Macquarie Power & Infrastructure Income Fund

Supplementary Financial Information
For the Quarter and Year Ended
December 31, 2008

Macquarie Power & Infrastructure Income Fund ("MPT" or the "Fund") is not a trust company and is not registered under applicable legislation governing trust companies, as it does not carry on or intend to carry on the business of a trust company. The units are not "deposits" within the meaning of the Canada Deposit Insurance Corporation Act (Canada) and are not insured under the provisions of that act or any other legislation.

Macquarie Power Management Ltd. ("MPML" or the "Manager") is the Manager of the Fund and is an indirect, wholly owned subsidiary of Macquarie Group Limited, an Australian public company listed on the Australian Stock Exchange.

Investments in the Fund are not deposits with or other liabilities of Macquarie Group Limited, the Manager or of any member company of the Macquarie group (Macquarie Group Limited and its subsidiaries and affiliates) and are subject to investment risk, including loss of income and equity invested or delays in redemption. None of Macquarie Group Limited, the Manager or any other member company of the Macquarie group guarantees the performance of the Fund, distributions from the Fund or the redemption or repayment of capital from the Fund.

This report is not an offer or invitation for subscription or purchase of or a recommendation of securities. It does not take into account the investment objectives, financial situation and particular needs of the investor. Before making an investment in the Fund, the investor or prospective investor should consider whether such investment is appropriate to their particular needs, objectives and financial circumstances and consult an investment advisor if necessary.

MPML, as the manager of the Fund, is entitled to certain fees for so acting. Macquarie Group Limited and its related companies, together with their officers and directors, may hold units in the Fund from time to time.

MACQUARIE POWER & INFRASTRUCTURE INCOME FUND

SUPPLEMENTARY FINANCIAL INFORMATION

FOR THE QUARTER AND YEAR ENDED
DECEMBER 31, 2008

This report for Macquarie Power & Infrastructure Income Fund (the "Fund") summarizes the consolidated operating results and cash flows for the quarter and year ended December 31, 2008 and the Fund's financial position as at that date. This discussion and analysis should be read in conjunction with the audited consolidated financial statements of the Fund and accompanying notes as at and for the year ended December 31, 2007. Additional information about the Fund, including its Annual Information Form for the year ended December 31, 2007, quarterly reports and other public releases, is available at www.sedar.com.

The information contained in this report reflects all material events up to February 19, 2009, the date on which the report was approved by the Fund's Board of Trustees.

NON-GAAP MEASURES

While the consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), this report also contains figures that are not performance measures as defined by GAAP. For instance, the Fund measures distributable cash, payout ratio and contribution margin to assess the financial performance of the Fund's operations. Please see Distributable Cash and Payout Ratio and Contribution Margin for additional information and a comparison of these non-GAAP figures with the most comparable GAAP measures.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain statements in the following discussion and analysis may constitute "forward-looking" statements, which involve known and unknown risks, uncertainties and other factors that may cause the actual results to be materially different from any future results expressed or implied by such forward-looking statements. When used in the following discussion and analysis, such statements use such words as "may," "will," "expect," "believe," "plan" and other similar terminology. These statements reflect current expectations regarding future events and operating performance and speak only as of the date of this discussion and analysis. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. The forward-looking statements contained in this discussion and analysis are based on information currently available and what the Fund currently believes are reasonable assumptions, including the material assumptions for each of the Fund's assets set out in the Fund's 2007 Annual Report under Outlook on pages 8 to 12, and as updated in subsequently filed quarterly Financial Reports of the Fund. However, the Fund cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this discussion and analysis and the Fund does not undertake to update any forward-looking information that may be made from time to time by or on its behalf, except as required under applicable securities legislation.

The forward-looking information contained in this discussion and analysis is presented for the purposes of assisting investors and analysts in understanding the Fund's financial position and our stated priorities and objectives may not be appropriate for other purposes. The Fund cautions readers not to place undue reliance on any forward-looking statements, which speak only as of the date made. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, risks associated with: the operational performance of the Fund's assets; power purchase agreements; fuel costs, supply and transportation; contract performance; default under credit agreements; land tenure and related rights; regulatory regime and permits; government regulation and funding; the ability to complete future acquisitions; Leisureworld's ability to complete the acquisition of the Good Samaritan Seniors Complex; LTC home ownership and operation; minority ownership interest in Leisureworld; default under Leisureworld's 2015 notes and credit facility, labour relations and cost; changes in federal tax rules for flow-through entities; the variability of distributions; geographic concentration and non-diversification; unitholder liability; dependence on Macquarie Power Management Ltd., the manager of the Fund, and potential conflicts of interest; insurance; risks related to the environmental, health and safety regimes within which the Fund's assets operate; unitholder dilution; and nature of units. The risks and uncertainties described above are not exhaustive and other events and risk factors, including risk factors disclosed in Fund's filings with Canadian securities regulatory authorities, could cause actual results to differ materially from the results discussed in the forward-looking statements.

CONSOLIDATION AND COMPARISON OF OPERATING RESULTS

The following discussion and analysis compares the actual results of the Fund for the quarter and year ended December 31, 2008 with the results for the quarter and year ended December 31, 2007. Results of Clean Power Income Fund ("CPIF") have been included in the comparative figures from the date of acquisition of June 27, 2007. All amounts have been expressed in thousands of Canadian dollars unless otherwise stated.

($000s, except for trust units and per trust unit amounts)	Quarter ended December 31, 2008	Quarter ended December 31, 2007	Year ended December 31, 2008	Year ended December 31, 2007
Revenue	41,735	41,823	150,423	122,811
Income before the following:	8,209	8,848	26,080	23,257
Unrealized gain (loss) on swap contracts	(4,126)	(204)	(4,228)	523
Unrealized gain on embedded derivative instruments	3,813	4,110	9,841	10,456
Net interest expense	(3,192)	(3,131)	(12,911)	(6,982)
Impairment of goodwill	(43,279)	-	(43,279)	-
Equity accounted income (loss) from long-term investments	(364)	692	94	(1,442)
Foreign exchange gain (loss)	(42)	182	(54)	(1,129)
Gain on sale of capital assets	-	-	10	-
Gain on debtor repayment of loan receivable	-	5,380	-	5,380
Income (loss) before income taxes	(38,981)	15,877	(24,447)	30,063
Current income tax recovery (expense)	-	(1)	10	(5)
Future income tax recovery (expense)	2,421	18,801	(2,097)	(24,632)
Net income (loss)	(36,560)	34,677	(26,534)	5,426
Basic and diluted net income (loss) per Unit	(0.732)	0.694	(0.531)	0.135
Cash flows from operating activities	9,836	7,694	50,516	29,663
Distributable cash [i]	14,705	20,394	52,243	48,785
Per Unit	0.294	0.408	1.046	1.210
Distributions declared to Unitholders	13,106	12,869	52,454	42,942
Per Unit [ii]	0.262	0.257	1.050	1.030
Payout ratio [iii]	89.1%	63.1%	100.4%	88.0%
Basic and diluted weighted average number of trust units and Class B exchangeable units outstanding ("Units")	49,933	49,978	49,960	40,333
Total assets	737,387	797,952	737,387	797,952
Total long-term liabilities	383,516	361,887	383,516	361,887
Sale of electricity (MWh) [iv]	545,506	562,595	2,084,376	1,687,059
Sale of steam (M lbs)	186,821	186,747	719,453	697,620
Average total occupancy	98.6%	99.0%	98.4%	98.4%
Average private occupancy	94.2%	90.7%	92.9%	86.3%

[i] See "Distributable Cash and Payout Ratio" for a reconciliation of distributable cash to cash flows from operating activities for the quarter. Distributable cash is not a recognized measure under GAAP and does not have a standardized meaning prescribed by GAAP. Therefore, distributable cash may not be comparable to similar measures presented by other issuers.

