

SPARK INFRASTRUCTURE TRUST

(ARSN 116 870 725)

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.

Each Unit in Spark Infrastructure Trust is stapled to one share in Spark Infrastructure Holdings No. 1 Limited, one share in Spark Infrastructure Holdings No. 2 Limited, one CHESS Depository Interest representing one share in Spark Infrastructure Holdings International 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 Trust only. As the Securities are held by investors in a stapled structure, the financial results of Spark Infrastructure (as lodged with the Australian Securities Exchange on 24 February 2009) represent the most concise information regarding the performance of investors' funds.

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DIRECTORS' REPORT

The Directors of Spark Infrastructure RE Limited ("Spark RE") as responsible entity of Spark Infrastructure Trust ("Trust") provide this financial report for the year ended 31 December 2008 ("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 Spark RE as at the date of this report:

Stephen Johns (Chairman)

Cheryl Bart, AO

John Dorrian

Andrew Hunter

Hing Lam Kam

Timothy Keith (appointed 17 March 2008)

Anne McDonald (appointed 1 January 2009)

Don Morley

Dominic Chan (Alternate Director, appointed 11 December 2008)

In addition, Shaun Mays was a Director until his resignation on 17 March 2008 and Peter St George until his resignation on 31 December 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.

Cheryl Bart AO, BCom, LLB

Independent Director (appointed 8 November 2005)

Ms Bart is a lawyer and has been a non-executive Director on the board of ETSA Utilities ("ETSA") since 1995.

She has significant utilities industry experience and is Chairman of the Audit Committee of ETSA and a member of its Compliance Committee.

Her other current directorship positions include ANZ Trustees Ltd, Economic Development Board (SA), Global Properties Limited, Shaw of Australia, and the Alcohol Education and Rehabilitation Foundation. She is Chairman of the Environment Protection Authority (EPA), South Australian Film Corporation, the Adelaide Film Festival and the Adelaide Film Festival Investment Fund.

Her previous directorships include Sydney Ports Corporation, the Australian Sports Foundation, Soccer Australia, and the Information Economy Advisory Board. Ms Bart is a member of the Audit and Risk Management Committee ("ARMC").

John Dorrian BA, FCA, MAICD

RREEF Board Appointee and Non-executive Director (appointed 24 August 2007)

John Dorrian is a Managing Director of Deutsche Bank AG, Head of RREEF Alternative Investments Australia and Head of RREEF Infrastructure Investments, Asia Pacific. RREEF is the alternative investment management division of Deutsche Asset Management, a member of the Deutsche Bank Group.

He is an Executive Director of Deutsche Asset Management (Australia) Limited and a non-executive Director of a number of Australian companies including, Australia Pacific Airports Corporation Limited, CHEDHA Holdings Pty Limited ("CHEDHA"), the holding company of CitiPower and Powercor Australia ("Powercor"), CitiPower, Powercor and ETSA, Northern Gas Networks Holdings Limited (UK) and the Port of Geelong.

Mr Dorrian is a member of the ARMC.

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 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 was an alternate Director for Mr Kam during the year and up until 13 February 2009.

Mr Hunter is a member of the ARMC.

Hing Lam Kam BSc, MBA

CKI Board Appointee and Non-executive Director (appointed 1 November 2005)

Mr Kam has been Managing Director of Cheung Kong Infrastructure ("CKI") since its incorporation in May 1996 and the Deputy Managing Director of Cheung Kong (Holdings) Limited since February 1993. He has played a leading role in developing the Cheung Kong Group's corporate and strategic direction.

Mr Kam is also the President and Chief Executive Officer of CK Life Sciences International (Holdings) Inc. and an executive Director of Hutchison Whampoa Limited and Hong Kong Electric Holdings Limited.

In Australia, he is a Director of CHEDHA, CitiPower, Powercor, ETSA and Aqua Tower.

DIRECTORS' REPORT CONTINUED

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.

Anne McDonald BEc, FCA**Independent Director (appointed 1 January 2009)**

Ms McDonald served as a partner of Ernst & Young for 15 years until 2005. She has broad based business and financial experience, gained through working with a wide cross section of international and local companies, assisting them with audit, transaction due diligence and regulatory and accounting requirements. She was a Board member of Ernst & Young Australia for 7 years.

In addition, Ms McDonald is a non-executive Director of listed entities, including the GPT Group and Speciality Fashion Group. She is also a non-executive director of Westpac Bank's Life and General Insurance businesses, St Vincent's Health Australia and Health Super. Ms McDonald is a Director of CHEDHA, CitiPower and Powercor.

Ms McDonald is a member of the ARMC and the Compliance Committee.

