SPARK INFRASTRUCTURE HOLDINGS INTERNATIONAL LIMITED

(ARBN 117 034 492)

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

Spark Infrastructure comprises of Spark Infrastructure Trust, Spark Infrastructure Holdings No.1 Limited, Spark Infrastructure Holdings No.2 Limited and Spark Infrastructure Holdings International Limited.

One CHESS Depositary Interest representing one share in Spark Infrastructure Holdings International Limited is stapled to one unit in Spark Infrastructure Trust, one share in Spark Infrastructure Holdings No.1 Limited, one share in Spark Infrastructure Holdings No.2 Limited and one loan note issued by Spark Infrastructure Trust. The stapled securities trade on the Australian Securities Exchange.

This financial report relates to the performance of Spark Infrastructure Holdings International Limited only. As the securities are held by investors in a stapled structure, the financial result of Spark Infrastructure (as lodged with the Australian Securities Exchange on 24 February 2009) represents the most concise information regarding the performance of investors' funds.

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.

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 Depositary 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.

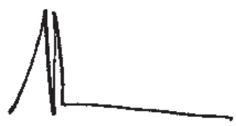
Auditor's Independence Declaration

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

AUDITOR'S **INDEPENDENCE DECLARATION**

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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The Board of Directors
Spark Infrastructure Holdings International Limited
255 George Street
Sydney, NSW 2000

24 February 2009

Dear Directors

Spark Infrastructure Holdings International Limited

In accordance with section 307C of the Corporations Act 2001, I provide the following declaration of independence to the directors of Spark Infrastructure Holdings International Limited.

As lead audit partner for the audit of the financial statements of Spark Infrastructure Holdings International Limited for the financial year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

S C Gustafson
Partner
Chartered Accountants

INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	Notes	2008 $	2007 $
Income from associates:		–	–
— Share of equity profits		–	–
— Interest Income		–	–
Interest income from related parties		–	–
Other income from related parties		–	–
Other income – interest		–	–
		–	–
Management fees		–	–
Interest expense – other		–	–
General and administrative expenses		–	–
Profit/(loss) before Income Tax and Loan Notes Interest		–	–
Interest expense – loan notes		–	–
Profit/(loss) before Income Tax Attributable to Stapled Security Holders		–	–
Income tax (expense)/benefit		–	–
Net profit/(loss) for the Period Attributable to Stapled Security Holders		–	–
Earnings per Share			
Weighted average number of shares (no. '000)		**1,008,651**	1,008,651
Profit after tax		–	–
Basic earnings per share		–	–

(Diluted earnings per share is the same as basic earnings per share)

Notes to the financial statements are included on pages 109 to 112.

BALANCE SHEET
AS AT 31 DECEMBER 2008

	Notes	2008 $	2007 $
Current Assets			
Cash and cash equivalents		–	–
Receivables from associates		–	–
Loans – others		–	–
Other receivables		–	–
Total Current Assets		–	–
Non-Current Assets			
Investments in associates:			
— Investments accounted for using the equity method		–	–
— Loans to associates		–	–
Other financial assets		–	–
Total Non-Current Assets		–	–
Total Assets		–	–
Current Liabilities			
Payables		–	–
Loan notes interest payable to Stapled Security Holders		–	–
Other interest bearing liabilities		–	–
Total Current Liabilities		–	–
Non-Current Liabilities			
Loan notes attributable to Stapled Security Holders		–	–
Other interest bearing liabilities		–	–
Deferred tax liabilities		–	–
Total Non–Current Liabilities		–	–
Total Liabilities		–	–
Net Assets		–	–
Equity			
Issued capital attributable to Stapled Security Holders	2	–	–
Reserves		–	–
Retained earnings		–	–
Total Equity		–	–

Notes to the financial statements are included on pages 109 to 112.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	Notes	2008 $	2007 $
Total equity at beginning of the period		–	–
Cash flow hedges – gains on interest rate swaps		–	–
Share of associates income recognised directly in equity		–	–
Related tax		–	–
Net profit/(loss)		–	–
Total Recognised Income and Expense		–	–
Transactions with Stapled Security Holders			
Equity contributed		–	–
Equity issue cost		–	–
Related tax		–	–
Capital distributions		–	–
Total Equity at end of the Period		–	–
Total equity at end of the period attributable to:			
Equity holders of the parent entity		–	–
Minority Interests		–	–
		–	–

Notes to the financial statements are included on pages 109 to 112.

