

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 20-F/A

(Mark One)

- REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**
- OR**
- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
- For the fiscal year ended December 31, 2008**
- OR**
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
- OR**
- SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 001-33632

Brookfield Infrastructure Partners L.P.

(Exact name of registrant as specified in its charter)

Bermuda

(State or Other Jurisdiction of Incorporation or Organization)

Canon's Court

22 Victoria Street,

Hamilton, HM 12, Bermuda

(Address of Registrant's Principal Executive Offices)

Securities Registered pursuant to Section 12(b) of the Act:

**7 Reid Street, 4th Floor
Hamilton, HM 11, Bermuda
+1 441 296-4480**

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Title of Class

Name of each exchange on which registered

Limited Partnership Units

New York Stock Exchange; Toronto Stock Exchange

Securities registered or to be registered pursuant to Section 12(b) of the Act:

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

22,486,269 Limited Partnership Units as of April 24, 2009

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board
Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Explanatory Note

This Amendment No. 1 on Form 20-F/A (the "Form 20-F/A") is being filed by Brookfield Infrastructure Partners L.P. (the "Registrant") to amend the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 2008, filed with the Securities and Exchange Commission on April 30, 2009 (the "Form 20-F"). This Form 20-F/A is being filed solely for the purpose of correcting omissions on page F-63 of the Form 20-F in the report (the "Report") of Deloitte & Touche LLP ("Deloitte"), Independent Registered Chartered Accountants, to the partners of Island Timberlands Limited Partnership ("Island Timberlands"), related to the dates of the consolidated financial statements of Island Timberlands for which Deloitte audited and rendered their opinion. The Report provided was in respect of the consolidated balance sheet as at December 31, 2008, and the consolidated statements of operations, comprehensive income and accumulated other comprehensive income, partners' equity and cash flows for the year ended December 31, 2008. This Report has been amended to cover the consolidated financial statements for 2007 as well. In addition, the Report referred to the fact that the audit was conducted in accordance with Canadian generally accepted auditing standards and this has also been amended to refer to the Public Company Accounting Oversight Board (the "PCAOB") auditing standards.

This Form 20-F/A consists solely of a cover page, this explanatory note, an amended Report containing the correct dates and reference to the PCAOB auditing standards as described above, the consolidated financial statements of Island Timberlands, and a signature page.

Except as described above, this Form 20-F/A does not amend, update or restate the information in any other item of the Form 20-F, or reflect any events that have occurred after the original filing of the Form 20-F.

ISLAND TIMBERLANDS LIMITED PARTNERSHIP

December 31, 2008

REPORT OF INDEPENDENT REGISTERED CHARTERED ACCOUNTANTS

To the Partners of
Island Timberlands Limited Partnership

We have audited the accompanying consolidated balance sheets of Island Timberlands Limited Partnership (the "Partnership") as of December 31, 2008 and 2007, and the related consolidated statements of operations, comprehensive income and accumulated other comprehensive income, partners' equity and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the Partnership's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Partnership as of December 31, 2008 and 2007, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in Canada.

/s/ Deloitte & Touche LLP

Independent Registered Chartered Accountants
Vancouver, Canada
January 27, 2009

ISLAND TIMBERLANDS LIMITED PARTNERSHIP
CONSOLIDATED STATEMENT OF OPERATIONS

| <u>US\$thousands</u> | <u>Year ended December 31</u> | |
|---|-------------------------------|------------------|
| | <u>2008</u> | <u>2007</u> |
| Sales | \$184,266 | \$212,775 |
| Operating costs and expenses | | |
| Manufacturing and production costs | 128,290 | 139,576 |
| Depreciation, depletion and amortization | 18,437 | 20,263 |
| Selling, general and administrative | 8,944 | 9,001 |
| | <u>155,671</u> | <u>168,840</u> |
| Operating income | <u>28,595</u> | <u>43,935</u> |
| Other expenses (income) | | |
| Interest expense | 26,979 | 26,451 |
| Other expenses (income) (Note 11) | 1,108 | (3,859) |
| Gain on sale of assets (Note 6) | (5,631) | (7,432) |
| Return of investment (Note 1) | (223) | — |
| Management fee—performance bonus (Note 4) | (35,923) | 8,298 |
| | <u>(13,690)</u> | <u>23,458</u> |
| Net income for the year | <u>42,285</u> | <u>20,477</u> |
| Allocated as follows: | | |
| Limited Partners interests | 42,285 | 20,477 |
| General Partner interest | — | — |
| | <u>\$ 42,285</u> | <u>\$ 20,477</u> |

The accompanying notes are an integral part of these financial statements.