Don Morley BSc, MBA, FAustIMM**Independent Director (appointed 8 November 2005)**

Mr Morley is the Chairman of Alumina Limited (since 2002) and an independent Director of Iluka Resources Limited (since 2002). He was previously a Director of Finance at WMC Limited with over 30 years of service.

Mr Morley is the Chairman of the ARMC.

Dominic Loi Shun Chan FCPA, FCCA**Alternate Director to Mr. Hing Lam Kam (appointed 11 December 2008)**

Mr Chan currently is Chief Financial Officer of CKI and has over 20 years experience in the accounting profession.

In Australia, Mr Chan is a Director of Envestra Limited. He is an alternate Director of CHEDHA, CitiPower, Powercor and ETSA.

In the UK, Mr Chan is a Director of Cambridge Water plc.

Peter St George CA (SA), MBA**Independent Director (appointed 8 November 2005, resigned 31 December 2008)**

Mr St George was a Director of CHEDHA, CitiPower and Powercor. He is also a Director of First Quantum Minerals Limited, a mining group listed in Toronto and London, and Boart Longyear Limited, an international mining services group, and is Chairman of Walter Turnbull, an Australian accounting and financial services group. He was also a Director of SFE Corporation Limited from 2000 until it merged with ASX Limited in July 2006.

He was Chief Executive Officer of NatWest Markets Australia from 1995 until its acquisition by Salomon Smith Barney Australia Limited in 1998 and then Co-Chief Executive Officer of Salomon Smith Barney Australia Limited from 1998 to 2001.

Prior to that, Mr St George had more than 20 years experience in senior corporate advisory roles with NatWest Markets and Hill Samuel & Co Limited in London.

Mr St George was a member of the ARMC.

Shaun Mays BSc (Hons), MSc, MBA**RREEF Board Appointee and Non-executive Director (appointed 1 November 2005, resigned 17 March 2008)**

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

Prior to joining Deutsche Asset Management, Mr Mays was 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.

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 and senior associate in private practice, her experience includes property and construction, banking and finance, workplace relations and corporate advisory.

Principal Activity

The principal activity of the Trust during the Financial Year was providing loans to related parties.

Stapled Securities

Spark Infrastructure is a stapled structure, wherein:

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

are "stapled" and are quoted on the Australian Securities Exchange as if they were a single Security.

Review of Operations

The Trust made a profit after tax of \$7.397 million (2007: \$7.398 million) during the Financial Year.

Distributions

An interim cash distribution of 9.25 cents per security ('cps') was paid on 15 September 2008 relating to the first half of the Financial Year.

The Directors have declared a final distribution of 9.26 cps, which will be paid on 13 March 2009 taking the aggregate distribution for the Financial Year to 18.51 cps, an increase of 0.45 cps or 2.5% over the previous year's distribution of 18.06 cps. The final distribution for the full year is in line with previous market guidance.

The final distribution comprises of 6.85 cps in interest on loan notes and 2.41 cps in capital distribution. In aggregate for the full year the distribution comprises of 13.62 cps interest on loan notes and 4.89 cps capital distribution.

The following table summarises distributions in respect of the Financial Year:

Distribution Period	Distribution Date	Cents per Security			Cash Distribution (\$'000)		
		Interest on Loan Notes	Capital Distribution	Total	Interest on Loan Notes	Capital Distribution	Total
Interim distribution for the year ended 31 December 2008	15 September 2008	6.77	2.48	9.25	68,286	25,015	93,301
Final distribution for the year ended 31 December 2008	13 March 2009	6.85	2.41	9.26	69,093	24,308	93,401
Total		13.62	4.89	18.51	137,379	49,323	186,702

All distributions were unfranked.

Information Applicable to Registered Schemes

The fees paid to Spark RE, the responsible entity of the Trust, and its associates (including Directors) are disclosed in Note 15 to the Financial Statements.

Spark RE does not hold any Stapled Securities. The number of Stapled Securities at the beginning and end of the Financial Year are disclosed in Note 9 to the Financial Statements.

Changes in State of Affairs

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

Future Developments

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

DIRECTORS' REPORT CONTINUED

Events Occurring after Reporting Date

The Directors of Spark RE 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.

Non-Audit Services

Details of amounts paid or payable to the external auditor for non-audit services provided during the Financial Year are outlined in Note 11 to the Financial Statements.

The Directors are satisfied that the non-audit services, provided by the auditor are compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are of the opinion that the services as disclosed in Note 11 to the Financial Statements do not compromise the external auditor's independence, based on advice received from the ARMC, for the following reasons:

- non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor and comply with Spark Infrastructure's policy on auditor independence; and
- none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110, Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, which includes reviewing or auditing the auditor's own work, acting in a management or decision-making capacity, acting as an advocate or jointly sharing economic risks and rewards of the Trust.