[ii] All unitholders were paid distributions equivalent to the amount shown.

[iii] Payout ratio is defined by the Fund as distributions declared as a proportion of distributable cash. Payout ratio is not a recognized measure under GAAP and does not have a standardized meaning prescribed by GAAP. Therefore, it may not be comparable to similar measures presented by other issuers.

[iv] The sale of electricity for the quarter and year ended December 31, 2008 includes full production from Chapais of 52,770 MWh (Q4 2007 – 50,148 MWh) and 221,401 MWh (YTD 2007 – 218,955 MWh), respectively. The Fund accounts for its investment in Chapais using the equity method, therefore Chapais' operating results do not impact the Fund's revenue for the respective periods.

Revenue

Revenue for the quarter and year ended December 31, 2008 was $41,735 (Q4 2007 – $41,823) and $150,423 (YTD 2007 - $122,811), respectively. Total power generation for the quarter and year was 545,506 MWh (Q4 2007 – 562,595 MWh) and 2,084,376 MWh (YTD 2007– 1,687,059 MWh), respectively, reflecting a 3.0% decrease for the quarter and a 23.6% increase for the year ended December 31, 2008.

The variance in quarterly revenue was mainly due to lower production at Whitecourt as a result of increased outages. Production at the hydro power facilities was also lower due to lower water flows compared with the same period last year. These factors were partially offset by higher power prices at Cardinal under its Power Purchase Agreement ("PPA") and by higher production at Erie Shores due to higher average wind speeds in the quarter. Revenue for the year was 22.5% higher than the prior year, reflecting a full year of operating results from the CPIF assets acquired in June 2007 and continued increases in power prices at Cardinal.

Income Before the Following

Income before unrealized gains and losses on swap contracts and embedded derivatives, net interest expense, impairment of goodwill, income or loss from equity accounted investments, foreign exchange, gain on sale of capital assets and income taxes for the quarter and year ended December 31, 2008 was $8,209 (Q4 2007 - $8,848) and $26,080 (YTD 2007 - $23,257), respectively. The decrease in the quarter was mainly attributable to lower revenue combined with higher operating expenses, partially offset by lower depreciation and administrative expenses. The increase in operating expenses was due to higher gas transportation costs at Cardinal and increased outages at Whitecourt compared with the same period last year. Administrative expenses were lower primarily due to a decrease in incentive fees in the fourth quarter, partially offset by higher cost reimbursement expenses. Of total cost reimbursement expenses in the fourth quarter, $600 was previously deferred in the year but expensed in the quarter. Other administrative expenses were higher mainly due to business development costs that were also previously deferred but expensed in the quarter.

On an annual basis, revenue net of operating expenses was $13,018 higher than the prior year, reflecting a full year of operating results from the CPIF assets as well as higher power prices at Cardinal, which were offset by increased gas transportation costs. Depreciation for the year was higher due to the CPIF acquisition in 2007, which resulted in higher depreciable assets. Administrative expenses increased by $1,205 primarily due to higher other administrative expenses as a result of increased business development activities in the year. Management fee and cost reimbursement expenses were also higher, as the Fund required more support services in finance and asset management following the CPIF acquisition. This was partially offset by lower incentive fees.

The following table details administrative expense categories for the year.

($000s unless otherwise noted)	Quarter ended December 31, 2008	Quarter ended December 31, 2007	Year ended December 31, 2008	Year ended December 31, 2007
Management fees	445	435	1,765	1,412
Administrative fees	27	27	108	106
Cost reimbursement	1,471	766	3,245	2,138
Incentive fees	957	2,821	1,602	3,498
Other administrative expenses	1,295	543	4,262	2,623
Administrative expenses	4,195	4,592	10,982	9,777

Unrealized Gain (Loss) on Swap Contracts

The fair value of the Fund's swap contracts has been recorded on the consolidated statement of financial position for the quarter and year ended December 31, 2008. The movement in the gas swaps in the quarter and year was primarily due to maturity of the 2008 contracts, partially offset by higher forward gas prices as of December 31, 2008. Movement in the fair value of the interest rate swaps was mainly attributable to five new interest rate swaps the Fund entered into during 2008 as well as a lower forward interest rate forecast. Since these swap contracts are not designated for hedge accounting, the movement in the fair value of these contracts has been reflected in the consolidated statement of operations for the quarter and year ended December 31, 2008 as follows:

($000s unless otherwise noted)	Quarter ended December 31, 2008	Quarter ended December 31, 2007	Year ended December 31, 2008	Year ended December 31, 2007
Unrealized gain (loss) on gas swap contracts	928	(70)	1,025	1,032
Unrealized loss on interest rate swap contracts	(5,054)	(134)	(5,253)	(509)
Total unrealized gain (loss) on swap contracts	(4,126)	(204)	(4,228)	523

Unrealized Gain on Embedded Derivative Instruments

As at December 31, 2008, the embedded derivative asset and liability recorded at fair value were $20,392 (2007 – $17,718) and $6,491 (2007 - $13,658), respectively. For the quarter and year ended December 31, 2008, the fair value of the embedded derivative asset increased mainly as a result of higher forward gas prices as of December 31, 2008. The fair value of the embedded derivative liability decreased as a result of a lower forward DCR forecast.

The movement in the fair value of these embedded derivatives has been reflected in the consolidated statement of operations as follows:

($000s unless otherwise noted)	Quarter ended December 31, 2008	Quarter ended December 31, 2007	Year ended December 31, 2008	Year ended December 31, 2007
Unrealized gain on embedded derivative asset	1,675	2,958	2,674	718
Unrealized gain on embedded derivative liability	2,138	1,152	7,167	9,738
Total unrealized gain on embedded derivative instruments	3,813	4,110	9,841	10,456

Net Interest Expense

Net interest expense for the quarter and year ended December 31, 2008 was $3,192 (Q4 2007 - $3,131) and $12,911 (YTD 2007 - $6,982), respectively. Higher net interest expense was primarily due to higher borrowings compared with the same period last year as a result of the CPIF acquisition as well as lower interest income on loans receivable, partially offset by lower interest expense on the Fund's floating rate debt. In the fourth quarter of 2007, the amount outstanding on the U.S. Wind Loan was fully repaid by the debtor, thereby eliminating a source of interest income. Interest expense on floating rate debt was also lower as a result of lower prevailing interest rates than in the same period last year.

