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PRESENTATION

Operator
Good day, ladies and gentlemen, and welcome to the Brookfield Infrastructure third quarter conference call. (Operator Instructions) As a reminder, this call may be recorded. I would now like to introduce your host for today's conference, Melissa Low, you may begin.

Melissa Low ***Brookfield Infrastructure Partners L.P. - VP of IR***
Thank you, operator, and good morning. Thank you all for joining us for Brookfield Infrastructure Partners' Third Quarter Earnings Conference Call for 2019. on the call today is Bahir Manios, our Chief Financial Officer; Sam Pollock, Chief Executive Officer; and Ben Vaughan, our Chief Operating Officer. Following their remarks, we look forward to taking your questions and comments.

At this time, I'd like to remind you that in responding to questions and in talking about our growth initiatives and our financial reporting and operating performance, we may make forward-looking statements. These statements are subject to known and unknown risks, and future results may differ materially. For further information on known risk factors, I would encourage you to review our annual report on Form 20-F, which is available on our website.

With that, I'd like to turn the call over to Bahir.

Bahir Manios ***Brookfield Infrastructure Partners L.P. - CFO of Brookfield Infrastructure Partners Limited***
Great. Thank you Melissa, and good morning everyone. I'm pleased this morning to discuss our results of operations for the third quarter of 2019 and also provide a quick update on our funding plans, including the latest phase of our capital recycling program and liquidity position.

Our operations performed well in the third quarter, generating funds from operations, or FFO, of $338 million. On a per unit basis, FFO was $0.82, representing a 15% increase over the third quarter of 2018.

Results this quarter continued to benefit from strong organic growth of 9%, with solid performance in each of our operating segments, and that was driven by inflation-indexation, additional volumes going through our networks and almost $700 million of new capital projects that were commissioned into earnings over the past 12 months.

In addition to the good underlying performance in each one of our segments, we also benefited from solid contribution from the $1.7 billion of capital that we put to work over the past 12 months. As these new investments were primarily funded with proceeds from the recycling of mature, derisked assets, our FFO included an incremental contribution of $22 million in the quarter. Our results for the quarter also benefited by $9 million from improved hedge rates on our FFO compared to the prior year, which more than offset the impact of a weaker Brazilian real.

Now I'll take you through results for each one of our segments. Firstly, FFO from our utilities segment totaled $145 million for the quarter, compared to $130 million in the prior year. This segment delivered 9% organic growth, arising from $300 million of projects that were commissioned into rate base in the last year. Inflation-indexation across our portfolio and continued strength in connection activity at our U.K. regulated distribution business.

In September, our U.K. regulated distribution business signed a 15-year strategic partnership agreement with Sky Fiber Broadband. The partnership will bring Sky's three leading products of TV, voice and broadband onto our fiber network. As part of the deal, Sky will become the anchor tenant for broadband services in new and existing residential developments.

The establishment of this strategic relationship with a Tier 1 internet service provider is an important milestone for our business as we look to build on the growth recently achieved with our fiber offerings. The inclusion of this broadband leader should make our traditional multi-utility bundle more attractive to homebuilders and further differentiate our product offering relative to our competitors.

This quarter, we also advanced the build-out of our Brazilian electricity transmission business, which consists of projects that total 5,200 kilometers of transmission lines. During the period, we exercised our option to acquire a 50% interest in a second segment of operating lines from our partner, bringing our ownership in this project to 100%. We currently own two operating transmission lines outright, totaling 800 kilometers and expect FFO from this business to grow significantly over the next three years as we commission the remaining lines and acquire our partner's outstanding interest.

Our transport segment contributed FFO of $128 million, compared to $119 million during the same period of 2018. Results in the current quarter benefited from volume growth across our ports and toll roads, as well as higher tariffs and rates that contractually escalate with local inflation. These positive contributions were partially offset by the impact of the sales of a 33% interest in our Chilean toll road and our European operations, both completed earlier this year. Our various operations within this segment are performing very well. Of note, our Brazilian transport businesses continue to show improvements in their results despite the impact of a weaker Brazilian real, relative to the U.S. dollar. Third quarter results highlight the resiliency of our cash flows that are earned through regulated tariffs at our toll roads and contracted volumes at our integrated logistics business.

