UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934**

For the date of August 14, 2013

Commission File Number: 001-33632

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

(Exact name of registrant as specified in its charter)

**73 Front Street
Fifth Floor Bermuda
Hamilton HM 12
Bermuda**
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐ No ☒

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82 .

The information contained in Exhibit 99.1 of this Form 6-K is incorporated by reference into the registrant's following registration statements on Form F-3: File No. 333-188410 and 333-167860.

The following document, which is attached as an exhibit hereto, is incorporated by reference herein:

Exhibit	Title
99.1	Brookfield Infrastructure Partners L.P.'s interim report for the quarter ended June 30, 2013.
99.2	Certification of Samuel Pollock, Chief Executive Officer, Brookfield Infrastructure Group Corporation, pursuant to Canadian law
99.3	Certification of John Stinebaugh, Chief Financial Officer, Brookfield Infrastructure Group Corporation, pursuant to Canadian law

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

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

Date: August 14, 2013

By: */s/ Jane Sheere*
Name: Jane Sheere
Title: Secretary

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2013

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Brookfield Infrastructure Partners L.P. (the "partnership" and together with its subsidiary and operating entities "Brookfield Infrastructure") owns and operates high quality, long-life assets that generate stable cash flows, require relatively minimal maintenance capital expenditures and, by virtue of barriers to entry or other characteristics, tend to appreciate in value over time. Our current operations consist of utility, transport, and energy businesses and freehold timberlands in North and South America, Australasia and Europe.

Brookfield Asset Management Inc. ("Brookfield") has an approximate 30% interest in Brookfield Infrastructure. Brookfield Infrastructure has appointed Brookfield as its Manager to provide certain management, administrative and advisory services, for a fee, under the Master Services Agreement.

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

US$ MILLIONS, UNAUDITED	Notes	As of June 30, 2013	As of December 31, 2012
Assets			
Cash and cash equivalents	7	$ 419	$ 263
Accounts receivable and other	7	305	372
Inventory		29	108
Financial assets	7	89	3
Assets classified as held for sale	5	3,689	—
Current assets		4,531	746
Property, plant and equipment	8	6,764	7,970
Intangible assets	9	4,082	4,497
Standing timber	10	—	2,997
Investments in associates	11	1,762	2,179
Investment properties		147	213
Goodwill		46	636
Financial assets (non-current)	7	178	113
Other assets (non-current)		96	225
Deferred income tax assets		138	142
Total assets		$ 17,744	$ 19,718
Liabilities and partnership capital			
Liabilities			
Accounts payable and other	7	526	582
Non-recourse borrowings	12	140	663
Financial liabilities	7	12	46
Liabilities directly associated with assets classified as held for sale	5	1,847	—
Current liabilities		2,525	1,291
Corporate borrowings	7	375	946
Non-recourse borrowings (non-current)	12	5,337	6,330
Financial liabilities (non-current)	7	515	839
Other liabilities (non-current)		497	520
Deferred income tax liabilities		1,093	1,964
Preferred shares	7	20	20
Total liabilities		10,362	11,910
Partnership capital			
Limited partners	15	3,656	3,632
General partner	15	25	27
Non-controlling interest – Redeemable Partnership units held by Brookfield	15	1,374	1,365
Non-controlling interest – in operating subsidiaries		2,327	2,784
Total partnership capital		7,382	7,808
Total liabilities and partnership capital		$ 17,744	$ 19,718

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

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF OPERATING RESULTS

US$ MILLIONS, UNAUDITED	Notes	For the three month period ended June 30 2013	For the three month period ended June 30 2012 Restated (See Note 19)	For the six month period ended June 30 2013	For the six month period ended June 30 2012 Restated (See Note 19)
Revenues		**$ 462**	$ 368	**$ 925**	$ 699
Direct operating costs		**(202)**	(187)	**(424)**	(347)
General and administrative expenses		**(26)**	(22)	**(54)**	(42)
Depreciation and amortization expense	**8,9**	**(83)**	(53)	**(169)**	(102)
		151	106	**278**	208
Interest expense		**(90)**	(75)	**(177)**	(149)
Share of earnings (loss) from investments in associates	**11**	**18**	(32)	**35**	(32)
Mark-to-market on hedging items		**93**	(29)	**31**	(38)
Gain on sale of associate		**18**	—	**18**	—
Other expenses		**(4)**	—	**(41)**	(11)
Income (loss) before income tax		**186**	(30)	**144**	(22)
Income tax (expense) recovery					
Current		**(5)**	(6)	**(10)**	(6)
Deferred		**(31)**	22	**(6)**	26
Net income (loss) from continuing operations		**150**	(14)	**128**	(2)
Income from discontinued operations, net of income tax	**6**	**35**	7	**56**	18
Net income (loss)		**$ 185**	$ (7)	**$ 184**	$ 16
Attributable to:					
Non-controlling interest – in operating subsidiaries	**6**	**$ 53**	$ 19	**$ 80**	$ 28
Non-controlling interest – Redeemable Partnership units held by Brookfield	**6**	**35**	(9)	**25**	(6)
General partner	**6**	**9**	4	**16**	8
Limited partners	**6**	**88**	(21)	**63**	(14)
Basic and diluted earnings (loss) per unit attributable to:					
Limited partners	**6**	**$ 0.60**	$ (0.16)	**$ 0.43**	$ (0.11)

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

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

US$ MILLIONS, UNAUDITED	Notes	For the three month period ended June 30 2013	For the three month period ended June 30 2012 Restated (See Note 2(b) and 19)	For the six month period ended June 30 2013	For the six month period ended June 30 2012 Restated (See Note 2(b) and 19)
Net income (loss)		**$ 185**	$ (7)	**$ 184**	$ 16
Other comprehensive (loss) income:					
Items that will not be reclassified subsequently to profit or loss:					
Revaluation of property, plant and equipment		**—**	—	**—**	5
Other[(1)]		**—**	—	**(8)**	(1)
Taxes on the above items		**—**	—	**2**	—
Equity accounted investments	**11**	**4**	—	**—**	8
		4	—	**(6)**	12
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation		**(354)**	(67)	**(420)**	21
Cash flow hedges	**7**	**(64)**	(33)	**(37)**	(17)
Net investment hedges	**7**	**10**	7	**23**	(1)
Available-for-sale securities		**—**	5	**—**	5
Taxes on the above items		**14**	8	**9**	6
Equity accounted investments	**11**	**24**	26	**22**	3
		(370)	(54)	**(403)**	17
Total other comprehensive (loss) income		**(366)**	(54)	**(409)**	29
Comprehensive (loss) income		**$ (181)**	$ (61)	**$ (225)**	$ 45
Attributable to:					
Non-controlling interest – in operating subsidiaries	**6**	**$ (15)**	$ 12	**$ (7)**	$ 37
Non-controlling interest – Redeemable Partnership units held by Brookfield	**6**	**(49)**	(22)	**(65)**	—
General partner	**6**	**7**	4	**14**	8
Limited partners	**6**	**(124)**	(55)	**(167)**	—

(1) Other reserves relate to unrealized actuarial losses.

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

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF PARTNERSHIP CAPITAL

THREE MONTH PERIOD ENDED JUNE 30, 2013 US$ MILLIONS, UNAUDITED	Limited Partners					General Partner				Non-Controlling Interest - Redeemable Partnership units held by Brookfield						
	Limited partners' capital	Retained earnings	Ownership changes	Accumulated other comprehensive income(1)	Limited partners	General Partner Capital	Retained earnings	Accumulated other comprehensive income(1)	General partner	Redeemable units held by Brookfield	Retained earnings	Ownership changes	Accumulated other comprehensive income(1)	Non-Controlling Interest - Redeemable Partnership units held by Brookfield	Non-controlling interest – in operating subsidiaries	Total partnership capital
Balance as at March 31, 2013	$ 2,957	$ (39)	$ 76	$ 611	**$ 3,605**	$ 19	$ 2	$ 5	**$ 26**	$ 1,084	$ (25)	$ 30	$ 266	**$ 1,355**	**$ 2,900**	**$ 7,886**
Net income	—	88	—	—	**88**	—	9	—	**9**	—	35	—	—	**35**	**53**	**185**
Other comprehensive loss	—	—	—	(212)	**(212)**	—	—	(2)	**(2)**	—	—	—	(84)	**(84)**	**(68)**	**(366)**
Comprehensive (loss) income	—	88	—	(212)	**(124)**	—	9	(2)	**7**	—	35	—	(84)	**(49)**	**(15)**	**(181)**
Unit issuance	238	—	—	—	**238**	—	—	—	**—**	94	—	—	—	**94**	**—**	**332**
Partnership distributions	—	(64)	—	—	**(64)**	—	(8)	—	**(8)**	—	(26)	—	—	**(26)**	**—**	**(98)**
Disposition of interests	—	—	—	—	**—**	—	—	—	**—**	—	—	—	—	**—**	**(512)**	**(512)**
Subsidiary distributions to non-controlling interest	—	—	—	—	**—**	—	—	—	**—**	—	—	—	—	**—**	**(49)**	**(49)**
Ownership changes	—	—	1	—	**1**	—	—	—	**—**	—	—	—	—	**—**	**3**	**4**
Balance as at June 30, 2013	$ 3,195	$ (15)	$ 77	$ 399	**$ 3,656**	$ 19	$ 3	$ 3	**$ 25**	$ 1,178	$ (16)	$ 30	$ 182	**$ 1,374**	**$ 2,327**	**$ 7,382**

(1) Refer to note 17 for an analysis of accumulated other comprehensive income by item.

THREE MONTH PERIOD ENDED JUNE 30, 2012 US$ MILLIONS, UNAUDITED Restated (See Note 19)	Limited Partners				General Partner				Non-Controlling Interest - Redeemable Partnership units held by Brookfield					
	Limited partners' Capital	Retained Earnings	Accumulated other comprehensive income(1)	Limited Partners	General partner capital	Retained Earnings	Accumulated other comprehensive income(1)	General Partner	Redeemable units held by Brookfield	Retained Earnings	Accumulated other comprehensive income(1)	Non-Controlling Interest - Redeemable Partnership units held by Brookfield	Non-controlling interest – in operating subsidiaries	Total partnership capital
Balance as at March 31, 2012	$ 2,598	$ 148	$ 309	**$ 3,055**	$ 19	$ 3	$ 2	**$ 24**	$ 942	$ 50	$ 144	**$ 1,136**	**$ 1,947**	**$ 6,162**
Net (loss) income	—	(21)	—	**(21)**	—	4	—	**4**	—	(9)	—	**(9)**	**19**	**(7)**
Other comprehensive loss	—	—	(34)	**(34)**	—	—	—	**—**	—	—	(13)	**(13)**	**(7)**	**(54)**
Comprehensive (loss) income	—	(21)	(34)	**(55)**	—	4	—	**4**	—	(9)	(13)	**(22)**	**12**	**(61)**
Unit issuance	1	—	—	**1**	—	—	—	**—**	—	—	—	**—**	**—**	**1**
Partnership distributions	—	(50)	—	**(50)**	—	(4)	—	**(4)**	—	(19)	—	**(19)**	**—**	**(73)**
Acquisition of interests	—	—	—	**—**	—	—	—	**—**	—	—	—	**—**	**57**	**57**
Subsidiary distributions to non-controlling interest	—	—	—	**—**	—	—	—	**—**	—	—	—	**—**	**(22)**	**(22)**
Balance as at June 30, 2012	$ 2,599	$ 77	$ 275	**$ 2,951**	$ 19	$ 3	$ 2	**$ 24**	$ 942	$ 22	$ 131	**$ 1,095**	**$ 1,994**	**$ 6,064**

(1) Refer to note 17 for an analysis of accumulated other comprehensive income by item.

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

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF PARTNERSHIP CAPITAL

SIX MONTH PERIOD ENDED JUNE 30, 2013 US$ MILLIONS, UNAUDITED	Limited Partners					General Partner				Non-Controlling Interest - Redeemable Partnership units held by Brookfield						
	Limited partners' capital	Retained earnings	Ownership changes	Accumulated other comprehensive income[(1)]	Limited partners	General partner capital	Retained earnings	Accumulated other comprehensive income[(1)]	General partner	Redeemable units held by Brookfield	Retained earnings	Ownership changes	Accumulated other comprehensive income[(1)]	Non-Controlling Interest - Redeemable Partnership units held by Brookfield	Non-controlling interest – in operating subsidiaries	Total partnership capital
Balance as at January 1, 2013	$ 2,955	$ 48	$ —	$ 629	**$ 3,632**	$ 19	$ 3	$ 5	**$ 27**	$ 1,084	$ 9	$ —	$ 272	**$ 1,365**	**$ 2,784**	**$ 7,808**
Net income (loss)	—	63	—	—	**63**	—	16	—	**16**	—	25	—	—	**25**	**80**	**184**
Other comprehensive loss	—	—	—	(230)	**(230)**	—	—	(2)	**(2)**	—	—	—	(90)	**(90)**	**(87)**	**(409)**
Comprehensive (loss) income	—	63	—	(230)	**(167)**	—	16	(2)	**14**	—	25	—	(90)	**(65)**	**(7)**	**(225)**
Unit issuance	240	—	—	—	**240**	—	—	—	**—**	94	—	—	—	**94**	**—**	**334**
Partnership distributions	—	(126)	—	—	**(126)**	—	(16)	—	**(16)**	—	(50)	—	—	**(50)**	**—**	**(192)**
Disposition of interests	—	—	—	—	**—**	—	—	—	**—**	—	—	—	—	**—**	**(383)**	**(383)**
Subsidiary distributions to non-controlling interest	—	—	—	—	**—**	—	—	—	**—**	—	—	—	—	**—**	**(70)**	**(70)**
Ownership changes (note 4)	—	—	77	—	**77**	—	—	—	**—**	—	—	30	—	**30**	**3**	**110**
Balance as at June 30, 2013	$ 3,195	$ (15)	$ 77	$ 399	**$ 3,656**	$ 19	$ 3	$ 3	**$ 25**	$ 1,178	$ (16)	$ 30	$ 182	**$ 1,374**	**$ 2,327**	**$ 7,382**

(1) Refer to note 17 for an analysis of accumulated other comprehensive income by item.

SIX MONTH PERIOD ENDED JUNE 30, 2012 US$ MILLIONS, UNAUDITED Restated (See Note 19)	Limited Partners				General Partner				Non-Controlling Interest - Redeemable Partnership units held by Brookfield					
	Limited partners' Capital	Retained Earnings	Accumulated other comprehensive income[(1)]	Limited Partners	General partner capital	Retained Earnings	Accumulated other comprehensive income[(1)]	General Partner	Redeemable units held by Brookfield	Retained Earnings	Accumulated other comprehensive income[(1)]	Non-Controlling Interest - Redeemable Partnership units held by Brookfield	Non-controlling interest – in operating subsidiaries	Total partnership capital
Balance as at January 1, 2012	$ 2,597	$ 191	$ 261	**$ 3,049**	$ 19	$ 3	$ 2	**$ 24**	$ 942	$ 66	$ 125	**$ 1,133**	**$ 1,683**	**$ 5,889**
Net (loss) income	—	(14)	—	**(14)**	—	8	—	**8**	—	(6)	—	**(6)**	**28**	**16**
Other comprehensive income	—	—	14	**14**	—	—	—	**—**	—	—	6	**6**	**9**	**29**
Comprehensive (loss) income	—	(14)	14	**—**	—	8	—	**8**	—	(6)	6	**—**	**37**	**45**
Unit issuance	2	—	—	**2**	—	—	—	**—**	—	—	—	**—**	**—**	**2**
Partnership distributions	—	(100)	—	**(100)**	—	(8)	—	**(8)**	—	(38)	—	**(38)**	**—**	**(146)**
Acquisition of interests	—	—	—	**—**	—	—	—	**—**	—	—	—	**—**	**318**	**318**
Subsidiary distributions to non-controlling interest	—	—	—	**—**	—	—	—	**—**	—	—	—	**—**	**(44)**	**(44)**
Balance as at June 30, 2012	$ 2,599	$ 77	$ 275	**$ 2,951**	$ 19	$ 3	$ 2	**$ 24**	$ 942	$ 22	$ 131	**$ 1,095**	**$ 1,994**	**$ 6,064**

(1) Refer to note 17 for an analysis of accumulated other comprehensive income by item.

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

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF CASH FLOWS

US$ MILLIONS, UNAUDITED		For the three month period ended June 30		For the six month period ended June 30	
Operating Activities	**Notes**	**2013**	**2012**	**2013**	**2012**
Net income (loss)		**$ 185**	$ (7)	**$ 184**	$ 16
Adjusted for the following items:					
(Earnings) losses from investments in associates, net of distributions received	**11**	**(7)**	48	**(18)**	54
Fair value adjustments		**(10)**	12	**6**	18
Depreciation and amortization expense		**83**	54	**169**	103
Mark-to-market on hedging items		**(93)**	29	**(31)**	38
Gain on sale of associate		**(18)**	—	**(18)**	—
Provisions and other items		**20**	(2)	**63**	10
Deferred tax recovery (expense)		**42**	(22)	**19**	(25)
Change in non-cash working capital, net		**21**	(12)	**(4)**	13
Cash from operating activities		**223**	100	**370**	227
Investing Activities					
Dispositions (acquisitions) of subsidiaries, net of cash	**6**	**177**	(14)	**164**	(69)
Disposals of investment in associates, net of additions		**27**	(209)	**23**	(211)
Long-lived assets, net of disposals	**8,9**	**(113)**	(178)	**(216)**	(342)
Investment in financial assets		**(30)**	(80)	**(30)**	(80)
Net settlement of foreign exchange hedging items		**(3)**	2	**4**	11
Cash from (used by) investing activities		**58**	(479)	**(55)**	(691)
Financing Activities					
Distributions to general partner	**16**	**(8)**	(4)	**(16)**	(8)
Distributions to other unitholders	**16**	**(90)**	(69)	**(176)**	(138)
Corporate (repayments) borrowings		**(324)**	345	**(546)**	377
Subsidiary borrowings	**12**	**45**	138	**368**	250
Partnership units issued, net of issuance costs	**15**	**332**	1	**334**	2
Subsidiary distributions to non-controlling interest		**(49)**	(22)	**(70)**	(44)
Cash (used by) from financing activities		**(94)**	389	**(106)**	439
Cash and cash equivalents					
Cash and cash equivalents					
Change during the period		**187**	10	**209**	(25)
Impact of foreign exchange on cash		**(22)**	(1)	**(21)**	—
Cash reclassified as assets held for sale	**5**	**(32)**	—	**(32)**	—
Balance, beginning of period		**286**	119	**263**	153
Balance, end of period		**$ 419**	$ 128	**$ 419**	$ 128

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

NOTES TO UNAUDITED INTERIM CONDENSED AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD OF JANUARY 1, 2013 TO JUNE 30, 2013

1. ORGANIZATION AND DESCRIPTION OF THE BUSINESS

Brookfield Infrastructure Partners L.P. (the "partnership") owns and operates utility, transport, and energy businesses and freehold timberlands in North and South America, Australasia and Europe. The partnership was formed as a limited partnership established under the laws of Bermuda, pursuant to a limited partnership agreement dated May 17, 2007, as amended and restated. The partnership is a subsidiary of Brookfield. The partnership's limited partnership units are listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbols ''BIP'' and ''BIP.UN'', respectively. The registered office is 73 Front Street, Hamilton, HM12, Bermuda.

2. SUMMARY OF ACCOUNTING POLICIES

a) Statement of Compliance

These interim condensed and consolidated financial statements of the partnership and its subsidiaries (together "Brookfield Infrastructure") have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and using the accounting policies Brookfield Infrastructure applied in its consolidated financial statements as of and for the year ended December 31, 2012, except for the adoption of new Standards and amendments effective January 1, 2013 described in Note 2 b). The accounting policies the partnership applied in its annual consolidated financial statements as of and for the year ended December 31, 2012 are disclosed in Note 3 of such financial statements, with which reference should be made in reading these interim condensed and consolidated financial statements.

These interim condensed and consolidated financial statements were authorized for issuance by the Board of Directors of the partnership on August 14, 2013.

b) Recently Adopted Accounting Standards and Amendments

Brookfield Infrastructure applied, for the first time, certain Standards and amendments to Standards applicable to Brookfield Infrastructure that became effective January 1, 2013. The impact of adopting these Standards on the partnership's accounting policies and disclosures are as follows:

IFRS 10 Consolidated Financial Statements ("IFRS 10")

IFRS 10 replaces IAS 27 Consolidated and Separate Financial Statements and SIC 12 Consolidation - Special Purpose Entities. IFRS 10 introduces a single control model for consolidation, irrespective of the nature of the investee. An investor that exerts power over the investee, has exposure to variable returns and has the ability to use its power to affect the amount of its returns, controls the investee and accordingly, is required to consolidate the investee.

IFRS 10 was applied retrospectively and the application of this new Standard had no impact on Brookfield Infrastructure's accounting for and presentation of investees for the current or prior periods presented.

IFRS 11 Joint Arrangements ("IFRS 11") and IAS 28 Investment in Associates and Joint Ventures ("IAS 28")

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC 13 Jointly-controlled Entities - Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead, entities that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method. Accordingly, IAS 28 has been amended to include the application of the equity method to investments in joint ventures.

IFRS 11 was applied retrospectively and the application of this new Standard had no impact on Brookfield Infrastructure's accounting for and presentation of investees for the current and prior periods presented.

IFRS 12 Disclosure of Interests in Other Entities ("IFRS 12")

IFRS 12 integrates the disclosure requirements of interests in other entities to disclose information about significant judgments and assumptions the investor has made in determining whether it has control, joint control, or significant influence over another entity and the type of joint arrangement when the arrangement has been structured through a separate vehicle. Entities are also required to provide these disclosures when changes in facts and circumstances affect the entity's conclusion during the reporting period.

The disclosures set out in IFRS 12 are applicable for interim consolidated financial statements when significant events or transactions occur during the interim period which require such disclosure; these disclosures will be otherwise included in Brookfield Infrastructure's annual consolidated financial statements for the year ended December 31, 2013.

2. SUMMARY OF ACCOUNTING POLICIES *(CONT'D)*

IFRS 13 Fair Value Measurement ("IFRS 13")

IFRS 13 establishes a single source of guidance for fair value measurements. The Standard defines fair value and establishes a framework for measuring fair value. The scope of IFRS 13 is broad; it applies to both financial instruments and non-financial items for which other IFRSs require or permit fair value measurements, except in specified circumstances. IFRS 13 was applied retrospectively and has not materially impacted the manner in which Brookfield Infrastructure measures its financial and non-financial assets and liabilities.

In general, the disclosure requirements for the fair value of financial instruments and non-financial items under IFRS 13 are more extensive than those required under previous standards. Certain disclosures required by IFRS 13 are effective for interim consolidated financial statements by virtue of amendments to IAS 34 and have been included in Note 7; remaining disclosure requirements, mainly relating to non-financial items measured at fair value, will be included in Brookfield Infrastructure's annual consolidated financial statements for the year ended December 31, 2013.

