MACQUARIE POWER & INFRASTRUCTURE INCOME FUND
RESTATED FINANCIAL REPORT

FOR THE QUARTER AND SIX MONTHS ENDED
JUNE 30, 2009

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* 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
RESTATED MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE QUARTER AND SIX MONTHS ENDED
JUNE 30, 2009

This report for Macquarie Power & Infrastructure Income Fund (the "Fund") summarizes the consolidated operating results and cash flows for the six-month period ended June 30, 2009 and the Fund's financial position as at that date. This discussion and analysis should be read in conjunction with the unaudited interim consolidated financial statements of the Fund and accompanying notes as at and for the periods ended June 30, 2009, as well as management's discussion and analysis in the Fund's annual report for the year ended December 31, 2008. Additional information about the Fund, including its Annual Information Form dated March 27, 2009, quarterly reports and other public releases, is available at www.sedar.com.

The information contained in this report reflects all material events up to August 5, 2009, the date on which this report was approved by the Fund's Board of Trustees.

This report was restated on November 4, 2009 to reflect an adjustment in the Fund's embedded derivative asset and the related future income tax impact. This restatement results from certain corrections that have been made to the option pricing model that is used to calculate the fair value of the Fund's embedded derivative asset. Additional information is provided on page 21 of the MD&A.

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. 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, the risks and uncertainties described in this report under the heading "Risks and Uncertainties."

The risks and uncertainties described in this report should not be construed as exhaustive. Other events and risk factors in addition to those discussed herein, including risk factors disclosed in the Annual Information Form of the Fund, could cause actual results to differ materially from the results discussed in the forward-looking statements. 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. 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 report is presented for the purposes of assisting investors and analysts in understanding our financial position as at and for the periods ended at the dates presented 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.

TO THE UNITHOLDERS OF MACQUARIE POWER & INFRASTRUCTURE INCOME FUND:

I am pleased to report Macquarie Power & Infrastructure Income Fund's results for the second quarter of 2009, during which we continued to deliver stable distributions to unitholders.

Since stepping in as CEO in April, I have spent time at the Fund's various businesses and met with each of our management teams. I am confident in the quality and stability of the Fund's portfolio, and in our ability to continue to deliver an attractive yield to our investors through 2011 and beyond.

The stability of our portfolio was underlined by the refinancing of two of our credit facilities in May, which were scheduled to mature in June 2010 and May 2011, respectively. We replaced these two facilities with a new $182.5 million credit facility that matures in June 2012. I am particularly pleased to have completed this refinancing in advance of 2010, because it provides certainty for investors while enabling us to turn our full attention to other strategic initiatives that will help to build long-term value for the Fund's unitholders.

I am equally optimistic that the Fund is well positioned to ultimately achieve significant size and scale in the robust Canadian infrastructure market. Our new credit facility provides approximately $85 million in capacity to pursue a small- to mid-sized transaction that will further diversify our portfolio, extend the average life of our assets and improve the stability of our long-term cash flow profile.

Financial Highlights

Revenue in the second quarter was $32.6 million compared with $34.9 million in the same quarter of 2008, reflecting a decrease of approximately 6.6% in power produced. A detailed analysis by asset is provided on pages 11 to 15 of this report.

Our Cardinal gas cogeneration facility ("Cardinal") performed in line with our expectations. Erie Shores Wind Farm ("Erie Shores") achieved improved production as a result of higher wind speed and density during the quarter. Leisureworld likewise performed predictably, with average total occupancy of 98.0% across its 26 long-term care ("LTC") homes and a 2.5% increase in the average occupancy of private rooms to 94.7%.

Our results compared with the same period in 2008 were primarily affected by outages at both our Whitecourt biomass ("Whitecourt") (731 hours) and Cardinal (307 hours) facilities for maintenance work. Cardinal also curtailed production for 318 hours at the request of the Ontario Electricity Financial Corporation ("OEFC"). In addition, we experienced lower water flows at our Wawatay hydro power facility in Northern Ontario, reflecting colder conditions and less precipitation than usual. We also had greater maintenance and repair requirements at our hydro power facilities, primarily reflecting an outage at our Hluey Lakes facility to repair transmission lines that were damaged by flooding in early June.

Distributable cash was $10.2 million ($0.205 per unit) compared with $11.2 million ($0.224 per unit) in 2008. Declared distributions to unitholders were $13.1 million ($0.262 per unit), representing a payout ratio of 128%. Declared distributions to unitholders in the second quarter of 2008 were also $13.1 million ($0.262 per unit), representing a payout ratio of 117%. The payout ratio for the first six months of 2009 was 104% compared with 95% in the same period last year. It is important to note that maintenance costs at each of the Fund's power generation facilities are fully funded through the Fund's major maintenance reserve account and do not affect the determination of distributable cash for the period.

The Fund's balance sheet at June 30, 2009 remained strong, including positive working capital of $10.5 million, cash on hand of $16.2 million, of which $5.0 million was not designated for the Fund's general, major maintenance and capital expenditure reserve accounts. The Fund continues to be conservatively leveraged relative to the low risk profile and long life of our assets, with a debt to capital ratio of 45.1%.

For 2009, the Fund currently anticipates maintaining distributions to unitholders of $1.05 per unit, barring any significant events or growth initiatives. Based on our current operational outlook for the balance of the year, we expect distributions to unitholders in 2009 to slightly exceed 100% of the Fund's distributable cash. If required, the Fund's general reserve account ensures our ability to support distributions to unitholders in 2009.

Outlook

We are focused on maintaining and operating our businesses in a manner that ensures the long-term reliability of each asset.

We expect Cardinal to generate lower revenue in 2009, which primarily reflects the hot gas path inspection that occurred over 13 days in April. In addition, while the gas transportation rate of $1.19/GJ is below the average 2008 level, transportation costs remain relatively high. Combined, these factors will result in slightly lower cash flow from Cardinal in 2009 compared with 2008.

We expect Erie Shores to generate slightly less electricity than the estimated annual long-term production of 249,800 MWh, reflecting generally lower wind speed and density in 2009 to date. Erie Shores' production is subject to wind speed and density, which are typically strongest during the fall and winter months.

The hydro power facilities are expected to generate less electricity than the average long-term annual production of 166,360 MWh, which reflects the unusually poor hydrological conditions in 2009 to date. Production at the hydro power facilities is subject to water flows, which are typically strongest in the spring and fall months. Initiatives planned at the hydro power facilities during the third quarter of 2009, a seasonally low period, include the replacement of the turbine at the Wainwright power station, one of three stations that form the 3MW Dryden hydro power facility, which will require a 90-day outage at Wainwright commencing in September. A key efficiency improvement is the automation of the storage and release of water in the lake that serves the Sechelt facility, which will enable the facility to remotely control water flows, and, accordingly, maximize production.

On July 18, 2009, Whitecourt completed its planned spring outage to correct a higher than normal vibration of the turbine. The outage required a total of 48 days, or 1,147 hours, to complete the repairs instead of the 24 days previously anticipated. The extended outage allowed for additional preventive maintenance and enhancements to be undertaken on the generator and balance of plant, thereby extending the useful life of various components and incrementally improving the facility's efficiency. The extended outage also eliminated the need for the previously scheduled four-day maintenance outage in the fall of 2009. We currently expect that the turbine will operate reliably until the next scheduled major maintenance inspection, which occurs every seven years. Whitecourt is expected to achieve an availability of approximately 80% to 83% in 2009 (2008 - 88.4%) and to return to its five-year average availability of approximately 95% in 2010.

In early February, the Millar Western Group of Companies ("Millar Western") informed Whitecourt of its intention to reduce the scale of its operations as a result of the challenging economic environment, which could affect the volume of wood waste fuel that Millar Western provides to Whitecourt. Under the terms of Whitecourt's supply contract with Millar Western, in the event that Millar Western does not supply the minimum required quantity of wood waste it must pay Whitecourt's cost to source replacement fuel subject to certain exceptions. Whitecourt currently has an adequate and stable supply of wood waste for 2009 and is working closely with Millar Western to help ensure the long-term reliability of its wood waste supply.

At Leisureworld, our continuing focus is on enhancing the quality of care and accommodation for residents, which contributes to the continuing high occupancy of Leisureworld's homes. In addition, Leisureworld is continuing to attract more residents to private accommodation, for which Leisureworld receives a regulated premium. We currently anticipate that Leisureworld's distribution policy will be maintained for fiscal 2009.

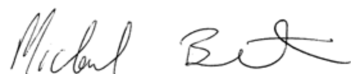
In July, the Ministry of Health and Long-Term Care ("MOHLTC") advised Ontario's long-term care ("LTC") operators that an additional $43 million in one-time funding will be provided in the 2009-2010 fiscal year (retroactive to April 1, 2009) under the other accommodation portion of the accommodation funding envelope. This funding is expected to represent approximately $1.55 per resident per day in additional funding to Ontario's LTC homes, including Leisureworld. Further details on the funding, which will be administered through Ontario's 14 Local Health Integration Networks ("LHINs"), are expected by the end of the summer. LHINs, which oversee public and private hospitals, community care access centres, community health centres and LTC homes, are responsible for improving the way health services are planned and delivered locally.

While managing and enhancing our existing portfolio is a priority, looking to the future and identifying growth opportunities is equally important. About 60% of Canada's infrastructure is between 50 and 150 years old. The investment required to maintain this aging infrastructure and to build for the future is estimated at more than $200 billion. Together, these factors create potentially attractive opportunities for investors such as MPT, including power generation, particularly in the renewable energy sector; electricity transmission and distribution; long-term care; and other essential infrastructure assets across a range of categories from hospitals to water distribution, including through public-private partnerships ("P3s").

Finally, we are continuing to develop a specific strategy for MPT to address the impact of the federal government's pending taxation of Specified Investment Flow-Through entities ("SIFT"), which commences in 2011. Our preference continues to be conversion to a dividend-paying corporation, which will enable us to continue to deliver a compelling yield and attractive total return to our investors. We expect to provide further guidance regarding our future structure and distribution profile by the end of 2009.

In closing, I have greatly enjoyed meeting with our unitholders and the investment community over the past three months. Your insight and feedback is important to us as we work to build MPT into Canada's leading infrastructure investment vehicle and we encourage you to continue to share your views with us at mpt@macquarie.com. Thank you for your continuing confidence and support.

Sincerely,



Michael Bernstein
President and Chief Executive Officer

August 5, 2009

CONSOLIDATION AND COMPARISON OF OPERATING RESULTS

MPT is an unincorporated, open-ended limited purpose trust established by a declaration of trust dated March 15, 2004 as amended and restated on April 16, 2004 and as further amended on February 21, 2006. Through its subsidiaries, the Fund owns, operates and has investments in power infrastructure assets, including gas cogeneration, wind, hydro and biomass power generating facilities, and has an investment in social infrastructure through its 45% interest in Leisureworld Senior Care LP ("Leisureworld"), a provider of long-term care ("LTC").

This Management's Discussion and Analysis ("MD&A") is designed to provide readers with an informed discussion of the activities and operating results of the Fund and its principal subsidiaries: Macquarie Power & Infrastructure Income Trust (the "Trust"), Cardinal Power Inc. ("Cardinal GP"), Cardinal Power of Canada, LP ("Cardinal"), MPT LTC Holding Ltd. ("LTC GP"), MPT LTC Holding LP ("LTC Holding LP") and Clean Power Operating Trust ("CPOT"). LTC Holding LP has an indirect 45% interest in Leisureworld and CPOT has an indirect 31.3% interest in one of the two classes of preferred shares of Chapais Électrique Limitée ("Chapais") and is also a lender to Chapais Énergie, Société en Commandite ("CHESEC"), the owner of the Chapais facility. The Fund accounts for its Leisureworld and Chapais investments using the equity method.