At our toll road, traffic levels continue to recover from the 2016 recession levels. Both light and heavy vehicle volumes at our existing roads are above prior year levels and have increased by over 8% since 2016 at our existing roads.

At our rail business, FFO has increased approximately 25%, relative to 2017, which is primarily attributable to the BRL 2 billion Port of Santos expansion that was completed two years ago. This expansion meaningfully increased the capacity of our network and removed bottlenecks that limited the volumes our networks could accommodate.

Looking ahead, we expect consumer confidence in the country to strengthen as inflation and interest rates in the country are approaching all-time lows, and that should further benefit the results of our businesses in the country.

FFO from our energy segment totaled $100 million, reflecting a 70% increase, relative to the third quarter of 2018. The step change increase was primarily driven by contributions from the acquisition of a North American residential distributed energy business, a Canadian midstream operation and a fully contracted natural gas pipeline in India. Together, these new investments generated approximately $40 million of FFO in the current period. Results also benefited from strength at our U.S. gas transmission business as a result of new customer contracts and the commissioning of capital expansion projects.

Over the last few months, our distributed energy operations in North America have successfully progressed several exciting organic growth initiatives. Of note, we commenced an eastward expansion of our Toronto district energy system that will provide sustainable heating and cooling to a growing expansion of the city. This expansion could potentially add up to 20 connections to our business and could meaningfully aid our results going forward in the business.

FFO from our data infrastructure segment was $36 million for the period, almost double the amount earned in the prior year and primarily reflects the contribution from recent investments that substantially expanded our global presence. These investments include a global data center business and a data distribution business in New Zealand. Additionally, our French telecommunication business reported organic growth of 5%, primarily the result of its build-to-suit tower expansion program.

Integration efforts at our data distribution business in New Zealand are progressing well. We're looking to execute on a multi-faceted margin improvement plan that should drive significant growth in the cash flows in this business in the next couple of years. We also announced the rollout of the first commercial 5G service offering in the country, which should position us well to capitalize on the growing data needs in the region.

So that completes my recap of our results for the quarter. Next up, I wanted to briefly touch on the state of our balance sheet and funding plans.

Firstly, as we highlighted at our Investor Day, in September, the monetary stimulus implemented post the financial crisis and subsequent evolution of the credit capital markets has enhanced the ability or the availability of capital across the credit spectrum. Despite the availability of debt financing, we remain committed to protecting our balance sheet through a conservative and disciplined approach to borrowing. We use leverage as an optimization tool and in certain circumstances, this can mean accessing the leveraged finance markets. However, we do so prudently and without compromising the core objectives of preserving ample liquidity and ensuring resilience through economic cycles to minimize exposure to market and refinancing risk.

In addition, we're always looking for ways to opportunistically benefit from this attractive interest rate environment. The completion of our $500 million Canadian corporate bond issuance in October is an example of this approach. We elected to access the bond market to lock-in an attractive fixed rate of 3.4% for a 10-year term and will use the proceeds partially to redeem a $375 million series of notes in late 2020. This issuance extends our corporate maturity profile to six years and further de-risks our near-term funding and capital plans.

We also proactively secured a long-term financing at our U.K. regulated distribution business amidst the favorable credit market backdrop. The financing has an average all-in cost of 2.4% and has an average term of approximately 15 years. We ended the quarter with over $3 billion of total liquidity, including approximately $2.2 billion at the corporate level. Our liquidity position will be supplemented by almost $600 million in the coming months upon closing of three recently signed capital recycling initiatives, which Sam will discuss further in his remarks.