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1 ("IAS 1")

Brookfield Infrastructure has adopted the amendments to IAS 1 on January 1, 2013 with retrospective application. The amendments to IAS 1 require items to be presented in other comprehensive income ("OCI") in two separate categories: (a) items that could be reclassified to profit or loss at a future point in time (e.g., impact of translation of foreign operations and net movement on cash flow hedges) and; (b) items that will never be reclassified to profit or loss (e.g., revaluation of property, plant and equipment). Income tax on items of other comprehensive income is required to be allocated on the same basis.

Brookfield Infrastructure has amended the consolidated statement of comprehensive (loss) income for all periods presented in the interim condensed and consolidated financial statements to reflect the presentation changes required under these amendments. Since these changes constitute reclassifications within the statements of comprehensive (loss) income, there is no net impact on comprehensive (loss) income.

3. ACQUISITIONS OF BUSINESSES

a) *Acquisition of UK Regulated Distribution operation*

On November 13, 2012, Brookfield Infrastructure acquired a 100% interest in Inexus Group Limited, a UK regulated distribution operation, for consideration of $468 million. As part of this transaction, Brookfield Infrastructure also injected an additional $57 million into its existing UK regulated distribution operation to settle interest rate swaps in advance of the £600 million acquisition financing executed by the combined company. Since Brookfield Infrastructure has the right to elect the majority of the Board of Directors thereby providing Brookfield Infrastructure with control, the partnership will consolidate the entity. Acquisition costs of $1 million were expensed at the acquisition date and recorded as other expenses on the consolidated statement of operating results.

The following summarizes the major classes of consideration transferred and the assets acquired and liabilities assumed at the acquisition date:

Consideration transferred

US$ MILLIONS	
Cash	$468
Net consideration	$468

Fair value of assets and liabilities acquired as at November 13, 2012[1]:

US$ MILLIONS	
Cash	$ 5
Accounts receivable and other	14
Intangible assets	97
Deferred income tax assets	106
Property, plant and equipment	1,410
Accounts payable and other	(70)
Non-recourse borrowings	(545)
Financial liabilities	(323)
Deferred income tax liability	(253)
Net assets acquired	$ 441

1. *The fair value of all acquired assets, liabilities and goodwill for this operation has been determined on a provisional basis, pending finalization of the post-acquisition review of the fair value of the acquired net assets.*

The excess of the contribution transferred by Brookfield Infrastructure over its share of the fair value of the operations' net assets was recognized on the Statement of Financial Position as follows:

US$ MILLIONS	
Consideration paid	$ 468
Fair value of net assets acquired	(441)
Goodwill arising on acquisition	$ 27

The goodwill recorded on acquisition represents the value of the anticipated growth in the number of new sales connections adding to the regulated asset base. None of the goodwill recognized is expected to be deductible for income tax purposes.

3. ACQUISITIONS OF BUSINESSES *(CONT'D)*

b) Acquisition of Chilean Toll Roads

On December 16, 2011, Brookfield Infrastructure invested $159 million for a 25% interest in Sociedad Concesionario Vespucio Norte Express S.A. ("AVN"), a Chilean toll road, through a Brookfield sponsored partnership. At that time, the investment was classified as an investment in an associate and accounted for using the equity method.

On October 1, 2012, Brookfield Infrastructure acquired an additional 26% interest in AVN for $170 million, bringing Brookfield Infrastructure's total ownership interest to 51%. Concurrently, Brookfield Infrastructure entered into a voting agreement with an affiliate of Brookfield, providing Brookfield Infrastructure the right to elect the majority of the Board of Directors of the entity thereby providing Brookfield Infrastructure with control. Accordingly, Brookfield Infrastructure consolidates the entity. Acquisition costs of $1 million were expensed at the acquisition date and recorded as other expenses on the consolidated statement of operating results.

Brookfield Infrastructure accounted for this transaction as a deemed disposition of its 25% interest in AVN for consideration equal to the fair market value of the equity interest with a concurrent acquisition of 51% of AVN. The deemed disposition was accounted for as follows:

US$ MILLIONS	
Fair value of net assets in AVN as of date of obtaining control	$163
Less: carrying value of investment in AVN immediately before obtaining control	171
Loss on deemed disposition of equity interest ("remeasurement loss")	(8)
Amounts recognized in OCI in relation to AVN	16
Fair value gains and other items arising from AVN acquisition[1]	$ 8

1. *Fair value gains and other items of $8 million arising from the acquisition were recognized as fair value gains and other items on the Statements of Operating Results.*

The following summarizes the major classes of consideration transferred and the assets acquired and liabilities assumed at the acquisition date:

Consideration transferred

US$ MILLIONS	
Cash	$170
Fair value of net assets in AVN as of date of obtaining control	163
Net consideration	$333

Fair value of assets and liabilities acquired as at October 1, 2012[1]:

US$ MILLIONS	
Cash	$ 69
Accounts receivable and other[2]	53
Intangible assets	1,443
Accounts payable and other	(32)
Non-recourse borrowings	(772)
Deferred income tax liability	(108)
Non-controlling interest[3]	(320)
Net assets acquired	$ 333

1. *The fair value of all acquired assets, liabilities and goodwill for this operation has been determined on a provisional basis, pending finalization of the post-acquisition review of the fair value of the acquired net assets.*
2. *The gross contractual amount of the acquired identifiable accounts receivable and other is $38 million. The estimated contractual cash flows not expected to be collected at the acquisition date is $10 million.*
3. *Non-controlling interest represents the interest not acquired by Brookfield Infrastructure and was measured as the proportionate share of the fair value of assets and liabilities at the acquisition date.*

No goodwill arose on acquisition as the consideration transferred by Brookfield Infrastructure equaled its share of the fair value of the net assets of the Chilean toll roads.

3. ACQUISITIONS OF BUSINESSES *(CONT'D)*

c) Acquisition of North American District Energy operation

On October 31, 2012, Brookfield Infrastructure acquired a 25% interest in Enwave Energy Corporation, its North American district energy operation, for consideration of $74 million through a Brookfield sponsored infrastructure fund. Concurrently, Brookfield Infrastructure entered into a voting agreement with an affiliate of Brookfield, providing Brookfield Infrastructure the right to elect the majority of the Board of Directors of the entity thereby providing Brookfield Infrastructure with control. Accordingly, Brookfield Infrastructure consolidates the entity. Acquisition costs of less than $1 million were expensed at the acquisition date and recorded as other expenses on the consolidated statement of operating results.

The following summarizes the major classes of consideration transferred and the assets acquired and liabilities assumed at the acquisition date:

Consideration transferred

US$ MILLIONS	
Cash	$74
Net consideration	$74

Fair value of assets and liabilities acquired as at October 31, 2012[1]:

US$ MILLIONS	
Accounts receivable and other	$ 9
Property, plant and equipment	560
Accounts payable and other	(15)
Non-recourse borrowings[2]	(187)
Deferred income tax liability	(77)
Net assets acquired before non-controlling interest	290
Non-controlling interest[3]	(216)
Net assets acquired	$ 74

1. *The fair value of all acquired assets, liabilities and goodwill for this operation has been determined on a provisional basis, pending finalization of the post-acquisition review of the fair value of the acquired net assets.*
2. *Non-recourse borrowings includes $100 million of holding company debt drawn on the acquisition date.*
3. *Non-controlling interest represents the interest not acquired by Brookfield Infrastructure and was measured as the proportionate share of the fair value of assets and liabilities at the acquisition date.*

No goodwill arose on acquisition as the consideration transferred by Brookfield Infrastructure equaled its share of the fair value of the net assets of the North American district energy operation.

4. PARTIAL DISPOSITION OF UK REGULATED DISTRIBUTION OPERATION

In November 2012, a wholly-owned subsidiary of Brookfield Infrastructure entered into an arrangement whereby a 20% economic interest in its UK regulated distribution operation was granted to an institutional investor for £145 million subject to the UK regulated distribution operation attaining long-term financing under certain pre-defined contractual terms. In the event that the UK regulated distribution operation did not obtain long-term financing at the contractually specified terms within two years of the arrangement, the institutional investor had the right to request repayment of £145 million plus 3% interest. Consequently, the proceeds were recorded as a financial liability.

In March 2013, the UK regulated distribution operation satisfied the requirements within the contractual terms of the arrangement, which resulted in the derecognition of the financial liability as the £145 million initially received under the arrangement was recognized as proceeds on the disposal of a partial interest of a subsidiary.

The partial disposition of Brookfield Infrastructure's 20% interest in the UK regulated distribution operation resulted in an adjustment to the carrying amounts of controlling and non-controlling interests to reflect the change in interest in the subsidiary. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration received was recognized directly in equity.

The partial disposition was accounted for as follows:

US$ MILLIONS	
Fair value of consideration received (£145 million)	$ 221
Less: carrying value of 20% interest in UK regulated distribution operation allocated to non-controlling interest – in operating subsidiaries	(115)
Gain on changes in ownership interest recognized in equity [1]	$ 106

(1) The gain on changes in ownership interest recognized in equity is recorded as ownership changes within the interim condensed and consolidated Statements of Partnership Capital and attributed on a ratable basis to the partners of Brookfield Infrastructure based on their respective ownership interests existing at the date of the partial disposal. Amounts in accumulated other comprehensive income at the date of the partial disposition that were attributable to the UK regulated distribution operation were ratably allocated to accumulated other comprehensive income attributable to non-controlling interest – in operating subsidiaries.

5. ASSETS HELD FOR SALE

The assets and liabilities related to the U.S. freehold timberlands and New Zealand energy distribution operation have been presented on the interim condensed and consolidated statement of financial position as assets and liabilities associated with assets held for sale as at June 30, 2013 as a result of the following transactions:

i) Brookfield Infrastructure signed definitive agreements to sell its 30% interest in its U.S. freehold timberlands to a third party for proceeds of $467 million. This transaction was completed in the third quarter of 2013 (see note 6 for further details);

ii) Brookfield Infrastructure executed definitive agreements in the third quarter to sell its 42% interest in its New Zealand regulated distribution business to a third party for proceeds of $410 million. Completion of the transaction is expected to occur in the second half of 2013, following approval of the New Zealand Overseas Investment Office. As the fair value less costs to sell of the New Zealand regulated distribution business is higher than its carrying amount no impairment loss was recognized on reclassification to held for sale.

Assets of the disposal group classified as held for sale are as follows:

US$ MILLIONS	**As of June 30, 2013**
Cash and cash equivalents	$ 32
Accounts receivable and other assets	67
Property, plant and equipment	405
Standing timber	2,226
Investments in associates	360
Investment properties	8
Goodwill	591
Assets held for sale	**$ 3,689**

Liabilities of the disposal group classified as held for sale are as follows:

US$ MILLIONS	**As of June 30, 2013**
Accounts payable and other liabilities	$ 19
Non-recourse borrowings	1,065
Deferred tax liabilities	763
Liabilities directly associated with assets held for sale	**$ 1,847**

6. DISCONTINUED OPERATIONS

The revenues and expenses related to the U.S. and Canadian freehold timberlands, Brookfield Infrastructure's timber segment, have been presented on the unaudited interim condensed and consolidated statements of operating results as discontinued operations as a result of the following transactions:

i) Brookfield Infrastructure signed definitive agreements to sell its 30% interest in its U.S. freehold timberlands to a third party for proceeds of $467 million. This transaction was completed in the third quarter of 2013;

ii) Brookfield Infrastructure disposed of its 25% interest in its Canadian freehold timberlands to a third party for proceeds of $173 million.

The timber segment was reported as part of continuing operations in prior periods and has now been classified as discontinued operations for both the current and comparative periods.

Operating results of discontinued operations for the three and six months ended June 30, 2013 and 2012 are as follows:

US$ MILLIONS	**For the three month period ended June 30**		**For the six month period ended June 30**	
	2013	2012	**2013**	2012
Revenues	**$ 132**	$ 125	**$ 282**	$ 244
Direct operating costs	**(74)**	(83)	**(161)**	(164)
Depreciation and amortization expense	**—**	(1)	**—**	(1)
	58	41	**121**	79
Interest expense	**(19)**	(21)	**(40)**	(42)
Fair value adjustments	**10**	(12)	**(6)**	(16)
Other expenses	**—**	—	**(2)**	(1)
Income before income tax	**49**	8	**73**	20
Attributable current and deferred taxes	**(12)**	(1)	**(15)**	(2)
	37	7	**58**	18
Gain on disposal of Canadian freehold timberlands	**23**	—	**23**	—
Attributable current and deferred taxes	**(25)**	—	**(25)**	—
	(2)	—	**(2)**	—
Income from discontinued operations	**$ 35**	$ 7	**$ 56**	$ 18

6. DISCONTINUED OPERATIONS (CONT'D)

Income (loss) attributable to unitholders for the three and six months ended June 30, 2013 and 2012 is as follows:

US$ MILLIONS	For the three month period ended June 30 2013	2012	For the six month period ended June 30 2013	2012
Income (loss) from continuing operations attributable to:				
Non-controlling interest – in operating subsidiaries	**$ 27**	$ 14	**$ 39**	$ 15
Non-controlling interest – Redeemable Partnership units held by Brookfield	**32**	(9)	**20**	(7)
General partner	**9**	4	**16**	8
Limited partners	**82**	(23)	**53**	(18)
Income from discontinued operations attributable to:				
Non-controlling interest – in operating subsidiaries	**$ 26**	$ 5	**$ 41**	$ 13
Non-controlling interest – Redeemable Partnership units held by Brookfield	**3**	—	**5**	1
General partner	**—**	—	**—**	—
Limited partners	**6**	2	**10**	4
Basic and diluted earnings (loss) per unit attributable to:				
Limited partners from continuing operations	**$ 0.54**	$ (0.17)	**$ 0.34**	$ (0.14)
Limited partners from discontinued operations	**0.06**	0.01	**0.09**	0.03
Basic and diluted (loss) earnings per unit attributable to Limited partners	**$ 0.60**	$ (0.16)	**$ 0.43**	$ (0.11)

Comprehensive income (loss) attributable to unitholders for the three and six months ended June 30, 2013 and 2012 is as follows:

	2013	2012	2013	2012
Comprehensive (loss) income from continuing operations attributable to:				
Non-controlling interest – in operating subsidiaries	**$ (40)**	$ 7	**$ (46)**	$ 24
Non-controlling interest – Redeemable Partnership units held by Brookfield	**(52)**	(23)	**(69)**	(2)
General partner	**7**	4	**14**	8
Limited partners	**(130)**	(57)	**(176)**	(5)
Comprehensive income from discontinued operations attributable to:				
Non-controlling interest – in operating subsidiaries	**$ 25**	$ 5	**$ 39**	$ 13
Non-controlling interest – Redeemable Partnership units held by Brookfield	**3**	1	**4**	2
General partner	**—**	—	**—**	—
Limited partners	**6**	2	**9**	5

Other comprehensive income relating to the disposal group for the three and six months ended June 30, 2013 and 2012 is as follows:

US$ MILLIONS	For the three month period ended June 30 2013	2012	For the six month period ended June 30 2013	2012
Revaluation of property, plant and equipment	**$ —**	$ (4)	**$ (4)**	$ 1
Cash flow hedges	**(1)**	1	**1**	2
Taxes on the above items	**—**	—	**(1)**	(1)
Total	**$ (1)**	$ (3)	**$ (4)**	$ 2

6. DISCONTINUED OPERATIONS (CONT'D)

The net cash flows attributable to the operating, investing and financing activities of discontinued operations for the three and six months ended June 30, 2013 and 2012 are as follows:

	For the three month period ended June 30		For the six month period ended June 30	
	2013	2012	**2013**	2012
Operating cash flows	**$ 36**	$ 19	**$ 66**	$ 32
Investing cash flows	**(15)**	(4)	**(16)**	(5)
Financing cash flows	**(33)**	(15)	**(49)**	(30)
Net cash flows	**$ (12)**	$ —	**$ 1**	$ (3)

7. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are determined by reference to quoted bid or ask prices, when available. Where bid and ask prices are unavailable, the closing price of the most recent transaction of that instrument is used. In the absence of an active market, fair values are determined based on prevailing market rates (bid and ask prices, as appropriate) for instruments with similar characteristics and risk profiles or internal or external valuation models, such as option pricing models and discounted cash flow analysis, using observable market inputs.

Fair values determined using valuation models require the use of assumptions concerning the amount and timing of estimated future cash flows and discount rates. In determining those assumptions, Brookfield Infrastructure looks primarily to external readily observable market inputs such as interest rate yield curves, currency rates, and price and rate volatilities as applicable. The fair value of interest rate swap hedging items which form part of financing arrangements is calculated by way of discounted cash flows using market interest rates and applicable credit spreads.

Classification of Financial Instruments

Financial instruments classified as fair value through profit or loss are carried at fair value on the condensed and consolidated Statements of Financial Position. Changes in the fair value of financial instruments classified as fair value through profit or loss are recognized in net income (loss) as Mark-to-market on hedging items. These items have been segregated from Other income (expense) to reflect the significance of these changes in the current period. Mark-to-market gains on financial instruments carried at fair value of $93 million and $31 million for the three and six months ended June 30, 2013, respectively, have been reclassified from Other income (expense) to Mark-to-market on hedging items on the condensed and consolidated statements of operating results to conform with current period presentation.

7. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

Carrying Value and Fair Value of Financial Instruments

The following table provides the allocation of financial instruments and their associated financial instrument classifications as at June 30, 2013:

US$ MILLIONS Financial Instrument Classification MEASUREMENT BASIS	FVTPL (Fair Value)	Available-for-sale securities (Fair Value)	Loans and receivables/ Other liabilities (Amortized Cost)	Total
Financial assets				
Cash and cash equivalents	$ —	$ —	$ 419	$ 419
Accounts receivable and other	—	—	305	305
Financial assets (current and non-current)[1]	223	30	—	253
Restricted cash	—	—	14	14
Total	$ 223	$ 30	$ 738	$ 991
Financial liabilities				
Corporate borrowings	$ —	$ —	$ 375	$ 375
Non-recourse borrowings (current and non-current)	—	—	5,477	5,477
Accounts payable and other	—	—	526	526
Preferred Shares	—	—	20	20
Financial liabilities (current and non-current)[1]	527	—	—	527
Total	$ 527	$ —	$ 6,398	$6,925

1. *Derivative instruments which are elected for hedge accounting totaling $167 million are included in financial assets and $139 million of derivative instruments are included in financial liabilities.*

The following table provides the allocation of financial instruments and their associated financial instrument classifications as at December 31, 2012:

US$ MILLIONS Financial Instrument Classification MEASUREMENT BASIS	FVTPL (Fair Value)	Available-for-sale securities (Fair Value)	Loans and receivables/ Other liabilities (Amortized Cost)	Total
Financial assets				
Cash and cash equivalents	$ —	$ —	$ 263	$ 263
Accounts receivable and other	—	—	372	372
Financial assets (current and non-current)[1]	99	—	—	99
Restricted cash	—	—	17	17
Total	$ 99	$ —	$ 652	$ 751
Financial liabilities				
Corporate borrowings	$ —	$ —	$ 946	$ 946
Non-recourse borrowings (current and non-current)	—	—	6,993	6,993
Accounts payable and other	—	—	582	582
Preferred shares	—	—	20	20
Financial liabilities (current and non-current)[1]	650	—	235	885
Total	$ 650	$ —	$ 8,776	$9,426

1. *Derivative instruments which are elected for hedge accounting totaling $82 million are included in financial assets and $234 million of derivative instruments are included in financial liabilities.*

7. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

The following table provides the carrying values and fair values of financial instruments as at June 30, 2013 and December 31, 2012:

US$ MILLIONS	June 30, 2013 Carrying Value	June 30, 2013 Fair Value	December 31, 2012 Carrying Value	December 31, 2012 Fair Value
Financial assets				
Cash and cash equivalents	**$ 419**	**$ 419**	$ 263	$ 263
Accounts receivable and other financial assets	**305**	**305**	372	372
Financial assets (current and non-current)	**253**	**253**	99	99
Restricted cash	**14**	**14**	17	17
Total	**$ 991**	**$ 991**	$ 751	$ 751
Financial liabilities				
Corporate borrowings	**$ 375**	**$ 375**	$ 946	$ 946
Non-recourse borrowings	**5,477**	**5,632**	6,993	7,292
Accounts payable and other financial liabilities	**526**	**526**	582	582
Preferred shares	**20**	**20**	20	20
Financial liabilities (current and non-current)	**527**	**527**	885	885
Total	**$ 6,925**	**$7,080**	$ 9,426	$9,725

Hedging Activities

Brookfield Infrastructure uses derivatives and non-derivative financial instruments to manage or maintain exposures to interest and currency risks. For certain derivatives which are used to manage exposures, Brookfield Infrastructure determines whether hedge accounting can be applied. When hedge accounting can be applied, a hedge relationship can be designated as a fair value hedge, cash flow hedge or a hedge of foreign currency exposure of a net investment in a foreign operation with a functional currency other than the U.S. dollar. To qualify for hedge accounting the derivative must be highly effective in accomplishing the objective of offsetting changes in the fair value or cash flows attributable to the hedged risk both at inception and over the life of the hedge. If it is determined that the derivative is not highly effective as a hedge, hedge accounting is discontinued prospectively.

Cash Flow Hedges

Brookfield Infrastructure uses interest rate swaps to hedge the variability in cash flows related to a variable rate asset or liability. The settlement dates typically coincide with the dates on which the interest is payable on the underlying debt, and the amount accumulated in equity is reclassified to income or loss over the period that the floating rate interest payments on debt affect income or loss. For the three and six months ended June 30, 2013, pre-tax net unrealized losses of $64 million and $37 million, respectively, (2012: losses of $33 million and $17 million, respectively) were recorded in other comprehensive income (loss) for the effective portion of the cash flow hedges. As at June 30, 2013, there was a net unrealized derivative asset balance of $14 million relating to hedging items designated as cash flow hedges (December 31, 2012: derivative liability balance of $146 million).

Net Investment Hedges

Brookfield Infrastructure uses foreign exchange hedging items and foreign currency denominated debt instruments to manage its foreign currency exposures arising from net investments in foreign operations having a functional currency other than the U.S. dollar. For the three and six months ended June 30, 2013 unrealized pre-tax net gains of $13 million and $21 million, respectively, (2012: gain of $3 million and loss of $12 million) were recorded in other comprehensive income (loss) for the effective portion of hedges of net investments in foreign operations. Further, Brookfield Infrastructure recognized a $3 million loss and $2 million gain (2012: gain of $4 million and $11 million, respectively) in other comprehensive income related to the net settlement of foreign exchange hedging items in the three and six month period ended June 30, 2013. As at June 30, 2013, there was a net unrealized derivative asset balance of $14 million relating to hedging items designated as net investment hedges (December 31, 2012: net unrealized derivative asset balance of $6 million).

7. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

Fair Value Hierarchical Levels

Fair value hierarchical levels are directly determined by the amount of subjectivity associated with the valuation inputs of these assets and liabilities, and are as follows:

- Level 1 – Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 – Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life. Fair valued assets and liabilities that are included in this category are primarily certain hedging items, other financial assets carried at fair value in an inactive market and redeemable fund units.
- Level 3 – Inputs reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to determining the estimate. Fair valued assets and liabilities that are included in this category are power purchase hedging items, subordinated mortgaged-backed securities, interest rate swap hedging items, derivative hedging items, certain equity securities carried at fair value which are not traded in an active market.

Financial assets and liabilities measured at fair value on a recurring basis include $223 million (December 31, 2012: $111 million) of financial assets and $527 million (December 31, 2012: $650 million) of financial liabilities which are measured at fair value using valuation inputs based on management's best estimates. The following table categorizes financial assets and liabilities, which are carried at fair value, based upon the level of input to the valuations as described above:

US$ MILLIONS	June 30, 2013			December 31, 2012		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Cash equivalents	**$ —**	**$ —**	**$ —**	$ —	$ 12	$ —
Financial assets (current and non-current)[1]	**30**	**223**	**—**	—	99	—
Financial liabilities						
Financial liabilities (current and non-current)[1]	**$ —**	**$ 527**	**$ —**	$ —	$ 650	$ —

1. *Financial assets and liabilities primarily relate to derivative instruments.*

8. PROPERTY, PLANT AND EQUIPMENT

US$ MILLIONS	Utility Assets	Transport Assets	Energy Assets	Timberland Assets	Total Assets
Gross carrying amount:					
Balance at January 1, 2012	$ 996	$ 2,240	$ 317	$ 570	$4,123
Additions (disposals)	90	434	34	(14)	544
Acquisitions through business combinations	2,035	3	686	—	2,724
Fair value adjustments	110	277	32	—	419
Reversal of impairment losses	—	—	—	95	95
Net foreign currency exchange differences	89	46	13	—	148
Balance at December 31, 2012	$3,320	$ 3,000	$1,082	$ 651	$8,053
Additions	**68**	**100**	**19**	**—**	**187**
Acquisitions (dispositions) through business combinations	**—**	**—**	**5**	**(242)**	**(237)**
Reclassified as held for sale assets	**—**	**—**	**—**	**(409)**	**(409)**
Net foreign currency exchange differences	**(191)**	**(370)**	**(79)**	**—**	**(640)**
Balance at June 30, 2013	**$3,197**	**$ 2,730**	**$1,027**	**$ —**	**$6,954**
Accumulated depreciation:					
Balance at January 1, 2012	$ (2)	$ (27)	$ (16)	$ (5)	$ (50)
Depreciation expense	(64)	(96)	(23)	(1)	(184)
Fair value adjustment	58	82	13	—	153
Reversal of impairment losses	—	—	—	1	1
Net foreign currency exchange differences	(2)	(2)	1	—	(3)
Balance at December 31, 2012	$ (10)	$ (43)	$ (25)	$ (5)	$ (83)
Depreciation expense	**(59)**	**(60)**	**(23)**	**—**	**(142)**
Disposition of subsidiary	**—**	**—**	**—**	**1**	**1**
Reclassified as held for sale assets	**—**	**—**	**—**	**4**	**4**
Net foreign exchange differences	**5**	**22**	**3**	**—**	**30**
Balance at June 30, 2013	**$ (64)**	**$ (81)**	**$ (45)**	**$ —**	**$ (190)**
Net book value:					
June 30, 2013	**$3,133**	**$ 2,649**	**$ 982**	**$ —**	**$6,764**
December 31, 2012	$3,310	$ 2,957	$1,057	$ 646	$7,970

9. INTANGIBLE ASSETS

US$ MILLIONS	June 30, 2013	December 31, 2012
Cost	$ **4,168**	$ 4,566
Accumulated amortization	**(86)**	(69)
Total	$ **4,082**	$ 4,497

Intangible assets are allocated to the following cash generating units:

US$ MILLIONS	June 30, 2013	December 31, 2012
Regulated terminal	$ **2,291**	$ 2,592
Chilean toll roads	**1,331**	1,421
UK port operation	**326**	348
Other[1]	**134**	136
Total	$ **4,082**	$ 4,497

1. *Other intangibles are comprised of customer order backlogs and easements and permits to use and operate on government land.*

The following table presents the change in the balance of intangible assets:

US$ MILLIONS	June 30, 2013
Cost at beginning of the period	$ **4,566**
Additions through business combinations	**4**
Additions	**29**
Foreign currency translation	**(431)**
Balance at June 30, 2013	$ **4,168**

The following table presents the accumulated amortization for Brookfield Infrastructure's intangible assets:

US$ MILLIONS	June 30, 2013
Accumulated amortization at beginning of period	$ **(69)**
Amortization	**(27)**
Foreign currency translation	**10**
Balance at June 30, 2013	$ **(86)**

10. STANDING TIMBER

US$ MILLIONS	
Carrying amount:	
Balance at January 1, 2013	**$ 2,997**
Fair value adjustments	**30**
Gain arising from growth	**99**
Decrease resulting from harvest	**(131)**
Dispositions of subsidiary	**(769)**
Reclassified to assets held for sale	**(2,226)**
Balance at June 30, 2013	**$ —**

11. INVESTMENTS IN ASSOCIATES

The following table represents the reconciliation of movement in the partnership's investments in associates:

US$ MILLIONS	For the period ended June 30, 2013	December 31, 2012
Balance at beginning of period	**$ 2,179**	$ 1,400
Share of earnings (loss) for the period	**35**	1
Foreign currency translation	**(106)**	58
Share of other reserves for the period	**22**	138
Investments, net of disposal	**9**	645
Distributions	**(17)**	(63)
Reclassified as held for sale[1]	**(360)**	—
Ending balance	**$ 1,762**	$ 2,179

(1) See note 5 for further details.

During the quarter Brookfield Infrastructure disposed of a 30% interest in Peterborough Hospital, a public private partnership, for $42 million. The gain on disposition of $18 million was recorded as a gain on sale of associate on the statement of operating results.

The following table represents the carrying value of the partnership's investments in associates:

US$ MILLIONS	As of June 30, 2013	December 31, 2012
South American transmission operation	**$ 659**	$ 669
North American gas transmission operation	**594**	594
Brazilian toll road operation	**303**	346
European port operation	**161**	147
Australasian energy distribution operation	**—**	384
Other associates	**45**	39
	$ 1,762	$ 2,179

Summarized financial information of investments in associates

The following table summarizes the aggregate balances of investments in associates:

US$ MILLIONS	As of June 30, 2013	December 31, 2012
Financial position:		
Total assets	**$ 21,261**	$ 23,976
Total liabilities	**(14,264)**	(16,563)
Net assets	**$ 6,997**	$ 7,413

US$ MILLIONS	Three months ended June 30 2013	2012	Six months ended June 30 2013	2012
Financial performance:				
Total revenue	**$ 786**	$ 578	**$ 1,480**	$ 1,172
Total income for the period	**61**	(82)	**109**	(85)
Brookfield Infrastructure's share of associates' net income	**18**	(32)	**35**	(31)

12. NON-RECOURSE BORROWINGS

US$ MILLIONS	As of Jun 30, 2013	As of Dec. 31, 2012
Current	**$ 140**	$ 663
Non-current	**5,337**	6,330
Total	**$ 5,477**	$ 6,993

During the three and six months ended June 30, 2013 subsidiary borrowings, net of repayments, were $45 million and $368 million, respectively.

Non-recourse borrowings associated with the disposal of subsidiaries during the three and six months ended June 30, 2013 were $410 million.

As at June 30, 2013, non-recourse borrowings at the U.S. freehold timberlands of $1,065 million have been presented on the interim condensed and consolidated statement of financial position as liabilities associated with held for sale assets. See note 5 for further details.

13. SEGMENTED INFORMATION

IFRS 8, *Operating Segments,* requires operating segments to be determined based on internal reports that are regularly reviewed by the Executive Management and the Board of Directors for the purpose of allocating resources to the segment and to assessing its performance. Key measures used by the Chief Operating Decision Maker ("CODM") in assessing performance and in making resource allocation decisions are funds from operations ("FFO") and earnings before interest, tax, depreciation and amortization ("Adjusted EBITDA"), measures not defined by IFRS, which enable the determination of cash return on the equity deployed. FFO is calculated as net income (loss) excluding the impact of depreciation and amortization, fair value adjustments, unrealized gains or losses on derivative instruments, deferred taxes, interest charges and other non-cash items. Adjusted EBITDA is calculated as FFO excluding the impact of interest and taxes.

FOR THE THREE MONTHS ENDED JUNE 30, 2013 US$ MILLIONS	Total attributable to Brookfield Infrastructure					Contribution from investments in associates	Attributable to non-controlling interest	Discontinued Operations	As per IFRS financials[1]
	Utilities	Transport	Energy	Other	Brookfield Infrastructure				
Revenues	$ 212	$ 252	$ 72	$ 38	$ 574	$ (210)	$ 136	$ (38)	$ 462
Costs attributed to revenues	(74)	(133)	(37)	(20)	(264)	111	(69)	20	(202)
General and administrative costs	—	—	—	(26)	(26)	—	—	—	(26)
Adjusted EBITDA	138	119	35	(8)	284	(99)	67	(18)	
Other income	3	7	—	—	10	(4)	1	—	7
Interest expense	(45)	(38)	(17)	(9)	(109)	37	(24)	6	(90)
Cash taxes	—	(5)	—	—	(5)	6	(6)	—	(5)
FFO	96	83	18	(17)	180	(60)	38	(12)	
Depreciation and amortization	(40)	(42)	(17)	—	(99)	39	(23)	—	(83)
Deferred taxes	(15)	(11)	3	(34)	(57)	1	—	25	(31)
Mark-to-market on hedging items	37	(1)	3	36	75	—	18	—	93
Other expenses	(8)	2	(1)	40	33	2	(6)	(22)	7
Share of earnings from associates	—	—	—	—	—	18	—	—	18
Income from discontinued operations, net of income tax	—	—	—	—	—	—	—	35	35
Net income attributable to non-controlling interest	—	—	—	—	—	—	(27)	(26)	(53)
Net income attributable to partnership[2]	$ 70	$ 31	$ 6	$ 25	$ 132	$ —	$ —	$ —	$ 132

(1) *The above table provides each segment's results in the format that management organizes its segments to make operating decisions and assess performance. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations accounted for using the consolidation and equity methods under IFRS. The above table reconciles Brookfield Infrastructure's proportionate results to the partnership's condensed and consolidated statements of operating results on a line by line basis by aggregating the components comprising the earnings from the partnership's investments in associates and reflecting the portion of each line item attributable to non-controlling interests.*

(2) *Includes net income attributable to non-controlling interest – Redeemable Partnership units held by Brookfield, general partner and limited partners.*

13. SEGMENTED INFORMATION (CONT'D)

FOR THE THREE MONTHS ENDED JUNE 30, 2012 US$ MILLIONS	Total attributable to Brookfield Infrastructure Utilities	Transport	Energy	Corporate & Other	Brookfield Infrastructure	Contribution from investments in associates	Attributable to non-controlling interest	Discontinued Operations	As per IFRS financials[1]
Revenues	$ 193	$ 171	$ 73	$ 37	$ 474	$ (171)	$ 102	$ (37)	$ 368
Costs attributed to revenues	(78)	(111)	(38)	(24)	(251)	95	(55)	24	(187)
General and administrative costs	—	—	—	(22)	(22)	—	—	—	(22)
Adjusted EBITDA	115	60	35	(9)	201	(76)	47	(13)	
Other income	3	1	—	5	9	(3)	2	—	8
Interest expense	(39)	(23)	(18)	(14)	(94)	35	(23)	7	(75)
Cash taxes	(1)	(2)	—	(2)	(5)	1	(2)	—	(6)
FFO	78	36	17	(20)	111	(43)	24	(6)	
Depreciation and amortization	(27)	(29)	(14)	—	(70)	30	(13)	—	(53)
Deferred taxes	3	—	(5)	13	11	(2)	13	—	22
Mark-to-market on hedging items	(14)	—	(16)	(10)	(40)	20	(9)	—	(29)
Other expenses	(12)	(10)	(11)	(5)	(38)	27	(1)	4	(8)
Share of earnings from associates	—	—	—	—	—	(32)	—	—	(32)
Income from discontinued operations, net of income tax	—	—	—	—	—	—	—	7	7
Net income attributable to non-controlling interest	—	—	—	—	—	—	(14)	(5)	(19)
Net income attributable to partnership[2]	$ 28	$ (3)	$ (29)	$ (22)	$ (26)	$ —	$ —	$ —	$ (26)

(1) *The above table provides each segment's results in the format that management organizes its segments to make operating decisions and assess performance. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations accounted for using the consolidation and equity methods under IFRS. The above table reconciles Brookfield Infrastructure's proportionate results to the partnership's condensed and consolidated statements of operating results on a line by line basis by aggregating the components comprising the earnings from the partnership's investments in associates and reflecting the portion of each line item attributable to non-controlling interests.*

(2) *Includes net income (loss) attributable to non-controlling interest – Redeemable Partnership units held by Brookfield, general partner and limited partners.*

13. SEGMENTED INFORMATION (CONT'D)

FOR THE SIX MONTHS ENDED JUNE 30, 2013 US$ MILLIONS	Total attributable to Brookfield Infrastructure Utilities	Transport	Energy	Corporate & Other	Brookfield Infrastructure	Contribution from investments in associates	Attributable to non-controlling interest	Discontinued Operations	As per IFRS financials[1]
Revenues	$ 418	$ 504	$ 155	$ 76	$ 1,153	$ (428)	$ 276	$ (76)	$ 925
Costs attributed to revenues	(147)	(278)	(82)	(40)	(547)	227	(144)	40	(424)
General and administrative costs	—	—	—	(54)	(54)	—	—	—	(54)
Adjusted EBITDA	271	226	73	(18)	552	(201)	132	(36)	
Other income	6	7	1	—	14	(7)	4	—	11
Interest expense	(88)	(74)	(34)	(20)	(216)	76	(49)	12	(177)
Cash taxes	(1)	(9)	—	—	(10)	11	(11)	—	(10)
FFO	188	150	40	(38)	340	(121)	76	(24)	
Depreciation and amortization	(82)	(93)	(34)	—	(209)	88	(48)	—	(169)
Deferred taxes	(14)	7	9	(36)	(34)	(4)	7	25	(6)
Mark-to-market on hedging items	(6)	—	3	33	30	(6)	7	—	31
Other expenses	(21)	(34)	(3)	35	(23)	8	(3)	(16)	(34)
Share of earnings from associates	—	—	—	—	—	35	—	—	35
Income from discontinued operations, net of income tax	—	—	—	—	—	—	—	56	56
Net income attributable to non-controlling interest	—	—	—	—	—	—	(39)	(41)	(80)
Net income attributable to partnership[2]	$ 65	$ 30	$ 15	$ (6)	$ 104	$ —	$ —	$ —	$ 104

(1) *The above table provides each segment's results in the format that management organizes its segments to make operating decisions and assess performance. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations accounted for using the consolidation and equity methods under IFRS. The above table reconciles Brookfield Infrastructure's proportionate results to the partnership's condensed and consolidated statements of operating results on a line by line basis by aggregating the components comprising the earnings from the partnership's investments in associates and reflecting the portion of each line item attributable to non-controlling interests.*

(2) *Includes net (loss) income attributable to non-controlling interest – Redeemable Partnership units held by Brookfield, general partner and limited partners.*

13. SEGMENTED INFORMATION (CONT'D)

FOR THE SIX MONTHS ENDED JUNE 30, 2012 US$ MILLIONS	Total attributable to Brookfield Infrastructure					Contribution from investments in associates	Attributable to non-controlling interest	Discontinued Operations	As per IFRS financials[1]
	Utilities	Transport	Energy	Corporate & Other	Brookfield Infrastructure				
Revenues	$ 360	$ 345	$ 155	$ 72	$ 932	$ (346)	$ 185	$ (72)	$ 699
Costs attributed to revenues	(141)	(224)	(78)	(47)	(490)	194	(98)	47	(347)
General and administrative costs	—	—	—	(42)	(42)	—	—	—	(42)
Adjusted EBITDA	219	121	77	(17)	400	(152)	87	(25)	
Other income	3	2	—	6	11	(3)	7	(1)	14
Interest expense	(78)	(47)	(36)	(26)	(187)	70	(46)	14	(149)
Cash taxes	(1)	(2)	—	(2)	(5)	2	(3)	—	(6)
FFO	143	74	41	(39)	219	(83)	45	(12)	
Depreciation and amortization	(59)	(54)	(27)	—	(140)	56	(18)	—	(102)
Deferred taxes	19	(4)	4	(1)	18	(1)	(4)	13	26
Mark-to-market on hedging items	(10)	—	(16)	(17)	(43)	15	(10)	—	(38)
Other expenses	(33)	(12)	(12)	(9)	(66)	45	2	(6)	(25)
Share of earnings from associates	—	—	—	—	—	(32)	—	—	(32)
Income from discontinued operations, net of income tax	—	—	—	—	—	—	—	18	18
Net income attributable to non-controlling interest	—	—	—	—	—	—	(15)	(13)	(28)
Net income attributable to partnership[2]	$ 60	$ 4	$ (10)	$ (66)	$ (12)	$ —	$ —	$ —	$ (12)

(1) *The above table provides each segment's results in the format that management organizes its segments to make operating decisions and assess performance. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations accounted for using the consolidation and equity methods under IFRS. The above table reconciles Brookfield Infrastructure's proportionate results to the partnership's condensed and consolidated statements of operating results on a line by line basis by aggregating the components comprising the earnings from the partnership's investments in associates and reflecting the portion of each line item attributable to non-controlling interests.*

(2) *Includes net (loss) income attributable to non-controlling interest – Redeemable Partnership units held by Brookfield, general partner and limited partners.*

13. SEGMENTED INFORMATION (CONT'D)

Segment assets

For the purpose of monitoring segment performance and allocating resources between segments, Brookfield Infrastructure's Executive Management and Board of Directors monitor the assets, including investments accounted for using the equity method, attributable to each segment.

The following is an analysis of Brookfield Infrastructure's assets by reportable operating segment for the years under review:

AS AT JUNE 30, 2013 US$ MILLIONS	Total attributable to Brookfield Infrastructure								
	Utilities	Transport	Energy	Other	Brookfield Infrastructure	Contribution from investments in associates	Attributable to non-controlling interest	Working capital adjustment	As per IFRS financials(1)
Total assets	**$5,142**	**$ 3,975**	**$ 1,864**	**$458**	**$ 11,439**	**$ (2,742)**	**$ 6,270**	**$ 2,777**	**$ 17,744**

AS AT DECEMBER 31, 2012 US$ MILLIONS	Total attributable to Brookfield Infrastructure								
	Utilities	Transport	Energy	Other	Brookfield Infrastructure	Contribution from investments in associates	Attributable to non-controlling interest	Working capital adjustment	As per IFRS financials(1)
Total assets	$5,525	$ 4,412	$ 1,849	$895	$ 12,681	$ (2,072)	$ 6,530	$ 2,579	$ 19,718

(1) The above tables provide each segment's assets in the format that management organizes its segments to make operating decisions and assess performance. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations using consolidation and the equity method whereby the partnership either controls or exercises significant influence over the investment respectively. The above table reconciles Brookfield Infrastructure's proportionate assets to total assets presented on the partnership's consolidated statements of financial position by removing net liabilities contained within investments in associates and reflecting the assets attributable to non-controlling interests, and adjusting for working capital assets which are netted against working capital liabilities.

14. SUBSIDIARY PUBLIC ISSUERS

In June 2012, wholly-owned subsidiaries of Brookfield Infrastructure, Brookfield Infrastructure Finance ULC, Brookfield Infrastructure Finance LLC, Brookfield Infrastructure Finance Pty Ltd, Brookfield Infrastructure Finance Limited, and Brookfield Infrastructure Preferred Equity Inc. (collectively, the "Issuers"), registered with securities commissions for the distribution of debt securities or Class A preference shares. The Issuers may offer and sell these instruments in one or more issuances in the aggregate, of up to C$750 million (or the equivalent in other currencies). The debt securities or preference shares would be unconditionally guaranteed by Brookfield Infrastructure Partners L.P., Brookfield Infrastructure L.P., and wholly-owned subsidiaries, Brookfield Infrastructure Holdings (Canada) Inc., Brookfield Infrastructure Corporation and BIP Bermuda Holdings I Limited.

On October 10, 2012, wholly-owned subsidiaries of Brookfield Infrastructure executed a C$400 million, five-year medium term note offering in the Canadian bond market with a coupon of 3.5%, which was swapped into U.S. dollars on a matched maturity basis at an all-in rate of 2.7%.

The following tables set forth consolidated summary financial information for Brookfield Infrastructure and the Issuers:

FOR THE THREE MONTHS ENDED JUNE 30, 2013	Brookfield Infrastructure[2]	The Issuers	Subsidiaries of the partnership other than the Issuers[3]	Consolidating adjustments[4]	Brookfield Infrastructure consolidated
Revenue	**$ —**	**$ —**	**$ 462**	**$ —**	**$ 462**
Net income (loss) attributable to partnership[1]	**88**	**—**	**113**	**(69)**	**132**
FOR THE THREE MONTHS ENDED JUNE 30, 2012					
Revenue	$ —	$ —	$ 368	$ —	$ 368
Net (loss) income attributable to partnership[1]	(21)	—	80	(85)	(26)

FOR THE SIX MONTHS ENDED JUNE 30, 2013	Brookfield Infrastructure[2]	The Issuers	Subsidiaries of the partnership other than the Issuers[3]	Consolidating adjustments[4]	Brookfield Infrastructure consolidated
Revenue	**$ —**	**$ —**	**$ 925**	**$ —**	**$ 925**
Net income (loss) attributable to partnership[1]	**63**	**—**	**285**	**(244)**	**104**
FOR THE SIX MONTHS ENDED JUNE 30, 2012					
Revenue	$ —	$ —	$ 699	$ —	$ 699
Net (loss) income attributable to partnership[1]	(14)	—	298	(296)	(12)
AS AT JUNE 30, 2013					
Current assets	**$ —**	**$ 3**	**$ 4,531**	**$ (3)**	**$ 4,531**
Long-term assets	**3,616**	**382**	**13,213**	**(3,998)**	**13,213**
Current liabilities	**—**	**5**	**2,525**	**(5)**	**2,525**
Long-term liabilities	**—**	**381**	**9,537**	**(2,081)**	**7,837**
Non-controlling interests – Redeemable Partnership units held by Brookfield	**—**	**—**	**1,374**	**—**	**1,374**
Non-controlling interests – in operating subsidiaries	**—**	**—**	**2,327**	**—**	**2,327**
AS AT DECEMBER 31, 2012					
Current assets	$ —	$ 3	$ 746	$ (3)	$ 746
Long-term assets	3,592	403	18,972	(3,995)	18,972
Current liabilities	—	3	1,291	(3)	1,291
Long-term liabilities	—	403	12,166	(1,950)	10,619
Non-controlling interest – Redeemable Partnership units held by Brookfield	—	—	1,365	—	1,365
Non-controlling interests – in operating subsidiaries	—	—	2,784	—	2,784

1. *Includes net income (loss) attributable to non-controlling interest – Redeemable Partnership units held by Brookfield, general partner and limited partners.*
2. *Includes investments in all subsidiaries of the partnership under the equity method.*
3. *Includes investments in all subsidiaries of the partnership other than the Issuers on a consolidated basis.*
4. *Includes elimination of intercompany transactions and balances necessary to present Brookfield Infrastructure on a consolidated basis.*

15. PARTNERSHIP CAPITAL

Brookfield Infrastructure's capital structure is comprised of three classes of partnership units: general partnership units, limited partnership units and Redeemable Partnership units held by Brookfield.