The following compares the actual results of the Fund for the quarter and six months ended June 30, 2009 with the results for the comparable period. All amounts have been expressed in thousands of Canadian dollars unless otherwise stated.

Selected Consolidated Financial and Operating Information of the Fund

($000s except for trust units and per trust unit amounts)	Quarter ended June 30, 2009	Quarter ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
Revenue	32,603	34,862	72,858	78,562
Income before the following:	1,331	3,193	7,462	13,923
Unrealized gain (loss) on swap contracts	1,575	(2,687)	3,398	(4,998)
Unrealized gain (loss) on embedded derivative instruments	(2,581)	4,362	(1,571)	11,225
Net interest expense	(3,679)	(3,314)	(6,946)	(6,669)
Equity accounted income (loss) from long-term investments	375	311	(151)	286
Foreign exchange gain (loss)	18	1	11	(2)
Loss on debt extinguishment	(351)	-	(351)	-
Gain on sale of capital assets	-	10	-	10
Income (loss) before income taxes	(3,312)	1,876	1,852	13,775
Income taxes	1,560	(1,050)	(1,507)	(7,560)
Net income (loss)	(1,752)	826	345	6,215
Basic and diluted net income (loss) per Unit	(0.035)	0.017	0.007	0.124
Cash flows from operating activities	9,255	17,240	22,564	32,131
Distributable cash [i]	10,225	11,201	25,180	27,699
Per Unit	0.205	0.224	0.504	0.554
Distributions declared to Unitholders	13,104	13,117	26,208	26,234
Per Unit [ii]	0.262	0.262	0.525	0.525
Payout ratio [iii]	128%	117%	104%	95%
Basic and diluted weighted average number of trust units and Class B exchangeable units outstanding ("Units")	49,919	49,968	49,920	49,970
Total assets	683,986	809,920	683,986	809,920
Total long-term liabilities	353,448	397,044	353,448	397,044
Sale of electricity (MWh)	458,511	490,684	1,000,114	1,059,522
Sale of steam (klbs)	165,984	171,442	366,529	367,481
Average total occupancy	98.0%	98.1%	98.1%	98.1%
Average private occupancy	94.7%	92.2%	94.6%	92.1%

[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.

Revenue

Revenue for the quarter ended June 30, 2009 was $32,603 compared with $34,862 in the same period last year. Total power generation for the quarter decreased by 6.6% from 490,684 MWh in 2008 to 458,511 MWh, primarily reflecting lower production at Cardinal and Whitecourt as a result of outages for major maintenance during the quarter as well as lower production at the Wawatay hydro facility due to lower water flows. This was partially offset by improved wind speed at Erie Shores, resulting in higher production compared with the same period last year.

For the six months ended June 30, 2009, revenue was $72,858 compared with $78,562 in the same period last year. Total power generation decreased by 5.6% from 1,059,522 MWh in 2008 to 1,000,114 MWh, reflecting lower production at each of the facilities, primarily due to the major maintenance outages at Whitecourt and Cardinal, lower water flows at the hydro facilities and lower wind speed and density at Erie Shores. Revenue was also affected by a Direct Customer Rate ("DCR") adjustment of $1,089 received from the OEFC in the first quarter of 2008 while the Fund paid a DCR adjustment of $245 in 2009.

Income Before the Following

Income before unrealized gains and losses on swap contracts and embedded derivatives, net interest expense, income or loss from equity accounted investments, foreign exchange, loss on debt extinguishment, gain on sale of capital assets and income taxes for the quarter and six months ended June 30, 2009 were $1,862 and $6,461, respectively, lower than in the same period last year. The decrease was primarily driven by lower revenue combined with higher operating expenses, partially offset by lower administrative expenses. Operating expenses increased as a result of higher major maintenance expense at Cardinal and Whitecourt, partially offset by lower fuel and gas transportation costs at Cardinal as well as lower operating expenses at Whitecourt due to the outage. Administrative expenses were lower primarily due to lower business development costs combined with reduced incentive fees, reflecting lower distributable cash in the period. This was partially offset by higher cost reimbursement expenses than in the same period last year. The following table details administrative expense categories for the quarter.

($000s unless otherwise noted)	Quarter ended June 30, 2009	Quarter ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
Management fees	445	440	885	875
Administrative fees	27	27	54	54
Cost reimbursement [i]	590	565	1,297	1,234
Incentive fees	(543)	(223)	490	1,320
Other administrative expenses	418	582	1,098	2,391
Administrative expenses	937	1,391	3,824	5,874

[i] The cost reimbursement expense for the quarter excluded $133 of cost reimbursement that has been capitalized to deferred charges and deferred financing fees in the current period and included $42 of cost reimbursement that was capitalized in the prior year but expensed in the current period. The Manager receives reimbursement for cost of services provided to the Fund in relation to, but not limited to, administration, regulatory, finance, rent and information technology.

Unrealized Gain (Loss) on Swap Contracts

The fair value of the Fund's swap contracts was recorded on the consolidated statement of financial position as of June 30, 2009. Since these swap contracts are not designated for hedge accounting, the movement in the fair value of these contracts was reflected in the consolidated statement of operations for the quarter and six months ended June 30, 2009 as follows:

($000s unless otherwise noted)	Quarter ended June 30, 2009	Quarter ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
Unrealized gain (loss) on gas swap contracts	(61)	(2,670)	1,649	(4,727)
Unrealized gain (loss) on interest rate swap contracts	1,636	(17)	1,749	(271)
Total unrealized gain (loss) on swap contracts	1,575	(2,687)	3,398	(4,998)

The unrealized loss on the gas swaps in the quarter was primarily due to swap settlements, partially offset by lower forward gas prices and positive movements in foreign exchange. For the six months ended June 30, 2009, the unrealized gain reflected significantly lower forward gas prices compared with year end as well as positive movements in foreign exchange. The unrealized gain on the interest rate swaps in the quarter and six months ended June 30, 2009 reflected swap settlements partially offset by a lower forward interest rate forecast.

Unrealized Gain (Loss) on Embedded Derivative Instruments

The fair value of the Fund's embedded derivative instruments was recorded on the consolidated statement of financial position as at June 30, 2009. The movement in the fair value of the embedded derivative assets for both the quarter and six months ended June 30, 2009 have been restated. Refer to page 21 for additional information on the restatement. The unrealized loss on the embedded derivative asset for the quarter reflected lower forward gas prices as at June 30, 2009. The unrealized gain on the embedded derivative asset for the six months ended June 30, 2009 reflected updated assumptions based on an amendment to Cardinal's gas purchase agreement in January 2009, which allowed for a more favourable profit sharing arrangement on net proceeds from gas mitigation. The movement in the fair value of the embedded derivative liability reflected the change in valuation date as well as updated assumptions regarding counterparty credit risks. The movement in the fair value of these embedded derivatives was reflected in the consolidated statement of operations as follows:

($000s unless otherwise noted)	Quarter ended June 30, 2009	Quarter ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
Unrealized gain (loss) on embedded derivative asset	(1,369)	4,618	627	10,230
Unrealized gain (loss) on embedded derivative liability	(1,212)	(256)	(2,198)	995
Total unrealized gain (loss) on embedded derivative instruments	(2,581)	4,362	(1,571)	11,225

Net Interest Expense

Net interest expense for the quarter and six months ended June 30, 2009 were $3,679 (Q2 2008 - $3,314) and $6,946 (YTD 2008 - $6,669), respectively. Higher net interest expense reflected higher stamping and commitment fees under the new credit facility and lower interest income earned on cash balances due to lower prevailing interest rates. This was partially offset by lower borrowings compared with the same period last year and a lower effective interest rate on the Fund's floating rate debt as a result of interest rate swaps that were entered into in the third quarter of 2008.

Equity Accounted Income (Loss) from Long-term Investments

The Fund has an indirect 45% interest in Leisureworld and an indirect 31.3% interest in one of the two classes of preferred shares of Chapais, each of which are accounted for using the equity method. Included in the consolidated statement of operations for the quarter and six months ended June 30, 2009 were the equity accounted income of $375 (Q2 2008 – income of $311) and loss of $151 (YTD 2008 – income of $286) from Leisureworld.

Loss on Debt Extinguishment

During the quarter, the Fund completed the refinancing of two of its credit facilities under CPOT and Cardinal. As a result, the Fund expensed $351 of deferred financing fees in connection with the previous CPOT facility.

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 six months ended June 30, 2009, the Fund recorded a future income tax recovery of $1,585 (Q2 2008 – expense of $1,042) and expense of $1,482 (YTD 2008 – expense of $7,570), respectively, in the consolidated statement of operations in respect of these assets and liabilities.

Cash Flows from Operating Activities

Cash flows from operating activities for the quarter and six months ended June 30, 2009 were $7,985 and $9,567, respectively, lower than in the same period last year. The decrease in the quarter was primarily due to a decrease in earnings before non-cash expense items for the reasons described above, higher interest expense as well as changes in working capital.

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 requires scheduled maintenance programs to optimize 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 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 and six months ended June 30, 2009, distributions to unitholders exceeded distributable cash. 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. For 2009, the Fund expects the distributions paid to unitholders to slightly exceed distributable cash.

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, and embedded derivative balances. 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 June 30, 2009	Quarter ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
Cash flows from operating activities	9,255	17,240	22,564	32,131
Maintenance of productive capacity:				
Release from major maintenance reserve account	3,675	2,750	6,493	2,925
Allocation to major maintenance reserve account	(617)	(557)	(1,235)	(1,113)
Allocation to capital expenditure reserve account	(238)	(212)	(477)	(425)
	12,075	19,221	27,345	33,518
Other adjustments:				
Scheduled repayment of debt	(788)	(905)	(1,051)	(1,432)
Scheduled receipt of loans receivable	175	158	346	312
Distributions received from Leisureworld	2,587	2,587	5,175	5,175
Changes in working capital	(3,824)	(9,860)	(6,635)	(9,874)
Distributable cash for the period [i]	10,225	11,201	25,180	27,699
Per Unit	0.205	0.224	0.504	0.554
Distributions declared to Unitholders	13,104	13,117	26,208	26,234
Per Unit [ii]	0.262	0.262	0.525	0.525
Payout ratio [iii]	128%	117%	104%	95%
Basic and diluted weighted average number of Units outstanding	49,919	49,968	49,920	49,970

[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, distributable cash was $10,225 (Q2 2008 - $11,201) while distributions declared to unitholders were $13,104 (Q2 2008 - $13,117), representing a payout ratio of 128% (Q2 2008 – 117%). For the year to date, distributable cash was $2,519 lower than in the same period last year, resulting in a payout ratio of 104% (YTD 2008 - 95%). The higher payout ratio for the quarter and six months ended June 30, 2009 reflected lower cash flows generated from the assets as well as higher net interest expense, partially offset by lower administrative expenses, while distributions were maintained at the same level. Quarterly variances in the payout ratio reflect the seasonality of the Fund's business.