Indemnification of Officers and Auditors

The directors and former directors of Spark RE and the officers of Spark RE are indemnified under Spark RE's constitution against all liabilities to another person that may arise from their position as

directors or officers of Spark RE subject to the limitations imposed by the *Corporations Act 2001*.

During the Financial Year, the Trust 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.

The entities have 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.

Options over Securities

No options have been granted over the unissued Units of the Trust or Stapled Securities of Spark Infrastructure.

Environmental Regulations

The Trust is not subject to any environmental regulations.

Directors' Meetings

The business of the Trust is carried out by the responsible entity, Spark RE.

The following table sets out the number of meetings of Directors' of Spark RE 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).

During the Financial Year, 7 Board meetings, 5 ARMC meetings and 4 Compliance Committee meetings of the Company were held:

Directors	Board of Directors		Audit and Risk Management Committee		Compliance Committee ^e	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Stephen Johns	7	7	–	–	–	–
Hing Lam Kam	7	2	–	–	–	–
Andrew Hunter (as Director)	7	5	5	4	–	–
Timothy Keith ^a	6	6	–	–	–	–
John Dorrian	7	7	5	5	–	–
Don Morley	7	7	5	5	–	–
Cheryl Bart	7	6	5	4	–	–
Andrew Hunter ^b (as Alternate Director)	7	2	–	–	–	–
Dominic Chan ^c (as Alternate Director)	1	1	–	–	–	–
Peter St George ^d	7	6	5	5	–	–
Shaun Mays ^a	1	1	–	–	–	–

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

^b Alternate Director for Mr HL Kam.

^c Alternate Director for Mr HL Kam.

^d Mr St George resigned on 31 December 2008.

^e For the Financial Year, there were no Directors who were members of the Compliance Committee (a sub-committee of the Board). Therefore no attendance details have been provided.

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 (No.)	Net Movement Acquired/(Disposed) (No.)	Closing Balance (No.)
Stephen Johns	355,000	–	355,000
Hing Lam Kam	–	–	–
Andrew Hunter	–	–	–
Timothy Keith	–	–	–
John Dorrian	162,150	(25,722)	136,428
Don Morley	225,000	–	225,000
Cheryl Bart	125,000	–	125,000
Anne McDonald	–	–	–
Dominic Chan	–	–	–
Peter St George ^a	71,400	–	71,400
Shaun Mays ^b	–	–	–

^a Resigned on 31 December 2008.

^b Resigned on 17 March 2008.

Remuneration Report

Remuneration of Directors

The Directors' fees are reviewed by the Board and are subject to an aggregate fees pool limit of \$2,000,000 per annum (inclusive of superannuation). Any increase to this limit will be submitted to the Stapled Security Holders at an annual general meeting for approval.

The Trust's share of remuneration (including superannuation) of each Director paid or accrued in respect of the Financial Year is set out below:

Directors		Short term	Post	Total
		Employment Benefits	Employment Benefits	
		Director's Fees	Superannuation	
		\$	\$	\$
Chairman				
Stephen Johns	2008	70,521	4,479	75,000
	2007	70,624	4,376	75,000
Non Executive Directors				
Hing Lam Kam ^a	2008	33,333	–	33,333
	2007	33,333	–	33,333
Andrew Hunter ^a	2008	35,500	–	35,500
	2007	35,500	–	35,500
Timothy Keith ^a	2008	26,374	–	26,374
	2007	–	–	–
John Dorrian ^a	2008	35,500	–	35,500
	2007	11,738	–	11,738
Don Morley	2008	34,556	3,111	37,667
	2007	34,277	3,390	37,667
Cheryl Bart	2008	32,569	2,931	35,500
	2007	32,305	3,195	35,500
Peter St George ^d	2008	35,500	–	35,500
	2007	35,500	–	35,500
Shaun Mays ^{a, b}	2008	6,960	–	6,960
	2007	35,500	–	35,500
Brian Scullin ^c	2008	–	–	–
	2007	23,754	–	23,754
Total	2008	310,813	10,521	321,334
	2007	312,531	10,961	323,492

^a The Directors' fees for Mr Kam and Mr Hunter were paid to CKI, while the fees for Mr Keith, Mr Dorrian and Mr Mays were paid to RREEF Infrastructure.

^b Mr Keith was appointed on 17 March 2008. Mr Mays resigned on the same date.

^c Mr Scullin retired on 24 August 2007.

^d Mr St George resigned on 31 December 2008.