(a) General and Limited Partnership Capital

UNITS MILLIONS	General partnership units As of June 30, 2013	General partnership units As of December 31, 2012	Limited partnership units As of June 30, 2013	Limited partnership units As of December 31, 2012	Total As of June 30, 2013	Total As of December 31, 2012
Authorized to issue						
Opening balance	**1.1**	1.1	**143.6**	132.3	**144.7**	133.4
Issued for cash	**—**	—	**6.5**	11.3	**6.5**	11.3
Ending balance	**1.1**	1.1	**150.1**	143.6	**151.2**	144.7

The weighted average number of general partnership units outstanding for the three and six months ended June 30, 2013 was 1.1 million and 1.1 million, respectively, (2012: 1.1 million and 1.1 million). The weighted average number of limited partnership units outstanding for the three and six months ended June 30, 2013 was 147.1 million and 145.4 million, respectively, (2012: 132.3 million and 132.3 million).

US$ MILLIONS	General partner As of June 30, 2013	General partner As of December 31, 2012	Limited partners As of June 30, 2013	Limited partners As of December 31, 2012	Total As of June 30, 2013	Total As of December 31, 2012
Opening balance	**$ 19**	$ 19	**$2,955**	$ 2,597	**$2,974**	$ 2,616
Share issuance	**—**	—	**240**	358	**240**	358
Ending balance	**$ 19**	$ 19	**$3,195**	$ 2,955	**$3,214**	$ 2,974

In June 2010, we implemented a distribution reinvestment plan ("the Plan") that allows eligible holders of the partnership to purchase additional units by reinvesting their cash distributions. Under the Plan, units are acquired at a price per unit calculated by reference to the volume weighted average of the trading price for our units on the New York Stock Exchange for the five trading days immediately preceding the relevant distribution date. During the three and six month period ended June 30, 2013, our partnership issued less than 1 million units for proceeds of $1 million and less than 1 million units for proceeds of $3 million, respectively (2012: less than 1 million units for less than $1 million and less than 1 million units for less than $2 million, respectively) under the Plan.

(b) Non-controlling interest – Redeemable Partnership units held by Brookfield

UNITS MILLIONS	Non-controlling interest - Redeemable Partnership units held by Brookfield As of June 30, 2013	Non-controlling interest - Redeemable Partnership units held by Brookfield As of December 31, 2012
Opening balance	**56.1**	51.7
Issued for cash	**2.6**	4.4
Ending balance	**58.7**	56.1

15. PARTNERSHIP CAPITAL (CONT'D)

The weighted average number of Redeemable Partnership units held by Brookfield outstanding for the three and six months ended June 30, 2013 was 57.5 million and 56.8 million, respectively, (2012: 51.7 million and 51.7 million).

	Non-controlling interest - Redeemable Partnership units held by Brookfield	
	As of	
US$ MILLIONS	**June 30, 2013**	December 31, 2012
Opening balance	**$ 1,084**	$ 942
Issued for cash	**94**	142
Ending balance	**$ 1,178**	$ 1,084

16. DISTRIBUTIONS

For the three and six month periods ended June 30, 2013, distributions to partnership unitholders were $90 million and $176 million, respectively or $0.43 and $0.86, respectively, per partnership unit (2012: $69 million or $0.375 per unit and $138 million or $0.75 per unit, respectively).

Additionally, incentive distributions were made to the general partner in the amount of $8 million and $16 million for the three and six month periods ended June 30, 2013 ($4 million and $8 million for the three and six month periods ended June 30, 2012).

17. ACCUMULATED OTHER COMPREHENSIVE INCOME

(a) Attributable to Limited Partners

US$ MILLIONS	Revaluation Surplus	Foreign Currency Translation	Net Investment Hedges	Cash Flow Hedges	Other Reserves	Equity Accounted Investments	Accumulated Other Comprehensive Income
Balance at December 31, 2012	**$ 393**	**$ 137**	**$ (57)**	**$ (53)**	**$ (1)**	**$ 210**	**$ 629**
Other comprehensive (loss) income	**(10)**	**(232)**	**16**	**(16)**	**(4)**	**16**	**(230)**
Balance at June 30, 2013	**$ 383**	**$ (95)**	**$ (41)**	**$ (69)**	**$ (5)**	**$ 226**	**$ 399**

US$ MILLIONS	Revaluation Surplus	Foreign Currency Translation	Net Investment Hedges	Cash Flow Hedges	Available for Sale Securities	Other Reserves	Equity Accounted Investments	Accumulated Other Comprehensive Income
Balance at December 31, 2011	$ 153	$ 82	$ (49)	$ (36)	$ —	$ 8	$ 103	$ 261
Other comprehensive income (loss)	1	13	(1)	(10)	4	—	7	14
Balance at June 30, 2012	$ 154	$ 95	$ (50)	$ (46)	$ 4	$ 8	$ 110	$ 275

(b) Attributable to General Partner

US$ MILLIONS	Revaluation Surplus	Foreign Currency Translation	Net Investment Hedges	Cash Flow Hedges	Other Reserves	Equity Accounted Investments	Accumulated Other Comprehensive Income
Balance at December 31, 2012	**$ 3**	**$ 1**	**$ —**	**$ (1)**	**$ —**	**$ 2**	**$ 5**
Other comprehensive loss	**—**	**(2)**	**—**	**—**	**—**	**—**	**(2)**
Balance at June 30, 2013	**$ 3**	**$ (1)**	**$ —**	**$ (1)**	**$ —**	**$ 2**	**$ 3**

US$ MILLIONS	Revaluation Surplus	Foreign Currency Translation	Net Investment Hedges	Cash Flow Hedges	Other Reserves	Equity Accounted Investments	Accumulated Other Comprehensive Income
Balance at December 31, 2011	$ 1	$ —	$ —	$ —	$ —	$ 1	$ 2
Other comprehensive income	—	—	—	—	—	—	—
Balance at June 30, 2012	$ 1	$ —	$ —	$ —	$ —	$ 1	$ 2

17. ACCUMULATED OTHER COMPREHENSIVE INCOME (CONT'D)

(c) Attributable to Non-controlling interest – Redeemable Partnership units held by Brookfield

US$ MILLIONS	Revaluation Surplus	Foreign Currency Translation	Net Investment Hedges	Cash Flow Hedges	Other Reserves	Equity Accounted Investments	Accumulated Other Comprehensive Income
Balance at December 31, 2012	**$ 176**	**$ 67**	**$ (24)**	**$ (24)**	**$ —**	**$ 77**	**$ 272**
Other comprehensive (loss) income	**(4)**	**(91)**	**6**	**(6)**	**(2)**	**7**	**(90)**
Balance at June 30, 2013	**$ 172**	**$ (24)**	**$ (18)**	**$ (30)**	**$ (2)**	**$ 84**	**$ 182**

US$ MILLIONS	Revaluation Surplus	Foreign Currency Translation	Net Investment Hedges	Cash Flow Hedges	Available for Sale Securities	Other Reserves	Equity Accounted Investments	Accumulated Other Comprehensive Income
Balance at December 31, 2011	$ 75	$ 38	$ (23)	$ (17)	$ —	$ 2	$ 50	$ 125
Other comprehensive income (loss)	1	5	—	(4)	1	—	3	6
Balance at June 30, 2012	$ 76	$ 43	$ (23)	$ (21)	$ 1	$ 2	$ 53	$ 131

18. RELATED PARTY TRANSACTIONS

In the normal course of operations, Brookfield Infrastructure entered into the transactions below with related parties on market terms. These transactions have been measured at fair value and are recognized in the interim condensed and consolidated financial statements.

The immediate parent of Brookfield Infrastructure is the managing general partner of the partnership. The ultimate parent of Brookfield Infrastructure is Brookfield. Other related parties of Brookfield Infrastructure represent its subsidiary and operating entities.

a) Transactions with the immediate parent

Throughout the period, the managing general partner, in its capacity as the partnership's general partner, incurs director fees, a portion of which are charged at cost to the partnership in accordance with the limited partnership agreement. Less than $1 million in director fees were incurred during the three and six months ended June 30, 2013, respectively, (less than $1 million during the three and six months ended June 30, 2012).

b) Transactions with other related parties

Since inception, Brookfield Infrastructure had a management agreement with its external managers, wholly owned subsidiaries of Brookfield.

Pursuant to the Master Services Agreement, on a quarterly basis, Brookfield Infrastructure pays a base management fee, referred to as the Base Management Fee, to affiliates of Brookfield (the "Manager") equal to 0.3125% per quarter (1.25% annually) of the market value of the partnership. The Base Management Fee was $24 million and $50 million for the three and six months ended June 30, 2013 ($20 million and $38 million during the three and six months ended June 30, 2012).

For purposes of calculating the Base Management Fee, the market value of the partnership is equal to the volume weighted average of the closing prices of the partnership's units on the NYSE (or other exchange or market where the partnership's units are principally traded) for each of the last five trading days of the applicable quarter multiplied by the number of issued and outstanding units of the partnership on the last of those days (assuming full conversion of Brookfield's interest in Brookfield Infrastructure into units of the partnership), plus the amount of third-party debt, net of cash, with recourse to the partnership and Brookfield Infrastructure's holding entity Brookfield Infrastructure LP ("Holding LP") and certain holding entities held directly by the Holding LP.

During the three and six months ended June 30, 2013, $2 million and $4 million, respectively, was reimbursed at cost to the Manager of the partnership ($2 million and $4 million during the three and six months ended June 30, 2012). These amounts represent third party costs that were paid for by Brookfield on behalf of Brookfield Infrastructure relating to general and administrative expenses, and acquisition related expenses of Brookfield Infrastructure. These expenses were charged to Brookfield Infrastructure at cost.

Brookfield Infrastructure has placed funds on deposit with Brookfield. Interest earned on the deposits is at market terms. At June 30, 2013, Brookfield Infrastructure's deposit balance with Brookfield was $191 million (December 31, 2012: $1 million) and earned interest of less than $1 million for the three and six months ended June 30, 2013 (less than $1 million during the three and six months ended June 30, 2012).

Brookfield Infrastructure's North American district energy operation has various right-of-way easements on market terms with subsidiaries of Brookfield Office Properties Inc., a subsidiary of Brookfield.

19. CHANGE IN ACCOUNTING POLICY

Brookfield Infrastructure changed its accounting policy pertaining to the classification of Redeemable Partnership units as at and for the year ended December 31, 2012. The Redeemable Partnership units that were previously presented as limited partnership units (formerly limited partners' equity) have been reclassified to a separate component of non-controlling interest entitled: "Non-controlling interest – Redeemable Partnership units held by Brookfield" on the basis that the change between the two acceptable accounting policies results in the partnership's consolidated financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the partnership's consolidated statements of financial position and statements of operating results.

The partnership previously reflected the Redeemable Partnership units issued to Brookfield by the Holding LP as limited partnership capital in accordance with IAS 32 – Financial Instruments: Presentation since Brookfield Infrastructure can, at its sole discretion, elect to satisfy a redemption request by Brookfield to redeem the Redeemable Partnership units by issuing an equal number of LP units. This change in accounting policy has no impact on the partnership's reported consolidated net (loss) income, consolidated comprehensive (loss) income or net income (loss) per partnership unit for the three and six months ended June 30, 2012. The net impact of this change in accounting policy on the partnership's condensed and consolidated statements of partnership capital, condensed and consolidated statements of operating results and condensed and consolidated statements of comprehensive income are as shown in the following table:

US$ MILLIONS	As at June 30, 2012 Previously Presented	As at June 30, 2012 Reclassified
Condensed and Consolidated Statements of Partnership Capital		
Non-controlling interest – Redeemable Partnership units held by Brookfield	$ —	$ 1,095
Limited Partners	4,046	2,951

US$ MILLIONS	For the three month period ended June 30, 2012 Previously Presented	For the three month period ended June 30, 2012 Reclassified	For the six month period ended June 30, 2012 Previously Presented	For the six month period ended June 30, 2012 Reclassified
Condensed and Consolidated Statements of Operating Results				
Net loss attributable to:				
Non-controlling interest – Redeemable Partnership units held by Brookfield	$ —	$ (9)	$ —	$ (6)
Limited Partners'	(30)	(21)	(20)	(14)
Condensed and Consolidated Statements of Comprehensive Income				
Comprehensive loss attributable to:				
Non-controlling interest – Redeemable Partnership units held by Brookfield	$ —	$ (22)	$ —	$ —
Limited Partners'	(77)	(55)	—	—

20. SUBSEQUENT EVENTS

a) North American District Heating and Cooling Business refinancing

Subsequent to period end, Brookfield Infrastructure's North American district heating and cooling business closed a $215 million Canadian dollar denominated private placement with an average coupon of 4.9% and a 25-year term.

b) Acquisition of Entergy Solutions District Energy

Subsequent to period end, Brookfield in partnership with institutional investors signed definitive agreements for a 100% stake in Entergy Solutions District Energy, of which Brookfield Infrastructure will acquire a 40% interest through a Brookfield sponsored infrastructure fund for $36 million. Concurrently, Brookfield Infrastructure entered into a voting arrangement with an affiliate of Brookfield, providing Brookfield Infrastructure with the right to elect the Board of Directors of the entity, thereby providing Brookfield Infrastructure with control. Accordingly, Brookfield Infrastructure will consolidate this entity. The transaction is expected to close in the third quarter of 2013.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE QUARTER ENDED JUNE 30, 2013

INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") is the responsibility of management of Brookfield Infrastructure Partners L.P. (the "Partnership" or "Brookfield Infrastructure"). This MD&A is dated August 14, 2013 and has been approved by the Board of Directors of the general partner of the Partnership for issuance as of that date. The Board of Directors carries out its responsibility for review of this document principally through its audit committee, comprised exclusively of independent directors. The audit committee reviews and, prior to its publication, approves this document, pursuant to the authority delegated to it by the Board of Directors. The terms "Brookfield Infrastructure", the "Partnership", "we", "us" and "our" refer to Brookfield Infrastructure Partners L.P., and the Partnership's direct and indirect subsidiaries as a group. This MD&A should be read in conjunction with Brookfield Infrastructure Partners L.P.'s most recently issued annual and interim financial statements. Additional information, including Brookfield Infrastructure's Form 20-F, is available on its website at www.brookfieldinfrastructure.com, on SEDAR's website at www.sedar.com and on EDGAR's website at www.sec.gov/edgar.shtml.

Business Overview

Brookfield Infrastructure owns and operates high quality, long-life assets that generate stable cash flows, require relatively minimal maintenance capital expenditures and, by virtue of barriers to entry and other characteristics, tend to appreciate in value over time. Our current operations[1] consist of utility, transport, and energy businesses in North and South America, Australasia and Europe. Our mission is to own and operate a globally diversified portfolio of high quality infrastructure assets that will generate sustainable and growing distributions over the long term for our unitholders. To accomplish this objective, we will seek to leverage our operating platforms to acquire infrastructure assets and actively manage them to extract additional value following our initial investment. An integral part of our strategy is to participate with institutional investors in Brookfield Asset Management Inc. ("Brookfield") sponsored partnerships that target acquisitions that suit our profile. We will focus on partnerships in which Brookfield has sufficient influence or control to deploy an operations-oriented approach.

Performance Targets and Key Measures

We target a total return of 12% to 15% per annum on the infrastructure assets that we own, measured over the long term. We intend to generate this return from the in-place cash flow of our operations plus growth through investments in upgrades and expansions of our asset base, as well as acquisitions. If we are successful in growing our funds from operations ("FFO") per unit, we will be able to increase distributions to unitholders. Additionally, the increase in our FFO per unit should result in capital appreciation. For our business as a whole, a key performance measure is AFFO yield, defined as FFO less maintenance capital expenditures divided by invested capital (see "Reconciliation of Non-IFRS Financial Measures" on page 55 for more detail), which measures the sustainable return on capital that we have deployed. We also measure the growth of FFO per unit, which we believe is a proxy for our ability to increase distributions.

Distribution Policy

Our objective is to pay a distribution that is sustainable on a long-term basis while retaining sufficient liquidity within our operations to fund recurring growth capital expenditures, debt repayments and general corporate requirements. We currently believe that a payout of 60% to 70% of our FFO is appropriate.

In light of the current strong prospects for our business, the Board of Directors approved a 15% increase in our quarterly distribution to 43 cents per unit starting with the distribution paid in March 2013. This increase reflects the forecasted contribution from our recently commissioned capital projects as well as the expected cash yield on acquisitions that we closed in the past year. In the past five years we have increased our quarterly distribution from 26.5 cents per unit to 43 cents, a compound annual growth rate in excess of 10%. We continue to target 3% to 7% annual distribution growth in light of the per unit FFO we foresee in our operations.

Basis of Presentation

Our condensed and consolidated financial statements are prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and using the accounting policies Brookfield Infrastructure applied in its consolidated financial statements as of and for the year ended December 31, 2012, except for the adoption of new Standards and amendments effective January 1, 2013. Our condensed and consolidated financial statements include the accounts of Brookfield Infrastructure and the entities over which it has control. Brookfield Infrastructure accounts for investments over which it exercises significant influence, but does not control, using the equity method.

1. *During the second quarter of 2013, we announced the sale of our interests in our timberland operations. The results of these operations are presented in the 'Corporate and other' segment in this document.*

The Partnership's equity interests include limited partnership units ("LP Units") held by public unitholders and redeemable partnership units ("Redeemable Partnership Units") held by Brookfield. The LP Units and the Redeemable Partnership Units have the same economic attributes in all respects, except that the Redeemable Partnership units provide Brookfield the right to request that its units be redeemed for cash consideration. In the event that Brookfield exercises this right, the Partnership has the right, at its sole discretion, to satisfy the redemption request with its LP Units, rather than cash, on a one-for-one basis. As a result, Brookfield, as holder of Redeemable Partnership Units, participates in earnings and distributions on a per unit basis equivalent to the per unit participation of the LP Units of the Partnership. However, given the redeemable feature referenced above, we present the Redeemable Partnership Units as a component of non-controlling interests.

When we discuss the results of our operating platforms, we present Brookfield Infrastructure's proportionate share of results for operations accounted for using consolidation and the equity method, in order to demonstrate the impact of key value drivers of each of these operating platforms on the Partnership's overall performance. As a result, segment revenues, costs attributable to revenues, other income, interest expense, depreciation and amortization, deferred taxes, fair value adjustments and other items will differ from results presented in accordance with IFRS as they (1) include Brookfield Infrastructure's proportionate share of earnings from investments in associates attributable to each of the above noted items, and (2) exclude the share of earnings (loss) of consolidated investments not held by Brookfield Infrastructure apportioned to each of the above noted items. However, net income for each segment is consistent with results presented in accordance with IFRS. See "Reconciliation of Operating Segments" on page 57 for a reconciliation of segment results to the Partnership's statement of operating results in accordance with IFRS.

Our presentation currency and functional currency is the U.S. dollar, and has been throughout each of the last five years. There were no changes in accounting policies that have had a material impact on the comparability of the results between financial years since the adoption of IFRS.

OUR OPERATIONS

Brookfield Infrastructure owns a balanced portfolio of infrastructure assets that are diversified by sector and by geography. We have a stable cash flow profile with approximately 90% of our adjusted EBITDA supported by regulated or contractual revenues. In order to assist our unitholders in evaluating our performance and assessing our value, we group our businesses into operating platforms based on similarities in their underlying economic drivers.

Our operating platforms are summarized below:

Operating Platform	Asset Type	Primary Location
Utilities *Regulated or contractual businesses that earn a return on their rate base*	• Regulated Terminal • Electricity Transmission • Regulated Distribution	• Australasia • North & South America • Australasia & Europe
Transport *Provide transportation for freight, bulk commodities and passengers, for which we are paid an access fee*	• Railroad • Toll Roads • Ports	• Australasia • South America • Europe
Energy *Systems that provide energy transportation, distribution and storage services*	• Energy Transmission, Distribution & Storage • District Energy	• North America, Europe & Australasia • North America

OVERVIEW OF PERFORMANCE

In this section we review our consolidated performance and financial position for the three and six month periods ended June 30, 2013. Further details on the key drivers of our operations and financial position are contained within the review of Operating Platforms.

Summary Statements of Operating Results

(US$ MILLIONS, EXCEPT PER UNIT INFORMATION)	Three months ended June 30		Six months ended June 30	
	2013	2012	**2013**	2012
Revenues	**$ 462**	$ 368	**$ 925**	$ 699
Direct operating expenses	**(202)**	(187)	**(424)**	(347)
General and administrative expenses	**(26)**	(22)	**(54)**	(42)
Depreciation and amortization expense	**(83)**	(53)	**(169)**	(102)
Interest expense	**(90)**	(75)	**(177)**	(149)
Earnings from investments in associates	**18**	(32)	**35**	(32)
Net income (loss)	**185**	(7)	**184**	16
Income (loss) from continuing operations	**150**	(14)	**128**	(2)
Income from discontinued operations	**35**	7	**56**	18
Net income (loss) attributable to the Partnership[1]	**132**	(26)	**104**	(12)
Net income (loss) per LP Unit	**$ 0.60**	$ (0.16)	**$0.43**	$(0.11)

1. *Includes net income (loss) attributable to non-controlling interests — Redeemable Partnership units held by Brookfield, general partner and limited partners.*

For the three months ended June 30, 2013, we reported net income of $185 million, of which $132 million is attributable to the partnership, compared to a net loss of $7 million and a net loss attributable to the partnership of $26 million in the prior year comparative period. Net earnings increased compared to the second quarter of 2012 as a result of the significant investments made in 2012, which included the completion of the Australian railroad expansion project and investments in the UK regulated distribution business and South American toll roads. We also recognized hedging gains of $83 million in relation to positions held at the corporate level in addition to those at our UK regulated distribution operations, as well as a gain of $18 million on the sale of a non-core social infrastructure asset. These contributions were partially offset by higher depreciation and interest expenses of $45 million resulting from investments made in the Australian railroad, UK regulated distribution business and Chilean toll roads in the latter half of 2012.

Revenues totaled $462 million for the second quarter of 2013, representing a year-over-year increase of $94 million, or 26%. Approximately $32 million of this increase is related to the completion of our Australian railroad's expansion project. Additionally, $70 million relates to acquisitions or investments we made in the second half of 2012, particularly: the merger at our UK regulated distribution business which contributed an incremental $26 million; our district energy business investment which contributed revenue of $16 million; and, our additional investment in our Chilean toll road business that was equity accounted for in the prior year, which contributed incremental consolidated revenue of $28 million. These increases were partially offset by a slight decrease in revenues at our Australian coal terminal and our Colombian regulated distribution business due to the depreciation of the Australian dollar and the Colombian peso.