Overall, this latest phase of our capital recycling has been very successful. Thus far in 2019, we've secured or completed five initiatives. Once we close the three advanced sales that we're working on, we would have generated almost $1.1 billion of liquidity from our capital recycling initiatives in 2019. Furthermore, we're targeting additional proceeds of over $1 billion from this program next year, with some of these processes already launched. On a combined basis, this exceeds the $1.5 billion to $2 billion target that we announced earlier this year.

And so, with that, I thank you for your time this morning, and I'll turn the call over to Sam.

Sam Pollock ***Brookfield Infrastructure Partners L.P. - CEO of Brookfield Infrastructure Partners Limited***
Thank you Bahir, and good morning everyone. For my remarks today, I'll provide an update on some recent investment in asset sale initiatives, and I'll give an outlook for the business. Before I do that, I want to briefly recap our recent announcement to establish Brookfield Infrastructure Corporation or what I'll refer to going forward as BIPC.

Despite having a unique asset base and an attractive financial profile, we have come across many investors that are unable to own units in our business as a result of our limited partnership structure. To address this issue, we decided that we would launch BIPC, which will provide investors with an alternative way to gain exposure to our global infrastructure business. BIPC will be established as a publicly listed Canadian corporation upon receipt of various regulatory approvals. We intend to list BIPC shares on the New York and Toronto Stock Exchanges.

Now for those of you who were unable to listen to our Investor Day presentation, this is how BIPC works. The corporation will be created by way of a special distribution that will be analogous to a unit split. We currently anticipate that BIP unitholders will receive one share of BIPC for every nine units of BIP held on the record date in respect to this special distribution. On a go-forward basis, investors will have the option of buying a BIP LP unit or a BIPC share. BIPC shares will be structured with the intention of being economically equivalent to BIP units with identical distributions and the ability to exchange BIPC shares into BIP units at any time.

We expect the initial market capitalization of BIPC to be approximately $2 billion, and the transaction is being structured on a tax-free basis to both Canadian and U.S. unitholders. The aggregate market capitalization of Brookfield Infrastructure should be unchanged by the introduction of BIPC.

Now we see many benefits in establishing BIPC. First, it will expand our investor base. For those investors that cannot invest in BIP units today, BIPC will provide an opportunity to own an economically equivalent security with a traditional corporate structure. Second, it will broaden our eligibility for index inclusion. As passive index investing grows in popularity, it is increasingly important that Brookfield infrastructure be included in the major global indices. While BIP is currently included in the S&P/TSX Composite Index and the S&P/TSX 60 Index, BIPC shares should be eligible for inclusion in several other global indices, which we expect will further expand our investor base.

And then finally, there will be tax advantages for some investors. For U.S. investors, BIPC dividends are expected to be qualified and the federal tax rate on dividends will drop meaningfully to 24%, as compared to 41% on BIP LP's distributions.

For Canadian investors, BIPC dividends will be considered fully eligible dividends. All BIPC shareholders will have simpler tax reporting and will receive common dividend reporting slips.

Now, subject to receipt of regulatory approvals, we plan to complete the transaction in the first half of 2020. I'm glad to say that the initial reaction from our unitholders to launch of BIPC has been very favorable. And as a result, we are excited to bring this initiative to fruition.

Now let me move on. I'll touch on our current strategic initiatives and some recent asset sales. And beginning with our new investments, we are progressing several attractive initiatives that have either been secured or in advanced stages.

We recently achieved financial close on our North American gas pipeline business, investing approximately $140 million of equity for BIP. In the coming months, we expect to invest a further $1.1 billion across various businesses. And the two biggest initiatives underway are Genesee & Wyoming and a tower portfolio owned by Reliance Jio. In that regard, in July, we announced the $8.4 billion take-private acquisition of Genesee & Wyoming, which we will be acquiring alongside institutional investors, with BIP's share of the investment being approximately $500 million. We are pleased to report that we recently received approvals from both G&W shareholders and the Surface Transportation board, and the transaction, therefore, is on track to close in the fourth quarter, following receipt of the remaining customary regulatory approvals.