The Directors do not receive Securities, options or other performance related incentives. Alternate Directors are not paid any fees.

DIRECTORS' REPORT CONTINUED

Board Remuneration Policy

The remuneration of Spark Infrastructure's Directors is benchmarked to the remuneration of Directors of comparable enterprises periodically using an independent external consulting firm. A broad cross section of parameters are used by the external firms in determining comparable entities. In the last review undertaken in the year ended 31 December 2007, the following criteria were used:

- Market capitalisation;
- Revenue;
- Total assets; and
- A combination of all the above parameters.

Based on the report from the firm, the Board approved annual remuneration, including post-employment benefits payable to Directors with effect from 1 January 2007, as follows which applies to the Financial Year as well:

Role	\$
Chairman	225,000
Non-Executive Director	100,000
Additional fee for enhanced responsibility:	
— Chairman of ARMC	13,000
— ARMC member	6,500
— Chairman of Compliance Committee	10,000
— Compliance Committee member	5,000

Further the following other policies apply to Directors' remuneration:

- Fee levels for all non-executive Directors to be positioned between the median and the 75th percentile of the general market comprising comparable board roles in listed companies within the range of half to twice the market capitalisation, revenue and total assets of Spark Infrastructure;
- The Chairman's fee to be in the range of 2.0 and 2.5 times that of non-executive Directors;
- The Chairman of board committees (other than the Chairman of the Board) shall be eligible to receive a committee chair fee in addition to the base non-executive Director fee;
- Members of board committees shall be eligible to receive a committee membership fee in addition to the base non-executive Director fee, set at half the fee of the committee chair; and
- In setting the fees applicable to committee chairs and committee members, the Board is to consider the relative workloads of committees.

In December 2008, the Board reviewed the remuneration of Directors who are appointed to committees of the Board against remuneration of similar enterprises. Based on the review the following adjustments were made to the remuneration of Directors holding enhanced responsibility as members of various committees:

— Chairman of ARMC	\$20,000
— ARMC member	\$10,000
— Compliance Committee member	\$10,000

The above changes are effective from 1 January 2009.

The Directors are paid a fixed remuneration as disclosed above. None of the remuneration is linked to the financial performance of Spark Infrastructure or its security price.

Remuneration of Executives

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

Performance of the Trust

The following table provides details of the Trust's performance for the last three years:

	Financial Period Ended 31 December		
	2008 \$'000	2007 \$'000	2006 ^a \$'000
Profit before Income tax and Loan Note Interest	144,787	144,412	148,730
Profit after tax attributable to Securityholders	7,397	7,398	7,586
Security Price ^b (\$)	1.30	1.98	1.74
Distribution per Security	18.51	18.06	15.61

^a The figures for 2006 cover the period from 8 November 2005 (date of registration) to 31 December 2006, as it was the first year of operation.

^b Security price is based on last business day of each year and 2006 price includes 54 cps in instalment receipt.

The Directors are paid a fixed remuneration as disclosed in the Board Remuneration Policy section above.

Management Fees

Spark RE was paid a management fee of \$100,000 (2007: \$100,000).

Auditor's Independence Declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 53.

Rounding of Amounts

As permitted by ASIC Class Order 98/0100 dated 10 July 1998, amounts in the Directors' Report and the financial report have been rounded to the nearest thousand dollars, unless otherwise indicated.

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

On behalf of the Directors:



S Johns
Chairman
Sydney
24 February 2009



D Morley
Director

AUDITOR'S INDEPENDENCE DECLARATION

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1217 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

The Board of Directors
Spark Infrastructure RE Limited
as responsible entity for Spark Infrastructure Trust
255 George Street
Sydney, NSW 2000

24 February 2009

Dear Directors

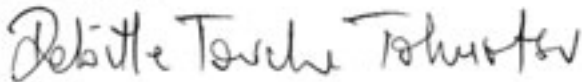
Spark Infrastructure Trust

In accordance with section 307C of the Corporations Act 2001, I provide the following declaration of independence to the directors of Spark Infrastructure RE Limited as responsible entity for Spark Infrastructure Trust.