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	Notes	2008 $	2007 $
Cash Flows Related to Operating Activities			
Income from associate – preferred partnership capital		–	–
Interest received – associates		–	–
Interest received – other		–	–
Interest paid – other		–	–
Management fees		–	–
Other		–	–
Net Cash Inflow/(Outflow) Related to Operating Activities		–	–
Cash Flows Related to Investing Activities			
Amounts advanced to associates		–	–
Amounts advanced – others net of repayments		–	–
Repayment of borrowings – associates		–	–
Payments for investments		–	–
Net Cash Outflow Related to Investing Activities		–	–
Cash Flows Related to Financing Activities			
Payments for share and unit issue costs		–	–
Proceeds from issue of loan notes		–	–
Payment of loan notes issue costs		–	–
Proceeds from external borrowings		–	–
Payment for external borrowing costs		–	–
Amounts received from related parties		–	–
Distributions to Stapled Security Holders:			
— Loan notes interest		–	–
— Capital return		–	–
Net Cash Inflow Related to Financing Activities		–	–
Net Increase in Cash and Cash Equivalents for the Period		–	–
Cash and Cash equivalents at beginning of the period		–	–
Cash and Cash Equivalents at End of the Period		–	–

Notes to the financial statements are included on pages 109 to 112.

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Accounting Policies

Basis of Preparation and Statement of Compliance

This financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001*, accounting standards and interpretations, and complies with other requirements of the law.

As the Company was dormant during the Financial year, the following accounting policies relate to that of Spark Infrastructure which will be applied in the future when the Company becomes operational.

This financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of consideration given in exchange for assets.

The financial statements comply with Australian equivalents to International Financial Reporting Standards ("A-IFRS"). Compliance with A-IFRS ensures that the financial statements and notes comply with the International Financial Reporting Standards ("IFRS").

The financial statement was authorised for issue by the Directors on 24 February 2009.

Standards Not Yet Effective

During the Financial Year, Spark Infrastructure adopted all the new and revised standards and interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and effective for the current accounting period. However, certain standards, amendments and interpretations that are on issue but not yet effective have not been applied in the preparation of this report.

- AASB 101 "*Presentation of Financial Statements*" – revised standard (effective for annual reporting periods beginning on or after 1 January 2009)

  The standard will result in a number of changes to the presentation of the financial statements, including:

  - presenting all non-owner changes in equity ("comprehensive income") either in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income may not be presented in the statement of changes in equity;
  - presenting an additional statement of financial position ("balance sheet") as at the beginning of the earliest comparative period when the entity applies an accounting policy retrospectively, makes a retrospective restatement, or reclassifies items in its financial statements (this would generally mean that three balance sheets are presented in these circumstances);
  - disclosing income tax relating to each component of other comprehensive income; and
  - disclose reclassification adjustments relating to components of other comprehensive income

  The standard will not have any financial impact other than disclosure changes on the disclosed results of the Company.

- AASB 3 "*Business Combinations*" – effective for annual reporting periods beginning on or after 1 July 2009.

  As a consequence of the amendment to the above AASB, stapling arrangements such as Spark Infrastructure will be covered under the standard. AASB interpretation 1002 "Post-date of Transition Stapling Arrangements" will be superseded. As existing stapling arrangements will not be impacted, there are no financial or disclosure implications for Spark Infrastructure.

  The amendments introduce greater use of fair values and great volatility in the Income Statement due to changes in the accounting treatment for transaction costs, contingent consideration and share based payments. These changes apply only to business combinations made by Spark Infrastructure after 1 January 2010.

- AASB 123 "*Borrowing Costs*" (effective for annual reporting periods beginning on or after 1 January 2009).

  The principle change from the above standard is the requirement to capitalise borrowing costs attributable to acquisition, construction or production of a qualifying asset. The current standard permits such costs to be either expensed or capitalised.

  Spark Infrastructure's policy is to capitalise borrowing costs and therefore adoption of the above standard will not impact on reported results.

Significant Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of this report:

(a) Acquisition of Assets

The purchase method of accounting is used for all acquisitions of assets. Cost is determined as the fair value of the assets given up, equity issued or liabilities assumed at the date of acquisition plus incidental costs directly attributable to the acquisition.

(b) Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

(c) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments.

(d) Creditors and Accruals

Trade creditors and accruals are recognised when there is an obligation to make future payments resulting from the purchase of goods and services.

1. Summary of Accounting Policies (continued)

(e) Derivative Financial Instruments

Spark Infrastructure enters into a variety of derivative financial instruments to manage its exposure to interest rate risk, including interest rate swaps.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. Spark Infrastructure designates certain derivatives as hedges of the fair value of recognised assets or liabilities or firm commitments ("fair value hedges") or hedges of highly probable forecast transactions ("cash flow hedges").

Interest, Dividends and Distributions

Interest, dividends and distributions are classified as expense, distributions of profit or a return of capital consistent with the balance sheet classification of the related debt or equity instruments.

The fair value of hedging derivatives is classified as a non-current asset/liability if the remaining maturity of the hedge relationship is more than 12 months and as a current asset/liability if the remaining maturity is less than 12 months.

Hedge Accounting

At the inception of the hedge relationship the entity documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, Spark Infrastructure documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Fair Value Hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk.

Hedge accounting is discontinued when the hedge instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit and loss from that date.