Direct operating expenses totaled $202 million for the second quarter of 2013, which was an increase of $15 million, or 8%, compared to the same period in 2012. Our aforementioned investments made in the second half of 2012 in our direct energy business, Chilean toll roads and UK regulated distribution business resulted in an increase of $14 million in direct operating costs and the expanded operations at our Australian railroad contributed additional direct operating costs of $7 million.

General and administrative expenses totaled $26 million for the quarter ended June 30, 2013, which was a $4 million increase over 2012. This line item is primarily comprised of a management fee that is paid to Brookfield, which is equal to 1.25% of the partnership's market value plus recourse debt, net of cash. It also includes certain public company expenditures relating to the on-going operations of the partnership. The base management fee increased year-over-year due to an increase in our market capitalization attributable to equity issuances in August 2012 and May 2013 and the higher trading price of our partnership units.

Depreciation and amortization expense totaled $83 million in the second quarter of 2013, an increase of $30 million over the second quarter of 2012. The increase was largely due to the expanded Australian railroad operations and UK regulated distribution business discussed above, which, combined, accounted for approximately $20 million of the overall increase. The remaining increase is primarily attributable to the increase in fair value of property, plant and equipment upon revaluation as at December 31, 2012 and incremental investments made during 2012 that led to a change in the basis of presentation of our Chilean toll roads from equity accounted to consolidation.

Interest expense in the second quarter of 2013 totaled $90 million, compared to $75 million for the same quarter in the prior year. Interest expense increased by $22 million from our investments in our Chilean toll road and UK regulated distribution business and

higher borrowings at our Australian railroad due to our expansion program. These increases were offset by $7 million of interest savings due to lower interest costs on our corporate credit facility following receipt of an investment grade credit rating and the replacement of higher cost legacy corporate debt with corporate bonds issued in the fourth quarter of 2012.

Earnings from investments in associates increased from a loss of $32 million in the second quarter of 2012 to income of $18 million for the current quarter due primarily to a $27 million non-cash loss at our North American gas transmission operations associated with our refinancing of debt, and a $16 million impairment loss at our European port operations related to the restructuring of one of its ports, which were recognized in the prior year comparative period. No such charges were recognized during the second quarter of 2013.

During the second quarter of 2013, we completed the sale of the remaining 25% interest in our Canadian freehold timberlands business and in July, we closed the sale of our 30% interest in our U.S. freehold timberlands business. Accordingly, the income from these businesses has been classified as income from discontinued operations. Results from our timber operations are up from the prior year as our operations continue to benefit from the recovery of the U.S. housing market and strong off-shore demand driving average realized prices up by 24%.

Net income per LP Unit was $0.60 compared to a net loss per LP Unit of $0.16 in the quarter ended June 30, 2012, due to the meaningful contribution from our railroad expansion and new investments, as well as the gain recognized on hedging items during the period.

Summary Statements of Financial Position

	As of	
(US$ MILLIONS)	**June 30, 2013**	December 31, 2012
Cash and cash equivalents	**$ 419**	$ 263
Total assets	**17,744**	19,718
Corporate borrowings	**375**	946
Non-recourse borrowings	**5,477**	6,993
Non-controlling interest – in operating subsidiaries	**2,327**	2,784
Partnership capital[1]	**$ 5,055**	$ 5,024

1. *Includes partnership capital attributable to non-controlling interests — Redeemable Partnership units held by Brookfield, general partner and limited partners.*

As of June 30, 2013, we had $17,744 million in assets, compared to $19,718 million at the end of 2012. This almost $2 billion decrease is primarily due to the sale of our Canadian freehold timberlands, which reduced total assets by $1.1 billion in addition to foreign currency translation losses of approximately $870 million on our asset base that is denominated in foreign currencies as a result of the depreciation of the Australian dollar, British pound and Canadian dollar relative to the U.S. dollar.

Corporate borrowings decreased to $375 million at June 30, 2013, compared to $946 million as of December 31, 2012, mainly due to the repayment of the corporate credit facility during the period with proceeds from the sale of our Canadian timberlands, as well as from funds raised from our equity offering which closed on May 7, 2013.

Our Consolidated Statement of Financial Position as of June 30, 2013 reflected $5,477 million of non-recourse borrowings compared to $6,993 million as of December 31, 2012. The decrease in non-recourse borrowings relates primarily to the decrease of approximately $1.5 billion in borrowings from our timber operations as a result of the disposition of our Canadian freehold timberlands business and the reclassification of borrowings of our U.S. freehold timberlands business to liabilities held for sale.

Non-controlling interest decreased by $457 million to $2,327 million at the end of the quarter. This decrease relates mainly to the sale of our Canadian freehold timberlands business, which resulted in a reduction of $527 million in non-controlling interest. This decrease was partially offset by an increase in non-controlling interest of $116 million relating to the partial sale of our UK regulated distribution business in the first quarter of 2013.

Our partnership capital remained relatively consistent with our balance as at December 31, 2012, as our $340 million equity issuance, in addition to earnings of $104 million and the $86 million gain recognized in equity on the partial sale of our UK regulated distribution operations during the first quarter, were largely offset by foreign exchange losses of $300 million recognized during the six months ended June 30, 2013 and distributions of $192 million.

Summary of Quarterly Results

Total revenues and net income for the eight most recent quarters are as follows:

THREE MONTHS ENDED (US$ MILLIONS, EXCEPT PER UNIT AMOUNTS)	2013		2012				2011	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenues	**$ 462**	$ 463	$ 451	$ 374	$ 368	$ 331	$ 286	$ 286
Direct operating costs	**(202)**	(222)	(229)	(190)	(187)	(160)	(146)	(140)
Equity accounted income (loss)	**18**	17	(8)	40	(32)	—	38	14
Expenses								
Interest	**(90)**	(87)	(98)	(75)	(75)	(74)	(64)	(64)
General and administrative expenses	**(26)**	(28)	(28)	(25)	(22)	(20)	(18)	(16)
Valuation items								
Fair value changes and other	**107**	(99)	(5)	12	(29)	(20)	(52)	7
Depreciation and amortization	**(83)**	(86)	(73)	(55)	(53)	(49)	(37)	(34)
Income taxes	**(36)**	20	4	7	16	4	(18)	(6)
Net income (loss) from continuing operations	**150**	(22)	14	88	(14)	12	(11)	47
Income from discontinued operations, net of income tax	**35**	21	166	7	7	11	166	109
Net income (loss)	**185**	(1)	180	95	(7)	23	155	156
Net attributable income to others	**97**	24	147	49	14	16	119	113
Net income (loss) attributable to limited partners	**88**	(25)	33	46	(21)	7	36	43
Per limited partnership unit	**$0.60**	$(0.17)	$0.23	$0.33	$(0.16)	$0.05	$0.29	$0.38

A significant driver of our results continues to be new investments that we execute plus organic expansion projects we commission within our asset portfolio. These add to the ongoing cash flow profile of our current businesses. These factors all contribute to the continual increase in our revenues, operating costs, interest costs and depreciation expense. In addition to the factors mentioned, net income is also impacted by other items that relate to fair value adjustments to our assets, liabilities and financial instruments.

We do not consider the effects of seasonality to be significant to the business overall. This is primarily due to the diversification of our business from a geographic and a segment perspective.

OPERATING PLATFORMS

In this section, we review the results of our principal operating segments: utilities, transport and energy. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations accounted for using the consolidation and equity method, whereby the Partnership either controls or exercises significant influence over its investments. See "Discussion of Segment Reconciling Items" on page 62 for a reconciliation of segment results to the Partnership's statement of operating results in accordance with IFRS.

Utilities Operations

Our utilities platform is comprised of regulated businesses, which earn a return on their asset base, as well as businesses with long-term contracts designed to generate a return on capital over the life of the contract. In all cases, we own and operate assets that earn a return on a regulated or notionally stipulated asset base, which we refer to as rate base. Our rate base increases in accordance with capital that we invest to upgrade and expand our systems. Depending on the jurisdiction, our rate base may also increase by inflation and maintenance capital expenditures and decrease by regulatory depreciation. The return that we earn is typically determined by a regulator or contracts for prescribed periods of time. Thereafter, it may be subject to customary reviews based upon established criteria. Due to the regulatory diversity we have within our utilities platform, we mitigate exposure to any single regulatory regime. In addition, due to the regulatory frameworks and economies of scale of our utilities businesses, we often have significant competitive advantages in competing for projects to expand our rate base. Accordingly, we expect this segment to produce stable revenue and margins that should increase with investment of additional capital and inflation. Virtually all of our utility platform's adjusted EBITDA is supported by regulated or contractual revenues.

Our objectives for our utilities platform are to invest capital in the expansion of our rate base and to provide safe and reliable service for our customers on a cost efficient basis. If we do so, we will be in a position to earn an appropriate return on our rate base. Our performance can be measured by the growth in our rate base, the return on our rate base, as well as our AFFO yield.

Our utilities platform is comprised of the following:

Regulated Terminal

- One of the world's largest coal export terminals in Australia, with 85 mtpa of coal handling capacity

Electricity Transmission

- Approximately 9,900 kilometres of transmission lines in North and South America

Regulated Distribution

- Almost 2.5 million electricity and natural gas connections

Results of Operations

The following table presents our proportionate share of our rate base and selected key metrics:

(US$ MILLIONS)	Three months ended June 30		Six months ended June 30	
	2013	2012	**2013**	2012
Rate base, start of period	**$4,880**	$3,533	**$4,790**	$3,316
Impact of mergers and acquisitions	**—**	—	**—**	82
Capital expenditures commissioned	**41**	38	**143**	67
Inflation and other indexation	**25**	34	**101**	88
Regulatory depreciation	**(20)**	(20)	**(40)**	(40)
Foreign exchange	**(346)**	(41)	**(414)**	31
Rate base, end of period	**$4,580**	$3,544	**$4,580**	$3,544

(US$ MILLIONS)	Three months ended June 30		Six months ended June 30	
	2013	2012	**2013**	2012
Funds from operations (FFO)	**$ 96**	$ 78	**$ 188**	$ 143
Maintenance capital	**(8)**	(6)	**(14)**	(12)
Adjusted funds from operations (AFFO)	**$ 88**	$ 72	**$ 174**	$ 131
Return on rate base[1, 3]	**11%**	12%	**11%**	12%
AFFO yield[2, 3]	**15%**	16%	**15%**	16%

1. *Return on rate base is adjusted EBITDA divided by time weighted average rate base.*
2. *AFFO yield is AFFO divided by time weighted average invested capital.*
3. *Return on rate base and AFFO yield excludes impact of connections revenues at our UK regulated distribution operation.*

For the three months ended June 30, 2013, our utilities platform produced FFO of $96 million, compared with $78 million in the same period in the prior year. The increase in FFO was primarily due to the completed merger of our UK regulated distribution business, which doubled its size, and the increase in ownership of our Chilean electricity transmission system in the fourth quarter of 2012. Excluding these investments, the cash flows of our business steadily increased with inflation indexation and contributions from organic growth investments. For the period, our utilities business earned an AFFO yield of 15% and a return on rate base of 11%, which we believe are attractive returns in light of the low risk profile of this segment.

The following table presents our utilities platform's proportionate share of financial results:

(US$ MILLIONS)	Three months ended June 30		Six months ended June 30	
	2013	2012	**2013**	2012
Revenue	**$ 198**	$ 180	**$ 393**	$ 340
Connection revenue	**14**	13	**25**	20
Costs attributed to revenues	**(74)**	(78)	**(147)**	(141)
Adjusted EBITDA	**138**	115	**271**	219
Interest expense	**(45)**	(39)	**(88)**	(78)
Other income (expenses)	**3**	2	**5**	2
Funds from operations (FFO)	**96**	78	**188**	143
Depreciation and amortization	**(40)**	(27)	**(82)**	(59)
Deferred taxes and other items	**14**	(23)	**(41)**	(24)
Net income	**$ 70**	$ 28	**$ 65**	$ 60

The following table presents our proportionate adjusted EBITDA and FFO for each business in this operating platform:

(US$ MILLIONS)	Adjusted EBITDA				FFO			
	Three months ended June 30		Six months ended June 30		Three months ended June 30		Six months ended June 30	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
Regulated Distribution	**$ 60**	$ 48	**$113**	$ 83	**$ 46**	$ 35	**$ 86**	$ 58
Regulated Terminal	**44**	44	**89**	90	**23**	25	**46**	50
Electricity Transmission	**34**	23	**69**	46	**27**	18	**56**	35
Total	**$138**	$115	**$271**	$219	**$ 96**	$ 78	**$188**	$143

Our regulated distribution operations generated adjusted EBITDA and FFO of $60 million and $46 million, respectively, for the current quarter, versus $48 million and $35 million, respectively, in the comparative period. The increase reflects growth in our rate base due to the acquisition of our UK regulated distribution business in November 2012. Excluding the impacts of this investment, FFO was ahead of prior year due to an increase in the number of in-place connections, higher connection revenues and inflation indexation.

Our regulated terminal operation reported adjusted EBITDA and FFO of $44 million and $23 million, respectively, for the three months ended June 30, 2013 versus $44 million and $25 million, respectively, in the comparative period. Adjusted EBITDA was in-line with the comparative period, however FFO declined due to higher borrowing costs following the refinancing completed at the end of the second quarter of 2012.

Our electricity transmission operations reported adjusted EBITDA and FFO of $34 million and $27 million, respectively, for the current quarter versus $23 million and $18 million, respectively, in the comparative period. Adjusted EBITDA and FFO increased primarily due to the acquisition of an additional interest in our Chilean electricity transmission system, which occurred during the fourth quarter of 2012. Excluding the effect of the increase in ownership, FFO was ahead of prior year due to investment in our rate base, inflation indexation and favourable weather that positively impacted our operations.

Non-cash expenses are mainly comprised of depreciation and amortization, non-cash inflation indexation on our Chilean peso denominated debt and unrealized mark-to-market gains on hedge instruments used as part of our interest rate hedging program. Depreciation and amortization increased to $40 million for the current year compared to $27 million in the same period last year, primarily due to additions to our regulated asset base from the aforementioned acquisitions. Deferred taxes and other items increased from a loss of $23 million in the prior year to income of $14 million for the three months ended June 30, 2013 due primarily to a $38 million mark-to-market gain on the valuation of hedging items at our UK regulated distribution business.

Business Development and Outlook

Within our utilities platform, we have numerous opportunities to upgrade and expand our rate base. While we are required to make certain capital expenditures to maintain safety and reliability, we will direct discretionary capital to those businesses that provide the highest risk-adjusted returns. In our utilities platform, we expect to earn a return on rate base on incremental investments, which is consistent with our current return on rate base.

Our capital backlog is comprised of investments that will increase our rate base, for which we have not yet invested capital. It is defined as projects that have been awarded to us, as well as projects that have been filed with the regulator with anticipated expenditures within the next two years.

The following table presents our proportionate share of our capital backlog:

(US$ MILLIONS)	Three Months Ended June 30		Six Months Ended June 30	
	2013	2012	**2013**	2012
Capital project backlog, start of period	**$ 311**	$ 276	**$ 326**	$ 284
Additional capital projects mandates	**86**	66	**138**	89
Less capital expenditures	**(74)**	(41)	**(129)**	(77)
Foreign exchange and other	**(6)**	(2)	**(18)**	3
Capital backlog, end of period	**317**	299	**317**	299
Construction work in progress	**112**	78	**112**	78
Total capital to be commissioned into rate base	**$ 429**	$ 377	**$ 429**	$ 377

We finished the period with a capital backlog of $317 million, a decrease of $9 million from December 31, 2012. Since year end, our operations were awarded capital projects of $138 million, however, these contributions were offset by capital expenditures of $129 million and unfavourable foreign currency movements of $18 million. As at June 30, 2013, the largest contributors to our capital backlog were our UK regulated distribution business of $189 million, our Chilean transmission system of $67 million and our Australian coal terminal of $19 million.

In addition, our construction work in progress was $112 million at quarter end, a $14 million decrease from December 31, 2012, as projects commissioned exceeded expenditures during the six months ended June 30, 2013. Construction work in progress represents capital that we have invested that will begin generating cash flow upon being commissioned and added to our rate base. In total, we finished the quarter with $429 million of capital that will be commissioned into our rate base, primarily made up of capital invested at our Texas transmission system, which is expected to be commissioned in the third quarter of 2013.

As part of our capital recycling program, subsequent to period end, we signed a definitive agreement to sell a 42% interest in our New Zealand regulated distribution operation for approximately $410 million, which represents a price well in excess of our most recent valuation. The sale is subject to approval from the New Zealand Overseas Investment Office and is expected to close by the end of 2013.

Transport Operations

Our transport platform is comprised of open access systems that provide transportation, storage and handling services for freight, bulk commodities and passengers, for which we are paid an access fee. Profitability is based on the volume and price achieved for the provision of these services. This operating platform is comprised of businesses with price ceilings as a result of regulation, such as our railroad and toll road operations, as well as unregulated businesses, such as our ports. Transport businesses typically have high barriers to entry and, in many instances, have very few substitutes in their local markets. While these businesses have greater sensitivity to market prices and volume than our utilities platform, revenues are generally stable and, in many cases, are supported by long-term contracts or customer relationships. Our transport platform is expected to benefit from increases in demand for commodities as well as increases in the global movement of goods. Furthermore, the diversification within our transport platform mitigates the impact of fluctuations in demand from any particular sector, commodity or customer. Approximately 75% of our transport platform's adjusted EBITDA is supported by long-term contractual revenues.

Our objectives for our transport platform are to provide safe and reliable service to our customers and to satisfy their growth requirements by increasing the utilization of our assets and expanding our capacity in a capital efficient manner. If we do so, we will be able to charge an appropriate price for our services and we will be able to earn an attractive return on the capital that we have deployed as well as the capital that we will invest to increase the capacity of our operations. Our performance can be measured by our revenue growth, our adjusted EBITDA margin, as well as our AFFO yield.

Our transport platform is comprised of the following:

Railroad

- Sole provider of rail service in Southwestern Western Australia, with approximately 5,100 kilometres of tracks

Toll Roads

- 3,200 kilometres of toll roads in Brazil and Chile

Ports

- 28 terminals primarily in the UK and across Europe

Results of Operations

The following table presents our proportionate share of the key metrics of our transport platform:

(US$ MILLIONS)	Three Months Ended June 30		Six Months Ended June 30	
	2013	2012	**2013**	2012
Growth capital expenditures	**$ 34**	$ 125	**$ 82**	$ 250
Adjusted EBITDA margin[1]	**47%**	35%	**45%**	35%
Funds from operations (FFO)	**83**	36	**150**	74
Maintenance capital	**(12)**	(9)	**(26)**	(15)
Adjusted funds from operations (AFFO)	**$ 71**	$ 27	**$ 124**	$ 59
AFFO yield[2]	**18%**	9%	**15%**	10%

1. *Adjusted EBITDA margin is adjusted EBITDA divided by revenues.*
2. *AFFO yield is AFFO divided by time weighted average invested capital.*

In our transport platform, we generated FFO of $83 million in 2013 compared to $36 million in 2012. The increase in FFO was primarily driven by a doubling of FFO at our Australian railroad as a result of commissioning our expansion program and contribution from our South American toll roads acquired during the fourth quarter of 2012. AFFO yield was 18% for the quarter, up from the prior year, due to the increase in FFO and lower than average quarterly maintenance capital expenditures. Maintenance capital expenditures were $12 million, less than average quarterly sustainable level of $18 to 20 million, largely due to the timing of projects at our Australian railroad that typically occur in the second half of the year.

The following table presents our transport platform's proportionate share of financial results:

(US$ MILLIONS)	Three months ended June 30		Six months ended June 30	
	2013	2012	**2013**	2012
Revenues	**$ 252**	$ 171	**$ 504**	$ 345
Cost attributed to revenues	**(133)**	(111)	**(278)**	(224)
Adjusted EBITDA	**119**	60	**226**	121
Interest expense	**(38)**	(23)	**(74)**	(47)
Other income (expenses)	**2**	(1)	**(2)**	—
Funds from operations (FFO)	**83**	36	**150**	74
Depreciation and amortization	**(42)**	(29)	**(93)**	(54)
Deferred taxes and other items	**(10)**	(10)	**(27)**	(16)
Net income (loss)	**$ 31**	$ (3)	**$ 30**	$ 4

The following table presents proportionate adjusted EBITDA and FFO for each business in this operating platform:

(US$ MILLIONS)	Adjusted EBITDA				FFO			
	Three months ended June 30		Six months ended June 30		Three months ended June 30		Six months ended June 30	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
Railroad	**$ 66**	$ 38	**$123**	$ 75	**$ 52**	$ 26	**$ 94**	$ 52
Toll Roads	**35**	4	**67**	8	**20**	1	**36**	2
Ports	**18**	18	**36**	38	**11**	9	**20**	20
Total	**$ 119**	$ 60	**$226**	$121	**$ 83**	$ 36	**$ 150**	$ 74

For the three months ended June 30, 2013, our Australian railroad reported adjusted EBITDA and FFO of $66 million and $52 million, respectively, versus $38 million and $26 million, respectively, in the prior year period. The increase was driven by revenue from our expansion program, where volumes ramped up substantially over the past year reaching full take-or-pay volumes in March 2013. FFO also benefitted from $6 million of interest income associated with a stamp duty tax refund that was finalized during this period.

Our toll roads contributed adjusted EBITDA and FFO of $35 million and $20 million, respectively, compared to adjusted EBITDA and FFO of $4 million and $1 million in the comparative period, respectively, as we made investments in 2012 adding toll roads in Brazil and increasing our proportionate ownership in our Chilean toll roads. Excluding the impact of these recent investments, revenues at our Chilean toll road exceeded the comparative period by 17% due to higher traffic volumes and tariff escalation.

For the current period, our port operations reported adjusted EBITDA and FFO of $18 million and $11 million, respectively, compared to adjusted EBITDA and FFO of $18 million and $9 million, respectively, in the comparative period. Adjusted EBITDA was in-line with prior year as a slight decrease in volumes at our bulk terminals due to the recession in much of Europe was offset by lower operating costs from various cost cutting initiatives, while our FFO increased as a result of a one-time gain on the sale of non-core property.

Non-cash expenses are primarily comprised of depreciation, amortization and deferred taxes. Depreciation and amortization increased to $42 million for the current quarter from $29 million in 2012, primarily due to additional depreciation on our recently commissioned Australian railroad expansion and toll road acquisition. Deferred taxes and other expenses were consistent with the prior year as an increase in deferred taxes in the current quarter from our South American toll roads was offset by an impairment loss recorded in the prior year by our European port operations.

In connection with the acquisition of its Brazilian toll roads, subsequent to quarter end, Brookfield Infrastructure's consortium, together with its joint venture partner, launched a mandatory tender offer to holders of the 40% of the business not currently owned by the joint venture, for the same per share consideration received by the seller in the original acquisition. The purchase of shares under this offer, if any, will occur during the third quarter.