ISLAND TIMBERLANDS LIMITED PARTNERSHIP
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND
ACCUMULATED OTHER COMPREHENSIVE INCOME

| <u>US\$thousands</u> | <u>Year ended December 31</u> | |
|---|-------------------------------|------------------|
| | <u>2008</u> | <u>2007</u> |
| Net income | \$ 42,285 | \$ 20,477 |
| Other comprehensive (loss) income | | |
| Amortization of gain on fair values of derivatives designated as cash flow hedges | (77) | (107) |
| Effect of foreign currency translation of foreign operation | (30) | 15 |
| Other comprehensive loss | (107) | (92) |
| Comprehensive income | <u>\$ 42,178</u> | <u>\$ 20,385</u> |
| Accumulated other comprehensive income, beginning of year | 5,376 | 5,468 |
| Other comprehensive loss | (107) | (92) |
| Accumulated other comprehensive income, end of year | <u>\$ 5,269</u> | <u>\$ 5,376</u> |

The accompanying notes are an integral part of these financial statements.

ISLAND TIMBERLANDS LIMITED PARTNERSHIP
CONSOLIDATED STATEMENT OF PARTNERS' EQUITY

| <u>US\$thousands</u> | <u>Limited Partners</u> | <u>General Partner</u> | <u>Total</u> | |
|--|-----------------------------|----------------------------|-------------------------|-------------------------|
| | | | <u>2008</u> | <u>2007</u> |
| Partners' equity, beginning of year | <u>\$433,388</u> | <u>\$ 6</u> | <u>\$433,394</u> | <u>\$452,128</u> |
| Contributions | — | — | — | — |
| Net income | 42,285 | — | 42,285 | 20,477 |
| Transitional adjustment | — | — | — | (23) |
| Equity Distribution (Note 1) | (223) | — | (223) | — |
| Distributions | <u>(5,000)</u> | <u>—</u> | <u>(5,000)</u> | <u>(39,188)</u> |
| | <u>470,450</u> | <u>6</u> | <u>470,456</u> | <u>433,394</u> |
| Accumulated other comprehensive income | <u>5,269</u> | <u>—</u> | <u>5,269</u> | <u>5,376</u> |
| Partners' equity, end of year | <u>\$475,719</u> | <u>\$ 6</u> | <u>\$475,725</u> | <u>\$438,770</u> |

The accompanying notes are an integral part of these financial statements.

ISLAND TIMBERLANDS LIMITED PARTNERSHIP
CONSOLIDATED BALANCE SHEET

| <u>US\$thousands</u> | <u>As at December 31</u> | |
|---|--------------------------|------------------|
| | <u>2008</u> | <u>2007</u> |
| Assets | | |
| Current assets | | |
| Cash | \$ 6,998 | \$ 14,464 |
| Accounts receivable | 2,077 | 2,260 |
| Inventories (Note 5) | 26,984 | 28,882 |
| Prepaid expenses | 750 | 1,024 |
| | <u>36,809</u> | <u>46,630</u> |
| Property, plant and equipment (Note 6) | 106,797 | 107,781 |
| Timberlands and logging roads (Note 7) | 754,099 | 765,783 |
| Long-term receivable (Note 4) | 7,705 | — |
| | <u>\$905,410</u> | <u>\$920,194</u> |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | \$ 16,718 | \$ 22,796 |
| Performance bonus—interest payable | 1,073 | 1,283 |
| Management fee—performance bonus (Note 4) | — | 14,476 |
| | <u>17,791</u> | <u>38,555</u> |
| Management fee—performance bonus payable (Note 4) | — | 28,172 |
| Other liabilities (Note 8) | 4,020 | 7,142 |
| | <u>21,811</u> | <u>73,869</u> |
| Long-term debt (Note 9) | 410,000 | 410,000 |
| Less: Deferred debt issue costs | (2,126) | (2,445) |
| | <u>407,874</u> | <u>407,555</u> |
| | <u>429,685</u> | <u>481,424</u> |
| Partners' equity (Note 10) | <u>475,725</u> | <u>438,770</u> |
| | <u>\$905,410</u> | <u>\$920,194</u> |

Contingencies (Note 14)

Commitments (Note 16)

Approved on behalf of the Island Timberlands General Partner



Darshan Sihota

The accompanying notes are an integral part of these financial statements.