Impairment of Goodwill

During the fourth quarter, management reviewed goodwill for impairment and determined that the carrying value of goodwill relating to the power infrastructure reporting unit was impaired. As a result, a goodwill impairment of $43,279 was recognized on the consolidated statement of operations for the year ended December 31, 2008. This non-cash charge has no impact on the Fund's liquidity, the stability of cash flow from operations or distributable cash. No other impairment provisions were determined to be necessary for the Fund's other long-lived assets.

Equity Accounted Income (Loss) from Long-term Investments

The Fund has an indirect 45% interest in Leisureworld Senior Care ("Leisureworld") and an indirect 31.3% interest in one of the two classes of preferred shares of Chapais, which are accounted for using the equity method. Included in the consolidated statement of operations for the quarter and year ended December 31, 2008 is the equity accounted loss of $364 (Q4 2007 - income of $746) and $62 (YTD 2007 – loss of $1,286), respectively, from Leisureworld and the equity accounted income of $nil (Q4 2007 – loss of $54) and $156 (YTD 2007 – loss of $156), respectively, from Chapais.

Gain on Debtor Repayment of Loan Receivable

The gain on debtor repayment of loan receivable in the prior year relates to a termination agreement that the Fund entered into with Caithness Western Wind Holdings LLC ("Caithness") on December 7, 2007, whereby Caithness repaid the U.S. Wind Loan from the Fund for total proceeds of US$22,000 (CAD $22,125). The Fund realized a gain of $5,380 on the repayment.

Income Taxes

As a result of amendments to the *Income Tax Act (Canada)* that became law on June 22, 2007, future income tax assets and liabilities have been recognized on the consolidated statement of financial position based on temporary differences between the accounting and tax bases of existing assets and liabilities that are expected to reverse after 2010. For the quarter and year ended December 31, 2008, the Fund recorded a future income tax recovery of $2,421 (Q4 2007 – recovery of $18,801) and expense of $2,097 (YTD 2007 – expense of $24,632), respectively, in the consolidated statement of operations in respect of these assets and liabilities.

Cash Flows from Operating Activities

Cash flows from operating activities were higher for the quarter and year ended December 31, 2008 by $2,142 and $20,853, respectively, than in the same period last year. The increase in the fourth quarter was primarily due to changes in working capital, offset by the $5,380 gain on repayment of the U.S. Wind Loan described above. The increase for the year reflected higher cash flows generated from a full year of operating results of the CPIF assets.

Distributable Cash and Payout Ratio

Distributable cash and payout ratio are not recognized performance measures under GAAP. The Fund believes that distributable cash and payout ratio are useful supplemental measures that may assist investors in assessing the Fund's financial performance. Distributable cash is based on cash flows from operating activities, the GAAP measure that is reported in the Fund's consolidated statement of cash flows, and adjusted for changes in the reserve accounts, non-discretionary receipts and payments and distributions received from Leisureworld. In addition, the impact of changes in working capital is excluded (the movements in trade-related current assets and liabilities, excluding cash) as management believes it should not be considered in a period calculation intended to demonstrate the degree to which cash flow from earnings supports the financial obligations of the Fund. Payout ratio is defined as distributions declared as a proportion of distributable cash.

The nature of power infrastructure assets require scheduled maintenance programs to optimize their efficiency and operating life. The Fund has established reserves that are funded based on planned requirements. Cash from these reserves is released to meet maintenance and capital requirements. Adjustments for scheduled receipts and payments are made according to the Fund's investment and financing decisions regarding ongoing commitments.

The Fund continues to calculate and measure distributable cash excluding changes in working capital. The Ontario Electricity Financial Corporation ("OEFC"), the Fund's primary customer, is billed once monthly. As there are only 12 payments each year, the timing of each payment has a significant impact on the Fund's working capital. Monthly payments are received at month end or on the first business day following a month end, which could result in a situation where two bills are paid in the same month. Such circumstances could cause significant fluctuations in working capital, distributable cash and payout ratio that are not reflective of the Fund's ongoing distributable cash or stability of operations.

For the quarter ended December 31, 2008, distributable cash exceeded distributions to unitholders. The Fund makes monthly distributions at a constant amount per unit during the year. Given seasonal fluctuations in the business, it is possible for distributions to exceed distributable cash from time to time. In such a situation, the variance is funded from the Fund's existing cash resources. On an annual basis, the Fund expects distributable cash to approximate distributions paid to unitholders.

In any given period, the amount of distributions declared may exceed the net income of the Fund as a result of non-cash charges, most significantly, amortization and non-cash movements in future income taxes, swap contracts, embedded derivative balances as well as impairment charges. Except for allocations to capital expenditure and major maintenance reserve accounts, the Fund does not retain additional amounts for these movements as they do not require periodic investments to maintain existing levels of activity. The amount of distributions declared may also exceed cash flows from operating activities and net income in any given period as a result of distributions received from Leisureworld.

($000s, except for trust units and per trust unit amounts)	Quarter ended December 31, 2008	Quarter ended December 31, 2007	Year ended December 31, 2008	Year ended December 31, 2007
Cash flows from operating activities	9,836	7,694	50,516	29,663
Maintenance of productive capacity:				
Release from major maintenance reserve account	460	549	3,400	980
Allocation to major maintenance reserve account	(556)	(747)	(2,225)	(2,726)
Allocation to capital expenditure reserve account	(212)	(255)	(850)	(719)
	9,528	7,241	50,841	27,198
Other adjustments:				
Scheduled repayment of debt	(445)	(922)	(2,431)	(1,582)
Scheduled receipt of loans receivable	167	149	641	295
Gain on debtor repayment of loan receivable	-	5,380	-	5,380
Distributions received from Leisureworld	2,587	2,588	10,350	10,350
Changes in working capital	2,868	5,958	(7,158)	7,144
Distributable cash for the period (i)	14,705	20,394	52,243	48,785
Per Unit	0.294	0.408	1.046	1.210
Distributions declared to Unitholders	13,106	12,869	52,454	42,942
Per Unit (ii)	0.262	0.257	1.050	1.030
Payout ratio (iii)	89.1%	63.1%	100.4%	88.0%
Basic and diluted weighted average number of Units outstanding	49,933	49,978	49,960	40,333

(i) Distributable cash is not a recognized measure under GAAP and does not have a standardized meaning prescribed by GAAP. Therefore, distributable cash may not be comparable to similar measures presented by other issuers.
(ii) All unitholders were paid distributions equivalent to the amount shown.
(iii) Payout ratio is defined by the Fund as distributions declared as a proportion of distributable cash. Payout ratio is not a recognized measure under GAAP and does not have a standardized meaning prescribed by GAAP. Therefore, it may not be comparable to similar measures presented by other issuers.

For the quarter and year ended December 31, 2008, distributable cash was $14,705 (Q4 2007 - $20,394) and $52,243 (YTD 2007 – $48,785), respectively. The Fund declared distributions to unitholders of $13,106 (Q4 2007 - $12,869) for the quarter and $52,454 (YTD 2007 - $42,942) for the year. This represented a payout ratio of 89.1% (Q4 2007 – 63.1%) for the quarter and 100.4% for the year (YTD 2007 – 88.0%).

The payout ratio for the quarter and year ended December 31, 2008 was higher compared with the same period last year, primarily due to a $5,380 gain on the repayment of the Fund's U.S. Wind Loan in the fourth quarter of 2007. Excluding the impact of the repayment, the payout ratio for the quarter and year ended December 31, 2007 were approximately 85.7% and 98.9%, respectively.