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 June 30, 2009			Quarter ended June 30, 2008		
	Power	Social	Total	Power	Social	Total
Revenue	32,603	-	32,603	34,862	-	34,862
Operating expenses	23,074	-	23,074	22,971	-	22,971
Contribution margin [i]	9,529	-	9,529	11,891	-	11,891
Interest income on loans receivable [ii]	182	-	182	200	-	200
Depreciation and amortization on capital assets	5,297	-	5,297	5,352	-	5,352
The Fund's pro rata share of equity accounted income (loss)	-	375	375	-	311	311
Sale of electricity (MWh) [iii]	458,511	-	458,511	490,684	-	490,684
Sale of steam (klbs)	165,984	-	165,984	171,442	-	171,442
Average total occupancy	-	98.0%	98.0%	-	98.1%	98.1%
Average private occupancy	-	94.7%	94.7%	-	92.2%	92.2%

[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. This amount is included in net interest expense on the consolidated statement of operations for the respective periods.
[iii] The sale of electricity for the quarter ended June 30, 2009 includes full production from Chapais of 48,919 MWh (Q2 2008 – 52,629 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)	Six months ended June 30, 2009			Six months ended June 30, 2008		
	Power	Social	Total	Power	Social	Total
Revenue	72,858	-	72,858	78,562	-	78,562
Operating expenses	47,136	-	47,136	44,357	-	44,357
Contribution margin [i]	25,722	-	25,722	34,205	-	34,205
Interest income on loans receivable [ii]	369	-	369	405	-	405
Depreciation and amortization on capital assets	10,529	-	10,529	10,501	-	10,501
The Fund's pro rata share of equity accounted income (loss)	-	(151)	(151)	156	130	286
Sale of electricity (MWh) [iii]	1,000,114	-	1,000,114	1,059,522	-	1,059,522
Sale of steam (klbs)	366,529	-	366,529	367,481	-	367,481
Average total occupancy	-	98.1%	98.1%	-	98.1%	98.1%
Average private occupancy	-	94.6%	94.6%	-	92.1%	92.1%

[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. This amount is included in net interest expense on the consolidated statement of operations for the respective periods.
[iii] The sale of electricity for the six months ended June 30, 2009 includes full production from Chapais of 110,151 MWh (2008 – 111,244 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.

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 Power Purchase Agreement ("PPA") term of approximately 10 years.

Asset/Facility	Percentage Ownership	Location	Net Installed Capacity (MW)	Utility/Electricity Purchaser	Expiry of PPA	Fuel Supply Contract Expiry
Gas Cogeneration						
Cardinal	100%	ON	156 MW	Ontario Electricity Financial Corporation ("OEFC")	2014	2015
Wind						
Erie Shores	100%(i)	ON	99 MW	Ontario Power Authority ("OPA")	2026	n/a
Hydro						
Sechelt	100%	BC	16 MW	BC Hydro	2017	n/a
Hluey Lakes	100%	BC	3 MW	BC Hydro	2020	n/a
Wawatay	100%	ON	14 MW	OEFC	2042	n/a
Dryden (ii)	100%	ON	3 MW	OEFC	2020	n/a
Biomass						
Whitecourt	100%	AB	25 MW	TransAlta Utilities Corp. ("TransAlta")	2014	2016
Chapais (iii)		QC	28 MW	Hydro Quebec	2015, with option to extend to 2020 under certain conditions	2015, with option to extend to 2020 under certain conditions

(i) One of the wind turbines is owned by a local landowner. Erie Shores maintains operational and managerial control of this wind turbine.
(ii) Comprised of the Wainwright, Eagle River and McKenzie Falls hydro power stations.
(iii) The Fund has a 31.3% interest in one of the two classes of preferred shares of Chapais and holds a 24.8% interest in Tranche A and B debt and a 50% interest in Tranche C debt all issued by CHESEC.

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 June 30, 2009	Quarter ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
Revenue	21,056	22,449	49,483	51,997
Operating expenses	17,237	16,464	36,799	33,781
Contribution margin (i)	3,819	5,985	12,684	18,216
Depreciation and amortization on capital assets	1,958	1,954	3,915	3,906
Sale of electricity (MWh)	264,729	285,727	605,323	631,971
Sale of steam (klbs)	165,984	171,442	366,529	367,481

(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 6.2% lower than in the same period last year due to lower production as a result of a hot gas path inspection conducted in April as well as more curtailment hours required by the OEFC. There were 307 hours of outage in the quarter (Q2 2008 -180 hours), of which 303 hours related to the hot gas path inspection. In addition there were 318 hours (Q2 2008 – 56 hours) of curtailment, during which the facility produced electricity but not at full capacity. Steam revenue of $260 was slightly lower than in the same period last year (Q2 2008 – $266). During the quarter, the facility operated at an availability of 85.7% (Q2 2008 - 91.6%) and a capacity factor of 82.9% (Q2 2008 - 89.1%). Operating expenses were $773 higher than in the same period last year as a result of the purchase of parts and materials for the hot gas path inspection.

Wind Power Operations:

($000s unless otherwise noted)	Quarter ended June 30, 2009	Quarter ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
Revenue	5,380	5,228	12,377	13,171
Operating expenses	1,371	1,277	2,738	2,742
Contribution margin [i]	4,009	3,951	9,639	10,429
Depreciation and amortization on capital assets	2,085	2,064	4,160	4,125
Sale of electricity (MWh)	55,487	53,976	127,397	135,909

[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.

During the quarter, Erie Shores experienced a higher average wind speed, resulting in a 2.8% increase in electricity production and a 2.9% increase in revenue. The facility achieved an availability of 97.0% (Q2 2008 - 96.5%) and a capacity factor of 25.7% (Q2 2008 - 24.9%). Operating expenses during the quarter were 7.4% higher than in the same period last year due to difference in timing of ongoing maintenance expenses.

Hydro Power Operations:

($000s unless otherwise noted)	Quarter ended June 30, 2009	Quarter ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
Revenue	3,980	4,319	5,824	6,901
Operating expenses	951	821	1,667	1,746
Contribution margin [i]	3,029	3,498	4,157	5,155
Depreciation and amortization on capital assets	543	571	1,086	1,126

[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 June 30, 2009	Quarter ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
Sechelt	29,197	28,165	42,896	42,798
Hluey Lakes	1,296	1,397	3,555	3,647
Wawatay	18,681	24,042	21,961	31,270
Dryden	5,830	5,807	10,227	11,633
Sale of electricity	55,004	59,411	78,639	89,348

Overall production and revenue at the hydro facilities were 7.4% and 7.9% lower, respectively, than in the same period last year. This was primarily due to the Wawatay facility experiencing lower than average water flows due to colder temperatures and lower precipitation. The hydro facilities experienced a total of 229 hours of outage (Q2 2008 – 102) in the quarter, primarily reflecting more outage hours at Hluey Lakes to repair transmission lines that were damaged by flooding in early June. During the quarter, the hydro facilities operated at a weighted average availability of 99.0% (Q2 2008 – 98.8%) and a capacity factor of 70.6% (Q2 2008 – 76.5%). Operating expenses were 15.8% higher than in the same period last year due to higher repair and maintenance expenses at Hluey Lakes.

Biomass Power Operations:

	Quarter ended June 30, 2009			Quarter ended June 30, 2008		
($000s unless otherwise noted)	Whitecourt	Chapais	Total Biomass	Whitecourt	Chapais	Total Biomass
Revenue	2,187	-	2,187	2,866	-	2,866
Operating expenses	3,515	-	3,515	4,409	-	4,409
Contribution margin [i]	(1,328)	-	(1,328)	(1,543)	-	(1,543)
Interest income on loans receivable	-	182	182	-	200	200
Depreciation and amortization on capital assets	711	-	711	763	-	763
The Fund's pro rata share of equity accounted loss	-	-	-	-	-	-

[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)	Six months ended June 30, 2009 Whitecourt	Chapais	Total Biomass	Six months ended June 30, 2008 Whitecourt	Chapais	Total Biomass
Revenue	5,174	-	5,174	6,493	-	6,493
Operating expenses	5,932	-	5,932	6,088	-	6,088
Contribution margin (i)	(758)	-	(758)	405	-	405
Interest income on loans receivable	-	369	369	-	405	405
Depreciation and amortization on capital assets	1,368	-	1,368	1,344	-	1,344
The Fund's pro rata share of equity accounted loss	-	-	-	-	156	156

Sale of electricity (MWh) Asset/Facility	Quarter ended June 30, 2009	Quarter ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
Whitecourt	34,372	38,941	78,604	91,050
Chapais	48,919	52,629	110,151	111,244
Sale of electricity (i)	83,291	91,570	188,755	202,294

(i) The sale of electricity for the quarter ended June 30, 2009 includes full production from Chapais of 48,919 MWh (Q2 2008 – 52,629 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 experienced 731 hours of outage (Q2 2008 – 548 hours) primarily for major maintenance required to address a higher than normal vibration of the turbine. As a result, Whitecourt's production and revenue for the quarter were 11.7% and 23.7% lower, respectively, than in the same period last year. Revenue was also impacted by a decrease in the average Alberta Power Pool price from $107.56 per MWh in 2008 to $32.31 per MWh in 2009. Operating expenses during the quarter were 20.3% lower due to lower maintenance costs in 2009 reflecting the broader scope of maintenance activities undertaken in the same period last year. Whitecourt's availability for the quarter was 66.5% (Q2 2008 - 74.9%) and the facility achieved a capacity factor of 66.3% (Q2 2008 - 74.5%).

Chapais

For the quarter ended June 30, 2009, the Chapais facility achieved an availability of 87.8% (Q2 2008 – 90.9%) and a capacity factor of 80.0% (Q2 2008 – 86.1%), reflecting 266 outage hours (Q2 2008 - 202 hours) which included the plant's semi-annual maintenance shut down in May. As a result of the maintenance outages, production for the quarter was 7.0% lower than in the same period last year.

Social Infrastructure

Leisureworld owns and operates 26 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, through various entities, 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 of June 30, 2009 by structural classification was as follows:

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

(i) All of Leisureworld's Class A homes are designated as new homes and qualify for capital funding of $10.35 per day, per bed. These 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.

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 June 30, 2009	Quarter ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
Revenue	66,179	62,026	130,507	117,840
Operating expenses	58,223	54,043	116,279	103,622
Net income (loss)	836	694	(335)	290
The Fund's pro rata share of equity accounted income (loss)	375	311	(151)	130
Distributions paid to the Fund	2,587	2,587	5,175	5,175
Average total occupancy	98.0%	98.1%	98.1%	98.1%
Average private occupancy	94.7%	92.2%	94.6%	92.1%

For the quarter ended June 30, 2009, Leisureworld generated revenue of $66,179 compared with $62,026 in the same period last year, reflecting increases in private accommodation and government funding rates. Operating expenses for the quarter were also higher, reflecting higher government funding, which led to associated increases in staff and operating costs. Net income for the quarter was $836 compared with net income of $694 in the same period last year. The variance was mainly due to an unrealized gain recognized on Leisureworld's interest rate swap.

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 six months ended June 30, 2009.

($000s unless otherwise noted)	Quarter ended June 30, 2009	Quarter ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
Income (loss) before income taxes	(3,312)	1,876	1,852	13,775
Add back:				
Unrealized loss (gain) on swap contracts	(1,575)	2,687	(3,398)	4,998
Unrealized loss (gain) on embedded derivative instruments	2,581	(4,362)	1,571	(11,225)
Net interest expense	3,679	3,314	6,946	6,669
Equity accounted loss (income) from long-term investments	(375)	(311)	151	(286)
Foreign exchange loss (gain)	(18)	(1)	(11)	2
Loss on debt extinguishment	351	-	351	-
Gain on sale of capital assets	-	(10)	-	(10)
	1,331	3,193	7,462	13,923
Administrative expenses	937	1,391	3,824	5,874
Depreciation and amortization	7,261	7,307	14,436	14,408
Contribution margin	9,529	11,891	25,722	34,205

LIQUIDITY AND FINANCIAL RESOURCES

Demand associated with the Fund's 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 of June 30, 2009, the Fund had positive working capital of $10,497 (December 31, 2008 - $51,874). Cash and short-term investments totalled $16,222 (December 31, 2008 - $51,904), of which $5,037 (December 31, 2008 - $34,803) was not designated for major maintenance, capital expenditure or general reserves.