ISLAND TIMBERLANDS LIMITED PARTNERSHIP
CONSOLIDATED STATEMENT OF CASH FLOWS

| <u>US\$thousands</u> | <u>Year ended December 31</u> | |
|---|-------------------------------|------------------|
| | <u>2008</u> | <u>2007</u> |
| Operating activities | | |
| Net income for the year | \$ 42,285 | \$ 20,477 |
| Items not involving cash | | |
| Depreciation, depletion and amortization | 18,437 | 20,263 |
| Amortization of deferred debt issue costs | 319 | 346 |
| Return of investment <i>(Note 1)</i> | (223) | — |
| Gain on sale of assets | (5,631) | (7,432) |
| Change in non-cash operating items | | |
| Accounts receivable | 183 | 487 |
| Inventories | 1,898 | (5,821) |
| Prepaid expenses | 274 | (84) |
| Accounts payable and accrued liabilities and performance bonus—interest payable | (6,288) | 3,794 |
| Management fee—performance bonus payable | (50,353) | 2,648 |
| Other liabilities | (3,229) | 355 |
| | <u>(2,328)</u> | <u>35,033</u> |
| Investing activities | | |
| Acquisition of timberland assets purchase price adjustment | — | 5,188 |
| Additions to property, plant and equipment, and timberlands and logging roads | (7,702) | (8,769) |
| Proceeds from sale of property and equipment | 7,564 | 14,529 |
| | <u>(138)</u> | <u>10,948</u> |
| Financing activity | | |
| Distributions to limited partners | (5,000) | (39,188) |
| (Decrease) increase in cash | (7,466) | 6,793 |
| Cash, beginning of year | 14,464 | 7,671 |
| Cash, end of year | <u>\$ 6,998</u> | <u>\$ 14,464</u> |
| Supplemental cash flow information: | | |
| Interest paid | \$ 26,869 | \$ 24,858 |

The accompanying notes are an integral part of these financial statements.

ISLAND TIMBERLANDS LIMITED PARTNERSHIP

US\$ THOUSANDS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2008

1. Primary business activity

Island Timberlands Limited Partnership ("Island" or the "Partnership") was formed pursuant to the limited partnership agreement made as of March 23, 2005 and as amended and restated as of May 27, 2005 for the purpose of carrying on the business of investment in, and management, operation, and disposition of timberlands in British Columbia, Canada and such other locales as may be approved in accordance with this Agreement.

Island's assets consist primarily of timberlands, land, logging roads and equipment, and a 50% interest in Strathcona Helicopters Ltd. ("Strathcona"). All of the transferred assets are located in the coastal region of British Columbia, Canada. The Partnership's principal business is growing and harvesting timber, and selling logs to worldwide markets. Island's secondary business interest is real estate development and sales.

Island's interest in Strathcona is expected to be fully dissolved in 2009 as a result of the winding up of this company which began in 2008. The decision by the Strathcona board was the result of Island and Western Forest Products Ltd. ("Western") being able to access equivalent services more cost effectively elsewhere in the marketplace. Strathcona paid out a dividend of \$987 to its investors during 2008, which resulted in a net return of equity in the amount of \$223.

2. Significant accounting policies

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") which in these circumstances conform, in all material respects, with United States generally accepted accounting principles ("US GAAP"), except as described in Note 18.

(a) Basis of presentation

The consolidated financial statements include the accounts of the Partnership and its interest in Strathcona through use of the proportionate consolidation method until the winding up of Strathcona is completed. Management expects that the wind-up will be completed in 2009. Intercompany transactions and balances have been eliminated.

The functional currency of Island is the U.S. dollar.

All currency amounts in these consolidated financial statements are in United States dollars ("U.S. dollars") unless otherwise stated.

(b) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the period-end exchange rates. Non-monetary assets and liabilities are translated at exchange rates in effect when the assets are acquired or liabilities are incurred. Revenue and expense items denominated in foreign currencies are translated at average rates of exchange prevailing during the period. Exchange gains and losses arising from translation are included in operations.

(c) Measurement uncertainties

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and

liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. On an ongoing basis management reviews its estimates based on currently available information. Actual results could differ from those estimates. Significant estimates used in the preparation of these consolidated financial statements include, among other things, but not limited to, the recoverability of accounts receivable, the estimated net realizable value of inventories, the expected economic lives of and the estimated future operating results and net cash flows from the timberlands and property, plant and equipment, the anticipated costs and timing of asset retirement obligations, and the valuation calculations which form the basis of Management Fee—Performance Bonus obligations (Note 4) to Brookfield Timberlands Management (“BTM”).