In addition, we are also finalizing an agreement with Reliance Jio to acquire a large-scale portfolio of 130,000 telecom towers in India. This transaction is being negotiated on a bilateral basis and leverages our existing relationship with Reliance Industries, the counterparty to the Indian pipeline business we acquired earlier this year. We've substantially completed our due diligence and are currently finalizing transaction documentation. We expect to sign definitive documentation in the coming weeks and anticipate BIP investing up to $400 million upon closing of the transaction in the months that follow.

As Bahir just mentioned, the latest stage of our capital recycling program has been very successful. We are focused on closing three recently signed asset sales in the next few months. The first one I'll touch on is an agreement that we have to sell our Colombian regulated distribution operation, which would generate approximately $100 million of after-tax proceeds to BIP. In seven years of ownership, we grew EBITDA at that business at an annual rate of approximately 10%. This was achieved by commissioning several accretive capital projects and improving margins by reducing energy line losses. Upon closing, which is expected in the fourth quarter, we anticipate earning an after-tax IRR of approximately 18% in U.S. dollar terms and generating a multiple of capital of almost 3x our initial investment.

The second one I'll touch on is our divestment of our district energy and distribution business in Australia for approximately $280 million. One of the core components of this business is a gas distribution network that serves the state of Tasmania, and we acquired this business as part of the Babcock & Brown recapitalization in 2009. Over the last decade, we made a substantial investment in the business to expand its newly built network and increase customer connections. Our exit price translates to about an 18x EV/EBITDA multiple which is a strong valuation that reflects the stability and positive growth outlook for the business. The sale is expected to close in the fourth quarter of 2019.

And then last transaction I'll touch on is an agreement to sell a further 33% interest in our Chilean toll road business at a purchase price that's consistent with the sale of the initial 33% interest that closed earlier this year. The sale will result in an after-tax IRR of 16% and a multiple capital of 2.4x. The sale is expected to close in the fourth quarter and will result in $170 million in proceeds to BIP.

Now, looking ahead, our outlook for Brookfield Infrastructure is positive, as our financial position remains strong and much of the business is underpinned by networks with high barriers to entry and cash flows that are highly regulated and contracted.

For 2020, and we anticipate our organic growth to be near the top end of our 6% to 9% long-term target range. In addition, we expect that our recently secured investments will be fully contributing to results next year and generating an average going-in FFO yield of approximately 12%, which is highly accretive to our results.

So, in summary, our priorities for the year ahead are fourfold.

First, we're focused on closing the $1.1 billion of recently secured transactions, and those include the two marquee transactions I mentioned earlier. Second, we're pursuing a robust pipeline of new opportunities, which could lead to another year of outside investments. Third, we'll continue to execute on the next phase of our capital recycling strategy, with an objective of generating over $1 billion in proceeds from asset sales in 2020. And finally, we're advancing the creation of BIPC to enhance the accessibility of Brookfield Infrastructure to investors. And that, as I mentioned, we're targeting to complete in the first half of next year.

So that concludes our remarks for today's call. I'll now pass it over to the operator, and we'll be happy to take some questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Our first question comes from Cherilyn Radbourne with TD Securities.

Cherilyn Radbourne ***TD Securities Equity Research - Analyst***

I wanted to start with a question on BIPC. It sounds like the launch is progressing well. And one of the questions we get from investors is how the initial $2 billion float might grow in size over time. So maybe you can talk about that.

Sam Pollock ***Brookfield Infrastructure Partners L.P. - CEO of Brookfield Infrastructure Partners Limited***

Cherilyn, maybe I'll start. But Bahir is closer to a lot of the mechanics, maybe I'll have him just add anything if I missed anything. But you're correct, we expect the initial market capitalization to be about $2 billion. I think the opportunities to increase it really relate to additional cost base we have in the company and our ability to do follow-on distributions to investors. We also will have opportunities to issue new shares in the future, whether that's as part of transactions or as part of just new capital raises. So, I'd say those are the primary ways that we'll see the scale of BIPC's market cap growing and float growing.