	June 30, 2009	December 31, 2008
Major maintenance reserve	4,533	9,791
Capital expenditure reserve	1,652	2,310
General reserve	5,000	5,000
Total reserve accounts	11,185	17,101
Other cash and cash equivalents	5,037	29,716
Total cash and cash equivalents	16,222	46,817
Short-term investments	-	5,087
Total unrestricted cash and cash equivalents and short-term investments	16,222	51,904

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.

During the quarter, the Fund completed the refinancing of the CPOT and Cardinal credit facilities following a $25,000 repayment on the CPOT facility. The new combined facility extends the maturity of the Fund's floating rate debt at CPOT and Cardinal from June 2010 and May 2011, respectively, to June 2012.

As at June 30, 2009, the following funds were available under the new facility:

Credit Facility ($000s unless otherwise noted)	Credit Limits	Amounts Authorized or Drawn	Available
Term	141,875	85,000	56,875
Revolver (i)	40,625	12,533	28,092

(i) Included in the amounts authorized or drawn under the revolver are three letters of credit totalling $2,533 for Erie Shores and a $10,000 unsecured guarantee provided to the lenders under the Tranche C loan for Erie Shores.

RELATED PARTY TRANSACTIONS

Under the terms of the various administration and management agreements for each of the Fund, the Trust, Cardinal, LTC Holding LP and CPOT, the Fund makes payments to the Manager for administrative and management services, incentive fees and cost reimbursement.

The following table summarizes total amounts recorded with respect to services provided by MPML:

	Quarter ended June 30, 2009	Quarter ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
Management fees	445	440	885	875
Administrative fees	27	27	54	54
Incentive fees	(543)	(223)	490	1,320
Cost reimbursement (i)	681	815	1,410	1,631

(i) $133 of cost reimbursement for the quarter ended June 30, 2009 was capitalized in deferred charges and deferred financing fees. The Manager receives reimbursement for cost of services provided to the Fund in relation to, but not limited to, administration, regulatory, finance, rent and information technology.

During the quarter, the Fund paid advisory fees in the amount of $913 to an affiliate of Macquarie Group Limited ("MGL") in connection with the refinancing of the CPOT and Cardinal credit facilities. These costs have been capitalized as deferred financing fees and netted against long-term debt in the consolidated statement of financial position.

The Fund has gas swap agreements with an affiliate of MGL to hedge against fluctuations in the price of excess gas sold under the gas mitigation clause of Cardinal's gas purchase contract for the seven-month period from April to October for each of the years from 2009 to 2011. The gas swap contracts require Cardinal to pay variable payments to MGL based on 436,814 MMBtu of gas at the market rate of natural gas in exchange for receiving payments based on 436,814 MMBtu of gas at a fixed price per MMBtu. These transactions are carried out under normal arm's length commercial terms.

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	Jun 30, 2009	Mar 31, 2009	Dec 31, 2008	Sept 30, 2008	Jun 30, 2008	Mar 31, 2008	Dec 31, 2007	Sept 30, 2007
Revenue	32,603	40,255	42,190	32,434	34,862	43,700	42,115	31,222
Net income (loss)	(1,752)	2,097	(36,560)	3,811	826	5,389	34,677	(4,947)
Cash flows from operating activities	9,255	13,309	9,836	8,549	17,240	14,891	7,694	(2,567)
Distributable cash (i)	10,225	14,955	14,705	9,839	11,201	16,498	20,394	8,991
Distributions declared to Unitholders	13,104	13,104	13,106	13,114	13,117	13,117	12,869	12,882
Basic and diluted net income (loss) per Unit	(0.035)	0.042	(0.732)	0.076	0.017	0.108	0.694	(0.099)
Cash flows from operating activities per Unit	0.185	0.267	0.197	0.171	0.345	0.298	0.154	0.051
Distributable cash per Unit	0.205	0.300	0.294	0.197	0.224	0.330	0.408	0.180
Distributions declared per Unit (ii)	0.262	0.262	0.262	0.262	0.262	0.262	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 June 30, 2009, all unitholders were paid distributions of $0.0875 per unit per month.

CONTRACTUAL OBLIGATIONS AND OTHER COMMITMENTS

The following describes the significant contractual obligations and commitments of the Fund as at June 30, 2009:

Electricity Supply Contracts

The Fund has PPAs expiring between 2014 and 2042 to sell substantially all electricity produced at its facilities, less the amount of electricity consumed in the operation of the facilities, to creditworthy customers including government agencies. Rates of power sales are fixed in the PPAs and most include escalation clauses.

Energy Savings Agreement

Under the terms of an energy savings agreement between Cardinal and CASCO, the facility is required to sell up to 723 million pounds of steam per year to CASCO for its plant operations. The energy savings agreement matures on January 31, 2015, but may be extended by up to two years at the option of Cardinal.

Wood Waste Supply Agreement

The Whitecourt biomass facility has a long-term agreement to ensure an adequate supply of wood waste. The agreement expires in 2016.

Gas Purchase Contract

Cardinal has a long-term purchase agreement for natural gas that expires on May 1, 2015. The minimum purchase commitment for natural gas under the agreement is 9,289,104 MMBtu per year through to expiration in 2015, which is equivalent to 80% of the contract maximum.

Operations, Management and Maintenance Agreements

CPOT has an operations and management agreement with Regional Power Inc. ("Regional") to operate and maintain the hydro facilities, expiring on November 30, 2011 with automatic renewal terms. Regional is paid a monthly management fee and is eligible for an annual incentive fee.

Chapais has a management agreement with Probyn Power Services Inc. ("PPSI") expiring on November 30, 2011 to operate and maintain the Chapais biomass facility. PPSI receives a monthly management fee.

Under a fixed-price service and maintenance agreement that expires on July 25, 2010, General Electric Canada provides operating and management services to Erie Shores. Under a separate agreement, General Electric Company provides Erie Shores with a four-year revenue reimbursement and performance warranty commencing July 26, 2006.

Effective January 5, 2009, Whitecourt Power Limited Partnership ("WPLP"), an indirect, wholly-owned subsidiary of the Fund and the owner of the Whitecourt biomass facility, terminated the operations and maintenance agreement for the facility. Services previously provided under the agreement have been assumed by the facility's internal staff.

Long-term Debt

	Interest Rate	Maturity	June 30, 2009	December 31, 2008
Credit facility (i)	2.90% - 3.03%	June 29, 2012	85,000	-
CPOT credit facility (i)	1.46% - 1.63%	June 26, 2010	-	75,000
Cardinal credit facility (i)	1.22% - 1.38%	May 16, 2011	-	35,000
Erie Shores project debt				
Tranche A	5.96%	April 1, 2026	65,767	66,873
Tranche B	5.28%	April 1, 2016	5,905	6,249
Tranche C	5.05%	April 1, 2011	40,000	40,000
			111,672	113,122
			196,672	223,122
Less: Deferred financing fees			(3,332)	(441)
Total debt			193,340	222,681
Less: Current portion of long-term debt			(3,028)	(2,942)
Total long-term debt			190,312	219,739

(i) During the quarter, the Fund refinanced two of its credit facilities under CPOT and Cardinal into a combined facility in the amount of $182,500, consisting of: (a) a $141,875 term facility ("Term"); and (b) a $40,625 revolving facility ("Revolver"), of which $85,000 has been advanced on the Term and $nil had been advanced on the Revolver as at June 30, 2009. As a result of the refinancing, the Fund capitalized $3,450 of loan origination, legal and advisory fees and expensed $351 of deferred financing fees in connection with the previous CPOT facility. Advances under the new credit facility are made in the form of a series of Bankers' Acceptances ("BA"). Interest paid is based on the then current BA rate plus an applicable margin ("stamping fee") based on the ratio of consolidated total debt to consolidated earnings before interest, taxes, depreciation and amortization and unrealized gains and losses ("EBITDA"). Collateral for the facility is provided by first ranking security interest covering the assets of CPOT, Cardinal and certain direct subsidiaries, collectively the "restricted group". The restricted group is subject to certain non-financial and financial covenants including limits on the consolidated total debt/consolidated EBITDA ratio and interest coverage ratio.

Swap Contracts

As at June 30, 2009, the Fund has interest rate swap contracts on a notional amount of $85,000 to mitigate its interest rate risk on the Fund's credit facility until maturity. Under each agreement, the Fund will pay a fixed rate in return for a floating rate equal to the then current three-month BA rate.

Based on the terms of the swap agreements presented below, the current effective interest rate on $85,000 of the Fund's floating rate debt are as follows:

Swap maturity	Swap notional amount	Swap fixed rate	Stamping fee	Effective interest rate
May 16, 2011	11,700	3.39%	2.50%	5.89%
May 16, 2011	11,600	3.39%	2.50%	5.89%
May 16, 2011	11,700	3.41%	2.50%	5.91%
June 26, 2010	10,000	3.04%	2.50%	5.54%
June 28, 2010	40,000	3.07%	2.50%	5.57%

In addition, CPOT has an interest rate swap contract on a notional amount of $20,000 to mitigate some of the refinancing risk associated with the Erie Shores project debt. Under the contract, CPOT will pay a fixed rate of 5.63% for a period of five years following the maturity of the Erie Shores project debt from December 1, 2011 to December 1, 2016. In return, CPOT will be paid a floating rate equal to the then current three-month BA rate.

Cardinal has gas swap contracts for the seven-month period from April to October in the years 2009 to 2011. Each fiscal year, these contracts require Cardinal to make payments to the counterparties based on 436,814 MMBtu of gas at the then market rate of natural gas in exchange for receiving payments based on 436,814 MMBtu of gas at a fixed price per MMBtu.

None of the swap contracts above have been designated for hedge accounting.

Leases

Cardinal leases the site on which the facility is located from CASCO. Under the lease, Cardinal pays nominal rent. The lease expires concurrently with the energy savings agreement between CASCO and Cardinal. The energy savings agreement currently expires on January 31, 2015 but may be extended by up to two years at the option of Cardinal.

CPOT has lease agreements with the Provinces of Ontario and British Columbia with respect to lands, lands under water and water rights necessary for the operation of its hydro facilities. The payments with respect to these agreements vary based on actual power production. The terms of the lease agreements extend between 2023 and 2042.

The Fund has capital leases with terms ranging from four to six years, expiring between 2010 and 2012 and bearing interest rates from 6.6% to 7.0%.

The following table summarizes total principal and interest payments on the Fund's capital leases for the next four years:

Year	Annual Payment	Interest	Principal
2009	111	15	96
2010	141	22	119
2011	133	13	120
2012	133	5	128
Total	518	55	463

Guarantees

As at June 30, 2009, the Fund had an unsecured guarantee in the amount of $10,000 to the lenders under the Tranche C loan to Erie Shores. This guarantee may be reduced from time to time by an amount equal to 75% of any releases from the escrow accounts established upon CPIF's disposition of Gas Recovery Systems, LLC ("GRS") prior to the acquisition of CPIF by the Fund, in excess of a certain amount. At June 30, 2009, there had been no reduction in the guarantee amount.

The Fund also provides three guarantees relating to CPIF's former investment in GRS. As at June 30, 2009, no claims have been made on these guarantees.

CLIMATE CHANGE AND THE ENVIRONMENT

The Fund's assets are subject to a complex and increasingly stringent environmental, health and safety regime, which includes environmental laws, regulations and guidelines at the federal, provincial and local levels. As the Fund's electricity generation business emits carbon dioxide ("CO_2"), it must also comply with emerging federal and provincial requirements, including programs to offset emissions. The Fund complies, in all material respects, with current federal, provincial and local environmental legislation and guidelines.