Asset retirement obligations are recognized in the period in which they arise and are stated as the fair value of estimated future costs. These estimates require extensive judgement about the nature, cost and timing of the work to be completed, and may change with future changes to costs, environmental laws and regulations and remediation practices.

(d) *Accounts receivable*

Accounts receivable are stated net of an allowance for doubtful accounts.

(e) *Inventories*

Logs and boomsticks are valued at the lower of average cost and net realizable value in accordance with the Canadian Institute of Chartered Accountants (“CICA”) Handbook, Section 3031. See Note 3(a). Materials and supplies are valued at the lower of average cost and replacement cost.

Island continues to value log inventories at the lower of cost and net realizable value which is based on pooling logs as an aggregate product. The cost basis for produced logs is a weighted twelve month rolling average, one month in arrears, and adjusted as required for extraordinary events such as a market closure. Purchased logs are valued on a vendor specific basis at the lower of acquired cost and the net realizable value.

(f) *Property, plant and equipment*

Property, plant and equipment are carried at cost less accumulated depreciation. Plant and equipment are depreciated on a straight-line basis at rates that reflect the economic lives of the assets based on the following annual rates:

| | |
|---------------------|-----------|
| Buildings | 3% – 5% |
| Plant and equipment | 10% – 20% |

Property, plant and equipment includes land that has been designated as having a higher value to non-timberland owners (“HBU land”). HBU land is not depreciated. Betterments to HBU land are capitalized and included as part of the special project or parcel of land until it is sold.

The Partnership reviews for the impairment of property, plant, and equipment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable from the expected undiscounted future cash flows from its use and eventual disposition. The amount of any impairment loss is determined as the excess of the carrying value of the asset over its fair value.

(g) *Timberlands and logging roads*

Timberlands and logging roads are carried at cost less accumulated depletion and amortization. Site preparation and planting costs are capitalized as reforestation. Reforestation is transferred to a merchantable timber classification after 30 years.

Depletion of the timberlands is based on the volume of timber estimated to be available over the harvest cycle.

Amortization of logging roads occurs as timber is harvested and is based upon rates determined with reference to the volume of the timber estimated to be removed using these roads.

Timberlands and logging roads are tested for impairment in value whenever events or changes in circumstances indicate their carrying value may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate. The amount of any impairment loss is determined as the excess of the carrying value of the asset over its fair value.

(h) Asset retirement obligations

Obligations associated with the retirement of tangible long-lived assets are recorded as liabilities when those obligations are incurred, with the amount of the liabilities initially measured at fair value. These obligations are capitalized to the book value of the related long-lived assets and are depreciated over the useful life of the asset. The obligation is accreted over time to the estimated amount ultimately payable, through charges to operations.

(i) Deferred debt issue costs

Debt issue costs related to long-term debt are deferred and amortized over the respective terms of the debt to maturity.

(j) Revenue recognition

Revenue is derived primarily from the sale of logs and related products. The Partnership recognizes sales to external customers when significant risks and rewards of ownership are transferred, which is generally when the product is shipped and title passes, and collectibility is reasonably assured.

(k) Shipping and handling costs

Island classifies shipping and handling costs in cost of products sold in the consolidated statement of operations.

(l) Income taxes

The partners are individually liable for any taxes related to their respective shares of the Partnership's taxable income. Accordingly, no provision for income taxes is required, except for the Partnership's share of the provision for income taxes of Strathcona.

(m) Future accounting changes

Convergence with International Financial Reporting Standards

In 2006, Canada's Accounting Standards Board ratified a strategic plan that will result in Canadian GAAP, as used by public companies, being converged with International Financial Reporting Standards ("IFRS") over a transitional period currently expected to be complete by 2011. As the International Accounting Standards Board has projects underway that should result in new pronouncements and since this Canadian convergence initiative is very much in its infancy as of the date of these consolidated financial statements, the Partnership is continuing to assess the impact of the ultimate adoption of IFRS on the Partnership.

Capital disclosures, Section 1535

CICA Handbook Section 1535, Capital Disclosures, requires additional disclosures with respect to the Partnership's management of capital. Adoption of the CICA recommendations had no impact on the Partnership's financial statements. The Partnership is expected to adopt this new standard effective January 1, 2009.