Energy Operations

Our energy platform is comprised of systems that provide energy transportation, storage and distribution services. Profitability is based on the volume and price achieved for the provision of these services. This operating platform is comprised of businesses that are subject to light regulation, such as our natural gas transmission business whose services are subject to price ceilings, and businesses that are essentially unregulated like our district energy business. Energy businesses typically have high barriers to entry as a result of significant fixed costs combined with economies of scale or unique positions in their local markets. Our energy platform is expected to benefit from forecasted increases in demand for energy. Although these businesses have greater sensitivity to market prices and volume than our utilities platform, revenues are typically generated under contracts with varying durations and are relatively stable. Approximately 80% of our energy platform's adjusted EBITDA is supported by long-term contractual revenues.

Our objectives for our energy platform are to provide safe and reliable service to our customers and to satisfy their growth requirements by increasing the utilization of our assets and expanding our capacity in a capital efficient manner. If we do so, we will be able to charge an appropriate price for our services, and we will be able to earn an attractive return on the capital that we have deployed as well as the capital that we will invest to increase the capacity of our operations. Our performance can be measured by our revenue growth, our adjusted EBITDA margin, as well as our AFFO yield.

Our energy platform is comprised of the following:

Energy Transmission, Distribution and Storage

- 15,500 kilometres of natural gas transmission pipelines, located primarily in the U.S.
- Gas distribution to over 50,000 customers
- 300 billion cubic feet of natural gas storage in the U.S. and Canada

District Energy

- 522 Megawatt thermal district heating system and 82,300 contracted ton deep lake water cooling system in Canada

Results of Operations

The following table presents our proportionate share of the key metrics of our Energy platform:

(US$ MILLIONS)	Three months ended June 30		Six months ended June 30	
	2013	2012	**2013**	2012
Growth capital expenditures	**$ 4**	$ 6	**$ 7**	$ 6
Adjusted EBITDA margin[1]	**49%**	48%	**47%**	50%
Funds from operations (FFO)	**18**	17	**40**	41
Maintenance capital	**(11)**	(9)	**(17)**	(12)
Adjusted funds from operations (AFFO)	**$ 7**	$ 8	**$ 23**	$ 29
AFFO yield[2]	**3%**	5%	**5%**	9%

1. *Adjusted EBITDA margin is adjusted EBITDA divided by revenues.*
2. *AFFO yield is AFFO divided by time weighted average invested capital.*

In our energy platform, we generated FFO of $18 million in 2013, compared to $17 million in 2012. The increase in FFO over prior year reflects the benefit of investments completed in 2012 and favourable weather conditions, partially offset by the impact of a challenging North American natural gas market. AFFO yield was 3% for the period, which is below prior year levels and our long-term expectations due to underperformance of our North American gas transmission business and higher than average maintenance capital expenditures. Maintenance capital expenditures were $11 million, which is higher than the average quarterly sustainable level of $3.5 million largely due to the timing of projects at our North American gas transmission operations.

The following table presents our Energy platform's proportionate share of financial results:

(US$ MILLIONS)	Three months ended June 30		Six months ended June 30	
	2013	2012	**2013**	2012
Revenues	**$ 72**	$ 73	**$ 155**	$ 155
Cost attributed to revenues	**(37)**	(38)	**(82)**	(78)
Adjusted EBITDA	**35**	35	**73**	77
Interest expense	**(17)**	(18)	**(34)**	(36)
Other income	**—**	—	**1**	—
Funds from operations (FFO)	**18**	17	**40**	41
Depreciation and amortization	**(17)**	(14)	**(34)**	(27)
Deferred taxes and other items	**5**	(32)	**9**	(24)
Net income (loss)	**$ 6**	$ (29)	**$ 15**	$ (10)

The following table presents proportionate adjusted EBITDA and FFO for each business in this operating platform:

(US$ MILLIONS)	Adjusted EBITDA				FFO			
	Three months ended June 30		Six months ended June 30		Three months ended June 30		Six months ended June 30	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
Energy Transmission, Distribution & Storage	**$ 33**	$ 35	**$ 68**	$ 77	**$ 17**	$ 17	**$ 37**	$ 41
District Energy	**2**	—	**5**	—	**1**	—	**3**	—
Total	**$ 35**	$ 35	**$ 73**	$ 77	**$ 18**	$ 17	**$ 40**	$ 41

For the three months ended June 30, 2013, our energy transmission, distribution and storage operations reported adjusted EBITDA and FFO of $33 million and $17 million, respectively, versus $35 million and $17 million, respectively, in the prior year period. Adjusted EBITDA declined as weak market fundamentals continue to decrease transportation revenues at our North American gas transmission business, which were partially offset by a colder than average spring that benefitted our UK distribution operations and the deployment of growth capital expenditures at our Australian operations. FFO was consistent with the prior year as the decline in adjusted EBITDA was offset by reduced financing costs following an equity investment to de-lever our North American gas transmission business in May 2012.

Our district energy business contributed adjusted EBITDA and FFO of $2 million and $1 million, respectively, for the second quarter of 2013. There are no prior year comparatives for this business as we made our first investment in the sector in the fourth quarter of 2012; however, our district energy operation's performance to date is consistent with expectations.

Corporate and other

The following table presents the components of Corporate and Other, on a proportionate basis:

(US$ MILLIONS)	Three months ended June 30		Six months ended June 30	
	2013	2012	**2013**	2012
Timber adjusted EBITDA	**$ 18**	$ 13	**$ 36**	$ 25
General and administrative costs	**(2)**	(2)	**(4)**	(4)
Base management fee	**(24)**	(20)	**(50)**	(38)
Adjusted EBITDA	**(8)**	(9)	**(18)**	(17)
Other income	**—**	3	**—**	4
Financing costs				
Timber	**(6)**	(7)	**(12)**	(14)
Corporate	**(3)**	(7)	**(8)**	(12)
Funds from operations (FFO)	**(17)**	(20)	**(38)**	(39)
Deferred taxes and other[1]	**42**	(2)	**32**	(27)
Net income(loss)	**$ 25**	$ (22)	**$ (6)**	$ (66)

General and administrative costs were consistent with the comparative period. We anticipate that our general and administrative costs, excluding the base management fee, will be in the range of $9 million to $11 million per year on an annualized basis.

Pursuant to our Master Services Agreement, we pay an annual base management fee to Brookfield equal to 1.25% of our market value, plus recourse debt, net of cash. The current quarterly fee is higher than the comparative period due to an increase in our market capitalization attributable to the equity issuances completed in August 2012 and May 2013 and the higher trading price of our partnership units.

Financing costs include interest expense and standby fees on our committed credit facility, less interest earned on cash balances. Financing costs for the current period were lower than the prior year due to lower interest costs on our corporate credit facility following the receipt of our investment grade credit rating, in addition to refinancing higher cost legacy debt with corporate bonds issued in October 2012.

Subsequent to quarter end we completed the sale of our timber operations for proceeds of approximately $640 million. The realized selling price was a modest premium to the most recent third party valuations that imply a full recovery in log prices, as well as historically low discount rates. Additionally, the price received for our U.S. timberlands equates to $4,100 per acre, a notable premium to average per acre sales price for Pacific Northwest timberlands over the past ten years. As a result, we have included the results from our timber segment in our Corporate and other segment for the current period. For the three months ended June 30, 2013, the timber operations generated FFO of $12 million compared to FFO of $6 million in the comparative prior year period as operations were positively impacted by the recovering U.S. housing market and strong off-shore demand which led to a 24% increase in average realized log price.

Deferred taxes and other income increased by $44 million from a loss of $2 million recognized in the prior year comparative period due mainly to $32 million mark-to-market gains recognized on hedging items and an $18 million gain on the sale of a non-core social infrastructure asset, partially offset by $21 million of incremental deferred taxes.

SELECTED STATEMENT OF OPERATING RESULTS AND FINANCIAL POSITION INFORMATION

To measure performance, we focus on FFO and AFFO, among other measures. We also focus on adjusted EBITDA and net income, taking into account items that we consider unusual or otherwise not reflective of the ongoing profitability of our operations. We define FFO as net income excluding the impact of depreciation and amortization, deferred taxes and other non-cash items and AFFO as FFO less maintenance capex, as detailed in the Reconciliation of Non-IFRS Financial Measures section of this MD&A. FFO is a measure of operating performance, and AFFO is a measure of the sustainable cash flow of our business. Since they are not calculated in accordance with, and do not have any standardized meanings prescribed by IFRS, FFO and AFFO are unlikely to be comparable to similar measures presented by other issuers, and FFO and AFFO have limitations as analytical tools. See the Reconciliation of Non-IFRS Financial Measures on page 55 for a more fulsome discussion, including a reconciliation to the most directly comparable IFRS measures.

Key Metrics

(US$ MILLIONS, EXCEPT PER UNIT INFORMATION)	Three months ended June 30		Six months ended June 30	
	2013	2012	**2013**	2012
Funds from operations (FFO)	**$ 180**	$ 111	**$ 340**	$ 219
Per unit FFO[1]	**0.88**	0.60	**1.68**	1.18
Distributions	**0.43**	0.38	**0.86**	0.75
Payout ratio[2]	**55%**	66%	**56%**	67%
Growth of per unit FFO[1]	**47%**	(8%)	**42%**	(7%)
Adjusted funds from operations (AFFO)[3]	**149**	87	**283**	180
AFFO yield[4]	**13%**	9%	**13%**	10%

1. *Average units outstanding during the three and six month period of 205.7 million and 203.3 million, respectively (2012: 185.1 million and 185.1 million, respectively).*
2. *Payout ratio is defined as distributions to unitholders, including GP incentive distributions, divided by FFO.*
3. *AFFO is defined as FFO less maintenance capital expenditures.*
4. *AFFO yield is defined as AFFO divided by average time weighted invested capital.*

In the second quarter of 2013, we posted strong results with FFO totalling $180 million ($0.88 per unit) compared to FFO of $111 million ($0.60 per unit) in the second quarter of 2012. This 62% increase (47% on a per unit basis) in year-over-year FFO was primarily driven by its recently commissioned Australian railroad expansion and contribution from acquisitions that closed in the latter part of 2012. For the quarter, Brookfield Infrastructure generated an AFFO yield of 13%, and its payout ratio of 55% was conservative versus its target range of 60%-70%.

The following tables present selected statement of operating results and financial position information by operating platform on a proportionate basis:

Statement of Operating Results

(US$ MILLIONS)	Three months ended June 30 2013	Three months ended June 30 2012	Six months ended June 30 2013	Six months ended June 30 2012
Net (loss) income by segment				
Utilities	**$ 70**	$ 28	**$ 65**	$ 60
Transport	**31**	(3)	**30**	4
Energy	**6**	(29)	**15**	(10)
Corporate and other	**25**	(22)	**(6)**	(66)
Net income (loss)	**$ 132**	$ (26)	**$ 104**	$ (12)
Adjusted EBITDA by segment				
Utilities	**$ 138**	$ 115	**$ 271**	$ 219
Transport	**119**	60	**226**	121
Energy	**35**	35	**73**	77
Corporate and other	**(8)**	(9)	**(18)**	(17)
Adjusted EBITDA	**$ 284**	$ 201	**$ 552**	$ 400
FFO by segment				
Utilities	**$ 96**	$ 78	**$ 188**	$ 143
Transport	**83**	36	**150**	74
Energy	**18**	17	**40**	41
Corporate and other	**(17)**	(20)	**(38)**	(39)
FFO	**$ 180**	$ 111	**$ 340**	$ 219

Statement of Financial Position

(US$ MILLIONS)	As of June 30, 2013	As of December 31, 2012
Total assets by segment		
Utilities	**$ 5,142**	$ 5,525
Transport	**3,975**	4,412
Energy	**1,864**	1,849
Corporate and other	**458**	895
Total assets	**$ 11,439**	$ 12,681
Net debt by segment		
Utilities	**$ 3,097**	$ 3,307
Transport	**2,179**	2,077
Energy	**930**	911
Corporate and other	**178**	1,362
Net debt	**$ 6,384**	$ 7,657
Partnership capital by segment		
Utilities	**$ 2,045**	$ 2,218
Transport	**1,796**	2,335
Energy	**934**	938
Corporate and other	**280**	(467)
Partnership capital	**$ 5,055**	$ 5,024

CAPITAL RESOURCES AND LIQUIDITY

The nature of our asset base and the quality of our associated cash flows enable us to maintain a stable and low cost capital structure. We attempt to maintain sufficient financial liquidity at all times so that we are able to participate in attractive opportunities as they arise, better withstand sudden adverse changes in economic circumstances and maintain a relatively high distribution of our FFO to unitholders. Our principal sources of liquidity are cash flows from our operations, undrawn credit facilities and access to public and private capital markets. We also structure the ownership of our assets to enhance our ability to monetize them to provide additional liquidity, if necessary.

Our group-wide liquidity was $2,116 million at June 30, 2013, up from $763 million at December 31, 2012, and was comprised of the following:

(US$ MILLIONS)	As of June 30, 2013	As of December 31, 2012	Proforma Liquidity
Corporate cash and cash equivalents	**$ 230**	$ 7	**$ 1,110**
Committed corporate credit facility	**1,375**	855	**1,400**
Draws on corporate credit facility	**—**	(546)	**—**
Commitments under corporate credit facility	**(98)**	(92)	**(98)**
Proportionate cash retained in businesses	**185**	203	**185**
Proportionate availability under subsidiary credit facilities	**424**	336	**424**
Group-wide liquidity	**$ 2,116**	$ 763	**$ 3,021**

We finished the quarter with group wide liquidity of approximately $2.1 billion, up from $763 million at December 31, 2012. Approximately, $1.5 billion of that total resides at the corporate level, an increase of almost $1.3 billion driven by the closing of the sales of our Canadian freehold timberlands and a non-core asset, the equity offering which closed in May 2013 and the increase of our corporate credit facility. On a pro-forma basis, we have approximately $3 billion of liquidity at the corporate level, following the receipt of proceeds from the sale of our U.S. freehold timberlands operations, which closed subsequent to period end, and the sale of our Australasian distribution business, which is expected to by the end of 2013.

We finance our assets principally at the operating company level with debt that generally has long-term maturities, few restrictive covenants and no recourse to either Brookfield Infrastructure or our other operations. At the operating company level, we endeavour to maintain prudent levels of debt. We also strive to ladder our principal repayments over a number of years. On a proportionate basis as of June 30, 2013, scheduled principal repayments over the next five years are as follows:

(US$ MILLIONS)	Average Term (years)	2013	2014	2015	2016	2017	Beyond	Total
Recourse borrowings								
Corporate borrowings	4	$—	$—	$—	$—	$ 408	$ —	$ 408
Total recourse borrowings	4	—	—	—	—	408	—	408
Non-recourse borrowings[1, 2]								
Utilities	10	4	133	146	381	64	2,411	3,139
Transport	8	13	43	215	296	49	1,685	2,301
Energy	9	1	13	1	79	512	345	951
Total non-recourse borrowings[1, 2]	9	18	189	362	756	625	4,441	6,391
Total borrowings[3]	9	$ 18	$189	$362	$756	$1,033	$4,441	$6,799
Cash retained in businesses								
Utilities								$ 42
Transport								122
Energy								21
Corporate and other								230
Total cash retained								$ 415
Net debt								
Utilities								$3,097
Transport								2,179
Energy								930
Corporate								178
Total net debt		— %	3%	5%	11%	15%	66%	$6,384

1. *Represents non-recourse debt to Brookfield Infrastructure as the holders have recourse only to the underlying operations.*
2. *Non-recourse project debt from our social infrastructure operations has been excluded from the above tables as this is long-term debt which is fully amortized during the term of our concession contracts.*
3. *As of June 30, 2013, approximately 39% has been issued as floating rate debt. Brookfield Infrastructure and its subsidiaries have entered into interest rate swaps whereby the floating rate debt has been converted to fixed rate debt, effectively reducing floating rate debt maturities to approximately 14% of our total borrowings.*

The proportionate average cash interest rates for our utilities, transport, energy and corporate platforms were 6%, 6%, 7% and 3%, respectively (2012: 6%, 7%, 7% and 6% respectively).

Our debt has an average term of nine years. On a proportionate basis, our net debt-to-capitalization ratio as of June 30, 2013 was 56%. Proportionate debt can be reconciled to consolidated debt as follows:

(US$ MILLIONS)	As of June 30, 2013	As of December 31, 2012
Consolidated debt	**$ 5,852**	$ 7,939
Less: borrowings attributable to non-controlling interest	**(1,527)**	(2,705)
Premium on debt and cross currency swaps	**19**	144
Add proportionate share of borrowings of investments in associates:		
Utilities	**1,037**	1,038
Transport	**633**	666
Energy	**785**	785
Proportionate debt	**$ 6,799**	$ 7,867

CONTRACTUAL OBLIGATIONS

The table below outlines Brookfield Infrastructure's contractual obligations as at June 30, 2013:

(US$ MILLIONS)	Payments due by period: Total	Less than 1 year	1-2 years	2-5 years	5+ years
Accounts payable and other liabilities	$ 625	$ 430	$ 86	$ 64	$ 45
Interest-bearing liabilities	7,829	290	593	2,466	4,479
Finance lease liabilities	35	4	12	11	9
Other Long-Term Liabilities	69	3	18	10	38
	$8,558	$ 727	$ 709	$ 2,551	$4,571

In addition, pursuant to the Master Services Agreement, on a quarterly basis we pay a base management fee to Brookfield equal to 0.3125% (1.25% annually) of the market value, plus non-recourse debt of our partnership. Based on the market value of our partnership as of June 30, 2013, this fee is estimated to be approximately $96 million per year based on our current capitalization and unit price.

FINANCIAL INSTRUMENTS - FOREIGN CURRENCY HEDGING STRATEGY

To the extent that we believe it is economic to do so, our strategy is to hedge a portion of our equity investments and/or cash flows exposed to foreign currencies. The following key principles form the basis of our foreign currency hedging strategy:

- We leverage any natural hedges that may exist within our operations
- We utilize local currency debt financing to the extent possible
- We may utilize derivative contracts to the extent that natural hedges are insufficient

The following table presents our hedged position in foreign currencies as of June 30, 2013:

(US$ MILLIONS)	Net Investment Hedges: USD	AUD	GBP	NZD	CLP	BRL	CAD	EUR	COP
Equity Investment—US$	$1,391	$1,515	$ 757	$ 360	$ 329	$303	$ 175	$ 161	$ 64
FX contracts—US$	1,194	(303)	(534)	(107)	—	—	(139)	(111)	—
Net unhedged—US$	$2,585	$1,212	$ 223	$ 253	$ 329	$303	$ 36	$ 50	$ 64
Net equity investment—natural currency	1,391	1,658	497	465	167,168	677	184	124	123,057
FX contracts—natural currency	1,194	(332)	(351)	(138)	—	—	(146)	(85)	—
% of equity investment hedged	N/A	20%	71%	30%	—	—	79%	69%	—
Unhedged position in natural currency	N/A	1,326	146	327	167,168	677	38	39	123,057

At June 30, 2013, we had hedges in place equal to approximately 33% of our net equity investment in foreign currencies. In the three months and six months ended June 30, 2013, we recorded gains in comprehensive income of $10 million and $23 million, respectively, related to these contracts. These gains were more than offset by foreign currency translation losses of $288 million and $253 million for the for the three months and six months ended June 30, 2013, respectively.

We have also implemented an FFO hedging program by entering into foreign exchange contracts to lock in approximately 70% of our forecasted FFO denominated in AUD, GBP, EUR and NZD for the next four quarters. As these forward contracts settle, we intend to roll over the contracts so that we will continue to have approximately 70% of the next twelve months of forecasted FFO hedged. We will periodically re-evaluate this strategy.

For the three months ended June 30, 2013, 9%, 40% and 24% of our FFO was generated in USD, AUD and GBP, respectively, with the remaining 27% generated in other currencies. As a result of our FFO hedging program, 57%, 12% and 7% of our FFO was effectively generated in USD, AUD and GBP, respectively, with the remaining 24% generated in other currencies. For the period, a 10% change in the average exchange rate of our foreign currencies would have resulted in approximately an $8 million, or 4%, change in FFO. Without the implementation of our FFO hedging program, the sensitivity to the same movement in the average exchange rate would have resulted in an approximate $16 million, or 9%, variance in FFO.

CAPITAL REINVESTMENT

Our financing plan is to fund our recurring growth capital expenditures with cash flow generated by our operations, as well as debt financing that is sized to maintain our credit profile. To fund large scale development projects and acquisitions, we will evaluate a variety of capital sources including proceeds from selling non-core assets, equity and debt financing. We will seek to raise additional equity if we believe that we can earn returns on these investments in excess of the cost of the incremental equity.

The following table highlights the sources and uses of cash for the year:

(US$ MILLIONS)	Three months ended June 30		Six months ended June 30	
	2013	2012	**2013**	2012
Funds from operations (FFO)	**$ 180**	$ 111	**$ 340**	$ 219
Less maintenance capital	**(31)**	(24)	**(57)**	(39)
Funds available for distribution (AFFO)	**149**	87	**283**	180
Distributions paid	**(98)**	(73)	**(192)**	(146)
Funds available for reinvestment	**51**	14	**91**	34
Growth capital expenditures	**(112)**	(172)	**(218)**	(333)
Asset level debt funding of growth capital expenditures	**86**	145	**135**	275
Disposals, net of new investments	**200**	(16)	**183**	(71)
Debt paydowns, net of upfinancings	**(24)**	(203)	**266**	(216)
(Repayments) draws on corporate credit facility	**(324)**	345	**(546)**	377
Equity issuance	**331**	—	**331**	—
Purchase of financial assets, net	**—**	(80)	**—**	(80)
Changes in working capital and other	**(15)**	(27)	**(37)**	(13)
Change in proportionate cash retained in business	**193**	6	**205**	(27)
Opening, proportionate cash retained in business	**222**	173	**210**	206
Closing, proportionate cash retained in business	**$ 415**	$ 179	**$ 415**	$ 179

The following table presents the components of growth and maintenance capital expenditures by operating platform:

(US$ MILLIONS)	Three months ended June 30		Six months ended June 30	
	2013	2012	**2013**	2012
Growth capital expenditures by segment				
Utilities	**$ 74**	$ 41	**$ 129**	$ 77
Transport	**34**	125	**82**	250
Energy	**4**	6	**7**	6
	$ 112	$ 172	**$ 218**	$ 333

THREE MONTHS ENDED JUNE 30 (US$ MILLIONS)	Quarterly Estimated Sustaining Capex		Actual Capex			
			Three months ended June 30		Six months ended June 30	
	Low	High	2013	2012	2013	2012
Maintenance capital expenditures by segment						
Utilities	$ 7	$ 9	**$ 8**	$ 6	**$ 14**	$ 12
Transport	18	20	**12**	9	**26**	15
Energy	3	5	**11**	9	**17**	12
	$ 28	$ 34	**$ 31**	$ 24	**$ 57**	$ 39

For the quarter, our maintenance capital expenditures are within the expected range required to maintain our infrastructure assets.