The higher payout ratio for the fourth quarter of 2008 was primarily due to lower water flows at the hydro facilities and increased outages at Whitecourt. Distributions declared in the quarter were higher due to an increase in distributions to unitholders of $0.02 per unit on an annualized basis starting January 1, 2008. The quarterly payout ratio reflects the seasonal nature of the Fund's business.

The higher payout ratio for the year reflected higher distributions declared as well as lower operating cash flows from Cardinal due to increased gas transportation costs. This was partially offset by a full year of operating cash flows from the CPIF assets.

HIGHLIGHTS BY OPERATING SEGMENT

The discussion and analysis of the Fund's summarized results is organized by its two operating segments: power infrastructure and social infrastructure.

($000s unless otherwise noted)	Quarter ended December 31, 2008			Quarter ended December 31, 2007		
	Power	Social	Total	Power	Social	Total
Revenue	41,735	-	41,735	41,823	-	41,823
Operating expenses	22,037	-	22,037	20,645	-	20,645
Contribution margin [i]	19,698	-	19,698	21,178	-	21,178
Interest income on loans receivable [ii]	192	-	192	587	-	587
Depreciation and amortization on capital assets	5,340	-	5,340	5,247	-	5,247
The Fund's pro rata share of equity accounted income (loss)	-	(364)	(364)	(54)	746	692
Gain on debtor repayment of loan receivable	-	-	-	5,380	-	5,380
Sale of electricity (MWh) [iii]	545,506	-	545,506	562,595	-	562,595
Sale of steam (M lbs)	186,821	-	186,821	186,747	-	186,747
Average total occupancy	-	98.6%	98.6%	-	99.0%	99.0%
Average private occupancy	-	94.2%	94.2%	-	90.7%	90.7%

[i] Contribution margin is not a recognized measure under GAAP and does not have a standardized meaning prescribed by GAAP. Therefore, contribution margin may not be comparable to similar measures presented by other issuers.

[ii] The Fund's interest income consists of interest earned on Chapais loans and the U.S. Wind Loan. This amount is included in net interest expense on the consolidated statement of operations for the respective periods. The U.S. Wind Loan was fully repaid in December 2007.

[iii] The sale of electricity for the quarter ended December 31, 2008 includes full production from Chapais of 52,770 MWh (Q4 2007 – 50,148 MWh). The Fund accounts for its investment in Chapais using the equity method, therefore Chapais' operating results do not impact the Fund's revenue for the quarter.

($000s unless otherwise noted)	Year ended December 31, 2008			Year ended December 31, 2007		
	Power	Social	Total	Power	Social	Total
Revenue	150,423	-	150,423	122,811	-	122,811
Operating expenses	84,454	-	84,454	69,860	-	69,860
Contribution margin [(i)]	65,969	-	65,969	52,951	-	52,951
Interest income on loans receivable [(ii)]	793	-	793	1,368	-	1,368
Depreciation and amortization on capital assets	21,085	-	21,085	14,310	-	14,310
The Fund's pro rata share of equity accounted income (loss)	156	(62)	94	(156)	(1,286)	(1,442)
Gain on debtor repayment of loan receivable	-	-	-	5,380	-	5,380
Sale of electricity (MWh) [(iii)]	2,084,376	-	2,084,376	1,687,059	-	1,687,059
Sale of steam (M lbs)	719,453	-	719,453	697,620	-	697,620
Average total occupancy	-	98.4%	98.4%	-	98.4%	98.4%
Average private occupancy	-	92.9%	92.9%	-	86.3%	86.3%

(i) Contribution margin is not a recognized measure under GAAP and does not have a standardized meaning prescribed by GAAP. Therefore, contribution margin may not be comparable to similar measures presented by other issuers.

(ii) The Fund's interest income consists of interest earned on Chapais loans and the U.S. Wind Loan. This amount is included in net interest expense on the consolidated statement of operations for the respective periods. The U.S. Wind Loan was fully repaid in December 2007.

(iii) The sale of electricity for the year ended December 31, 2008 includes full production from Chapais of 221,401 MWh (YTD 2007 – 218,955 MWh). The Fund accounts for its investment in Chapais using the equity method, therefore Chapais' operating results do not impact the Fund's revenue for the year.

Power Infrastructure

The power infrastructure segment includes gas cogeneration, wind, hydro and biomass power generation assets. The Fund's power assets are diversified by fuel source and have a weighted average remaining PPA term of approximately 11 years. The operating results of the Fund's power infrastructure assets are provided in the analysis below:

Gas Cogeneration Power Operations:

($000s unless otherwise noted)	Quarter ended December 31, 2008	Quarter ended December 31, 2007	Year ended December 31, 2008	Year ended December 31, 2007
Revenue	27,539	26,966	99,777	98,589
Operating expenses	17,514	16,415	65,284	61,547
Contribution margin [(i)]	10,025	10,551	34,493	37,042
Depreciation and amortization on capital assets	1,967	1,956	7,839	7,785
Sale of electricity (MWh)	330,465	336,549	1,259,737	1,291,876
Sale of steam (M lbs)	186,821	186,747	719,453	697,620

(i) Contribution margin is not a recognized measure under GAAP and does not have a standardized meaning prescribed by GAAP. Therefore, contribution margin may not be comparable to similar measures presented by other issuers.

Revenue for the quarter was $573 higher than in the same period last year. This was primarily due to a 2.6% increase in the Direct Customer Rate ("DCR"). The plant achieved an availability of 97.3% (Q4 2007 - 98.9%) and a capacity factor of 96.8% (Q4 2007 - 98.2%), with 59 hours of outage (2007 - 24 hours) for maintenance. Revenue from the sale of steam to Canada Starch Operating Company ("CASCO") was $290 (Q4 2007 - $288). Operating expenses were $1,099 higher than in the same period last year due to increased gas transportation costs.

On an annual basis, revenue was $1,188 higher than in the prior year due to continued increases in the DCR. This was partially offset by lower production as a result of more outage hours and the facility increasing curtailment to capitalize on favourable spot market prices for gas. The plant achieved an availability of 97.2% (YTD 2007 - 98.2%) and a capacity factor of 94.9% (YTD 2007 - 96.7%), with 240 hours (YTD 2007 – 150 hours) of outage and curtailment of 504 hours (YTD 2007 – 23 hours). Steam revenue of $1,108 (YTD 2007 - $1,074) reflected higher steam usage by CASCO during the year. Operating expenses were $3,737 higher than in 2007 primarily due to higher gas transportation costs, which were only partially offset by gas mitigation.