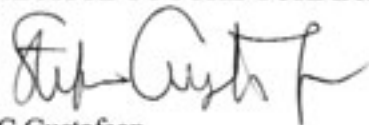
As lead audit partner for the audit of the financial statements of Spark Infrastructure Trust for the financial year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (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



S C Gustafson
Partner
Chartered Accountants

Member of
Deloitte Touche Tohmatsu

INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	Notes	2008 \$'000	2007 \$'000
Interest income from related parties		137,390	137,014
Other income from related parties		8,526	8,539
Other income – interest		103	73
		146,019	145,626
General and administrative expenses	2	(1,232)	(1,214)
Profit before Income Tax and Loan Notes Interest		144,787	144,412
Interest expense – loan notes		(137,390)	(137,014)
Profit before Income Tax Attributable to Stapled Security Holders		7,397	7,398
Income tax (expense)/benefit	3	–	–
Net Profit for the Financial Year Attributable to Stapled Security Holders		7,397	7,398
Basic and Diluted Earnings per Unit (cents)	12	0.73	0.73

Notes to the Financial Statements are included on pages 58 to 66.

BALANCE SHEET

AS AT 31 DECEMBER 2008

	Notes	2008 \$'000	2007 \$'000
Current Assets			
Cash and cash equivalents	17	59	26
Loans to related parties	4	143,659	195,706
Other receivables	5	54,738	47,011
Total Current Assets		198,456	242,743
Non-Current Assets			
Loans to related parties	6	1,262,804	1,262,804
Total Non-Current Assets		1,262,804	1,262,804
Total Assets		1,461,260	1,505,547
Current Liabilities			
Payables	7	428	78
Loan notes interest payable to Stapled Security Holders		68,975	68,963
Total Current Liabilities		69,403	69,041
Non-Current Liabilities			
Loan notes attributable to Stapled Security Holders	8	1,231,515	1,231,515
Total Non-Current Liabilities		1,231,515	1,231,515
Total Liabilities		1,300,918	1,300,556
Net Assets		160,342	204,991
Equity			
Unitholders' Funds	9	137,961	190,007
Retained earnings	10	22,381	14,984
Total Equity		160,342	204,991
Attributable to Stapled Security Holders as:			
Total equity		160,342	204,991
Loan notes		1,231,515	1,231,515
Total Equity and Loan Notes		1,391,857	1,436,506

Notes to the Financial Statements are included on pages 58 to 66.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	Notes	2008 \$'000	2007 \$'000
Total equity at beginning of the Financial Year		204,991	228,357
Net profit	10	7,397	7,398
Total Recognised Income and Expense		212,388	235,755
Transactions with Stapled Security Holders:			
— Capital distributions	9	(52,046)	(30,764)
Total Equity at end of the Financial Year		160,342	204,991

Notes to the Financial Statements are included on pages 58 to 66.

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	Notes	2008 \$'000	2007 \$'000
Cash Flows Related to Operating Activities			
Interest received – related parties		137,378	137,076
Other income – related parties		8,526	8,539
Other expenses		(877)	(2,107)
Interest received – other		103	73
Net Cash Inflow Related to Operating Activities	17(b)	145,130	143,581
Cash Flows Related to Investing Activities			
Amounts advanced to related parties		(7,720)	(6,935)
Net Cash Outflow Related to Investing Activities		(7,720)	(6,935)
Cash Flows Related to Financing Activities			
Repayment of related party loans		52,047	30,764
Distributions to Stapled Security Holders:			
— Loan notes interest		(137,378)	(137,076)
— Capital Distribution		(52,046)	(30,764)
Net Cash Outflow Related to Financing Activities		(137,377)	(137,076)
Net Increase/(Decrease) in Cash and Cash Equivalents for the Financial Year			
Cash and cash equivalents at beginning of the Financial Year		26	456
Cash and Cash Equivalents at end of the Financial Year	17(a)	59	26

Notes to the Financial Statements are included on pages 58 to 66.

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.

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 and notes 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 report was authorised for issue by the Directors of Spark RE on 24 February 2009.

Standards Not Yet Effective

During the Financial Year, the Trust adopted all the new and revised standards and interpretations issued by the Australian Accounting Standards Board (the "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. The following standards have not yet been applied in 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
- disclosing reclassification adjustments relating to components of other comprehensive income.

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

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.

e) 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.

Interest, Dividends and Distributions

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

f) 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.

g) Impairment of Other Tangible and Intangible Assets

At each reporting date, the Trust 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, the Trust estimates the recoverable amount of the cash-generating Unit to which the asset belongs.

1. Summary of Accounting Policies (continued)

g) Impairment of Other Tangible and Intangible Assets

(continued)

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.

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 periods. 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.

h) Taxes

Income tax expense and deferred taxes are not brought to account in respect of the Trust, as pursuant to the Australian taxation laws, the Trust is not liable for income tax, provided that its taxable income (including any assessable realised capital gains) is fully distributed to the Stapled Security Holders each year.

i) Loans and Receivables

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

j) 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.

k) Rounding of Amounts

As the Trust is an entity of the kind referred to in ASIC Class Order 98/0100, relevant amounts in the financial report and Directors' Report have been rounded to the nearest thousand dollars, unless otherwise indicated.