PARTNERSHIP CAPITAL

The total number of partnership units outstanding was comprised of the following:

	As of	
	June 30, 2013	December 31, 2012
Redeemable partnership units held by Brookfield	**58,739,416**	56,137,081
General partnership units	**1,066,929**	1,066,929
Limited partnership units	**150,174,318**	143,567,955
Total	**209,980,663**	200,771,965

On May 7, 2013, Brookfield Infrastructure issued 6.5 million LP units at a gross price of $37.75 under our shelf registrations in the U.S. and Canada and 2.5 million Redeemable Partnership units to Brookfield for total proceeds of $330 million (net of $11 million in underwriters' commission and other issuance costs).

The partnership had total units outstanding of 209,980,663 as of June 30, 2013.

The general partner is entitled to incentive distribution rights which are based on the amount by which quarterly distributions on the limited partnership units exceed specified target levels. To the extent distributions on partnership units exceed $0.305 per quarter, the incentive distribution rights entitle the general partner to 15% of incremental distributions above this threshold to $0.33 per unit. To the extent that distributions on limited partnership units exceed $0.33 per unit, the incentive distribution rights entitle the general partner to 25% of incremental distributions above this threshold. During the three and six months ended June 30, 2013, an incentive distribution of $8 million and $16 million, respectively, was paid to the general partner (2012: $4 million and $8 million, respectively).

RELATED PARTY TRANSACTIONS

In the normal course of operations, Brookfield Infrastructure entered into the transactions below with related parties on market terms. These transactions have been measured at fair value and are recognized in the financial statements.

The immediate parent of Brookfield Infrastructure, Brookfield Infrastructure Partners Limited, is the managing general partner of the partnership. The ultimate parent of Brookfield Infrastructure is Brookfield. Other related parties of Brookfield Infrastructure represent its subsidiary and operating entities.

Transactions with the immediate parent

Throughout the period, the managing general partner, in its capacity as the partnership's general partner, incurs director fees, a portion of which are charged at cost to the Partnership in accordance with the limited partnership agreement. Less than $1 million in director fees were incurred during the three and six months ended June 30, 2013 (less than $1 million during the three and six months ended June 30, 2012).

Transactions with other related parties

Since inception, Brookfield Infrastructure had a management agreement with its external managers, wholly owned subsidiaries of Brookfield.

Pursuant to the Master Services Agreement, on a quarterly basis, Brookfield Infrastructure pays a base management fee, referred to as the Base Management Fee, to the Manager equal to 0.3125% per quarter (1.25% annually) of the market value of the partnership. The Base Management Fee was $24 million and $50 million, respectively, for the three and six months ended June 30, 2013 ($20 million and $38 million, respectively, for the three and six months ended June 30, 2013).

For purposes of calculating the Base Management Fee, the market value of the partnership is equal to the volume weighted average of the closing prices of the partnership's units on the NYSE (or other exchange or market where the partnership's units are principally traded) for each of the last five trading days of the applicable quarter multiplied by the number of issued and outstanding units of the partnership on the last of those days (assuming full conversion of Brookfield's interest in Brookfield Infrastructure into units of the partnership), plus the amount of third party debt, net of cash, with recourse to the partnership and certain holding entities held directly by the Partnership.

During the three and six months ended June 30, 2013, $2 million and $4 million, respectively, was reimbursed at cost to the manager of the Partnership ($2 million and $4 million, respectively, during the three and six months ended June 30, 2012). These amounts represent third-party costs that were paid for by Brookfield on behalf of Brookfield Infrastructure relating to general and administrative expenses and acquisition related expenses of Brookfield Infrastructure. These expenses were charged to Brookfield Infrastructure at cost.

Brookfield Infrastructure has placed funds on deposit with Brookfield. Interest earned on the deposits is at market terms. At June 30, 2013, Brookfield Infrastructure's deposit balance with Brookfield was $191 million (December 31, 2012: $1 million) and earned interest of less than $1 million for the three and six months ended June 30, 2013 (less than $1 million during the three and six months ended June 30, 2012).

Brookfield Infrastructure's North American district energy operation has various right-of-way easements on market terms with subsidiaries of Brookfield Office Properties Inc., a subsidiary of Brookfield.

OFF-BALANCE SHEET ARRANGEMENTS

Brookfield Infrastructure has no off-balance sheet arrangements.

Brookfield Infrastructure, on behalf of our subsidiaries provide letters of credit, which include, but are not limited to, guarantees for debt service reserves, capital reserves, construction completion and performance. As at June 30, 2013, letters of credit issued by subsidiaries of Brookfield Infrastructure amounted to $98 million.

In the normal course of operations, we execute agreements that provide for indemnification and guarantees to third parties in transactions such as business dispositions and acquisitions, construction projects, capital projects, and sales and purchases of assets and services. We have also agreed to indemnify our directors and certain of our officers and employees. The nature of substantially all of the indemnification undertakings prevents us from making a reasonable estimate of the maximum potential amount that we could be required to pay third parties, as many of the agreements do not specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, nature and likelihood of which cannot be determined at this time. Historically, we have made no significant payments under such indemnification agreements.

RECONCILIATION OF NON-IFRS FINANCIAL MEASURES

To measure performance, amongst other measures, we focus on FFO. We define FFO as net income excluding the impact of depreciation and amortization, deferred income taxes, breakage and transaction costs and other non-cash items as shown in the reconciliation below. For our social infrastructure operations we also subtract debt amortization from FFO as these are finite life concessions and debt must be fully amortized during the concession term. FFO is a measure of operating performance that is not calculated in accordance with, and does not have any standardized meaning prescribed by IFRS. FFO is therefore unlikely to be comparable to similar measures presented by other issuers.

FFO has limitations as an analytical tool:

- FFO does not include depreciation and amortization expense; because we own capital assets with finite lives, depreciation and amortization expense recognizes the fact that we must maintain or replace our asset base in order to preserve our revenue generating capability;
- FFO does not include deferred income taxes, which may become payable if we own our assets for a long period of time;
- FFO does not include any non-cash fair value adjustments or mark-to-market adjustments recorded to net income; and

Because of these limitations, FFO should not be considered as the sole measure of our performance and should not be considered in isolation from, or as a substitute for, analysis of our results as reported under IFRS. However, FFO is a key measure that we use to evaluate the performance of our operations and forms the basis for our Partnership's distribution policy.

When viewed with our IFRS results, we believe that FFO provides a more complete understanding of factors and trends affecting our underlying operations. FFO allows us to evaluate our businesses on the basis of cash return on invested capital by removing the effect of non-cash and other items. We add back depreciation and amortization to remove the implication that our assets decline in value over time since we believe that the value of most of our assets will typically increase over time provided we make all necessary maintenance expenditures.

We add back deferred income taxes because we do not believe this item reflects the present value of the actual cash tax obligations we will be required to pay, particularly if our operations are held for a long period of time. We also add back fair value adjustments and mark-to-market adjustments recorded in net income as these are non-cash in nature and indicate a point in time approximation of value on long-term items.

The following table reconciles FFO to the most directly comparable IFRS measure, which is net income. We urge you to review the IFRS financial measures within the MD&A and to not rely on any single financial measure to evaluate the Partnership.

(US$ MILLIONS)	Three months ended June 30		Six months ended June 30	
	2013	2012	**2013**	2012
Net income (loss) attributable to partnership[1]	**$ 132**	$ (26)	**$ 104**	$ (12)
Add back or deduct the following:				
Depreciation and amortization	**99**	70	**209**	140
Deferred taxes	**57**	(11)	**34**	(18)
Mark-to-market on hedging items	**(75)**	40	**(30)**	43
Other expenses	**(33)**	38	**23**	66
FFO	**180**	111	**340**	219
Maintenance capital	**(31)**	(24)	**(57)**	(39)
AFFO	**$ 149**	$ 87	**$ 283**	$ 180

1. *Includes net income (loss) attributable to non-controlling interests — Redeemable Partnership units held by Brookfield, general partner and limited partners.*

The difference between net income and FFO is primarily attributable to depreciation and amortization expenses.

In addition, we focus on adjusted funds from operations or AFFO, which is defined as FFO less maintenance capital expenditures. Management uses AFFO as a measure of long-term sustainable cash flow.

In order to assess our performance as stewards of capital, we track our AFFO yield, which is a proxy for our returns on invested capital. Invested capital is meant to track the initial investment that we make in a business plus all cash flow that we re-invest in the business. We define invested capital as partnership capital adding back the following items: non-cash income statement items net of maintenance capital expenditures as well as other comprehensive income, as shown in the reconciliation below. Invested capital is a measure that is not calculated in accordance with, and does not have any standardized meaning prescribed by IFRS. Invested capital is therefore unlikely to be comparable to similar measures presented by other issuers. Invested capital has limitations as a tool to measure returns on capital invested as follows:

- Invested capital does not fully deduct depreciation expense;
- Invested capital does not include non-cash income statement items; and
- Invested capital does not include accumulated other comprehensive income.

Because of these limitations of invested capital and the limitations of FFO previously discussed, AFFO yield should not be considered as the sole measure of our performance and should not be considered in isolation from, or as a substitute for, analysis of our results as reported under IFRS. We compensate for these limitations by relying on our IFRS results and using AFFO yield only supplementally. However, invested capital is a key measure that we use to evaluate the performance of our operations.

When viewed in conjunction with our IFRS results, we believe that AFFO yield provides a more complete understanding of our investment in each of our businesses. AFFO yield allows us to evaluate our businesses on the basis of cash return on net capital deployed by removing the effect of non-cash impacts on our capital base. We add back maintenance capital expenditures in order to capture the difference between depreciation and our sustaining capital investment which must be reinvested in our business. Minority interest is excluded as this represents capital invested by other shareholders. Non-cash income statement items are not included as these balances do not represent cash returned or reinvested in our assets. The impact of other comprehensive income is not included as these are unrealized adjustments to partnership capital, such as fair value adjustments or non-cash gains or losses on foreign exchange.

The following table reconciles invested capital to the most directly comparable IFRS measure, which is partnership capital, as of June 30, 2013:

(US$ MILLIONS)	Utilities	Transport	Energy	Other	Total
Partnership capital	**$2,045**	**$ 1,796**	**$ 934**	**$ 280**	**$5,055**
Cumulative differences[1]	**403**	**(1)**	**(138)**	**(208)**	**56**
Maintenance capital expenditures	**(14)**	**(26)**	**(17)**	**—**	**(57)**
Non-cash statement of operating results items	**123**	**120**	**25**	**(32)**	**236**
Accumulated other comprehensive income and other	**(486)**	**(449)**	**81**	**163**	**(691)**
Invested capital	**$2,071**	**$ 1,440**	**$ 885**	**$ 203**	**$4,599**
Weighted average invested capital					
Three months ended June 30, 2013	**$2,041**	**$ 1,452**	**$ 885**	**$ 30**	**$4,408**
Six months ended June 30, 2013	**$2,039**	**$ 1,573**	**$ 871**	**$ (96)**	**$4,387**

1. *Cumulative differences are comprised of total cumulative maintenance capital expenditures, non-cash statement of operating results items and other adjustments since capital was invested.*

The following table reconciles invested capital to the most directly comparable IFRS measure, which is partnership capital, as of December 31, 2012:

(US$ MILLIONS)	Utilities	Transport	Energy	Other	Total
Partnership capital	$2,218	$ 2,335	$ 938	$(467)	$5,024
Cumulative differences[1]	231	(91)	(177)	(154)	(191)
Maintenance capital expenditures	(25)	(45)	(37)	(2)	(109)
Non-cash statement of operating results items	197	135	76	(52)	356
Accumulated other comprehensive income and other	(614)	(628)	56	281	(905)
Invested capital	$2,007	$ 1,706	$ 856	$(394)	$4,175
Weighted average invested capital					
Three months ended June 30, 2012	$1,437	$ 1,202	$ 661	$ 355	$3,655
Six months ended June 30, 2012	$1,399	$ 1,187	$ 651	$ 408	$3,645

1. *Cumulative differences are comprised of total cumulative maintenance capital expenditures, non-cash statement of operating results items and other adjustments since capital was invested.*

We also use adjusted EBITDA as a measure of performance. We define adjusted EBITDA as FFO excluding the impact of interest expense, cash taxes and other income (expenses).

<u>*Reconciliation of Operating Segments*</u>

Adjusted EBITDA, FFO and AFFO are presented based on Brookfield Infrastructure's proportionate share of results in operations accounted for using consolidation and the equity method whereby the Partnership either controls or exercises significant influence over the investment respectively, in order to demonstrate the impact of key value drivers of each of these operating platforms on the Partnership's overall performance. As a result, segment depreciation and amortization, deferred taxes, fair value adjustments, revaluation gains and other items are reconciling items that will differ from results presented in accordance with IFRS as these reconciling items (1) include Brookfield Infrastructure's proportionate share of earnings from investments in associates attributable to each of the above-noted items, and (2) exclude the proportionate share of earnings (loss) of consolidated investments not held by Brookfield Infrastructure apportioned to each of the above-noted items.

The following tables present each segment's results in the format that management organizes its segments to make operating decisions and assess performance. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations accounted for using the consolidation and equity method whereby the Partnership either controls or exercises significant influence over the investment respectively. These tables reconcile Brookfield Infrastructure's proportionate results to the Partnership's consolidated statements of operating results on a line by line basis by aggregating the components comprising the earnings from the Partnership's investments in associates and reflecting the portion of each line item attributable to non-controlling interests. See "Discussion of Segment Reconciling Items" on page 62 for a reconciliation of segment results to the Partnership's statement of operating results in accordance with IFRS.

FOR THE THREE MONTHS ENDED JUNE 30, 2013 (US$ MILLIONS)	Brookfield Infrastructure's Share					Contribution from investments in associates	Attributable to non-controlling interest	Discontinued Operations	As per IFRS financials
	Utilities	Transport	Energy	Other	Total				
Revenues	$ 212	$ 252	$ 72	$ 38	$ 574	$ (210)	$ 136	$ (38)	$ 462
Costs attributed to revenues	(74)	(133)	(37)	(20)	(264)	111	(69)	20	(202)
General and administrative cost	—	—	—	(26)	(26)	—	—	—	(26)
Adjusted EBITDA	138	119	35	(8)	284	(99)	67	(18)	
Other income	3	7	—	—	10	(4)	1	—	7
Interest expense	(45)	(38)	(17)	(9)	(109)	37	(24)	6	(90)
Cash taxes	—	(5)	—	—	(5)	6	(6)	—	(5)
FFO	96	83	18	(17)	180	(60)	38	(12)	
Depreciation and amortization	(40)	(42)	(17)	—	(99)	39	(23)	—	(83)
Deferred taxes	(15)	(11)	3	(34)	(57)	1	—	25	(31)
Mark-to-market on hedging items	37	(1)	3	36	75	—	18	—	93
Other expenses	(8)	2	(1)	40	33	2	(6)	(22)	7
Share of earnings from associates	—	—	—	—	—	18	—	—	18
Income from discontinued operations, net of income tax	—	—	—	—	—	—	—	35	35
Net income attributable to non-controlling interest	—	—	—	—	—	—	(27)	(26)	(53)
Net income attributable to partnership[1]	$ 70	$ 31	$ 6	$ 25	$ 132	—	—	—	$ 132

1. *Includes net income (loss) attributable to non-controlling interests-Redeemable partnership units held by Brookfield, general partner and limited partners.*

FOR THE THREE MONTHS ENDED JUNE 30, 2012 (US$ MILLIONS)	Brookfield Infrastructure's Share					Contribution from investments in associates	Attributable to non-controlling interest	Discontinued Operations	As per IFRS financials
	Utilities	Transport	Energy	Other	Total				
Revenues	$ 193	$ 171	$ 73	$ 37	$ 474	$ (171)	$ 102	$ (37)	$ 368
Costs attributed to revenues	(78)	(111)	(38)	(24)	(251)	95	(55)	24	(187)
General and administrative cost	—	—	—	(22)	(22)	—	—	—	(22)
Adjusted EBITDA	115	60	35	(9)	201	(76)	47	(13)	
Other income	3	1	—	5	9	(3)	2	—	8
Interest expense	(39)	(23)	(18)	(14)	(94)	35	(23)	7	(75)
Cash taxes	(1)	(2)	—	(2)	(5)	1	(2)	—	(6)
FFO	78	36	17	(20)	111	(43)	24	(6)	
Depreciation and amortization	(27)	(29)	(14)	—	(70)	30	(13)	—	(53)
Deferred taxes	3	—	(5)	13	11	(2)	13	—	22
Mark-to-market on hedging items	(14)	—	(16)	(10)	(40)	20	(9)	—	(29)
Other expenses	(12)	(10)	(11)	(5)	(38)	27	(1)	4	(8)
Share of earnings from associates	—	—	—	—	—	(32)	—	—	(32)
Income from discontinued operations, net of income tax	—	—	—	—	—	—	—	7	7
Net income attributable to non-controlling interest	—	—	—	—	—	—	(14)	(5)	(19)
Net income (loss) attributable to partnership[1]	$ 28	$ (3)	$ (29)	$ (22)	$ (26)	—	—	—	$ (26)

1. *Includes net income (loss) attributable to non-controlling interests-Redeemable partnership units held by Brookfield, general partner and limited partners.*

FOR THE SIX MONTHS ENDED JUNE 30, 2013 (US$ MILLIONS)	Brookfield Infrastructure's Share					Contribution from investments in associates	Attributable to non-controlling interest	Discontinued Operations	As per IFRS financials
	Utilities	Transport	Energy	Other	Total				
Revenues	**$ 418**	**$ 504**	**$ 155**	**$ 76**	**$1,153**	**$ (428)**	**$ 276**	**$ (76)**	**$ 925**
Costs attributed to revenues	**(147)**	**(278)**	**(82)**	**(40)**	**(547)**	**227**	**(144)**	**40**	**(424)**
General and administrative cost	**—**	**—**	**—**	**(54)**	**(54)**	**—**	**—**	**—**	**(54)**
Adjusted EBITDA	**271**	**226**	**73**	**(18)**	**552**	**(201)**	**132**	**(36)**	
Other income	**6**	**7**	**1**	**—**	**14**	**(7)**	**4**	**—**	**11**
Interest expense	**(88)**	**(74)**	**(34)**	**(20)**	**(216)**	**76**	**(49)**	**12**	**(177)**
Cash taxes	**(1)**	**(9)**	**—**	**—**	**(10)**	**11**	**(11)**	**—**	**(10)**
FFO	**188**	**150**	**40**	**(38)**	**340**	**(121)**	**76**	**(24)**	
Depreciation and amortization	**(82)**	**(93)**	**(34)**	**—**	**(209)**	**88**	**(48)**	**—**	**(169)**
Deferred taxes	**(14)**	**7**	**9**	**(36)**	**(34)**	**(4)**	**7**	**25**	**(6)**
Mark-to-market on hedging items	**(6)**	**—**	**3**	**33**	**30**	**(6)**	**7**	**—**	**31**
Other expenses	**(21)**	**(34)**	**(3)**	**35**	**(23)**	**8**	**(3)**	**(16)**	**(34)**
Share of earnings from associates	**—**	**—**	**—**	**—**	**—**	**35**	**—**	**—**	**35**
Income from discontinued operations, net of income tax	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**56**	**56**
Net income attributable to non-controlling interest	**—**	**—**	**—**	**—**	**—**	**—**	**(39)**	**(41)**	**(80)**
Net income (loss) attributable to partnership[1]	**$ 65**	**$ 30**	**$ 15**	**$ (6)**	**$ 104**	**—**	**—**	**—**	**$ 104**

1. *Includes net income (loss) attributable to non-controlling interests-Redeemable partnership units held by Brookfield, general partner and limited partners.*

FOR THE SIX MONTHS ENDED JUNE 30, 2012 (US$ MILLIONS)	Brookfield Infrastructure's Shares					Contribution from investments in associates	Attributable to non-controlling interest	Discontinued Operations	As per IFRS financials
	Utilities	Transport	Energy	Other	Total				
Revenues	$ 360	$ 345	$ 155	$ 72	$ 932	$ (346)	$ 185	$ (72)	$ 699
Costs attributed to revenues	(141)	(224)	(78)	(47)	(490)	194	(98)	47	(347)
General and administrative cost	—	—	—	(42)	(42)	—	—	—	(42)
Adjusted EBITDA	219	121	77	(17)	400	(152)	87	(25)	
Other income	3	2	—	6	11	(3)	7	(1)	14
Interest expense	(78)	(47)	(36)	(26)	(187)	70	(46)	14	(149)
Cash taxes	(1)	(2)	—	(2)	(5)	2	(3)	—	(6)
FFO	143	74	41	(39)	219	(83)	45	(12)	
Depreciation and amortization	(59)	(54)	(27)	—	(140)	56	(18)	—	(102)
Deferred taxes	19	(4)	4	(1)	18	(1)	(4)	13	26
Mark-to-market on hedging items	(10)	—	(16)	(17)	(43)	15	(10)	—	(38)
Other expenses	(33)	(12)	(12)	(9)	(66)	45	2	(6)	(25)
Share of earnings from associates	—	—	—	—	—	(32)	—	—	(32)
Income from discontinued operations, net of income tax	—	—	—	—	—	—	—	18	18
Net income attributable to non-controlling interest	—	—	—	—	—	—	(15)	(13)	(28)
Net income (loss) attributable to partnership[1]	$ 60	$ 4	$ (10)	$ (66)	$ (12)	—	—	—	$ (12)

1. *Includes net income (loss) attributable to non-controlling interests-Redeemable partnership units held by Brookfield, general partner and limited partners.*

The following tables provide each segment's assets in the format that management organizes its segments to make operating decisions and assess performance. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations using consolidation and the equity method whereby the Partnership either controls or exercises significant influence over the investment respectively. These tables reconcile Brookfield Infrastructure's proportionate assets to total assets presented on the Partnership's consolidated statements of financial position by removing net liabilities contained within investments in associates and reflecting the assets attributable to non-controlling interests, and adjusting for working capital assets which are netted against working capital liabilities.

AS AT JUNE 30, 2013 (US$ MILLIONS)	Brookfield Infrastructure's Shares					Contribution from investments in associates	Attributable to non-controlling interest	Working capital adjustment	As per IFRS financials
	Utilities	Transport	Energy	Other	Total				
Total assets	**$5,142**	**$ 3,975**	**$1,864**	**$458**	**$11,439**	**$ (2,742)**	**$ 6,270**	**$ 2,777**	**$17,744**

AS AT DECEMBER 31, 2012 (US$ MILLIONS)	Brookfield Infrastructure's Shares					Contribution from investments in associates	Attributable to non-controlling interest	Working capital adjustment	As per IFRS financials
	Utilities	Transport	Energy	Other	Total				
Total assets	$5,525	$ 4,412	$1,849	$895	$12,681	$ (2,072)	$ 6,530	$ 2,579	$19,718

Discussion of Segment Reconciling Items

The following tables detail and provide discussion, where applicable, of material changes between reporting periods for each operating segment, the reconciliation of contributions from investments in associates and attribution of non-controlling interest in the determination of Adjusted EBITDA, FFO and Net income attributable to the Partnership in order to facilitate the understanding of the nature of and changes to reconciling items.