Federal Requirements

Greenhouse Gases

On March 10, 2008, the Canadian federal government released a broad framework for the regulation of greenhouse gas emissions and air pollution entitled Turning the Corner: Taking Action to Fight Climate Change, in which it established the structure of greenhouse gas ("GHG") targets and compliance mechanisms for the years 2010 to 2020.

This proposed framework calls for an 18% reduction in GHG emission intensity for existing facilities, increasing by 2% per year until 2020, at which point a 20% absolute reduction from 2006 levels will be required. Some other elements of the plan include:

- the ability for electricity companies to comply based on their corporate emissions intensity rather than on a plant-by-plant basis;
- the favourable treatment of cogeneration facilities such that only modest reductions are required;
- the establishment of a technology fund designed to allow companies investing in transformative technologies to use those funds for compliance purposes. Firms can comply with the plan by investing $15.00/tonne into the fund from 2010 to 2012, $20.00/tonne in 2013 and increasing by the rate of nominal GDP growth in each subsequent year;
- the ability of firms to obtain offset credits for compliance purposes; and
- the intent to establish a Clean Electricity Task Force to determine where additional reductions from the sector can be found.

The approach outlined in the framework is designed to provide an incentive for high-efficiency cogeneration. This is achieved by treating the baseline for cogeneration as equal to the emission levels if the electricity and heat were produced separately. For the heat component, the baseline will be equivalent to a stand-alone conventional boiler at 80% efficiency. Existing facilities would face a target in 2010 of 18% below this baseline, with 2% continuous improvement thereafter. For the electricity component, the baseline intensity would be that of natural gas combined cycle generation, or 0.418 tonne/MWh, with no requirement for further reduction. All current equipment at Cardinal is designed to produce emissions below these applicable standards.

As part of this framework, on June 29, 2008, the federal government released its *Credit for Early Action Program*, which is designed to recognize and provide a limited number of carbon credits to certain facilities that took steps to reduce their GHG emissions between 1992 and 2006 and that will likely find themselves subject to mandatory greenhouse gas reductions. Credits will be available for reductions of CO_2, methane and nitrous oxide ("NOx"), among other gases. The Fund has determined that no projects carried out at its facilities during this period of time are eligible to earn credits under the *Credit for Early Action Program*.

In early 2009, the Canadian federal government indicated that this proposed framework will likely be amended to reflect a common North American approach to GHG management, including the implementation of a cap-and-trade system and targets that are consistent with GHG reduction targets established by the United States ("U.S.").

Further, in June 2009 the Canadian federal government announced an offset credit program for GHG emissions. Two draft guides published in the *Canada Gazette* on June 12, 2009 set out the proposed offset program rules and guidance for both offset project proponents and verification bodies. The final version of these proposed rules and guidance, together with the *Guide for Protocol Developers* (a draft of which was published in the *Canada Gazette* on August 9, 2008), are expected to be published in the fall of 2009.

The Canadian federal government has stated that Canadian offset program rules, federal regulations and enforcement mechanisms will be reviewed to ensure they are comparable with any U.S. climate change legislation that is eventually implemented. In the U.S., the *American Clean Energy and Security Act of 2009* ("ACES") was passed by the U.S. House of Representatives on June 26, 2009. The ACES sets out the

framework for a U.S. cap-and-trade system, energy efficiency initiatives and incentives for the development of clean energy technologies. U.S. Senate debate on the ACES is expected to take place in the late summer and fall of 2009. If passed, the U.S. will be required to reduce its GHG emissions by 17% below 2005 levels by 2020.

Numerous design details of the Canadian federal government's proposed framework are yet to be released and the coordination of this approach with provincial plans has not yet been negotiated. As mentioned above, the Canadian federal framework will be made consistent with any climate change legislation that is implemented in the U.S. As a result, at this time the Fund cannot estimate the full impact of this framework on its operations. However, the Fund's exposure to evolving GHG regulations is mitigated by various clean technology initiatives and a growing portfolio of renewable power generation facilities, which could create viable GHG offset credits provided that the Fund's assets meet the applicable eligibility requirements under the proposed federal offset program.

Other Air Pollutants

Concurrently, the Canadian federal government is developing a parallel framework for managing air pollutant emissions such as NOx, sulphur oxides, volatile organic compounds and particulate matter. Specific caps on pollutants for each sector, including electricity generation, are expected to be set in 2009 and are currently scheduled to come into effect between 2012 and 2015. Until targets and compliance mechanisms for these air pollutants are announced, the Fund cannot estimate the impact of such targets and compliance mechanisms on its operations.

Provincial Requirements

Alberta

Alberta's government enacted the Specified Gas Emitters Regulation for GHG reductions in 2007. The Whitecourt biomass facility is in the process of updating its reporting to ensure it remains in compliance with this regulation.

Ontario

Ontario legislation that came into effect in 2004 introduced a cap-and-trade system with respect to NOx emissions. Under this system, facilities subject to the legislation receive a maximum yearly emission compliance limit, which may be achieved by source emission control or reduction, or by trading NOx allowances. For 2008, Cardinal received 888 tonnes of NOx allowances based on actual generation in 2006. Cardinal expects to retire 380 tonnes of NOx allowances for 2008, leaving a cumulative allowance balance of 4,230 tonnes. NOx emissions from Cardinal's existing generating equipment fall below the levels mandated by legislation.

Ontario's *Climate Action Plan*, which was released in August 2007, sets out GHG emission reduction targets of 6% by 2014 and 15% by 2020 from 1990 levels across a range of sectors, including electricity generation.

On June 2, 2008, the Ontario and Quebec governments announced a memorandum of understanding on a regional cap-and-trade system to reduce GHG emissions. Further, on July 18, 2008, the Ontario government announced that it had joined the Western Climate Initiative ("WCI"), an organization that also includes British Columbia ("B.C."), Quebec, Manitoba and seven U.S. states. The WCI seeks to develop regional strategies to address climate change, including setting an overall regional goal to reduce GHG emissions and the design of a market-based mechanism to help achieve the reduction goal. The WCI released draft design recommendations for its regional cap-and-trade program (the "WCI Program") in September 2008. The WCI Program limits the use of offsets as a compliance mechanism to 49% of total emission reductions from 2012 to 2020. The existence of the WCI Program is expected to increase liquidity for carbon instruments across its member jurisdictions and create potential opportunities for eligible Fund assets to generate offset credits.

As a member of the WCI, Ontario will implement a cap-and-trade system as part of its strategy to reduce GHG emissions. More recently, on May 27, 2009, the Ontario government introduced the *Environmental Protection Amendment Act (Greenhouse Gas Emissions Trading) 2009*, which will enable the government to set up a GHG emissions trading system in Ontario and provide the province with the ability to link Ontario's cap-and-trade system to other trading systems. This proposed legislation is subject to a 60-day public review and comment period, which ended July 26, 2009.

In addition, the Ontario government is focused on aligning its cap-and-trade system so that it may be linked to the WCI system (which is anticipated to start trading on January 1, 2012) and eventually to the emerging North American system, including the proposed U.S. national cap-and-trade system.

Finally, a discussion paper issued by the Ontario government in June 2009, entitled *Moving Forward: A Greenhouse Gas Cap-and-Trade System for Ontario*, suggests that the most likely threshold for the electricity sector will be 25,000 tonnes of CO_2 per year. The Cardinal facility may be captured by Ontario's proposed cap-and-trade regime as it emits in excess of 100,000 tonnes of CO_2 per year.

British Columbia

The B.C. provincial government introduced legislation in April 2008 to create a cap-and-trade system for GHG. This enabling legislation provides the framework for the province to participate in the WCI's cap-and-trade system. The details of B.C.'s cap-and-trade system will be developed in conjunction with the WCI Program.

The details of the above noted regulations and the impact on emitting entities have not yet been determined. Moreover, it is not yet clear how these initiatives would coordinate with federal and other provincial plans. As a result, at this time the Fund cannot estimate the impact of these regulations on its operations.

RISKS AND UNCERTAINTIES

To effectively manage MPT's business and execute its strategy to create value for unitholders, the Manager analyzes all risks and uncertainties associated with the Fund's operations and objectives. These risks and uncertainties could have an adverse impact on MPT's business, operating results and financial condition, which could negatively affect MPT's ability to pay distributions to its unitholders.

MPT seeks to mitigate the risks and uncertainties that may affect its performance through a process of identifying, assessing, reporting and managing risks of significance. The Manager continuously monitors risks and uncertainties at both the Fund and asset level and reports annually to the Board of Trustees about risk management actions and plans. Every year, the Manager re-evaluates risks and addresses new risks resulting from operational changes or external factors.

For an overview of the risks and uncertainties associated with the Fund's business, please refer to the "Risks and Uncertainties" section of the Fund's annual report for the fiscal year ended December 31, 2008 and in the Fund's Annual Information Form dated March 27, 2009, both of which are available on the Canadian Securities Administrators system for electronic document analysis and retrieval ("SEDAR") website at www.sedar.com. It is management's view that the risk factors disclosed in the annual report and Annual Information Form remain substantially unchanged.

RESTATEMENT OF JUNE 30, 2009 INTERIM RESULTS

The consolidated financial statements of the Fund for the quarter and six months ended June 30, 2009 have been restated to provide for an adjustment in the Fund's embedded derivative asset and the related future income tax impact. This restatement results from certain corrections that have been made to the option pricing model that is used to calculate the fair value of the Fund's embedded derivative asset. In January 2009, the Fund amended Cardinal's gas purchase agreement with Husky, which allows for a more favourable profit sharing arrangement on net proceeds from the mitigation of excess gas. The Fund's previous option pricing model did not properly capture the impact of these changes in the first quarter of 2009. Management has determined that the revised model more accurately calculates the fair value of the Fund's embedded derivative asset and a restatement of the interim consolidated financial statements is appropriate.

The following tables summarize the impact of the adjustments to the consolidated financial statements for the respective periods:

Consolidated statement of financial position category	As of June 30, 2009 Debit (Credit)
Embedded derivative asset	(5,899)
Future income tax liability	1,225
Unitholders' equity	4,674

Consolidated statement of unitholders' equity category	Quarter ended June 30, 2009 Debit (Credit)	Six months ended June 30, 2009 Debit (Credit)
Total comprehensive income (loss)	(180)	4,674

Consolidated statement of operations category	Quarter ended June 30, 2009 Debit (Credit)	Six months ended June 30, 2009 Debit (Credit)
Unrealized gain (loss) on embedded derivative instruments	(88)	5,899
Future income tax recovery (expense)	(92)	(1,225)
Net income (loss)	(180)	4,674

These adjustments also decrease the Fund's basic and diluted net loss per unit from $0.039 to $0.035 for the quarter; and for the year to date, from a basic and diluted net income per unit of $0.101 to a net income per unit of $0.007. These adjustments had no impact on the Fund's previously reported distributable cash, payout ratio or cash flows from operating, investing and financing activities.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The unaudited interim consolidated financial statements have been prepared in accordance with GAAP. The significant accounting policies are described in note 2 to the unaudited interim consolidated financial statements and note 2 of the 2008 annual report. The critical accounting policies and estimates are detailed on pages 43 to 47 of the 2008 annual report.

Adoption of New Accounting Policies

On January 1, 2009, the Fund adopted two new standards that were issued by The Canadian Institute of Chartered Accountants ("CICA"): Section 3064, Goodwill and Intangible Assets and Section 1000, Financial Statement Concepts.

Section 3064, Goodwill and Intangible Assets, clarifies that costs can be deferred only when they relate to an item that meets the definition of an asset and as a result, certain costs previously capitalized will be expensed as incurred. Section 1000, Financial Statement Concepts was also amended to provide consistency with the new standard. Management has determined that the adoption of these sections had no material impact on the Fund's consolidated financial statements as of January 1, 2009.