3. Changes in accounting policies

(a) Inventories, Section 3031

Effective January 1, 2008, the Partnership adopted, on a prospective basis, the recommendations of the CICA Handbook Section 3031, Inventories. This section provides an expanded definition of cost and requires that inventory be measured at the lower of cost and net realizable value. Additionally, there are increased guidelines on the grouping of inventories along with disclosure requirements regarding accounting policies, carrying values, and the treatment of any inventory write downs.

Under the new standard, logs from harvesting operations are valued at the lower of 12 month moving average cost and net realizable value on a product basis. Since the costs of each product are not separately identifiable, they are allocated between the products based on the relative sales value of each product. Purchased logs are measured at the lower of actual cost and net realizable value. Boomsticks are valued at net realizable value to reflect degradation that occurs from use.

The adoption of this standard did not have a significant impact on the financial statements of the Partnership.

(b) Financial Instruments, Section 3862 and 3863

As new financial instruments standards will be included in the proposed GAAP standards for private enterprises currently under development by the CICA, it has been decided by the CICA that private enterprises will not be required to apply the CICA Handbook Sections 3862 and 3863 which would have otherwise applied to the financial statements of the Partnership for the year ended December 31, 2008. The Partnership has elected to use this exemption but will continue to apply the requirements of CICA Sections 1530, 3855 and 3865.

(c) Assessing Going Concern, Section 1400

In June 2007, Section 1400 of the CICA Handbook was amended to require management to assess and disclose an entity's ability to continue as a going concern. This section applies for interim and annual periods beginning on or after January 1, 2008. Island adopted this Section on January 1, 2008.

The North American forest products industry is currently experiencing a very challenging economic environment. Demand for most products has weakened substantially, especially in domestic and US markets. Island has forecasted financial results and cash flows for 2009 using the Partnership's best estimates of market and operating conditions. These forecasts indicate that the Partnership will be able to maintain current liquidity. The Partnership expects to continue to meet all of its debt covenants and remains well positioned for a market turnaround. The Partnership sees no immediate impediments to its ability to continue as a viable going concern.

4. Management fee—performance bonus

Pursuant to the terms of the Management Agreement (the "Agreement") between Island and BTM, management fees are payable to BTM as compensation for the services provided by BTM on behalf of Island. These fees are comprised of a base management fee which is payable quarterly, and a performance fee which becomes payable annually upon the achievement of specified performance thresholds.

The performance bonus is calculated annually based on cash distributed by the business combined with independent valuation reports. The final calculation of the annual amount owing with respect to the performance fee is subject to a clawback calculation for every five year period starting in 2011 and every fifth year thereafter. In accordance with the terms of this clawback clause, if Island has paid BTM annual performance fees which are in excess of the amount that would have been paid if the performance fee had been calculated for each five year period, rather than annually, the excess amount will be repaid by BTM to Island.

In May 2007, the 2006 performance fee payable to BTM was finalized at \$39.5 million. This fee is payable in installments over a 7 year-period, bearing interest at a rate of 6.02%. The performance fee payment in the year ended December 31, 2008 for the second instalment of the 2006 performance fee was \$5.7 million (2007—\$5.7 million for the first instalment of the 2006 performance fee) along with a performance fee interest payment of \$2.0 million during the year.

During 2007 an additional performance fee payable was calculated. It was finalized and fully paid during 2008 in the amount of \$8.8 million.

During the year ended December 31, 2008, as a result of a change in management's estimates in the fee payable based on cash distributions and independent business valuations a total of \$35.9 million was recorded as an accrued clawback. The clawback provision has resulted in an estimated long-term receivable of \$7.7 million at December 31, 2008. The final clawback will be calculated as at December 31, 2010 and will be payable in 2011.

The obligation is considered subordinate to the Senior Bonds, and accordingly has not been included in calculating compliance with the covenants of the Trust Indenture. As long as the Partnership remains in compliance with the covenants stated in the Trust Indenture, payments may be made on the management fee payable.