	2008 \$'000	2007 \$'000
2. Profit for the Financial Year		
General and Administrative Expenses		
Management fee – Spark RE	100	100
Directors' fees	321	323
Other expenses	811	791
	1,232	1,214
3. Income Taxes		
Income Tax Recognised in Profit or Loss		
The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the Financial Statements as follows:		
Profit from continuing operations	7,397	7,398
Income tax expense calculated at 30%	2,219	2,219
Tax effect on operating results of the Trust (Note 1(h))	(2,219)	(2,219)
Income tax expense/(benefit)	–	–
The tax rate of 30% used above is the current Australian corporate tax rate. There has been no change in the corporate tax rate during the Financial Year.		
4. Loans to Related Parties		
Non-interest bearing loan ^a	143,659	195,706
^a The loan is repayable on written demand of the lender.		
5. Other Receivables		
GST recoverable	–	4
Related party receivable	54,738	47,007
	54,738	47,011

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

	2008 \$'000	2007 \$'000
6. Loans to Related Parties		
Interest bearing loan ^a	1,262,804	1,262,804
^a 100 year loan to a related party within Spark Infrastructure at an interest rate of 10.85% per annum unless agreed otherwise.		
7. Payables		
GST payable	366	-
Other	62	78
	428	78
8. Loan notes Attributable to Stapled Security Holders		
Loan notes ^a	1,231,515	1,231,515
^a Loan notes (term of 100 years) carry an interest rate of 10.85% per annum for the period to 30 November 2010 and for periods thereafter interest will be based on a five year swap rate plus a credit margin to be determined.		
9. Unitholders' Funds		
Balance at beginning of the Financial Year	190,007	220,771
Capital distributions	(52,046)	(30,764)
Balance at end of the Financial Year	137,961	190,007
Fully paid Securities	No.'000	No.'000
Balance at beginning and end of the Financial Year	1,008,651	1,008,651
Each ordinary Unit carries one vote and the right to distributions.		
Each Unit in the Trust is "stapled" to one share in SIH (No. 1), one share in SIH (No. 2), one loan note issued by Spark RE and one CHESSE Depositary Interest representing one share in Spark International. The Stapled Securities are quoted as if they are a single security.		
	2008 \$'000	2007 \$'000
10. Retained Earnings		
Balance at beginning of the Financial Year	14,984	7,586
Net profit for the Financial Year	7,397	7,398
Balance at end of the Financial Year	22,381	14,984
11. Remuneration of External Auditor		
	\$	\$
Audit or review of financial report	80,911	60,366
The auditor of the Trust is Deloitte Touche Tohmatsu.		
	2008 \$'000	2007 \$'000
12. Earnings per Unit ("EPU")		
Net profit after tax used to calculate EPU	7,397	7,398
Weighted average number of Units ('000)	1,008,651	1,008,651
Earnings per Unit (cents)	0.73	0.73
Profit before income tax and loan note interest per Unit	144,787	144,412
Weighted average number of Units ('000)	1,008,651	1,008,651
Profit before loan note interest per Unit (cents)	14.35	14.32

Basic EPU is the same as diluted EPU.

	2008		2007	
	Cents Per Unit	Total \$'000	Cents Per Unit	Total \$'000
13. Distributions Paid and Payable				
Distributions Paid:				
Interim distribution in respect of year ended 31 December 2008 paid on 15 September 2008 (2007: 15 September 2007)				
Interest on loan notes	6.77	68,286	6.74	67,983
Capital distribution	2.48	25,015	1.79	18,055
	9.25	93,301	8.53	86,038
Distribution Payable:				
Final distribution in respect of the year ended 31 December 2008 payable on 13 March 2009 (2007: 15 March 2008)				
Interest on loan notes ^a	6.85	69,093	6.85	69,093
Capital distribution ^b	2.41	24,308	2.68	27,032
	9.26	93,401	9.53	96,125
Total paid and payable	18.51	186,702	18.06	182,163

^a recognised amount.

^b unrecognised amount.

The distributions are unfranked.

14. Segment Information

The Trust operates in one business segment, being lending funds to related parties, and one geographical area, being Australia. Therefore, no segment information is provided.

15. Related Party Disclosures

a) Directors

The persons listed below were Directors of Spark RE as at the date of this report except where otherwise stated:

Stephen Johns (Chairman)

Hing Lam Kam

Andrew Hunter

Timothy Keith (appointed 17 March 2008)

John Dorrian

Don Morley

Cheryl Bart

Anne McDonald (appointed 1 January 2009)

Dominic Chan (Alternate Director, appointed 12 December 2008)

In addition, Shaun Mays was a Director until his retirement on 17 March 2008 and Peter St George until his resignation on 31 December 2008.