During the first quarter of 2009, the CICA issued Emerging Issue Committee Abstract 173 ("EIC 173") Credit Risk and the Fair Value of Financial Assets and Financial Liabilities. EIC 173 requires that a company take into account its own credit risk and the credit risk of its counterparties in determining the fair value of financial assets and liabilities. This Abstract must be applied retrospectively without restatement of prior periods to all financial assets and liabilities measured at fair value in interim and annual financial statements for periods ending on or after January 20, 2009.

The adoption of this new standard resulted in the following adjustments to the opening consolidated statement of financial position and consolidated statement of unitholders' equity as at January 1, 2009.

Consolidated statement of financial position category	Debit (Credit)
Swap contracts at fair value, net	516
Embedded derivative asset	(1,777)
Embedded derivative liability	1,491
Long-term investments	88
Future income tax liability	3,038

Consolidated statement of unitholders' equity category	(Credit)
Opening cumulative earnings	(3,287)
Opening accumulated comprehensive income (loss)	(69)

Change in Accounting Policies

During the first quarter of 2009, Cardinal amended its gas purchase agreement with Husky. Under the new agreement, Cardinal will benefit from a more favourable profit sharing arrangement on net proceeds from gas mitigation. As a result, Cardinal may increase the facility's curtailment activities in order to capitalize on favourable spot market prices for gas. Accordingly, the Fund has changed its accounting policy to record net proceeds from gas mitigation as revenue, rather than previously as a reduction in operating expenses.

The change in accounting policy has been applied retroactively with no impact on the Fund's net income or retained earnings other than the following change in classification on the consolidated statement of operations:

	Quarter ended June 30, 2008	Quarter ended June 30, 2008	Six months ended June 30, 2008	Six months ended June 30, 2008
	As reported	Restated	As reported	Restated
Revenue	33,483	34,862	77,146	78,562
Operating expenses	21,592	22,971	42,941	44,357

New Pronouncements

Section 3855, Financial Instruments – Recognition and Measurement

On April 29, 2009, the CICA amended this section to add more guidance on the application of the effective interest method to previously impaired financial assets and embedded prepayment options. The amendments are effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011 with early adoption permitted. The amendments are not expected to have a significant impact on the Fund's accounting of its financial instruments.

Section 3862, Financial Instruments – Disclosures

In June 2009, the CICA amended this section to adopt the amendments recently issued by the IASB to International Financial Reporting Standard 7, Financial Instruments: Disclosures ("IFRS 7"), in March 2009. These amendments are applicable to publicly accountable enterprises that have applied Section 3862. The amendments were made to enhance disclosures about fair value measurements, including the relative reliability of the inputs used in those measurements, and about the liquidity risk of financial instruments. The amendments are effective for annual financial statements for fiscal years ending after September 30, 2009, with early adoption permitted. To provide relief for preparers, and consistent with IFRS 7, the CICA decided that an entity need not provide comparative information for the disclosures required by the amendments in the first year of application. The Fund will apply these amendments for its 2009 annual consolidated financial statements. The impact of the amendments to the fair value measurement and liquidity risk disclosure requirements of the Fund are not expected to be significant.

International Financial Reporting Standards ("IFRS")

In 2005, the Accounting Standards Board ("AcSB") announced that accounting standards in Canada are to be converged with IFRS. In February 2008, the AcSB confirmed that the use of IFRS will be required by January 1, 2011 with appropriate comparative data from the prior year for all Canadian publicly accountable enterprises. Under IFRS, there are significantly more disclosure requirements, especially for quarterly reporting. Further, while IFRS uses a conceptual framework similar to Canadian GAAP, there are differences in accounting policy that must be addressed.

MPT commenced its IFRS conversion project in 2008 by establishing a formal project governance structure and a detailed conversion plan. The governance structure includes a working group as well as a steering committee consisting of senior management, finance, operations, legal and investor relations staff. Progress reports are being provided to senior management and the Audit Committee of the Fund's Board of Trustees on a regular basis.

MPT's conversion plan consists of three phases: diagnostic, design and implementation. During the fourth quarter of 2008 management completed the diagnostic phase, which involved reviewing the major differences between Canadian GAAP and IFRS relevant to the Fund, identifying accounting policy choices permitted under IFRS and making preliminary implementation decisions. In this phase, management also made an initial assessment of the impact of the required changes on the existing accounting systems and internal controls and the potential magnitude of the financial statement adjustments.

At this time, management has determined that the differences with the highest potential impact on the Fund's consolidated financial statements include the treatment of capital assets and major maintenance, the Class B exchangeable units, the Fund's convertible debentures and the initial adoption of IFRS under the provision of IFRS 1, First-time Adoption of IFRS.

The Fund is now in the second phase of the conversion project, which involves the selection of IFRS policies and transition elections and the quantification of the impact of IFRS on the Fund's consolidated financial statements. In doing so, the Fund's objective is not only to be IFRS compliant but to provide the most meaningful and transparent information to its unitholders and other stakeholders.

The Fund will continue to review all proposed and continuing projects of the International Accounting Standards Board ("IASB") to determine their impact on the Fund, and will continue to invest in training and resources throughout the transition period to facilitate a timely and meaningful conversion.

CONTROLS AND PROCEDURES

The Fund's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), on behalf of the Fund's Board of Trustees, are required by various of the provincial securities regulators to certify annually that they have designed, or caused to be designed, the Fund's disclosure controls and procedures, as defined in the Canadian Securities Administrators' National Instrument 52-109, and that they have evaluated the effectiveness of these controls and procedures in the applicable period. Disclosure controls are those controls and other procedures that are designed to provide reasonable assurance that relevant information that the Fund is required to disclose is recorded, processed and reported within the time frames specified by such securities regulators.

The Fund's management, under the supervision of and with the participation of the CEO and CFO, have designed internal controls over financial reporting, as defined in NI 52-109. The purpose of internal controls over financial reporting is to provide reasonable assurance regarding the reliability of the Fund's financial reporting, in accordance with GAAP, focusing in particular on controls over information contained in the audited annual and unaudited interim consolidated financial statements. The internal controls are not expected to prevent and detect all misstatements due to error or fraud.

There were no changes made in the Fund's internal controls over financial reporting during the quarter ended June 30, 2009 that have materially affected, or are reasonably likely to materially affect, the Fund's internal controls over financial reporting.

MACQUARIE POWER & INFRASTRUCTURE INCOME FUND
RESTATED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unaudited, $000s unless otherwise noted)	June 30, 2009 (Restated – note 11)	December 31, 2008
Current assets		
Cash and cash equivalents	16,222	46,817
Short-term investments	-	5,087
Accounts receivable	10,666	18,309
Inventory	370	211
Prepaid expenses	3,252	2,421
Current portion of loans receivable	753	713
Current portion of swap contracts at fair value	1,302	369
Deferred charges	206	99
Cash in escrow related to GRS	4,991	6,088
	37,762	80,114
Loans receivable	6,513	6,899
Long-term investments (note 3)	57,070	55,328
Capital assets	405,311	413,527
Intangible assets	145,605	150,315
Embedded derivative asset	19,242	20,392
Swap contracts at fair value	864	181
Future income tax asset	11,619	10,631
Total assets	683,986	737,387
Current liabilities		
Accounts payable and accrued liabilities (note 8)	12,746	12,657
Distributions payable	4,368	4,368
Current portion of long-term debt (note 4)	3,028	2,942
Current portion of capital lease obligations	158	188
Current portion of swap contracts at fair value	1,974	1,997
Accounts payable and accrued liabilities related to GRS	4,991	6,088
	27,265	28,240
Long-term debt (note 4)	190,312	219,739
Convertible debentures	38,918	38,918
Levelization amounts	20,713	19,581
Future income tax liability	82,298	82,866
Electricity supply and gas purchase contracts	8,975	9,788
Liability for asset retirement (note 5)	3,086	1,848
Capital lease obligations	305	367
Swap contracts at fair value	1,643	3,918
Embedded derivative liability	7,198	6,491
Total liabilities	380,713	411,756
Unitholders' equity (note 6)	303,273	325,631
Total liabilities and Unitholders' equity	683,986	737,387

Commitments and contingencies (note 9)

See accompanying notes to the consolidated financial statements.

MACQUARIE POWER & INFRASTRUCTURE INCOME FUND

RESTATED CONSOLIDATED STATEMENT OF UNITHOLDERS' EQUITY

(Unaudited, $000s unless otherwise noted)	Quarter ended June 30, 2009 (Restated – note 11)	Quarter ended June 30, 2008	Six months ended June 30, 2009 (Restated – note 11)	Six months ended June 30, 2008
Unitholders' capital				
Opening balance	466,694	466,981	466,697	467,006
Trust units redeemed (note 6)	(32)	(2)	(35)	(27)
Ending balance	466,662	466,979	466,662	466,979
Class B exchangeable units	35,500	35,500	35,500	35,500
Accumulated other comprehensive income (loss)				
Opening balance as previously stated	(245)	1,263	(361)	1,628
Adjustment due to adoption of new standards (note 2)	-	-	69	-
Opening balance - restated	(245)	1,263	(292)	1,628
Equity share of other comprehensive income (loss) of Leisureworld (note 3)	137	193	184	(172)
Ending balance	(108)	1,456	(108)	1,456
Cumulative earnings (deficit)				
Opening balance – as reported	(9,319)	17,220	(14,703)	11,831
Adjustment due to adoption of new standard (note 2)	-	-	3,287	-
Opening balance - restated	(9,319)	17,220	(11,416)	11,831
Net income (loss) for the period	(1,752)	826	345	6,215
Ending balance	(11,071)	18,046	(11,071)	18,046
Total comprehensive income (loss)	(11,179)	19,502	(11,179)	19,502
Cumulative distributions				
Opening balance	(174,606)	(122,165)	(161,502)	(109,048)
Distributions declared to Unitholders for the period	(13,104)	(13,117)	(26,208)	(26,234)
Ending balance	(187,710)	(135,282)	(187,710)	(135,282)
Total Unitholders' equity	303,273	386,699	303,273	386,699

MACQUARIE POWER & INFRASTRUCTURE INCOME FUND
RESTATED CONSOLIDATED STATEMENT OF OPERATIONS

(Unaudited, $000s unless otherwise noted)	Quarter ended June 30, 2009 (Restated – note 11)	Quarter ended June 30, 2008 (Restated – note 2)	Six months ended June 30, 2009 (Restated – note 11)	Six months ended June 30, 2008 (Restated – note 2)
Revenue	32,603	34,862	72,858	78,562
Costs and expenses				
Operating expenses	23,074	22,971	47,136	44,357
Administrative expenses	937	1,391	3,824	5,874
Depreciation and amortization	7,261	7,307	14,436	14,408
	31,272	31,669	65,396	64,639
	1,331	3,193	7,462	13,923
Unrealized gain (loss) on swap contracts	1,575	(2,687)	3,398	(4,998)
Unrealized gain (loss) on embedded derivative instruments	(2,581)	4,362	(1,571)	11,225
Net interest expense	(3,679)	(3,314)	(6,946)	(6,669)
Equity accounted income (loss) from long-term investments (note 3)	375	311	(151)	286
Foreign exchange gain (loss)	18	1	11	(2)
Loss on debt extinguishment	(351)	-	(351)	-
Gain on sale of capital assets	-	10	-	10
Income (loss) before income taxes	(3,312)	1,876	1,852	13,775
Income taxes				
Current income tax recovery (expense)	(25)	(8)	(25)	10
Future income tax recovery (expense)	1,585	(1,042)	(1,482)	(7,570)
Total income tax recovery (expense)	1,560	(1,050)	(1,507)	(7,560)
Net income (loss)	(1,752)	826	345	6,215
Basic and diluted weighted average number of trust units and Class B exchangeable units outstanding (“Unit”)	49,919	49,968	49,920	49,970
Basic and diluted net income (loss) per Unit	(0.035)	0.017	0.007	0.124