Wind Power Operations:

($000s unless otherwise noted)	Quarter ended December 31, 2008	Quarter ended December 31, 2007	Year ended December 31, 2008	Year ended December 31, 2007
Revenue	8,071	7,452	24,660	10,301
Operating expenses	1,399	1,482	5,437	2,921
Contribution margin (i)	6,672	5,970	19,223	7,380
Interest income on loans receivable (ii)	-	378	-	937
Depreciation and amortization on capital assets	2,103	2,358	8,293	4,236
Gain on debtor repayment of loan receivable	-	5,380	-	5,380
Sale of electricity (MWh) (iii)	83,339	75,398	253,927	103,400

(i) Contribution margin is not a recognized measure under GAAP and does not have a standardized meaning prescribed by GAAP. Therefore, contribution margin may not be comparable to similar measures presented by other issuers.
(ii) Interest income on loans receivable for the quarter and year ended December 31, 2007 consists of interest income on the U.S. Wind Loan, which was fully repaid in December 2007.
(iii) Sale of electricity for the year ended December 31, 2007 reflects operating results of the wind power assets from the date of acquisition. Total production of the wind farms for the full year in 2007 was 243,423 MWh.

Production in the quarter of 83,339 MWh (Q4 2007 - 75,398 MWh) was higher than in the same period last year due to a higher average wind speed in the quarter. As a result, the facility achieved a capacity factor of 38.1% (Q4 2007 - 34.5%). Availability during the quarter was 97.1% (Q4 2007 - 98.3%) reflecting an increase in outages required by Hydro One for repairs and maintenance on its transmission line.

Annual production increased by 4.3% to 253,927 MWh in 2008 (YTD 2007 - 243,423 MWh), reflecting a higher average wind speed in the year. The wind farm achieved a capacity factor of 29.2% (YTD 2007 - 28.1%) and availability of 95.0% (YTD 2007 - 95.1%).

Hydro Power Operations:

($000s unless otherwise noted)	Quarter ended December 31, 2008	Quarter ended December 31, 2007	Year ended December 31, 2008	Year ended December 31, 2007
Revenue	3,067	4,201	12,705	7,031
Operating expenses	817	961	3,443	1,878
Contribution margin (i)	2,250	3,240	9,262	5,153
Depreciation and amortization on capital assets	486	450	2,174	1,114

(i) Contribution margin is not a recognized measure under GAAP and does not have a standardized meaning prescribed by GAAP. Therefore, contribution margin may not be comparable to similar measures presented by other issuers.

Sale of electricity (MWh) Asset/Facility	Quarter ended December 31, 2008	Quarter ended December 31, 2007	Year ended December 31, 2008	Year ended December 31, 2007
Sechelt	21,305	22,373	80,656	35,530
Hluey Lakes	2,010	2,155	6,842	3,372
Wawatay	8,332	22,492	52,364	38,766
Dryden	5,108	5,893	22,921	11,444
Sale of electricity (i)	36,755	52,913	162,783	89,112

(i) Sale of electricity for the year ended December 31, 2007 reflects operating results of the hydro power assets from the date of acquisition. Total production of the hydro facilities for the full year in 2007 was 174,300 MWh.

Overall production at the hydro facilities for the quarter was 30.5% lower than the same period last year due to colder temperatures, primarily at the Wawatay facility, resulting in lower water flows. In the fourth quarter of 2007, the Wawatay facility also experienced above average water flows. During the quarter, the hydro facilities operated at a weighted average availability of 99.7% (Q4 2007 – 99.5%) and a capacity factor of 46.6% (Q4 2007 – 67.4%). Outage hours during the quarter of 81 (Q4 2007 – 326 hours) were less than the same period last year due to the timing of Hydro One's repairs and maintenance.

On an annual basis, production of 162,783 MWh in 2008 was approximately 6.6% lower than the prior year, due to lower water flows and availability. The facilities achieved an overall weighted average availability of 96.3% (YTD 2007 - 98.2%) and a capacity factor of 51.9% (YTD 2007 – 55.7%), reflecting 1,017 outage hours (YTD 2007 – 837 hours) due to repairs and maintenance at the Wawatay and Sechelt facilities.

Biomass Power Operations:

($000s unless otherwise noted)	Quarter ended December 31, 2008 Whitecourt	Chapais	Total Biomass	Quarter ended December 31, 2007 Whitecourt	Chapais	Total Biomass
Revenue	3,058	-	3,058	3,204	-	3,204
Operating expenses	2,307	-	2,307	1,787	-	1,787
Contribution margin (i)	751	-	751	1,417	-	1,417
Interest income on loans receivable	-	192	192	-	209	209
Depreciation and amortization on capital assets	784	-	784	483	-	483
The Fund's pro rata share of equity accounted loss	-	-	-	-	(54)	(54)

(i) Contribution margin is not a recognized measure under GAAP and does not have a standardized meaning prescribed by GAAP. Therefore, contribution margin may not be comparable to similar measures presented by other issuers.

($000s unless otherwise noted)	Year ended December 31, 2008 Whitecourt	Chapais	Total Biomass	Year ended December 31, 2007 Whitecourt	Chapais	Total Biomass
Revenue	13,281	-	13,281	6,890	-	6,890
Operating expenses	10,290	-	10,290	3,514	-	3,514
Contribution margin (i)	2,991	-	2,991	3,376	-	3,376
Interest income on loans receivable	-	793	793	-	431	431
Depreciation and amortization on capital assets	2,779	-	2,779	1,175	-	1,175
The Fund's pro rata share of equity accounted income (loss)	-	156	156	-	(156)	(156)

(i) Contribution margin is not a recognized measure under GAAP and does not have a standardized meaning prescribed by GAAP. Therefore, contribution margin may not be comparable to similar measures presented by other issuers.

Sale of electricity (MWh) Asset/Facility	Quarter ended December 31, 2008	Quarter ended December 31, 2007	Year ended December 31, 2008	Year ended December 31, 2007
Whitecourt	42,177	47,587	186,528	97,508
Chapais	52,770	50,148	221,401	105,163
Sale of electricity (i)	94,947	97,735	407,929	202,671

(i) Sale of electricity for the year ended December 31, 2007 reflects operating results of the biomass power assets from the date of acquisition. Total production of the biomass facilities for the full year in 2007 was 411,035 MWh. The Fund accounts for its investment in Chapais using the equity method, therefore Chapais' operating results do not impact the Fund's revenue for the respective periods.

Whitecourt

During the quarter, Whitecourt operated at an availability of 78.7% (Q4 2007 - 89.3%) and achieved a capacity factor of 78.8% (Q4 2007 - 89.0%). The lower availability resulted from approximately 373 hours of outage (Q4 2007 – 243 hours) for repairs and maintenance. Lower power generation was partially offset by an increase in the average Alberta Power Pool price. During the quarter, 14.9% of Whitecourt's production was not contracted under the long-term PPA and was sold into the Alberta Power Pool. The average Alberta Power Pool price for the quarter was $95.18, reflecting a 55.7% increase from the same period last year (Q4 2007 - $61.14).

During the year, Whitecourt achieved an availability of 88.4% (YTD 2007 - 93.4%) and a capacity factor of 88.0% (YTD 2007 - 93.1%), which reflected 1,059 hours of outage (YTD 2007 - 462 hours) as the plant shut down to undertake a major maintenance overhaul of the turbine and boiler, which occurs every seven years. This was partially offset by an increase in the average Alberta Power Pool price of $87.95 (YTD 2007 - $66.21) as approximately 14.3% of the plant's production was sold into the Alberta Power Pool in the year.