Remuneration

The Trust bears a proportionate share of remuneration paid to the Directors of Spark Infrastructure. The share of remuneration borne by the Trust is as follows:

	2008 \$	2007 \$
Directors' fees – Short term benefits	310,813	312,531
Directors' fees – Post-employment benefits	10,521	10,961
	321,334	323,492

Apart from the details disclosed above, no Director has entered into any material contract with the Trust during or since the end of the previous period, and there were no material contracts involving Directors' interests existing at the end of the Financial Year.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

15. Related Party Disclosures (continued)*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 01/01/2008 (No.)	Net Movement Acquired/Disposed (No.)	Closing Balance 31/12/2008 (No.)
Stephen Johns	355,000	–	355,000
Hing Lam Kam	–	–	–
Andrew Hunter	–	–	–
Timothy Keith	–	–	–
John Dorrian	162,150	(25,722)	136,428
Don Morley	225,000	–	225,000
Cheryl Bart	125,000	–	125,000
Anne McDonald	–	–	–
Dominic Chan	–	–	–
Peter St. George ^a	71,400	–	71,400
Shaun Mays ^b	–	–	–

^a Resigned on 31 December 2008.

^b Resigned on 17 March 2008.

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

Directors	Opening Balance 01/01/2007 (No.)	Net Movement Acquired/Disposed (No.)	Closing Balance 31/12/2007 (No.)
Stephen Johns	330,000	25,000	355,000
Hing Lam Kam	–	–	–
Andrew Hunter	–	–	–
John Dorrian	162,150	–	162,150
Don Morley	225,000	–	225,000
Cheryl Bart	125,000	–	125,000
Peter St. George	71,400	–	71,400
Shaun Mays ^a	167,000	(167,000)	–
Brian Scullin	–	–	–

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

b) Responsible Entity

The responsible entity of the Trust is Spark RE. During the Financial Year, in addition to reimbursing costs incurred by Spark RE, an amount of \$0.100 million (2007 period: \$0.100 million) was paid.

c) Key Management Personnel (“KMP”)

KMP are those having the authority and responsibility for directing and controlling the activities of the 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 Trust. The Trust has no employees.

d) Other related parties

The other related parties of the Trust are primarily entities within Spark Infrastructure and their wholly owned controlled entities.

During the Financial Year, the Trust earned \$145.916 million (2007: \$145.553 million) from Spark Infrastructure (Victoria) Pty Limited, comprising of interest income of \$137.390 million (2007: \$137.014 million) and \$8.526 million (2007: \$8.539 million) in fees associated with provision of debt.

As at 31 December 2008, \$143.659 million in non-interest bearing loans, \$1,262.804 million in interest bearing loans and \$54.372 million in current receivables were due from Spark Infrastructure (Victoria) Pty Limited, comprising of \$68.975 million in interest receivable and \$14.603 million in current payables.

Spark Infrastructure (Victoria) Pty Limited is a wholly owned subsidiary of SIH No. 1.

16. Subsequent Events

There were no events, other than those described in this report, that have arisen since the end of the Financial Year that have significantly affected or may significantly affect the operations of the Trust.

	2008 \$'000	2007 \$'000
17. Notes to the Cash Flow Statement		
a) Reconciliation of Cash and Cash Equivalents		
For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents as at the end of the Financial Year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:		
Cash on hand and at bank	59	26
Cash and cash equivalents	59	26
b) Reconciliation of Profit for the Year to Net Cash		
Inflow Related to Operating Activities		
Net profit after tax for the Financial Year	7,397	7,398
Loan note interest expensed	137,390	137,014
Changes in net assets and liabilities (Increase)/Decrease in assets:		
Current receivables	(11)	66
Increase/(Decrease) in liabilities:		
Current payables	354	(897)
Net cash inflow related to operating activities	145,130	143,581

18. Financial Instruments

a) Financial Risk Management Objectives

The treasury function manages the financial risks and co-ordinates access to financial markets.

The Trust does not enter into or trade in financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives is governed by Spark Infrastructure's policies approved by the Board, which has written principles on the use of financial derivatives. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis.

The Trust's activities expose it primarily to the financial risks of changes in interest rates. Where appropriate, Spark Infrastructure enters into a variety of derivative financial instruments to manage its exposure to interest rate movements, including interest rate swaps, forward interest rate contracts and interest rate options.

b) Capital Management

The capital structure of the Trust comprises of debt, loan notes attributable to Stapled Security Holders and equity. As the loan notes are a long term instrument and subordinated, they are regarded as part of equity capital for these purposes.