RESTATED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Unaudited, $000s unless otherwise noted)	Quarter ended June 30, 2009 (Restated – note 11)	Quarter ended June 30, 2008	Six months ended June 30, 2009 (Restated – note 11)	Six months ended June 30, 2008
Net income (loss)	(1,752)	826	345	6,215
Equity share of comprehensive income (loss) of Leisureworld (note 3)	137	193	184	(172)
Total comprehensive income (loss)	(1,615)	1,019	529	6,043

MACQUARIE POWER & INFRASTRUCTURE INCOME FUND

RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited, $000s unless otherwise noted)	Quarter ended June 30, 2009 (Restated – note 11)	Quarter ended June 30, 2008	Six months ended June 30, 2009 (Restated – note 11)	Six months ended June 30, 2008
Cash flows from operating activities:				
Net income (loss)	(1,752)	826	345	6,215
Add back:				
Depreciation and amortization	7,261	7,307	14,436	14,408
Unrealized (gain) loss on swap contracts	(1,575)	2,687	(3,398)	4,998
Unrealized (gain) loss on embedded derivative instruments	2,581	(4,362)	1,571	(11,225)
Equity accounted income (loss) from long-term investments (note 3)	(375)	(311)	151	(286)
Future income tax expense (recovery)	(1,585)	1,042	1,482	7,570
Unpaid interest on levelization amounts	359	112	733	412
Loss on debt extinguishment (note 4)	351	-	351	-
Amortization of deferred financing costs	141	65	208	128
Accretion of asset retirement obligations (note 5)	25	24	50	47
Gain on sale of capital assets	-	(10)	-	(10)
Non-cash changes in working capital				
Decrease in accounts receivable	3,916	12,131	7,643	12,877
Increase in inventory	(125)	(3)	(159)	(80)
(Increase) decrease in prepaid expenses	(525)	(106)	(831)	1,612
Increase in deferred charges	(123)	(744)	(107)	(437)
Increase (decrease) in accounts payable and accrued liabilities	681	(1,418)	89	(4,098)
Total cash flows from operating activities	9,255	17,240	22,564	32,131
Cash flows from investing activities:				
Proceeds from sale of capital assets	-	10	-	10
Proceeds from sale of short-term investments	5,131	-	5,087	-
Investment in Leisureworld (note 3)	-	-	(6,750)	-
Transaction costs paid	-	-	(46)	-
Receipt of loans receivable	175	158	346	312
Distributions received from long-term investments (note 3)	2,587	2,587	5,175	5,175
Investment in capital assets	(924)	(329)	(1,135)	(698)
Total cash flows from investing activities	6,969	2,426	2,677	4,799
Cash flows from financing activities:				
Proceeds from (Repayment of) long-term debt	(25,730)	24,311	(26,450)	23,631
Financing fees paid on debt issuance (note 4)	(3,450)	-	(3,450)	-
Redemption of units (note 6)	(32)	(2)	(35)	(27)
Repayment of capital lease obligations	(46)	(43)	(92)	(92)
Proceeds from levelization amounts	(58)	(216)	399	(63)
Release from restricted cash (note 10)	2,304	-	-	-
Distributions paid to Unitholders	(13,104)	(13,117)	(26,208)	(26,151)
Total cash flows from financing activities	(40,116)	10,933	(55,836)	(2,702)
Increase (decrease) in cash and cash equivalents	(23,892)	30,599	(30,595)	34,228
Cash and cash equivalents, beginning of period	40,114	25,563	46,817	21,934
Cash and cash equivalents, end of period	16,222	56,162	16,222	56,162
Supplemental information :				
Interest paid	2,679	3,715	5,234	6,049
Taxes paid	25	8	25	(10)

1. ORGANIZATION

Macquarie Power & Infrastructure Income Fund (the "Fund") is an unincorporated open-ended trust established on March 15, 2004, under the laws of the Province of Ontario. The Fund began its operations on April 30, 2004 and indirectly acquired a 100% interest in Cardinal Power of Canada LP ("Cardinal"). On October 18, 2005, the Fund acquired an indirect 45% interest in Leisureworld Senior Care LP ("Leisureworld"), a long-term care ("LTC") provider in Ontario. On June 27, 2007, the Fund acquired a 100% interest in Clean Power Income Fund ("CPIF"), an open-ended investment trust that had indirect investments in power infrastructure assets employing technologies in wind, hydro and biomass. The Fund indirectly owns the CPIF investments through a 100% interest in Clean Power Operating Trust ("CPOT"), which includes an indirect 31.3% interest in one of the two classes of preferred shares of Chapais Électrique Limitée ("Chapais") and a subordinated debt interest in Chapais Énergie, Société en Commandité ("CHESEC"), a subsidiary of Chapais.

Macquarie Power Management Ltd. ("MPML" or the "Manager") is an indirect wholly owned subsidiary of Macquarie Group Limited ("MGL"), an Australian public company listed on the Australian Stock Exchange. MPML provides administrative services to the Fund and Macquarie Power & Infrastructure Income Trust ("Trust") in accordance with an administration agreement, and management services to the Fund, the Trust, Cardinal, MPT LTC Holding LP ("LTC Holding LP"), and CPOT in accordance with management agreements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies adopted by the Fund.

Basis of Presentation

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and follow the same accounting policies and methods described in the audited consolidated financial statements for the year ended December 31, 2008, except as described below. Under GAAP, additional disclosures are required in annual financial statements, therefore, these unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2008. In the opinion of management, all adjustments considered necessary for a fair presentation of the financial position, results of operations and cash flows of the Fund as of June 30, 2009 have been included.

The seasonality of wind speed and density, water flows, major maintenance cycle and pricing provisions within the PPAs with the OEFC 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.

Adoption of New Accounting Standards

On January 1, 2009, the Fund adopted two new standards that were issued by The Canadian Institute of Chartered Accountants ("CICA"): Section 3064, Goodwill and Intangible Assets and Section 1000, Financial Statement Concepts.

Section 3064, Goodwill and Intangible Assets, clarifies that costs can be deferred only when they relate to an item that meets the definition of an asset and as a result, certain costs previously capitalized will be expensed as incurred. Section 1000, Financial Statement Concepts was also amended to provide consistency with the new standard. Management has determined that the adoption of these sections had no material impact on the Fund's consolidated financial statements as of January 1, 2009.

During the first quarter, the CICA issued Emerging Issue Committee Abstract 173 ("EIC 173") Credit Risk and the Fair Value of Financial Assets and Financial Liabilities. EIC 173 requires that a company take into account its own credit risk and the credit risk of its counterparties in determining the fair value of financial assets and liabilities. This Abstract must be applied retrospectively without restatement of prior periods to all financial assets and liabilities measured at fair value in interim and annual financial statements for periods ending on or after January 20, 2009.

The adoption of this new standard resulted in the following adjustments to the opening consolidated statement of financial position and consolidated statement of unitholders' equity as at January 1, 2009.

Consolidated statement of financial position category	Debit (Credit)
Swap contracts at fair value, net	516
Embedded derivative asset	(1,777)
Embedded derivative liability	1,491
Long-term investments	88
Future income tax liability	3,038

Consolidated statement of unitholders' equity category	(Credit)
Opening cumulative earnings	(3,287)
Opening accumulated comprehensive income (loss)	(69)

Change in Accounting Policies

During the first quarter of 2009, Cardinal amended its gas purchase agreement with Husky. Under the new agreement, Cardinal will benefit from a more favourable profit sharing arrangement on net proceeds from gas mitigation. As a result, Cardinal may increase the facility's curtailment activities in order to capitalize on favourable spot market prices for gas. Accordingly, the Fund has changed its accounting policy to record net proceeds from gas mitigation as revenue, rather than previously as a reduction in operating expenses. The change in accounting policy has been applied retroactively with no impact on the Fund's net income or Cumulative Earnings. Net proceeds from gas mitigation included in revenue in the unaudited interim consolidated statement of operations for the quarter and six months ended June 30, 2009 were $1,477 and $1,561, respectively (Q2 2008 - $1,379; YTD 2008 - $1,416). The impact of the change in accounting policy is summarized below:

	Quarter ended June 30, 2008 As reported	Quarter ended June 30, 2008 Restated	Six months ended June 30, 2008 As reported	Six months ended June 30, 2008 Restated
Revenue	33,483	34,862	77,146	78,562
Operating expenses	21,592	22,971	42,941	44,357

3. LONG-TERM INVESTMENTS

Long-term investments consist of the Fund's investments in Leisureworld and Chapais. The changes in these investments during the year were as follows:

	Quarter ended June 30, 2009	Six months ended June 30, 2009	Year ended December 31, 2008
Leisureworld			
Opening balance – as reported	59,145	55,328	67,584
Adjustment due to adoption of new standards (note 2)	-	88	-
Opening balance - restated	59,145	55,416	67,584
Equity accounted income (loss)	375	(151)	(62)
Equity share of other comprehensive gain (loss)	137	184	(1,989)
Investment in Leisureworld	-	6,750	-
Transaction costs paid	-	46	-
Equity share of future income taxes	-	-	145
Distributions received	(2,587)	(5,175)	(10,350)
Ending balance	57,070	57,070	55,328
Chapais			
Opening balance	-	-	(156)
Equity accounted income	-	-	156
Ending balance	-	-	-
Total	57,070	57,070	55,328

4. LONG-TERM DEBT

Long-term Debt

	Interest Rate	Maturity	June 30, 2009	December 31, 2008
Credit facility (i)	2.90% - 3.03%	June 29, 2012	85,000	-
CPOT credit facility (i)	1.46% - 1.63%	June 26, 2010	-	75,000
Cardinal credit facility (i)	1.22 - 1.38%	May 16, 2011	-	35,000
Erie Shores project debt				
Tranche A	5.96%	April 1, 2026	65,767	66,873
Tranche B	5.28%	April 1, 2016	5,905	6,249
Tranche C	5.05%	April 1, 2011	40,000	40,000
			111,672	113,122
			196,672	223,122
Less: Deferred financing fees			(3,332)	(441)
Total debt			193,340	222,681
Less: Current portion of long-term debt			(3,028)	(2,942)
Total long-term debt			190,312	219,739

(i) During the quarter, the Fund refinanced two of its credit facilities under CPOT and Cardinal into a combined facility in the amount of $182,500, consisting of: (a) a $141,875 term facility ("Term"); and (b) a $40,625 revolving facility ("Revolver"), of which $85,000 has been advanced on the Term and $nil had been advanced on the Revolver as at June 30, 2009. As a result of the refinancing, the Fund capitalized $3,450 of loan origination, legal and advisory fees and expensed $351 of deferred financing fees in connection with the previous CPOT facility. Advances under the new credit facility are made in the form of a series of Bankers' Acceptances ("BA"). Interest paid is based on the then current BA rate plus an applicable margin ("stamping fee") based on the ratio of consolidated total debt to consolidated earnings before interest, taxes, depreciation and amortization and unrealized gains and losses ("EBITDA"). Collateral for the facility is provided by first ranking security interest covering the assets of CPOT, Cardinal and certain direct subsidiaries, collectively the "restricted group". The restricted group is subject to certain non-financial and financial covenants including limits on the consolidated total debt/consolidated EBITDA ratio and interest coverage ratio.

As at June 30, 2009, the Fund has interest rate swap contracts on a notional amount of $85,000 to mitigate its interest rate risk on the Fund's credit facility until maturity. Under each agreement, the Fund will pay a fixed rate in return for a floating rate equal to the then current three-month BA rate.

