

DIRECTORS' REPORT

The Directors of Spark Infrastructure Holdings International Limited ("the Company") provide this financial report for the year ended 31 December 2008 (the "Financial Year").

In order to comply with the requirements of the *Corporations Act 2001*, the Directors report as follows:

Directors

The persons listed below were Directors of the Company at any time during the Financial Year and as at the date of this report:

Stephen Johns (Chairman)

Andrew Hunter

Timothy Keith (appointed 17 March 2008)

In addition, Shaun Mays was a Director until 17 March 2008.

The Directors' qualifications, experience and special responsibilities are provided below:

Stephen Johns BEc, FCA

Chairman and Independent Director (appointed 8 November 2005)

Mr Johns had a long executive career with Westfield where he held a number of positions including that of Finance Director from 1985 to 2002. He was appointed an executive director of Westfield Holdings Limited and Westfield Trust in 1985, and Westfield America Trust upon its listing in 1996. He became a non-executive Director of the three Westfield boards in October 2003. He is currently a non-executive Director of the Westfield Group, which resulted from the merger of the three listed entities in July 2004.

Mr Johns was a non-executive Director of Brambles Industries Limited and Brambles Industries plc from August 2004 to December 2006, at which time he became a non-executive Director of Brambles Limited, the new holding company of the Brambles Group following a corporate reorganisation which became effective in December 2006. He is also a Director of Sydney Symphony Limited.

Andrew Hunter MA, MBA, MICAS, MHKICPA

CKI Board Appointee and Non-executive Director (appointed 1 December 2006)

Mr Hunter is currently an executive Director and Chief Operating Officer of Cheung Kong Infrastructure Holdings Limited ("CKI"). In addition, he serves as Chief Financial Officer of Cheung Kong (Holdings) Limited and is an executive Director of Hong Kong Electric (Holdings) Limited.

Mr Hunter has more than 24 years experience in accounting and financial management and holds a range of directorships in CKI related companies. He is a Director of CHEDHA, CitiPower, Powercor and ETSA.

Mr Hunter is a member of the Audit and Risk Management Committee ("ARMC").

Timothy B. Keith, BA

RREEF Infrastructure Board Appointee and Non-executive Director (appointed 17 March 2008)

Mr Keith is a Managing Director of Deutsche Bank AG and the Chief Executive Officer of RREEF Infrastructure and Private Equity Investments, based in New York. He is responsible for managing the global operations of these businesses for RREEF Alternative Investments, which is the fiduciary investment operation within Deutsche Asset Management.

Prior to taking this position, he was the Global Chief Investment Officer of RREEF Infrastructure and Head of Business Development of RREEF Alternative Investments and the co-chair of the RREEF Alternative Assets Investment Committee. Formerly, Mr Keith was a partner of RREEF America LLC prior to its acquisition by Deutsche Bank; Chief Executive Officer of Cabot Industrial Trust after its privatisation and de-listing; and Regional Vice President of Meridian Industrial Trust.

Mr Keith has over 13 years' experience in the funds management industry and managing public companies and over 20 years' experience in investment markets. He has specialised in real estate markets for most of his career with substantial experience in direct investments, formation of long term operating partnerships, initial public offerings and privatisations of public companies. He has had executive management and investment roles in infrastructure for four years. Mr Keith is a non-executive Director of Maher Terminals LLC.

Shaun Mays BSc (Hons), MSc, MBA

RREEF Board Appointee and Non-executive Director (appointed 10 November 2005)

Mr Mays was a Managing Director of Deutsche Bank AG and the Global Head of RREEF Infrastructure, based in New York. He is responsible for managing the global RREEF business which is the fiduciary infrastructure investment operation within Deutsche Asset Management.

Prior to taking up this position, he was Chief Executive Officer of Deutsche Asset Management (Australia) Limited ("DeAM"). He has 20 years experience in the funds management industry in both executive management and investment positions in Australia, the USA and the UK. Prior to joining Deutsche Asset Management, Mr Mays was also the Managing Director of Westpac Financial Services Group. He was Chief Investment Officer of Commonwealth Financial Services after holding the position of Managing Director and Chief Investment Officer at Mercury Asset Management, where he also served on the board of Mercury Asset Management UK plc.

Mr Mays has made significant contributions to industry associations and Australian Government advisory boards throughout his career, including authoring the Australian Government report "Corporate Sustainability: an Investor Perspective (the Mays' Report)" in 2003.

He has held a wide range of directorships on the boards of listed and unlisted companies in Australia, the USA, the UK and Japan including non-Executive Chairman of the Board of Maher Terminals LLC.

Mr Mays was a member of the ARMC.

DIRECTORS' REPORT CONTINUED**Company Secretary****Alexandra Finley Dip Law, MLM**

Ms Finley is an experienced corporate governance professional with over 15 years legal and commercial experience gained in private practice and in-house. Prior to joining Spark, she spent almost 10 years with National Australia Bank/MLC in various senior legal and commercial roles, most recently as Company Secretary of the MLC Group of Companies.

Ms Finley has extensive experience in the financial services sector including mergers and acquisitions, risk management and regulatory compliance and has held strategic operational and management roles. As a senior lawyer & senior associate in private practice, Alexandra's experience includes property and construction, banking and finance, workplace relations and corporate advisory.