Cash Flow Hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts deferred in equity are recycled in profit or loss in the periods when the hedged item is recognised in profit or loss in the same line of the income statement as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss deferred in equity remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss.

(f) Financial Instruments

Debt and Equity Instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Transaction Costs on the Issue of Equity Instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

(g) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax ("GST"), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables, which are recognised exclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(h) Impairment of other tangible and intangible assets

At each reporting date, Spark Infrastructure reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, Spark Infrastructure estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell, and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

1. Summary of Accounting Policies (continued)

(h) Impairment of other tangible and intangible assets (continued)

If the recoverable amount of an asset or the cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(i) Income Tax

Current Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred Tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in Associates except where Spark Infrastructure is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which Spark Infrastructure expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and each Stapled Entity intends to settle its current tax assets and liabilities on a net basis.

Current and Deferred Tax

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(j) Investments in Associates

Investments in Associates are accounted for using the equity method of accounting. The Associates are entities over which Spark Infrastructure has significant influence and that are neither subsidiaries nor joint ventures.

Under the equity method, investments in the Associates are carried in the balance sheet at cost plus post-acquisition changes in share of net assets of the Associates. After application of the equity method, Spark Infrastructure determines whether it is necessary to recognise any impairment loss with respect to its net investment in Associates.

Spark Infrastructure's share of its Associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in equity is recognised in reserves/retained earnings, as appropriate. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from Associates are recognised in the individual entity's income statement.

(k) Loans and Receivables

Loans to associates and other receivables are recorded at amortised cost less any impairment.

(l) Revenue Recognition

Dividend and interest revenue

Dividend revenue from investments is recognised when the right to receive payment has been established.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(m) Investments in Subsidiaries

The investments in subsidiaries are accounted at cost.

2. Share Capital

The authorised share capital of the Company is 5,000,000,000 shares of no par value. Of this, 1,008,651,308 shares have been issued to CHESS Depositary Nominees Limited pursuant to an arrangement to issue CHESS Depositary Interests to the stapled security holders, which includes one special voting share of no par value issued to Spark Infrastructure Management Limited (the Manager of the stapled entities). The special voting share entitles its holder to various rights, which inter alia includes the right to appoint persons up to 50% of the maximum number of Directors permitted under the constitution of the Company.

3. Dividend

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

4. Notes to the Cash Flow Statement

No notes have been presented to the Cash Flow Statement on the basis that the Company holds no cash and has not incurred any expenses in the current or the preceding period.

5. Financial Instrument

The Company has never traded and nor does it hold any financial instrument at the end of the period. Therefore, the Company has no risk associated with financial instruments.

6. Segment Information

During the current and the previous financial periods the Company was dormant.

7. Related Party Disclosures

a) Directors

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

Stephen Johns

Andrew Hunter

Timothy Keith (appointed 17 March 2008)

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

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

b) Key Management Personnel ("KMP")

KMP are those having the authority and responsibility for directing and controlling the activities of an entity. The Directors meet the definition of KMP. However, since the authority and responsibility for directing and controlling activities has not been delegated to the Manager, there are no other KMP in the Company. The Company has no employees.

c) Other Related Parties

The other related parties of the Company are primarily entities within Spark Infrastructure and their wholly owned subsidiaries. There was no transactions with any other entity within Spark Infrastructure (2007: Nil).

8. Remuneration of Auditors

No remuneration was paid to the auditors (2007: Nil) by the Company as the fee was borne by other entities within Spark Infrastructure.

The auditor of the Company is Deloitte Touche Tohmatsu.

9. Contingent Liabilities and Contingent Assets

There was no material Contingent Liability or Contingent Asset as at 31 December 2008, which has not already been disclosed.

10. Subsequent Events

There has not been any matter or circumstance, other than those referred to in the financial statements, or notes there to, that has arisen since the end of the Financial Period that has significantly affected or may significantly affect, the operations of the Company, the results of these operations or the state of affairs of the Company in future financial periods.

11. Company Information

The registered office of the Company is:

c/o MB & H Corporate Services
Mareva House
4 George Street
Nassau
Bahamas

The Company is incorporated in the Bahamas.

DIRECTORS' DECLARATION

The Directors declare that:

(a) in their opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Company; and

(c) the Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the Directors:

S Johns
Chairman
Sydney
24 February 2009

A Hunter
Director
Hong Kong

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SPARK INFRASTRUCTURE HOLDINGS INTERNATIONAL LIMITED

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Report on the Financial Report

We have audited the accompanying financial report of Spark Infrastructure Holdings International Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, cash flow statement and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration as set out on pages 105 to 113.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

(a) the financial report of Spark Infrastructure Holdings International Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2008 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001;* and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in page 103 of the directors' report for the year ended 31 December 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Spark Infrastructure Holdings International Limited for the year ended 31 December 2008, complies with section 300A of the *Corporations Act 2001*.

DELOITTE TOUCHE TOHMATSU

S C Gustafson
Partner

Chartered Accountants
Sydney, 24 February 2009