Based on the terms of the swap agreements presented below, the current effective interest rate on $85,000 of the Fund's floating rate debt are as follows:

Swap maturity	Swap notional amount	Swap fixed rate	Stamping fee	Effective interest rate
May 16, 2011	11,700	3.39%	2.50%	5.89%
May 16, 2011	11,600	3.39%	2.50%	5.89%
May 16, 2011	11,700	3.41%	2.50%	5.91%
June 26, 2010	10,000	3.04%	2.50%	5.54%
June 28, 2010	40,000	3.07%	2.50%	5.57%

The following table summarizes total principal payments required under each of the Fund's facilities in the next five years and thereafter:

Year of Repayment	Credit Facility	Erie Shores Project Debt	Total
2009	-	1,492	1,492
2010	-	3,117	3,117
2011	-	43,302	43,302
2012	85,000	3,497	88,497
2013	-	3,705	3,705
Thereafter	-	56,559	56,559
	85,000	111,672	196,672

5. LIABILITY FOR ASSET RETIREMENT

The Fund recognizes a liability for the future retirement obligations associated with its Cardinal, Erie Shores and Hydro facilities. The carrying value of these obligations is based on probability weighted scenarios and estimated cash flows ranging from $nil to $3,542 required to settle these obligations in present day costs. The timing of expected settlement dates range from 2014 to 2042. Inflation rates assumed to estimate the cash flows in the future range from 1.7% to 2.0%. A credit-adjusted risk-free rate ranging from 5.5% to 5.9% is used to discount the future cost of these liabilities.

An assessment of the expected costs associated with these liabilities is performed annually in the second quarter of each year. As a result of the annual assessment performed in the quarter, an adjustment of $1,188 was recorded to increase the asset retirement obligation liability to its new estimate of $3,086 (December 31, 2008 - $1,848). Accretion of $25 and $50 has been taken in the quarter and six months ended June 30, 2009 (Q2 2008 - $24; YTD 2008 - $47) in the unaudited interim consolidated statement of operations and will continue until the date of expected settlement of the retirement obligations.

6. UNITS ISSUED BY THE FUND

During the quarter and six months ended June 30, 2009, 5,857 and 6,657 units (Q2 2008 – 279 units, YTD 2008 – 3,585 units), respectively, were redeemed for a total cost of $32 and $35, respectively (Q2 2008 – $2, YTD 2008 - $27). In total, 46,665,537 units remain outstanding as at June 30, 2009 (December 31, 2008 – 46,672,194 units). In addition, LTC Holdings LP had 3,249,390 Class B exchangeable units outstanding as at June 30, 2009 (December 31, 2008 – 3,249,390 units). Each exchangeable unit is exchangeable into one unit of the Fund. The Class B exchangeable units are eligible to receive distributions under the same terms and conditions as units of the Fund.

7. SEGMENTED INFORMATION

The Fund's presentation of reportable segments is based on how management has organized the business in making operating and capital allocation decisions and assessing performance. The performance of these segments is evaluated by the Manager primarily on revenue, net income and operating cash flows.

The Fund operates in one geographic segment, Canada, and has two reportable segments:

(i) Power infrastructure, which consists of the Fund's investments in gas cogeneration, wind, hydro and biomass assets; and

(ii) Social infrastructure, which consists of the Fund's 45% indirect ownership of Leisureworld.

	Quarter ended June 30, 2009 (Restated – note 11)				Quarter ended June 30, 2008			
	Power	Social	Fund	Total	Power	Social	Fund	Total
Revenue	32,603	-	-	32,603	34,862	-	-	34,862
Net income (loss)	(2,460)	185	523	(1,752)	3,227	(10)	(2,391)	826
Total assets	626,441	57,072	473	683,986	738,312	62,567	9,041	809,920
Additions to capital assets	924	-	-	924	317	-	12	329
Depreciation and amortization of capital assets	5,297	-	5	5,302	5,352	-	7	5,359
Goodwill	-	-	-	-	43,279	-	-	43,279
Net interest expense	3,014	-	665	3,679	2,656	-	658	3,314
Future income tax expense (recovery)	(168)	-	(1,417)	(1,585)	32	-	1,010	1,042
Current income tax expense	19	-	6	25	3	-	5	8

	Six months ended June 30, 2009 (Restated – note 11)				Six months ended June 30, 2008			
	Power	Social	Fund	Total	Power	Social	Fund	Total
Revenue	72,858	-	-	72,858	78,562	-	-	78,562
Net income (loss)	5,995	(521)	(5,129)	345	18,065	(469)	(11,381)	6,215
Total assets	626,441	57,072	473	683,986	738,312	62,567	9,041	809,920
Additions to capital assets	1,135	-	-	1,135	649	-	49	698
Depreciation and amortization of capital assets	10,529	-	10	10,539	10,501	-	13	10,514
Goodwill	-	-	-	-	43,279	-	-	43,279
Net interest expense	5,639	-	1,307	6,946	5,356	-	1,313	6,669
Future income tax expense (recovery)	(225)	-	1,707	1,482	299	-	7,271	7,570
Current income tax expense (recovery)	19	-	6	25	(15)	-	5	(10)

8. RELATED PARTY TRANSACTIONS

MPML provides management services to Cardinal, LTC Holding LP, the Fund, the Trust and CPOT under management agreements that expire on April 30, 2024. MPML provides the Fund and the Trust with certain administrative and support services. Annual management and administrative fees charged are escalated annually by the consumer price index ("CPI").

MPML also earns an annual incentive fee equal to 25% of the amount by which the distributable cash per unit in a calendar year exceeds $0.95, multiplied by the weighted average number of units of the Fund outstanding for the relevant fiscal year or part thereof.

MPML is entitled to be reimbursed for all reasonable costs and expenses incurred in carrying out such services as approved by the independent trustees.

The following table summarizes total amounts recorded with respect to services provided by MPML:

	Quarter ended June 30, 2009	Quarter ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
Management fees	445	440	885	875
Administrative fees	27	27	54	54
Incentive fees	(543)	(223)	490	1,320
Cost reimbursement [(i)]	681	815	1,410	1,631

[(i)] $133 of cost reimbursement for the quarter ended June 30, 2009 was capitalized in deferred charges and deferred financing fees. The Manager receives reimbursement for cost of services provided to the Fund in relation to, but not limited to, administration, regulatory, finance, rent and information technology.

Included in accounts payable and accrued liabilities on the consolidated statement of financial position was $1,209 (December 31, 2008 – $2,449) of amounts payable to MPML as of June 30, 2009.

During the quarter, the Fund paid advisory fees in the amount of $913 to an affiliate of Macquarie Group Limited in connection with the refinancing of the CPOT and Cardinal credit facilities. These costs have been capitalized as deferred financing fees and netted against long-term debt in the unaudited interim consolidated statement of financial position.

The Fund has gas swap agreements with an affiliate of MGL to hedge against fluctuations in the price of excess gas sold under the gas mitigation clause of Cardinal's gas purchase contract for the seven-month period from April to October for each of the years from 2009 to 2011. The gas swap contracts require Cardinal to make payments to an affiliate of MGL based on 436,814 MMBtu of gas at the then market rate of natural gas in exchange for receiving payments based on 436,814 MMBtu of gas at a fixed price per MMBtu. These transactions were carried out under normal arm's length commercial terms.

All related party transactions have been measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

9. COMMITMENTS AND CONTINGENCIES

Effective January 5, 2009, Whitecourt Power Limited Partnership ("WPLP"), an indirect, wholly-owned subsidiary of the Fund and the owner of the Whitecourt biomass facility, terminated its operations and maintenance agreement with Probyn Whitecourt Management Inc. for the facility. Services previously provided under the agreement have been assumed by the facility's internal staff.

10. CAPITAL DISCLOSURE

The Fund defines its capital as its long-term debt, convertible debentures, levelization amounts, Unitholders' equity, short-term investments and cash and cash equivalents.

The Fund's objectives when managing capital are to: (i) maintain a capital structure that provides financing options to the Fund when a financing or a refinancing need arises to ensure access to capital, on commercially reasonable terms, without exceeding its debt capacity; (ii) maintain financial flexibility in order to preserve its ability to meet financial obligations, including debt servicing payments and distribution payments; and (iii) to deploy capital to provide an appropriate investment return to its Unitholders.

The Fund's financial strategy is designed to maintain a flexible capital structure consistent with the objectives stated above and to respond to changes in economic conditions. In order to maintain or adjust its capital structure, the Fund may issue additional units, issue additional debt, issue debt to replace existing debt with similar or different characteristics, and adjust the amount of distributions paid to Unitholders. The Fund's financing and refinancing decisions are made on a specific transaction basis and depend on such things as the Fund's needs and economic conditions at the time of the transaction.

The Board of Trustees of the Fund reviews the level of distributions paid to Unitholders on a quarterly basis. As at June 30, 2009, the Fund is in compliance with all financial and non-financial covenants on its credit facility. Collateral for the facility is provided by a first ranking hypothec covering the assets of CPOT, Cardinal and certain direct subsidiaries, collectively the "restricted group". As at June 30, 2009, the carrying value of the assets of the restricted group exceed total amounts drawn on the facility. The Erie Shores project debt is secured only by the assets of Erie Shores, with no recourse to the Fund's other assets. As at June 30, 2009, the carrying value of the assets of Erie Shores exceeds the total amount of project debt. Under the agreement, Erie Shores is subject to certain financial and non-financial covenants including a debt service coverage ratio defined as operating income to debt service. As at June 30, 2009, the debt service coverage ratio was no longer at a level that would require funding of a debt service reserve account and therefore the $2,304 that was previously reserved for has been released from restricted cash on the consolidated statement of financial position.

There were no changes in the Fund's approach to capital management during the quarter.

11. RESTATEMENT OF JUNE 30, 2009 INTERIM RESULTS

The consolidated financial statements of the Fund for the quarter and six months ended June 30, 2009 have been restated to provide for an adjustment in the Fund's embedded derivative asset and the related future income tax impact. This restatement results from certain corrections that have been made to the option pricing model that is used to calculate the fair value of the Fund's embedded derivative asset. In January 2009, the Fund amended Cardinal's gas purchase agreement with Husky, which allows for a more favourable profit sharing arrangement on net proceeds from the mitigation of excess gas. The Fund's previous option pricing model did not properly capture the impact of these changes in the first quarter of 2009. Management has determined that the revised model more accurately calculates the fair value of the Fund's embedded derivative asset and a restatement of the interim consolidated financial statements is appropriate.

The following tables summarize the impact of the adjustments to the consolidated financial statements for the respective periods:

Consolidated statement of financial position category	As of June 30, 2009 Debit (Credit)
Embedded derivative asset	(5,899)
Future income tax liability	1,225
Unitholders' equity	4,674

Consolidated statement of unitholders' equity category	Quarter ended June 30, 2009 Debit (Credit)	Six months ended June 30, 2009 Debit (Credit)
Total comprehensive income (loss)	(180)	4,674

Consolidated statement of operations category	Quarter ended June 30, 2009 Debit (Credit)	Six months ended June 30, 2009 Debit (Credit)
Unrealized gain (loss) on embedded derivative instruments	(88)	5,899
Future income tax recovery (expense)	(92)	(1,225)
Net income (loss)	(180)	4,674

These adjustments also decrease the Fund's basic and diluted net loss per unit from $0.039 to $0.035 for the quarter; and for the year to date, from a basic and diluted net income per unit of $0.101 to a net income per unit of $0.007. These adjustments had no impact on the Fund's previously reported cash flows from operating, investing and financing activities.

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 27, 2009.

INVESTOR INFORMATION

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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.

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