Principal Activity

The principal activity of the Company is to invest in infrastructure assets outside Australia. There has been no change in the principal activity during the period.

Stapled Securities

Spark Infrastructure is a stapled structure, wherein:

- one share in Spark Infrastructure Holdings (No. 1) Limited;
- one share in Spark Infrastructure Holdings (No. 2) Limited;
- one unit in Spark Infrastructure Trust ("Spark Trust");
- one loan note issued by the responsible entity of Spark Trust; and
- one CHESS Depository Interest ("CDI") representing one share in the Company

are "stapled" and are quoted on the Australian Securities Exchange ("ASX") as if they were a single security. The stapled entities are referred to in this report as Spark Infrastructure.

Review of Operations

The Company was dormant during the Financial Year.

Changes in State of Affairs

There has been no change in the activities of Spark Infrastructure during the Financial Year.

Future Developments

Disclosure of information regarding likely developments in the operations of the Company not otherwise disclosed elsewhere in this report is likely to result in unreasonable prejudice. Accordingly, such information has not been disclosed in this report.

Dividends

No dividends were declared or paid during the Financial Year (2007: Nil).

Events Occurring after Reporting Date

The Directors of the Company are not aware of any other matter or circumstance not otherwise dealt with in this report that has significantly affected or may significantly affect the operations or the state of affairs in the period since 31 December 2008.

Options over Securities

No options have been granted over the unissued shares of the Company.

Directors' Meetings

The following table sets out the number of Directors' meetings held during the Financial Year and the number of meetings attended by each Director for which they were eligible to attend (i.e. in the case of Directors, while they were appointed and where they were not disqualified from attending due to observation of processes to guard against any perceived conflict of interests, and in the case of Alternate Directors, while they were appointed and meetings for which they were nominated to attend as alternate).

Directors' Meetings

During the Financial Year, 2 Board meetings were held:

Board of Directors

Directors	Eligible to Attend	Attended
Stephen Johns	2	2
Andrew Hunter	2	2
Timothy Keith ^a	1	1
Shaun Mays ^a	2	2

^a Mr Keith was appointed on 17 March 2008, the same date Mr. Mays resigned as Director.

Directors' Stapled Security Holdings

The relevant interest of each Director in the Stapled Securities of Spark Infrastructure as at the date of this report is as follows:

Directors	Opening Balance 1/1/2008 (No.)	Net Movement Acquired/Disposed (No.)	Closing Balance 31/12/2008 (No.)
Stephen Johns	355,000	–	355,000
Andrew Hunter	–	–	–
Timothy Keith	–	–	–
Shaun Mays	–	–	–

The relevant interest of each Director in the Stapled Securities of Spark Infrastructure as at the end of the previous year was as follows:

Directors	Opening Balance as at 1/1/2007 (No.)	Net Movement Acquired/Disposed (No.)	Closing Balance 31/12/2007 (No.)
Stephen Johns	330,000	25,000	355,000
Andrew Hunter	–	–	–
Shaun Mays ^a	167,000	(167,000)	–

^a Mr Mays was required to dispose of his holdings because of legal restrictions relating to his residency in the United States of America.

Remuneration Report

Directors' Remuneration

No remuneration was paid to the Directors of the Company during the Financial Year as the Company was dormant (2007: Nil).

Remuneration of Executives

The Company does not have any employees. Spark Infrastructure Management Limited ("Manager"), as the manager of Spark Infrastructure, makes employees (including senior executives) available under the Management Agreement. The Company is not liable for expenses referable to the executives. Accordingly, executive remuneration details are not provided in this report.

Non-Audit Services

The auditors, Deloitte Touche Tohmatsu, did not perform any non-audit services during the Financial Year.

Indemnification of Officers and Auditors

The Company's Constitution permits the Company, to the extent permitted by law, to indemnify any current or former Directors or officers against liability incurred by them in that capacity and indemnify them for all legal costs incurred in defending or resisting proceedings, whether civil or criminal or of an administrative or investigatory nature, in which they become involved because of that capacity. The Company may pay a premium for a contract insuring a Director or officer against such liability, unless prohibited by law. The Company may enter into an agreement with a Director or officer in respect of such matters and including provisions relating to rights of access to books of the Company.

During the Financial Year, the Company paid a premium in respect of a contract of insurance indemnifying the Directors against a liability incurred as such a Director to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Spark Infrastructure has not otherwise, during or since the Financial Year, indemnified or agreed to indemnify an officer or auditor or of any related body corporate against a liability incurred as such an officer or auditor, except to the extent permitted by law.

The Company has entered into Deeds of Access, Indemnity and Insurance with Directors.

Auditor's Independence Declaration

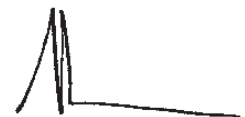
A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 104.

Signed in accordance with a resolution of the Directors of the Company made pursuant to section 298(2) of the *Corporations Act 2001*.

On behalf of the Directors:



S Johns
Chairman
Sydney
24 February 2009



A Hunter
Director
Hong Kong