

Basslink's revenue of A\$48.5 million in YTD FY10 was higher compared to A\$44.9 million in YTD FY09 due to higher facility fee as a result of higher availability and higher CRSM. Basslink's revenue was also boosted from the launch of its telecoms services which commenced carrying commercial traffic from July 2009.

Other income

Other income for YTD FY10 was S\$2.2 million which was lower than S\$4.7 million recorded in 3Q FY09 due mainly to lower interest income and lower miscellaneous income.

Other gains / (losses) – net

Other gains – net of S\$7.8 million in YTD FY10 comprises fair value gain on derivative financial instruments and currency translation gains or losses. Other losses – net of S\$30.8 million in YTD FY09 included realised gain on derivative financial instruments.

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)**

Operating Expenses

Fuel and electricity costs of S\$86.4 million in YTD FY10 were lower than the costs of S\$112.5 million in the corresponding period in YTD FY09 due to lower fuel cost.

Depreciation and amortisation costs of S\$54.1 million in YTD FY10 are higher compared to S\$53.6 million in YTD FY09 due to higher currency translation rate in the current period which was partly offset by lower amortisation costs as the intangible – customer contract recognised in respect of telecoms services was written off during the last financial year to pave the way for the commercialisation of the fibre optic cables (see above comment on telecoms revenue).

Finance costs of S\$64.1 million in YTD FY10 were lower compared to S\$66.8 million in YTD FY09 due to lower interest rates charged which was partially offset by the write off of debt amortisation costs in relation to partial repayment of the corporate loan from proceeds raised from the Trust's recent rights issue.

Other operating expenses of S\$22.5 million in YTD FY10 which was comparable to YTD FY09 expenses of S\$22.3 million included expenses incurred for the Trust's fully underwritten renounceable rights issue which was completed in September 2009.

Cash earnings

City Gas Trust recorded cash earnings of S\$16.9 million in YTD FY10 compared to S\$32.6 million in YTD 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.

SingSpring desalination plant continues to achieve 100% availability and recorded cash earnings of S\$14.3 million in YTD FY10 compared to S\$13.4 million in YTD FY09.

Basslink's cash earnings for YTD FY10 was A\$11.4 million compared to A\$12.4 million in YTD FY09. The lower cash earnings in YTD FY10 was due to lower interest income from over hedged FIRD which was partially offset by higher facility fee due to higher availability and higher CRSM.

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 2010 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

The underlying performance of the three assets in the Group is expected to continue to remain stable. Basslink and SingSpring have long-term contract with state-owned utilities. Basslink Telecoms' services which commenced from July 2009 are operating as expected.

City Gas Trust cash earnings could fluctuate depending on changes in tariffs in response to changes in fuel costs. City Gas Trust has increased its gas tariff for households by an average of 2.2% with effect from 1 February 2010. The increase is due to the increase in the cost of feedstock for gas production, brought about by higher prices for high sulphur fuel oil. The increase in gas tariff has been approved by the Energy Markets Authority. Over time, the effect of changes in fuel costs should have a neutral effect on City Gas Trust cash earnings.

The Basslink Services Agreement ("BSA") between Basslink Pty Limited ("Basslink") and Hydro Tasmania ("HT") provides certain rights and obligations on both parties, including the payment of a monthly Facility Fee from HT to Basslink. The BSA also provides Basslink with a commercial risk sharing mechanism ("CRSM") to share the market risk associated with participating in the national energy market. Basslink and HT are in discussions with regard to the interpretation of certain terms of the BSA for the application to the 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 has claimed an additional A\$6.9m in CRSM payment for calendar year 2009. The Group has taken legal advice on these issues. The Group firmly believes that no such payment is required. No provision for any liabilities against the Group arising from these discussions has therefore been made in the financial statements.

In line with CitySpring's acquisition strategy the Trustee-Manager is considering a number of possible acquisition opportunities and will announce further details as to such opportunities in compliance with applicable disclosure requirements. There can be no assurance that any of these opportunities will be realised.

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 01/10/2009 to 31/12/2009
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.

^(#) Post Rights Issue

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Financial Statement And Distribution Announcement for the Third Quarter ended 31 December 2009

11. Distributions (cont'd)

(b) Corresponding Period of the Immediately Preceding Financial Period

Any distributions declared for the current financial period : Yes

Amount : S\$8,574,396

Distribution period : From 01/10/2008 to 31/12/2008

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. Unitholders are not entitled to tax credits of any taxes paid by the Trustee-Manager of CitySpring.

(c) Date Payable : 15 March 2010

(d) Books closure date : The Transfer Books and Register of CitySpring Infrastructure Trust will be closed from 5.00 p.m. on 2 March 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 2 March 2010 will be entitled to the distribution to be paid on 15 March 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 conducted during the financial period under review (1) under shareholders' mandate pursuant to Rule 920 and (2) transactions disclosed in the IPO Prospectus (excluding transactions less than \$100,000)	
	3Q FY10 S\$'000	3Q FY09 S\$'000
(a) Sales		
Powergas Limited	102	-
SATS Catering Pte Ltd	1,099	1,095
(b) Reimbursement of expenses		
Powergas Limited	1,057	1,393
(c) Purchases		
Aetos Security Management Pte Ltd	143	126
Gas Supply Pte Ltd	25,971 ³	26,292
Powergas Limited	18,835	17,648
SembCorp Power	972	1,236
SP Services Limited	3,171	2,958
Seraya Energy Pte Ltd ⁴	-	2,340
(d) Leasing of Assets (Rental Charges)		
Powergas Limited	99	99
SP Services Limited	50	-
(e) Management Fee Expense		
CitySpring Infrastructure Management Pte. Ltd.	1,506	958

There are no interested person transactions (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) entered into by CitySpring Infrastructure Management Pte. Ltd. (as Trustee-Manager of CitySpring Infrastructure Trust) and its subsidiaries for the financial period ended 31 December 2009 and 31 December 2008.

³ This value includes purchases of additional natural gas under the supplemental gas purchase agreement entered into on 16 May 2008 by City Gas Trust to secure an additional supply of natural gas from Gas Supply Pte Ltd. Approval from independent unitholders for entry into the supplemental gas purchase agreement had been sought and received at the extraordinary general meeting held on 3 July 2008

⁴ This value only includes transactions under the energy supply agreement made between SingSpring Trust and Seraya Energy Pte Ltd ("SEPL") on 30 March 2004 ("Initial ESA"). The Initial ESA expired in December 2008. SingSpring Trust and SEPL entered into a new energy supply agreement on 9 December 2008 ("New ESA"). Pursuant to a ruling from the SGX on 13 May 2008, the New ESA is not considered an interested person transaction. Furthermore, following Temasek's divestment of the PowerSeraya Group on 6 March 2009, SEPL has ceased to be an interested person as of that date

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Financial Statement And Distribution Announcement for the Third Quarter ended 31 December 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 31 December 2009 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 February 2010