The Trust manages its capital through the use of a combination of debt and equity to ensure that it will be able to operate as a going concern, and provide appropriate returns to security holders.

c) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1.

d) Financial Market Risk

The Trust does not have any financial market risk as its loans are issued on a fixed interest rates. The revenue of the Asset Companies are in part reliant on regulatory determinants of the Australian Energy Regulator. This could in turn impact on distributions received by Spark Infrastructure.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

18. Financial Instruments (continued)**e) Interest Rate Risk Management**

As the Trust's interest bearing assets and liabilities are predominantly fixed rate, a change in interest rates would not have significantly changed the Trust's profit or loss and equity position.

The following table details the Trust's consolidated entity's exposure to interest rate risk as at 31 December 2008 and 2007 respectively:

	Weighted Average Effective Interest Rate	Variable Interest Rate	Fixed Maturity Dates			Non- Interest Bearing	Total
			Less than 1 Year	1-5 Years	5 Years +		
2008	% pa	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	3.75	59	-	-	-	-	59
Loans to related parties – non interest bearing	-	-	-	-	-	143,659	143,659
Loans to related parties – interest bearing	10.85	-	-	-	1,262,804	-	1,262,804
Other receivables	-	-	-	-	-	54,372	54,372
		59	-	-	1,262,804	198,031	1,406,894
Payables	-	-	-	-	-	428	428
Loan note interest payable	-	-	-	-	-	68,975	68,975
Loan note attributable to Stapled Security Holders	10.85	-	-	-	1,231,515	-	1,231,515
		-	-	-	1,231,515	69,403	1,300,918

	Weighted Average Effective Interest Rate	Variable Interest Rate	Fixed Maturity Dates			Non- Interest Bearing	Total
			Less than 1 Year	1-5 Years	5 Years +		
2007	% pa	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	6.25	26	-	-	-	-	26
Loans to related parties – non interest bearing	-	-	-	-	-	195,706	195,706
Loans to related parties – interest bearing	10.85	-	-	-	1,262,804	-	1,262,804
Other receivables	-	-	-	-	-	47,011	47,011
	10.85	26	-	-	1,262,804	242,717	1,505,547
Payables	-	-	-	-	-	78	78
Loan note interest payable	-	-	-	-	-	68,963	68,963
Loan notes attributable to Stapled Security Holders	10.85	-	-	-	1,231,515	-	1,231,515
		-	-	-	1,231,515	69,041	1,300,556

18. Financial Instruments (continued)

f) Liquidity risk

Spark Infrastructure manages liquidity by maintaining adequate cash reserves, banking facilities and monitoring continuously the forecast and actual cashflows. No significant risks have been identified. The undiscounted cashflow of financial liabilities are as disclosed in the Balance Sheet with the exception of Loan Notes attributable to Stapled Security holders. The details of interest and principal cashflows in respect of the Loan Notes are disclosed below:

	Weighted Average Effective Interest Rate	Variable Interest Rate	Fixed Maturity Dates			Non- Interest Bearing	Total
			Less than 1 Year	1– 5 Years	5 Years +		
2008	% pa	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Loans to related parties – interest bearing	10.85	–	137,389	685,070	13,701,412	–	14,523,871
		–	137,389	685,070	13,701,412	–	14,523,871

	Weighted Average Effective Interest Rate	Variable Interest Rate	Fixed Maturity Dates			Non- Interest Bearing	Total
			Less than 1 Year	1– 5 Years	5 Years +		
2007	% pa	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Loans to related parties – interest bearing	10.85	–	137,014	685,070	13,701,412	–	14,523,496
			137,014	685,070	13,701,412	–	14,523,496

g) Fair Value of Financial Instruments

The Directors consider that the carrying amount of financial assets and financial liabilities recorded in the Financial Statements approximates their fair values.

The fair values financial assets and financial liabilities are determined as follows:

- the fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis; and
- the fair values of derivative instruments, included in hedging assets and liabilities, are calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments.

19. Additional Information

The registered office of business of the Trust is as follows:

Level 6, 255 George Street
Sydney NSW 2000
Australia

DIRECTORS' DECLARATION

The Directors declare that:

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



D Morley
Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SPARK INFRASTRUCTURE TRUST



Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1217 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

We have audited the accompanying financial report of Spark Infrastructure Trust, 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 54 to 66.

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*.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Auditor's Opinion

In our opinion:

- (a) the financial report of Spark Infrastructure Trust 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.



DELOITTE TOUCHE TOHMATSU



S C Gustafson

Partner

Chartered Accountants
Sydney, 24 February 2009