Chapais

The Chapais facility operated at 89.6% availability (Q4 2007 – 88.1%), reflecting 233 hours (Q4 2007 – 263 hours) of total outages. The plant achieved a capacity factor of 85.4% for the quarter (Q4 2007 – 81.1%). As a result, Chapais produced approximately 5.2% more power in the fourth quarter compared with the same period last year. On an annual basis, the facility achieved an availability of 93.4% (YTD 2007 – 94.8%), reflecting 588 hours (YTD 2007 – 458 hours) of outage. The plant achieved a capacity factor of 90.0% (YTD 2007 – 89.3%).

The Chapais PPA is subject to a maximum annual production provision for each 12-month period ending November 30. Should the facility exceed this maximum production amount, the PPA rate paid on any excess production is significantly reduced. Therefore, the facility is operated throughout the year so that the total production for each 12-month period ending November 30 approximates the maximum provision in the PPA.

Social Infrastructure

Leisureworld owns and operates 26 long-term care ("LTC") homes (4,314 beds), one retirement home (29 beds) and one independent living home (53 beds) located in the Province of Ontario. In addition, Leisureworld operates two related businesses, Preferred Health Care Services ("PHCS"), which provides professional nursing and personal support services for both community-based home care and LTC homes, and Ontario Long-Term Care Providers, which provides purchasing services to Leisureworld's LTC homes.

Leisureworld is currently the third largest provider of long-term care in Ontario. The composition of Leisureworld's LTC portfolio as at December 31, 2008 by structural classification was as follows:

Beds by Class (i)	Number of Beds	Percentage of Portfolio
A (ii)	2,260	52.4%
B	299	6.9%
C	1,755	40.7%
Total	4,314	100.0%

(i) Class A homes meet or exceed 1998 design standards.
Class B homes exceed 1972 standards but do not meet 1998 design standards.
Class C homes meet 1972 standards.
(ii) All of Leisureworld's Class A homes are designated new homes and qualify for capital funding of $10.35 per day, per bed.

The Fund's investment in Leisureworld is accounted for as an equity investment. As such, the Fund records its pro rata share of any income or loss for the period.

($000s unless otherwise noted)	Quarter ended December 31, 2008	Quarter ended December 31, 2007	Year ended December 31, 2008	Year ended December 31, 2007
Revenue	66,697	47,706	248,732	181,725
Operating expenses	59,454	40,639	219,332	155,121
Net income (loss)	(859)	1,657	(188)	(2,859)
The Fund's pro rata share of equity accounted income (loss)	(364)	746	(62)	(1,286)
Distributions paid to the Fund	2,587	2,588	10,350	10,350
Average total occupancy	98.6%	99.0%	98.4%	98.4%
Average private occupancy	94.2%	90.7%	92.9%	86.3%

For the quarter ended December 31, 2008, Leisureworld generated revenue of $66,697 (YTD - $248,732) compared with $47,706 (YTD 2007 - $181,725) in the prior year. The $18,991 (YTD - $67,007) increase was primarily due to the acquisition of seven LTC homes in January 2008. The remainder of the increase was due to increased occupancy in private accommodation and higher government funding rates, which were 2.7% (YTD – 3.6%) greater than in the same period last year. Operating expenses for the quarter and year were also higher, reflecting the acquisition of the seven LTC homes and the increases in government funding which led to associated increases in staff and operating costs.

Net loss for the quarter was $859 compared with net income of $1,657 in the same period last year. The variance was mainly due to increased depreciation and amortization charges, and net interest expense relating to the acquisition of the seven LTC homes. As well, an unrealized loss was recognized on an interest rate swap. These negative variances were partially offset by increases in operating income. Net loss for the year was $188 compared with a net loss of $2,859 in the prior year. The variance was mainly due to the income contribution from the seven new homes, increases in accommodation funding rates, increases in private accommodation revenue and lower amortization charges. These positive variances were partially offset by an increase in net interest expense.

Contribution Margin

Contribution margin is not a recognized measure under GAAP and does not have a standardized meaning prescribed by GAAP. Contribution margin can be defined as revenue net of direct operating expenses. Contribution margin provides useful information that may assist investors in assessing the operational performance of the Fund's underlying assets and their contribution to the Fund's financial results.

The following provides a reconciliation of contribution margin from income before income taxes for the quarter and year ended December 31, 2008.

($000s unless otherwise noted)	Quarter ended December 31, 2008	Quarter ended December 31, 2007	Year ended December 31, 2008	Year ended December 31, 2007
Income (loss) before income taxes	(38,981)	15,877	(24,447)	30,063
Unrealized loss (gain) on swap contracts	4,126	204	4,228	(523)
Unrealized gain on embedded derivative instruments	(3,813)	(4,110)	(9,841)	(10,456)
Net interest expense	3,192	3,131	12,911	6,982
Impairment of goodwill	43,279	-	43,279	-
Equity accounted loss (income) from long-term investments	364	(692)	(94)	1,442
Foreign exchange (gain) loss	42	(182)	54	1,129
Gain on sale of capital assets	-	-	(10)	-
Gain on debtor repayment of loan receivable	-	(5,380)	-	(5,380)
	8,209	8,848	26,080	23,257
Add back:				
Administrative expenses	4,195	4,592	10,982	9,777
Depreciation and amortization	7,294	7,738	28,907	19,917
Contribution margin	19,698	21,178	65,969	52,951

LIQUIDITY AND FINANCIAL RESOURCES

As previously noted, the Fund invests in long-life infrastructure assets. Demand associated with these assets is relatively stable across business cycles and most assets have long-term agreements to enhance revenue certainty. This mitigates some of the liquidity risk and uncertainties inherent in the current economic environment.

The Fund expects to meet all of its operating obligations in 2009 and to make distributions to unitholders from cash flows generated from operating activities and from distributions received from Leisureworld. As at December 31, 2008, the Fund had positive working capital of $51,874 (2007 - $30,393). Cash and short-term investments totalled $51,904 (2007 - $21,934), of which $34,803 (2007 - $3,306) was not designated for major maintenance, capital expenditure or general reserves. During the year, the Fund increased its drawdown on the CPOT credit facility to enhance the Fund's cash position, thereby facilitating its ability to take advantage of future market opportunities.

	December 31, 2008	December 31, 2007
Major maintenance reserve	9,791	10,966
Capital expenditure reserve	2,310	2,662
General reserve	5,000	5,000
Total reserve accounts	17,101	18,628
Other cash and cash equivalents	29,716	3,306
Total cash and cash equivalents	46,817	21,934
Short-term investments	5,087	-
Total cash and short-term investments	51,904	21,934

With the continued funding of major maintenance and capital expenditure reserves, the Fund believes it has more than sufficient funds to meet all anticipated maintenance and capital requirements for 2009. As at December 31, 2008, the following funds were available under existing credit facilities:

($000s unless otherwise noted)	Credit Limits	Amounts Authorized or Drawn	Available
Cardinal credit facility (i)	50,000	36,983	13,017
CPOT credit facility (ii)	150,000	85,550	64,450

(i) Included in the amounts authorized or drawn under the Cardinal credit facility are two letters of credit totalling $1,983 for Erie Shores.

(ii) Included in the amounts authorized or drawn under the CPOT credit facility are a letter of credit for $550 and a $10,000 unsecured guarantee provided to the lenders under the Tranche C loan for Erie Shores.