5. Inventories

| <u>US\$thousands</u> | <u>2008</u> | <u>2007</u> |
|------------------------|------------------------|------------------------|
| Logs and boomsticks | \$25,642 | \$26,842 |
| Materials and supplies | 1,342 | 2,040 |
| | <u>\$26,984</u> | <u>\$28,882</u> |

6. Property, plant and equipment

| <u>US\$thousands</u> | <u>Cost</u> | <u>Accumulated depreciation</u> | <u>Net book value</u> | |
|----------------------|-------------------------|---------------------------------|-------------------------|-------------------------|
| | | | <u>2008</u> | <u>2007</u> |
| HBU and other land | \$103,852 | \$ — | \$103,852 | \$104,410 |
| Buildings | 1,176 | 465 | 711 | 873 |
| Plant and equipment | 4,599 | 2,365 | 2,234 | 2,498 |
| | <u>\$109,627</u> | <u>\$ 2,830</u> | <u>\$106,797</u> | <u>\$107,781</u> |

In the year ended December 31, 2008, Island sold HBU and other land for net proceeds of \$5,983 (2007—\$14,446), realizing a gain on sale of \$4,112 (2007—\$7,349). Island also sold buildings and equipment for net proceeds of \$1,581 (2007—\$83) and realized a gain on sale of \$1,519 (2007—\$83).

7. Timberlands and logging roads

| <u>US\$thousands</u> | <u>Cost</u> | <u>Accumulated depletion and amortization</u> | <u>Net book value</u> | |
|----------------------|------------------|---|-----------------------|------------------|
| | | | <u>2008</u> | <u>2007</u> |
| Timberlands | \$790,343 | \$ 53,368 | \$736,975 | \$751,645 |
| Reforestation | 14,016 | — | 14,016 | 10,088 |
| Logging roads | 19,621 | 16,513 | 3,108 | 4,050 |
| | <u>\$823,980</u> | <u>\$ 69,881</u> | <u>\$754,099</u> | <u>\$765,783</u> |

8. Other liabilities

| <u>US\$thousands</u> | <u>2008</u> | <u>2007</u> |
|------------------------------|----------------|----------------|
| Restructuring liabilities | \$3,636 | \$6,744 |
| Asset retirement obligations | 384 | 398 |
| | <u>\$4,020</u> | <u>\$7,142</u> |

Pursuant to the timberland acquisition from Weyerhaeuser Company Limited (“WYL”), Island was obligated to reimburse Cascadia Forest Products Ltd. (“Cascadia”) (now Western, a company under common control of one of the limited partners) for certain restructuring and severance costs related to closure activities. That obligation was settled in 2008 with a final payment of \$0.3 million.

At the time of acquisition, Island also assumed responsibility for certain property subdivisions and environmental obligations that could potentially arise pursuant to the subdivision process. In 2008, a revision was made to the estimated future cost resulting in a decrease of \$1.6 million in the provision which has been included in other non-operating income (Note 11).

9. Debt

| <u>US\$thousands</u> | <u>2008</u> | <u>2007</u> |
|--|------------------|------------------|
| U.S. secured bonds repayable on August 30, 2015, interest at 5.58% | \$100,000 | \$100,000 |
| U.S. secured bonds repayable on August 30, 2025, interest at 6.17% | 210,000 | 210,000 |
| U.S. secured bonds repayable on August 30, 2030, interest at 6.27% | 100,000 | 100,000 |
| | <u>\$410,000</u> | <u>\$410,000</u> |

The bonds are payable to Island Timberlands Finance Corp. (“IT Finance”), an entity under common control. The bonds are secured by a fixed and floating charge over the Partnership assets and covenants exist that restrict the Partnership’s ability to create additional encumbrances and incur further debt. A debt service reserve account equal to six months’ interest has been guaranteed by issuing two secured irrevocable letters of credit aggregating \$12,382. The fair value of the long-term debt at December 31, 2008 has been estimated by management at \$417,987 (2007–\$384,893).

During 2008, the Partnership completed a \$10 million increase in the demand secured operating credit facility from \$20 million to \$30 million. There were no borrowings on the facility at December 31, 2008. At December 31, 2008, the Partnership had four letters of credit totaling \$12.5 million outstanding.

10. Partners' equity

| | Number of units authorized and issued | Participation % |
|----------------------------|--|--------------------|
| Limited Partners interests | 53,168,984 | 99.999 |
| General Partner interest | 1 | 0.001 |

11. Other non-operating expenses/(income)

| <u>US\$thousands</u> | <u>2008</u> | <u>2007</u> |
|--|-----------------|------------------|
| Interest income | \$ (298) | \$ (733) |
| Foreign exchange | 2,458 | (2,702) |
| Remediation costs | 208 | — |
| Severance | 287 | (181) |
| Changes in estimated restructuring liabilities | (1,647) | — |
| Other | 100 | (243) |
| | <u>\$ 1,108</u> | <u>\$(3,859)</u> |

12. Related party transactions

In addition to the related party transactions disclosed elsewhere, the Partnership had the following transactions with related parties which have been recorded at the exchange amounts agreed to by the parties:

(a) Island engages in various transactions with Western. Reference to transactions with Western include those with Cascadia, which was effectively purchased by Western in 2006. During the year, each entity purchased and sold logs, as well as boom gear, to each other. These transactions were recorded at the exchange amount determined with reference to current market pricing. As well, certain overhead and administrative fees were charged between Island and Western for services that are provided from one entity to the other. During the year, Island billed \$21,376 (2007—\$16,041) to Western and recognized billings from Western in the amount of \$1,618 (2007—\$8,644).