(US$ MILLIONS)	Three months ended June 30		Six months ended June 30	
	2013	2012	**2013**	2012
Utilities				
Adjustments to items comprising Adjusted EBITDA[1]				
Contributions from Investment in Associates	**$ (45)**	$ (36)	**$ (88)**	$ (66)
Attribution to non-controlling interest	**44**	41	**88**	73
Adjusted EBITDA	**(1)**	5	**—**	7
Adjustments to items comprising Adjusted FFO[2]				
Contributions from Investment in Associates	**10**	10	**20**	20
Attribution to non-controlling interest	**(19)**	(19)	**(36)**	(35)
FFO	**(10)**	(4)	**(16)**	(8)
Adjustments to items comprising Net income attributable to Partnership[3]				
Contributions from Investment in Associates	**35**	26	**68**	46
Attribution to non-controlling interest	**(25)**	(22)	**(52)**	(38)
Net Income Attributable to Partnership	**$ —**	$ —	**$ —**	$ —

1. *Revenues, costs attributed to revenues, general and administrative costs.*
2. *Other income, Interest expense, cash taxes.*
3. *Depreciation and amortization, deferred taxes, fair value adjustments, other expenses, share of earnings from associates, net income attributable to non-controlling interest.*

Contributions from Investments in Associates increased compared to the second quarter of 2012, primarily as a result of an increase in our ownership interest in our Chilean electricity transmission system in the fourth quarter of 2012.

(US$ MILLIONS)	Three months ended June 30		Six months ended June 30	
	2013	2012	**2013**	2012
Transport				
Adjustments to items comprising Adjusted EBITDA[1]				
Contributions from Investment in Associates	**$ (35)**	$ (14)	**$ (67)**	$ (28)
Attribution to non-controlling interest	**15**	6	**28**	14
Adjusted EBITDA	**(20)**	(8)	**(39)**	(14)
Adjustments to items comprising Adjusted FFO[2]				
Contributions from Investment in Associates	**14**	10	**32**	19
Attribution to non-controlling interest	**(7)**	(4)	**(15)**	(7)
FFO	**(13)**	(2)	**(22)**	(2)
Adjustments to items comprising Net income attributable to Partnership[3]				
Contributions from Investment in Associates	**21**	4	**35**	9
Attribution to non-controlling interest	**(8)**	(2)	**(13)**	(7)
Net Income Attributable to Partnership	**$ —**	$ —	**$ —**	$ —

1. *Revenues, costs attributed to revenues, general and administrative costs.*
2. *Other income, Interest expense, cash taxes.*
3. *Depreciation and amortization, deferred taxes, fair value adjustments, other expenses, share of earnings from associates, net income attributable to non-controlling interest.*

Contributions from Investments in Associates increased over the prior year comparative period as a result of the Brazilian toll roads acquired in the fourth quarter of 2012.

(US$ MILLIONS)	Three months ended June 30 2013	2012	Six months ended June 30 2013	2012
Energy				
Adjustments to items comprising Adjusted EBITDA[1]				
Contributions from Investment in Associates	**$ (19)**	$ (26)	**$ (46)**	$ (58)
Attribution to non-controlling interest	**8**	—	**16**	—
Adjusted EBITDA	**$ (11)**	$ (26)	**$ (30)**	$ (58)
Adjustments to items comprising Adjusted FFO[2]				
Contributions from Investment in Associates	**15**	16	**30**	33
Attribution to non-controlling interest	**(3)**	—	**(5)**	—
FFO	**1**	(10)	**(5)**	(25)
Adjustments to items comprising Net income attributable to Partnership[3]				
Contributions from Investment in Associates	**4**	10	**16**	25
Attribution to non-controlling interest	**(5)**	—	**(11)**	—
Net Income Attributable to Partnership	**$ —**	$ —	**$ —**	$ —

1. *Revenues, costs attributed to revenues, general and administrative costs.*
2. *Other income, Interest expense, cash taxes.*
3. *Depreciation and amortization, deferred taxes, fair value adjustments, other expenses, share of earnings from associates, net income attributable to non-controlling interest.*

Contributions from Investments in Associates for the second quarter of 2013 are lower than prior year as our North American gas transmission was impacted by a challenging North American gas market.

Attribution to non-controlling interest increased in the three months ended June 30, 2013 compared to the three months ended June 30, 2012 due to the acquisition of our interest in our district energy business during the second half of 2012.

(US$ MILLIONS)	Three months ended June 30 2013	2012	Six months ended June 30 2013	2012
Other				
Adjustments to items comprising Adjusted EBITDA[1]				
Contributions from Investment in Associates	**$ —**	$ —	**$ —**	$ —
Attribution to non-controlling interest	**—**	—	**—**	—
Discontinued operations	**(18)**	(13)	**(36)**	(25)
Adjusted EBITDA	**(18)**	(13)	**(36)**	(25)
Adjustments to items comprising Adjusted FFO[2]				
Contributions from Investment in Associates	**—**	(3)	**(2)**	(3)
Attribution to non-controlling interest	**—**	—	**—**	—
Discontinued operations	**6**	7	**12**	13
FFO	**(12)**	(9)	**(26)**	(15)
Adjustments to items comprising Net income attributable to Partnership[3]				
Contributions from Investment in Associates	**—**	3	**2**	3
Attribution to non-controlling interest	**—**	—	**—**	—
Discontinued operations	**12**	6	**24**	12
Net Income Attributable to Partnership	**$ —**	$ —	**$ —**	$ —

1. *Revenues, costs attributed to revenues, general and administrative costs.*
2. *Other income, Interest expense, cash taxes.*
3. *Depreciation and amortization, deferred taxes, fair value adjustments, other expenses, share of earnings from associates, net income attributable to non-controlling interest.*

Contributions from our discontinued operations are comprised of the results of our Canadian and U.S. freehold timberland operations, which recognized higher earnings over prior year as result of higher average realized log prices.

(US$ MILLIONS)	Three months ended June 30 2013	Three months ended June 30 2012	Six months ended June 30 2013	Six months ended June 30 2012
Total				
Adjustments to items comprising Adjusted EBITDA[1]				
Contributions from Investment in Associates	**$ (99)**	$ (76)	**$ (201)**	$ (152)
Attribution to non-controlling interest	**67**	47	**132**	87
Discontinued operations	**(18)**	(13)	**(36)**	(25)
Adjusted EBITDA	**(50)**	(42)	**(105)**	(90)
Adjustments to items comprising Adjusted FFO[2]				
Contributions from Investment in Associates	**39**	33	**80**	69
Attribution to non-controlling interest	**(29)**	(23)	**(56)**	(42)
Discontinued operations	**6**	7	**12**	13
FFO	**(34)**	(25)	**(69)**	(50)
Adjustments to items comprising Net income attributable to Partnership[3]				
Contributions from Investment in Associates	**60**	43	**121**	83
Attribution to non-controlling interest	**(38)**	(24)	**(76)**	(45)
Discontinued operations	**12**	6	**24**	12
Net Income Attributable to Partnership	**$ —**	$ —	**$ —**	$ —

1. *Revenues, costs attributed to revenues, general and administrative costs.*
2. *Other income, Interest expense, cash taxes.*
3. *Depreciation and amortization, deferred taxes, fair value adjustments, other expenses, share of earnings from associates, net income attributable to non-controlling interest.*

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with IAS 34 requires management to select appropriate accounting policies and to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In particular, critical accounting policies and estimates utilized in the normal course of preparing our partnership's financial statements require the determination of the fair value of property, plant and equipment; the fair value of investment property; the impairment of goodwill and intangibles with indefinite lives; the fair values in business combinations; and the estimation of useful lives of assets of property, plant and equipment.

In making estimates, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. These estimates have been applied in a manner consistent with that in the prior period, and there are no known trends, commitments, events or uncertainties that we believe will materially affect the methodology or assumptions utilized in this report. The estimates are impacted by, among other things, movements in interest rates, foreign exchange and other factors, some of which are highly uncertain. The interrelated nature of these factors prevents us from quantifying the overall impact of these movements on our partnership's financial statements in a meaningful way. These sources of estimation uncertainty relate in varying degrees to virtually all asset and liability account balances.

The following is a discussion of our critical accounting policies:

Common control transactions

IFRS 3R does not include specific measurement guidance for transfers of businesses or subsidiaries between entities under common control. Accordingly, Brookfield Infrastructure has developed a policy to account for such transactions taking into consideration other guidance in the IFRS framework and pronouncements of other standard setting bodies. Brookfield Infrastructure's policy is to record assets and liabilities recognized as a result of transactions between entities under common control at the carrying value on the transferor's financial statements, and to have the Statements of Financial Position, Statements of Operating Results, Statements of Comprehensive Income and Statements of Cash Flows reflect the results of combining entities for all periods presented for which the entities were under the transferor's common control, irrespective of when the combination takes place.

Property, plant and equipment

Brookfield Infrastructure uses the revaluation method of accounting for all classes of property, plant and equipment. Certain assets which are under development for future use as property, plant and equipment are also accounted for using the revaluation method. Property, plant and equipment is initially measured at cost and subsequently carried at its revalued amount, being the fair value at the date of the revaluation less any subsequent accumulated depreciation and any accumulated impairment losses. Revaluations are made on an annual basis to ensure that the carrying amount does not differ significantly from fair value. Where the carrying amount of an asset is increased as a result of a revaluation, the increase is recognized in other comprehensive income and accumulated in equity within the revaluation surplus reserve, unless the increase reverses a previously recognized impairment recorded through net income, in which case that portion of the increase is recognized in net income. Where the carrying amount of an asset is decreased, the decrease is recognized in other comprehensive income to the extent of any balance existing in revaluation surplus in respect of the asset, with the remainder of the decrease recognized in net income.

Intangible Assets

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date. Brookfield Infrastructure's intangible assets are comprised primarily of conservancy rights, service concession arrangements and customer order backlogs.

Concession arrangements were acquired as part of the acquisition of the Australian coal terminal operation and Chilean toll roads and were recognized at their fair value. The intangible asset at the Australian coal terminal operation relates to the right to control and use a specific coal port terminal for a contractual length of time and is amortized over the life of the contractual arrangement (91 years remaining). The intangible assets at the Chilean toll roads relate to the right to control and operate a road and charge users a specified tariff for a contractual length of time and is amortized over the life of the contractual arrangement (20 years remaining).

The conservancy right was acquired as part of the acquisition of the UK Port operation and was recorded at its fair value. As a right in perpetuity issued by the Statutory Harbour Authority in the UK, the conservancy right is classified as having an indefinite life, and is subject to an annual impairment review.

The customer order backlog was acquired as part of the acquisition of the UK regulated distribution operation and was recorded at its fair value. The customer order backlog represents the present value of future earnings derived from the build out of contracted connections as at the acquisition date at the UK regulated distribution operation. The customer order backlog is amortized over its estimated useful life of 50 years.

Derivative Financial Instruments

Brookfield Infrastructure selectively utilizes derivative financial instruments primarily to manage financial risks, including interest rate and foreign exchange risks. Derivative financial instruments are recorded at fair value. Hedge accounting is applied when the derivative is designated as a hedge of a specific exposure and there is assurance that it will continue to be effective as a hedge based on an expectation of offsetting cash flows or fair value. Hedge accounting is discontinued prospectively when the derivative no longer qualifies as a hedge or the hedging relationship is terminated. Once discontinued, the cumulative change in fair value of a derivative that was previously recorded in other comprehensive income by the application of hedge accounting is recognized in net income over the remaining term of the original hedging relationship as amounts related to the hedged item are recognized in net income. The assets or liabilities relating to unrealized mark-to-market gains and losses on derivative financial instruments are recorded in Financial Assets and Financial Liabilities, respectively.

Realized and unrealized gains and losses on foreign exchange contracts, designated as hedges of currency risks relating to a net investment in a subsidiary with a functional currency other than the U.S. dollar are included in equity and are included in net income in the period in which the subsidiary is disposed of or to the extent partially disposed and control is not retained. Derivative financial instruments that are designated as hedges to offset corresponding changes in the fair value of assets and liabilities and cash flows are measured at estimated fair value with changes in fair value recorded in net income or as a component of equity as applicable.

Unrealized gains and losses on interest rate contracts designated as hedges of future variable interest payments are included in equity as a cash flow hedge when the interest rate risk relates to an anticipated variable interest payment. The periodic exchanges of payments on interest rate swap contracts designated as hedges of debt are recorded on an accrual basis as an adjustment to interest expense. The periodic exchanges of payments on interest rate contracts designated as hedges of future interest payments are amortized into net income over the term of the corresponding interest payments.

Derivative financial instruments that are not designated as hedges are carried at estimated fair value, and gains and losses arising from changes in fair value are recognized in net income in the period the changes occur. Realized and unrealized gains on other derivatives not designated as hedges are recorded in other expenses.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Brookfield Infrastructure applied, for the first time, certain Standards and amendments to Standards applicable to Brookfield Infrastructure that became effective January 1, 2013. The impact of adopting these standards on the partnership's accounting policies and disclosures is as follows:

IFRS 10 Consolidated Financial Statements ("IFRS 10")

IFRS 10 replaces IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation — Special Purpose Entities. IFRS 10 introduces a single control model for consolidation, irrespective of the nature of the investee. An investor exerts power over the investee, has exposure to variable returns and has the ability to use its power to affect the amount of its returns, controls the investee and accordingly, is required to consolidate the investee.

IFRS 10 was applied retrospectively and the application of this new Standard had no impact on Brookfield Infrastructure's accounting for and presentation of investees for the current or prior periods presented.

IFRS 11 Joint Arrangements ("IFRS 11") and IAS 28 Investment in Associates and Joint Ventures ("IAS 28")

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead, entities that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method. Accordingly, IAS 28 has been amended to include the application of the equity method to investments in joint ventures.

IFRS 11 was applied retrospectively and the application of this new Standard had no impact on Brookfield Infrastructure's accounting for and presentation of investees for the current and prior periods presented.

IFRS 12 Disclosure of Interests in Other Entities ("IFRS 12")

IFRS 12 integrates the disclosure requirements of interests in other entities to disclose information about significant judgments and assumptions the investor has made in determining whether it has control, joint control, or significant influence over another entity and the type of joint arrangement when the arrangement has been structured through a separate vehicle. Entities are also required to provide these disclosures when changes in facts and circumstances affect the entity's conclusion during the reporting period.

The disclosures set out in IFRS 12 are applicable for interim consolidated financial statements when significant events or transactions occur during the interim period which require such disclosure; these disclosures will be otherwise included in Brookfield Infrastructure's annual consolidated financial statements for the year ended December 31, 2013.

IFRS 13 Fair Value Measurement ("IFRS 13")

IFRS 13 establishes a single source of guidance for fair value measurements. The Standard defines fair value and establishes a framework for measuring fair value. The scope of IFRS 13 is broad; it applies to both financial instruments and non-financial items for which other IFRSs require or permit fair value measurements, except in specified circumstances. IFRS 13 was applied retrospectively and has not materially impacted the manner in which Brookfield Infrastructure measures its financial and non-financial assets and liabilities.

In general, the disclosure requirements for the fair value of financial instruments and non-financial items under IFRS 13 are more extensive than those required under previous standards. Certain disclosures required by IFRS 13 are effective for interim consolidated financial statements by virtue of amendments to IAS 34 and have been included in Note 7; remaining disclosure requirements, mainly relating to non-financial items measured at fair value, will be included in Brookfield Infrastructure's annual consolidated financial statements for the year ended December 31, 2013.

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1 ("IAS 1")

Brookfield Infrastructure has adopted the amendments to IAS 1 on January 1, 2013 with retrospective application. The amendments to IAS 1 require items to be presented in other comprehensive income ("OCI") in two separate categories: (a) items that could be reclassified to profit or loss at a future point in time (e.g., impact of translation of foreign operations and net movement on cash flow hedges) and; (b) items that will never be reclassified to profit or loss (e.g., revaluation of property, plant and equipment). Income tax on items of other comprehensive income is required to be allocated on the same basis.

Brookfield Infrastructure has amended the consolidated statement of comprehensive (loss) income for all periods presented in the interim condensed and consolidated financial statements to reflect the presentation changes required under these amendments. Since these changes constitute reclassifications within the statements of comprehensive (loss) income, there is no net impact on comprehensive (loss) income.

CONTROLS AND PROCEDURES

As of June 30, 2013, an evaluation of the effectiveness of our "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e) of the United States Securities Exchange Act of 1934, or the Exchange Act) was carried out under the supervision and with the participation of persons performing the functions of principal executive and principal financial officers for us and our Manager. Based upon that evaluation, the persons performing the functions of principal executive and principal financial officers for us have concluded that, as of June 30, 2013, our disclosure controls and procedures were effective: (i) to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms; and (ii) to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including the persons performing the functions of principal executive and principal financial officers for us, to allow timely decisions regarding required disclosure.

It should be noted that while our management, including persons performing the functions of principal executive and principal financial officers for us, believe our disclosure controls and procedures provide a reasonable level of assurance that such controls and procedures are effective, they do not expect that our disclosure controls and procedures or internal controls will prevent all error and all fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

No changes were made in our internal control over financial reporting during the three months ended June 30 2013, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Management's Discussion and Analysis contains forward-looking information within the meaning of Canadian provincial securities laws and "forward-looking statements" within the meaning of certain securities laws including Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations. We may make such statements in this report, in other filings with Canadian regulators or the SEC or in other communications. The words "tend", "seek", "target", "foresee", "believe," "expect," "could", "aim to," "intend," "objective", "outlook", "endeavour", "estimate", "likely", "continue", "plan", "positioned to", derivatives thereof and other expressions of similar import, or the negative variations thereof, and similar expressions of future or conditional verbs such as "will", "may", "should," which are predictions of or indicate future events, trends or prospects and which do not relate to historical matters, identify forward-looking statements. Forward-looking statements in this Management's Discussion and Analysis include among others, statements with respect to our assets tending to appreciate in value over time, growth in our assets and operations, increases in FFO per unit and resulting capital appreciation, returns on capital and on equity, increasing demand for commodities and global movement of goods, expected capital expenditures, the impact of planned capital projects by customers of our railroad business on the performance and growth of that business, the extent of our corporate, general and administrative expenses, our ability to close acquisitions (including acquisitions referred to in this Management's Discussion and Analysis), our capacity to take advantage of opportunities in the marketplace, the future prospects of the assets that Brookfield Infrastructure operates or will operate, partnering with institutional investors, ability to identify, acquire and integrate new acquisition opportunities, long-term target return on our assets, recovery of the U.S. housing market, sustainability of distribution levels, distribution growth and payout ratios, operating results and margins for our business and each operation, future prospects for the markets for our products, Brookfield Infrastructure's plans for growth through internal growth and capital investments, ability to achieve stated objectives, ability to drive operating efficiencies, return on capital expectations for the business,

contract prices and regulated rates for our operations, our expected future maintenance and capital expenditures, ability to deploy capital in accretive investments, impact on the business resulting from our view of future economic conditions, our ability to maintain sufficient financial liquidity, our ability to draw down funds under our bank credit facilities, our ability to secure financing through the issuance of equity or debt, expansions of existing operations, financing plan for operating companies, foreign currency management activities and other statements with respect to our beliefs, outlooks, plans, expectations and intentions. Although we believe that the Partnership's anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Partnership to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include: general economic and financial conditions in the countries in which we do business which may impact market demand, foreign currency risk, the high level of government regulation affecting our businesses, the outcome and timing of various regulatory, legal and contractual issues, global credit and financial markets, the competitive business environment in the industries in which we operate, the competitive market for acquisitions and other growth opportunities, availability of equity and debt financing, the completion of various large capital projects by mining customers of our railroad business which themselves rely on access to capital and continued favourable commodity prices, our ability to complete large capital expansion projects on time and within budget, ability to negotiate favourable take-or-pay contractual terms, traffic volumes on our toll roads, acts of God, weather events, or similar events outside of our control, and other risks and factors detailed from time to time in documents filed by Brookfield Infrastructure with the securities regulators in Canada and the United States, including Brookfield Infrastructure's most recent Annual Report on Form 20-F under the heading "Risk Factors".

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to Brookfield Infrastructure, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, the Partnership undertakes no obligation to publicly update or revise any forward-looking statements or information, whether written or oral, that may be as a result of new information, future events or otherwise.

CAUTIONARY STATEMENT REGARDING USE OF NON-IFRS ACCOUNTING MEASURES

Although our financial results are determined in accordance with International Financial Reporting Standards (IFRS), the basis of presentation throughout much of this report differs from IFRS in that it is organized by business segment and utilizes funds from operations (FFO) and adjusted funds from operations (AFFO) as important measures. This is reflective of how we manage the business and, in our opinion, enables the reader to better understand our affairs. We provide a reconciliation to the most directly comparable IFRS measure in this Management's Discussion and Analysis. Readers are encouraged to consider both measures in assessing Brookfield Infrastructure's results.

BUSINESS ENVIRONMENT AND RISKS

Brookfield Infrastructure's financial results are impacted by various factors, including the performance of each of our operations and various external factors influencing the specific platforms and geographic locations in which we operate; macro-economic factors such as economic growth, changes in currency, inflation and interest rates; regulatory requirements and initiatives; and litigation and claims that arise in the normal course of business. These and other factors are described in Brookfield Infrastructure's most recent Annual Report on Form 20-F which is available on our website at www.brookfieldinfrastructure.com and at www.sec.gov/edgar.shtml and www.sedar.com.

Exhibit 99.2

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, Samuel Pollock, Chief Executive Officer of Brookfield Infrastructure Group Corporation, manager of Brookfield Infrastructure Partners L.P., certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of Brookfield Infrastructure Partners L.P. (the "issuer") for the interim period ended June 30, 2013.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility:*** The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer and I used to design the issuer's ICFR is the Internal Control – Integrated Framework (COSO Framework) published by The Committee of Sponsoring Organizations of the Treadway Commission (COSO).

5.2 ***ICFR – material weakness relating to design:*** N/A

5.3 ***Limitation on scope of design:*** N/A

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2013 and ended on June 30, 2013 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: August 14, 2013

/s/ Samuel Pollock

Samuel Pollock
Chief Executive Officer,
Brookfield Infrastructure Group Corporation

Exhibit 99.3

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, John Stinebaugh, Chief Financial Officer of Brookfield Infrastructure Group Corporation, manager of Brookfield Infrastructure Partners L.P., certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of Brookfield Infrastructure Partners L.P. (the "issuer") for the interim period ended June 30, 2013.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility:*** The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer and I used to design the issuer's ICFR is the Internal Control – Integrated Framework (COSO Framework) published by The Committee of Sponsoring Organizations of the Treadway Commission (COSO).

5.2 ***ICFR – material weakness relating to design:*** **N/A**

5.3 ***Limitation on scope of design:*** **N/A**

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2013 and ended on June 30, 2013 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: August 14, 2013

/s/ John Stinebaugh

John Stinebaugh
Chief Financial Officer,
Brookfield Infrastructure Group Corporation