SUBSEQUENT EVENTS

Effective January 5, 2009, Whitecourt Power Limited Partnership, an indirect, wholly owned subsidiary of the Fund and the owner of Whitecourt, terminated the operations and maintenance agreement for Whitecourt. Services previously provided by a third party under the agreement have been assumed by the facility's staff.

On January 30, 2009, the Fund made an equity contribution of $6,750 to Leisureworld in connection with its acquisition of seven LTC homes on January 31, 2008. This amount maintains the Fund's 45% pro rata interest in Leisureworld.

SEASONALITY

Since Cardinal has a long-term PPA with the OEFC and a gas purchase contract, its results are not significantly affected by fluctuations resulting from the market prices for electricity or the volatility in the price of natural gas. However, the PPA contains higher power rates during the period from October to March (and lower rates from April to September), which is reflected in the variations in quarterly results.

In addition, Cardinal and Whitecourt generally perform their major maintenance activities during the April to July period, which affects the Fund's operating results during that period. To partially offset this seasonality, Cardinal sells the excess natural gas not consumed. Exposure to fluctuations in the market prices of gas from the sales of surplus gas are partially hedged with gas swap contracts.

Electricity production generated by Erie Shores fluctuates with the natural wind speed and density in the area of the facility. During the autumn and winter periods, wind speed and density are generally greater than during the spring and summer periods.

A significant portion of electricity production generated by the Fund's hydro facilities fluctuates with the natural water flow of the respective watersheds. During the spring and autumn periods, water flows are generally greater than during the winter and summer periods.

As with the Cardinal PPA, Wawatay's and Dryden's PPAs with the OEFC have different pricing provisions for electricity produced depending on the time of year. The OEFC pays higher rates for electricity during the months of October to March (and lower rates from April to September).

The PPA with Hydro Quebec relating to the Chapais facility also has different pricing provisions for electricity produced depending on the time of year. During the months of December to March, Hydro Quebec pays an additional capacity premium. This could result in fluctuations in equity accounted income (loss) from long-term investments, but does not affect cash flows to the Fund.

The seasonality of wind speed and density, water flows, pricing provisions within the PPAs with the OEFC, and the PPA with Hydro Quebec may result in fluctuations in revenue and net income during the year.

The Fund maintains reserve accounts and free cash in order to offset the seasonality and other factors that may impact electricity production. Management expects that the reserve accounts and free cash will be sufficient to maintain monthly distributions to unitholders in 2009.

SUPPLEMENTAL QUARTERLY INFORMATION

Selected Consolidated Financial and Operating Information of the Fund

($000s, except for trust units and per trust unit amounts) For the quarters ended	Dec 31, 2008	Sept 30, 2008	Jun 30, 2008	Mar 31, 2008	Dec 31, 2007	Sept 30, 2007	Jun 30, 2007	Mar 31, 2007
Revenue	41,735	31,542	33,483	43,663	41,823	30,432	21,587	28,969
Net income (loss)	(36,560)	3,811	826	5,389	34,677	(4,947)	(31,662)	7,358
Cash flows from operating activities	9,836	8,549	17,240	14,891	7,694	(2,567)	7,249	17,287
Distributable cash [(i)]	14,705	9,839	11,201	16,498	20,394	8,991	7,331	12,068
Distributions declared to Unitholders	13,106	13,114	13,117	13,117	12,869	12,882	9,454	7,737
Basic and diluted net income (loss) per Unit	(0.732)	0.076	0.017	0.108	0.694	(0.099)	(1.024)	0.245
Cash flows from operating activities per Unit	0.197	0.171	0.345	0.298	0.154	0.051	0.234	0.575
Distributable cash per Unit	0.294	0.197	0.224	0.330	0.408	0.180	0.237	0.402
Distributions declared per Unit [(ii)]	0.262	0.262	0.262	0.262	0.257	0.257	0.257	0.257

[(i)] Distributable cash is not a recognized measure under GAAP and does not have a standardized meaning prescribed by GAAP. Therefore, distributable cash may not be comparable to similar measures presented by other issuers.

[(ii)] For the quarter ended December 31, 2008, all unitholders were paid distributions of $0.0875 per unit per month.

MACQUARIE POWER & INFRASTRUCTURE INCOME FUND
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unaudited, $000s unless otherwise noted)	December 31, 2008	December 31, 2007
Current Assets		
Cash and cash equivalents	46,817	21,934
Short-term investments	5,087	-
Accounts receivable	18,309	25,516
Inventory	211	265
Prepaid expenses	2,421	5,048
Current portion of loans receivable	713	641
Current portion of swap contracts at fair value	369	-
Deferred charges	99	442
Cash in escrow related to GRS	6,088	5,695
	80,114	59,541
Loans receivable	6,899	7,612
Long-term investments	55,328	67,428
Capital assets	413,527	433,101
Intangible assets	150,315	159,749
Embedded derivative asset	20,392	17,718
Swap contracts at fair value	181	-
Future income tax asset	10,631	10,509
Goodwill	-	42,294
Total Assets	737,387	797,952
Current Liabilities		
Accounts payable and accrued liabilities	12,657	15,730
Distributions payable	4,368	4,289
Current portion of long-term debt	2,942	2,778
Current portion of capital lease obligations	188	181
Current portion of swap contracts at fair value	1,997	475
Accounts payable and accrued liabilities related to GRS	6,088	5,695
	28,240	29,148
Long-term debt	219,739	197,422
Convertible debentures	38,918	38,918
Levelization amounts	19,581	18,262
Capital lease obligations	367	555
Future income tax liability	82,866	79,517
Embedded derivative liability	6,491	13,658
Swap contracts at fair value	3,918	662
Liability for asset retirement	1,848	1,475
Electricity supply and gas purchase contracts	9,788	11,418
Total Liabilities	411,756	391,035
Unitholders' Equity	325,631	406,917
Total Liabilities and Unitholders' Equity	737,387	797,952

MACQUARIE POWER & INFRASTRUCTURE INCOME FUND
CONSOLIDATED STATEMENT OF UNITHOLDERS' EQUITY

(Unaudited, $000s unless otherwise noted)	Quarter ended December 31, 2008	Quarter ended December 31, 2007	Year ended December 31, 2008	Year ended December 31, 2007
Unitholders' Capital				
Opening balance	466,790	467,081	467,006	253,476
Trust unit issuance – net of issuance costs of 400	-	-	-	214,272
Trust units redeemed	(93)	(75)	(309)	(742)
Ending balance	466,697	467,006	466,697	467,006
Class B Exchangeable Units	35,500	35,500	35,500	35,500
Accumulated Other Comprehensive Income (Loss)				
Opening balance	1,103	1,679	1,628	1,832
Equity share of other comprehensive loss of Leisureworld	(1,464)	(51)	(1,989)	(204)
Ending balance	(361)	1,628	(361)	1,628
Cumulative Earnings				
Opening balance	21,857	(22,846)	11,831	6,405
Net income (loss) for the period	(36,560)	34,677	(26,534)	5,426
Ending balance	(14,703)	11,831	(14,703)	11,831
Total Comprehensive Income (loss)	(15,064)	13,459	(15,064)	13,459
Cumulative Distributions				
Opening balance	(148,396)	(96,179)	(109,048)	(66,106)
Distributions declared to Unitholders for the period	(13,106)	(12,869)	(52,454)	(42,942)
Ending balance	(161,502)	(109,048)	(161,502)	(109,048)
Total Unitholders' Equity	325,631	406,917	325,631	406,917