(b) Pursuant to the WYL asset purchase agreement, the Partnership provided a limited guarantee in favour of WYL of the obligations of Western under the WYL asset purchase agreement (the "Island Guarantee"). Western has agreed to indemnify the Partnership in respect of any liability that it incurs under the Island Guarantee. As security for the indemnity, Western has assumed responsibility for a debenture, originally issued by Cascadia, in the amount of \$100,000 in favour of the Partnership, which charges all of Western's purchased Cascadia real property and grants a security interest over all such present and after-acquired personal property. The debenture places certain restrictions on Western of the type typically found in grants of security of this nature, including restrictions on the ability to make distributions to its shareholders without the consent of the Partnership.

(c) Island engaged BTM for management services pursuant to the Agreement. During the year, Island was billed \$2,392 (2007—\$2,316) for these services. The 2008 billings exclude any performance bonus related charges identified in Note 4.

(d) Under a loan agreement with IT Finance, Island incurred interest payments in the amount of \$24,807 (2007—\$24,807).

(e) Under an agreement with Brookfield, on the sale of Cascadia in 2006, Island received an amount equivalent to the excess of the sale proceeds over \$100,000 plus carrying costs from May 26, 2005. Along with the estimate of \$4,649 recorded at December 31, 2006, an additional excess amount of \$539 was recorded in

2007 as a reduction of the purchase price paid by Island for the acquisition of the timberland assets. The full amount of \$5,188 was received by Island during 2007.

(f) Island holds a 50% interest in Strathcona. During the year, Island utilized Strathcona for helicopter transport services totalling \$239 (2007—\$1,079).

(g) Island engaged a Brookfield affiliate, Carma Developers LP (“Carma”), to assist in advancing various HBU development opportunities. During the year, Island was billed \$845 (2007—\$501) by Carma for their direct services plus the costs of external consultants engaged by Carma on Island’s behalf. All costs were capitalized to HBU and other land.

(h) The following receivable (payable) balances with entities under common control are outstanding at the end of the year:

| <u>US\$thousands</u> | <u>2008</u> | <u>2007</u> |
|----------------------|-------------------|-------------------|
| Western | \$ (15) | \$ 6 |
| Carma | (83) | (27) |
| Brookfield | 6,632 | (43,931) |
| IT Finance | (8,269) | (8,260) |
| Strathcona | — | (256) |
| | <u>\$ (1,735)</u> | <u>\$(52,468)</u> |

13. Employee benefit plans

Island maintains a defined contribution employee pension plan for salaried employees and contributes to an industry plan for hourly employees. Pension expense for the year was \$757 (2007—\$701).

14. Contingencies

Island is subject to legal claims in the ordinary course of its business. Although there can be no assurance as to the disposition of these matters, it is the opinion of Island’s management, based upon the information currently available, that the expected outcome of these matters, individually or in aggregate, will not have a material adverse effect on the results of operations or financial condition of the Partnership.

15. Segment information

Island manages its business as a single operating segment (Note 1). All of the operations and assets are located in British Columbia.

| <u>US\$thousands</u> | <u>2008</u> | <u>2007</u> |
|--------------------------------------|------------------|------------------|
| Sales by location of customer | | |
| Canada | \$ 67,416 | \$ 73,365 |
| United States | 33,587 | 72,152 |
| Asia | 83,263 | 67,258 |
| | <u>184,266</u> | <u>212,775</u> |
| Sales by product line | | |
| Logs | 184,299 | 212,280 |
| Other | (33) | 495 |
| | <u>\$184,266</u> | <u>\$212,775</u> |

16. Commitments

At December 31, 2008, the Partnership was committed to payments under operating leases for equipment and office premises through to 2013. Annual future minimum payments over the term of these commitments are as follows:

| <u>US\$thousands</u> | |
|----------------------|----------------|
| 2009 | \$2,871 |
| 2010 | 1,635 |
| 2011 | 912 |
| 2012 | 482 |
| 2013 | <u>87</u> |
| | <u>\$5,987</u> |

17. Financial instruments

(a) Fair values

The Partnership's financial instruments consists of cash, accounts receivable, accounts payable and long-term debt. The carrying values of accounts receivable and accounts payable approximate their fair values due to the short term to maturity of these instruments. The estimated fair value of the long-term debt is disclosed in Note 9.