MACQUARIE POWER & INFRASTRUCTURE INCOME FUND

CONSOLIDATED STATEMENT OF OPERATIONS

(Unaudited, $000s unless otherwise noted)	Quarter ended December 31, 2008	Quarter ended December 31, 2007	Year ended December 31, 2008	Year ended December 31, 2007
Revenue	41,735	41,823	150,423	122,811
Costs and expenses				
Operating expenses	22,037	20,645	84,454	69,860
Administrative expenses	4,195	4,592	10,982	9,777
Depreciation and amortization	7,294	7,738	28,907	19,917
	33,526	32,975	124,343	99,554
	8,209	8,848	26,080	23,257
Unrealized gain (loss) on swap contracts	(4,126)	(204)	(4,228)	523
Unrealized gain on embedded derivative instruments	3,813	4,110	9,841	10,456
Net interest expense	(3,192)	(3,131)	(12,911)	(6,982)
Impairment of goodwill	(43,279)	-	(43,279)	-
Equity accounted income (loss) from long-term investments	(364)	692	94	(1,442)
Foreign exchange gain (loss)	(42)	182	(54)	(1,129)
Gain on sale of capital assets	-	-	10	-
Gain on debtor repayment of loan receivable	-	5,380	-	5,380
Income (loss) before income taxes	(38,981)	15,877	(24,447)	30,063
Income taxes				
Current income tax recovery (expense)	-	(1)	10	(5)
Future income tax recovery (expense)	2,421	18,801	(2,097)	(24,632)
Total income tax recovery (expense)	2,421	18,800	(2,087)	(24,637)
Net income (loss)	(36,560)	34,677	(26,534)	5,426
Basic and diluted weighted average number of trust units and Class B exchangeable units outstanding (“Unit”)	49,933	49,978	49,960	40,333
Basic and diluted net income (loss) per Unit	(0.732)	0.694	(0.531)	0.135

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Unaudited, $000s unless otherwise noted)	Quarter ended December 31, 2008	Quarter ended December 31, 2007	Year ended December 31, 2008	Year ended December 31, 2007
Net income (loss)	(36,560)	34,677	(26,534)	5,426
Equity share of comprehensive loss of Leisureworld	(1,464)	(51)	(1,989)	(204)
Total comprehensive income (loss)	(38,024)	34,626	(28,523)	5,222

MACQUARIE POWER & INFRASTRUCTURE INCOME FUND
CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited, $000s unless otherwise noted)	Quarter ended December 31, 2008	Quarter ended December 31, 2007	Year ended December 31, 2008	Year ended December 31, 2007
Cash flows from operating activities:				
Net income (loss)	(36,560)	34,677	(26,534)	5,426
Add back:				
Depreciation and amortization	7,294	7,738	28,907	19,917
Unrealized (gain) loss on swap contracts	4,126	204	4,228	(523)
Unrealized gain on embedded derivative instruments	(3,813)	(4,110)	(9,841)	(10,456)
Impairment of goodwill	43,279	-	43,279	-
Equity accounted (income) loss from long-term investments	364	(692)	(94)	1,442
Foreign exchange (gain) loss	-	(181)	-	1,067
Gain on sale of capital assets	-	-	(10)	-
Gain on debtor repayment of loan receivable	-	(5,380)	-	(5,380)
Future income tax expense (recovery)	(2,421)	(18,801)	2,097	24,632
Premium on redemption of convertible debentures	-	-	-	158
Unpaid interest on levelization amounts	344	109	972	320
Amortization of deferred financing costs	67	63	259	125
Accretion of asset retirement obligations	24	25	95	79
Non-cash changes in working capital				
Decrease (increase) in accounts receivable	(6,856)	(7,713)	7,207	991
Decrease in inventory	9	20	54	52
Decrease (increase) in prepaid expenses	(285)	(1,573)	2,627	(2,340)
Decrease (increase) in deferred charges	3,131	(442)	343	(442)
Increase (decrease) in accounts payable and accrued liabilities	1,133	3,750	(3,073)	(5,405)
Total cash flows from operating activities	9,836	7,694	50,516	29,663
Cash flows from investing activities:				
Purchase of short-term investments	(45)	-	(5,087)	-
Proceeds from sale of capital assets	-	-	10	-
Net cash acquired on acquisition	-	-	-	14,133
Transaction costs paid from acquisition	-	-	-	(13,233)
Receipt of loans receivable	167	149	641	295
Proceeds from debtor repayment of loan receivable	-	22,125	-	22,125
Distributions received from long-term investments	2,587	2,588	10,350	10,350
Investment in capital assets	(181)	(205)	(1,251)	(370)
Total cash flows from investing activities	2,528	24,657	4,663	33,300
Cash flows from financing activities:				
Trust unit issuance costs	-	-	-	(400)
Proceeds from debt issuance	-	-	25,000	72,075
Repayment of debt	(710)	(18,670)	(2,778)	(64,447)
Redemption of convertible debentures	-	-	-	(15,961)
Redemption of units	(93)	(75)	(309)	(742)
Repayment of capital lease obligations	(45)	(59)	(181)	(122)
Proceeds from (repayment of) levelization amounts	265	(233)	347	(252)
Distributions paid to former CPIF Unitholders	-	-	-	(2,090)
Distributions paid to Unitholders	(13,107)	(12,869)	(52,375)	(41,232)
Total cash flows from financing activities	(13,690)	(31,906)	(30,296)	(53,171)
Increase (decrease) in cash and cash equivalents	(1,326)	445	24,883	9,792
Cash and cash equivalents, beginning of period	48,143	21,489	21,934	12,142
Cash and cash equivalents, end of period	46,817	21,934	46,817	21,934
Supplemental information :				
Interest paid	3,940	6,015	11,845	9,440
Taxes paid	-	-	7	5

ADDITIONAL INFORMATION

Please refer to the SEDAR website (www.sedar.com) for additional information about the Fund, including the Fund's annual information form, dated March 21, 2008.

INVESTOR INFORMATION

TRANSFER AGENT, REGISTRAR

Computershare Investor Services Inc.
1500 University St., Suite 700, Montreal, QC H3A 3S9
1 (800) 564 6253

FOR INVESTOR AND INVESTMENT ANALYST INQUIRIES, PLEASE CONTACT:

Harry Atterton, Vice President and Chief Financial Officer, (416) 607 5198

FOR INVESTOR OR MEDIA INQUIRIES, PLEASE CONTACT:

Sarah Borg-Olivier, Vice President, Investor Relations, (416) 607 5009

EXCHANGE LISTING:

Macquarie Power & Infrastructure Income Fund's units are listed on the Toronto Stock Exchange and trade under the symbol MPT.UN. The Fund's convertible debentures trade under the symbol MPT.DB.

WEBSITE:

www.macquarie.com/mpt

EMAIL:

mpt@macquarie.com