(b) Credit risk

Island is exposed to credit risk on accounts receivable, which are primarily from certain customers granted payment terms. To manage its credit risk, Island regularly reviews credit limits and account balances. With most customers, possession, title, and risk pass after receipt of payment which further reduces credit risk.

(c) Foreign exchange risk

The majority of the Partnership's operational costs and expenses are incurred in Canadian dollars. Therefore, an increase in the value of the Canadian dollar relative to the US dollar increases the expense in US dollar terms.

18. Differences between Canadian and United States generally accepted accounting principles

The Partnership's consolidated financial statements have been prepared in accordance with Canadian GAAP, which differs in some respects from US GAAP. There are no material measurement differences that would affect these financial statements had they been prepared in accordance with US GAAP. The following are the significant differences in accounting principles as they pertain to the consolidated financial statements.

(a) Joint ventures

The Partnership accounts for its investments in Strathcona using the proportionate consolidation method. Under US GAAP, this investment would be accounted for using the equity method. This difference does not affect net income (loss).

The following summarizes the Partnership's proportionate interest in Strathcona including intercompany revenue and expenses.

| <u>US\$thousands</u> | <u>2008</u> | <u>2007</u> |
|----------------------------------|--------------|-------------|
| Income (loss) | | |
| Revenues | \$ (33) | \$ 496 |
| Expenses | <u>398</u> | <u>497</u> |
| Net income (loss) | <u>(431)</u> | <u>(1)</u> |
| Cash flows (used in) provided by | | |
| Operating activities | (911) | 22 |
| Investing activities | 1,404 | (22) |
| Financing activities | \$ (493) | \$ — |

(b) *Consolidated cash flows*

Under US GAAP, the consolidated cash flows would not be significantly different from the presentation under Canadian GAAP, except that the interest in Strathcona would be shown as an equity investment and not proportionately consolidated.

(c) *Presentation of consolidated financial statements*

Under US GAAP, certain presentation adjustments would be required. Within the statement of operations, the following items include other expense (income), gain on sale of assets and management fee—performance bonus would be presented as an operating item. These adjustments have no impact on partners' equity or net income.

(d) *Recent accounting pronouncements—US GAAP*

The Fair Value Option for Financial Assets and Financial Liabilities

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159, The Fair Value Option for Financial Assets and Financial Liabilities—Including an amendment of FASB Statement No. 115 ("SFAS 159"). This statement gives entities the option to measure certain financial assets and liabilities at fair value, with changes in fair value recorded in earnings. SFAS 159 is effective for fiscal year beginning January 1, 2008. The adoption of SFAS 159 did not have a material impact on its financial condition or results of operations.

Non-Controlling Interest in Consolidated Financial Statements

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 160, Non-Controlling Interest in Consolidated Financial Statements ("SFAS 160"), a revised standard on accounting for non-controlling interests and transactions with non-controlling interest holders in consolidated financial statements. This statement specifies that non-controlling interests are to be treated as a separate component of equity, not as a liability or other item outside of equity. Because non-controlling interests are an element of equity, increases and decreases in the parent's ownership interest that leave control intact are accounted for as capital transactions rather than as step acquisitions or generating dilution gains or losses. The carrying amount of the non-controlling interests is adjusted to reflect the changes in ownership interests, and any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity attributable to the controlling interests.

This standard requires net income and comprehensive income to be displayed for both the controlling and the non-controlling interests. Additional required disclosures and reconciliations include a separate schedule that shows the effects of any transactions with the non-controlling interests on the equity attributable to the controlling interests.

The Statement is effective for periods beginning on or after January 1, 2009. SFAS 160 will be applied prospectively to all non-controlling interests, including any that arose before the effective date. Island does not expect the adoption of SFAS 160 to materially affect its consolidated financial statements.

SIGNATURES

The Registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Amendment No. 1 to the Annual Report filed on its behalf.

BROOKFIELD INFRASTRUCTURE PARTNERS L.P., by its general partner, BROOKFIELD INFRASTRUCTURE PARTNERS LIMITED

Dated: September 17, 2009

By: /s/ Alex Erskine
Name: Alex Erskine
Title: Director