There are other things that we're looking at, which are probably a little premature to get into, but there may be other things to do as well.

Cherilyn Radbourne ***TD Securities Equity Research - Analyst***
Great. And then on the Brazilian electricity transmission business. We haven't talked about that in a while. Can you remind us how much capital should ultimately go into that build out? And how we should think about the cadence of FFO ramping up over the next three years?

Bahir Manios ***Brookfield Infrastructure Partners L.P. - CFO of Brookfield Infrastructure Partners Limited***
Cherilyn, it's Bahir. Maybe I'll tackle that one, give you all the numbers, and maybe Ben Vaughan might want to add some color. But to date, we've spent about $230 million of capital, about $60 million of that was BIP's equity portion. And we'll probably have about another $100 million to go to complete the build-out, and that would be BIP's portion.

In addition to that, we probably will buy out our partner's interest, you would have seen in the quarter we bought out our partner's interest in the second operating line, albeit that was pretty small in the grand scheme of things.

As the business grows, that component is going to grow as well, and it's going to be about $200 million. So, when all is said and done, BIP would probably spend anywhere between $400 million to $500 million in that business. And thus far as the run rate FFO in that business, it will probably be about $60 million, if I have all my numbers straight. Today, the contribution is pretty small, but a lot of that is back-end loaded, Cherilyn, comes in 2022. I'd say 60% of that number comes actually in 2022, and the rest is more done on a staggered basis.

Operator
Our next question comes from Robert Kwan with RBC.

Robert Kwan ***RBC Capital Markets, Research Division - MD & Energy Infrastructure Analyst***
If I can just follow-up on that, Bahir. So, $60 million of FFO on $400 million to $500 million of total investment. Is that correct?

Bahir Manios ***Brookfield Infrastructure Partners L.P. - CFO of Brookfield Infrastructure Partners Limited***
That's right, Robert. Yes, I probably say it's $60 million on $400 million. Yes, sounds about right.

Robert Kwan ***RBC Capital Markets, Research Division - MD & Energy Infrastructure Analyst***
Okay. So, 15% kind of FFO yield. You also talked about in the New Zealand business, a number of things that you're doing to kind of improve margins and you mentioned significant improvement. I'm just wondering, kind of similar, are you able to quantify how big that could be, as well as just the types of things that you're doing?

Sam Pollock ***Brookfield Infrastructure Partners L.P. - CEO of Brookfield Infrastructure Partners Limited***
Robert, I'll start, and others might chime in. So, our going-in FFO yield in that business will probably be in the mid-double digits after maintenance CapEx, though, more looking at this number on an AFFO basis, so it will be in the high single digits. There's going to be a number of margin improvement programs that we're going to be executing, actually, in the next 12 to 24 months. I think at this stage, we'll probably refrain from describing totally what they are, but that should take our AFFO yield into the 11% to 12% range within the next two years. I think as we progress the various plans there, we'll have some more color to add as to exactly what we're going to be doing there. And so, we look forward to updating you in subsequent quarters on that.

Robert Kwan ***RBC Capital Markets, Research Division - MD & Energy Infrastructure Analyst***
Great. Okay. And if I can just finish, turning to the Australian rail business. Can you just talk about some developments that are down there, things that are going on? If you can touch on the grain side of things, as well, and whether there may be some capital associated with maybe more grain?

Ben Vaughan ***Brookfield Infrastructure Partners L.P. - COO of Brookfield Infrastructure Partners Limited***
Yes, Robert. It's Ben speaking. I can touch on that. The Australian rail business is going well. On the grain side, we have a new contract in place with CBH, which is our major grain client down there. And we expect volumes to be very consistent and grow modestly over time as they have for many years. And in fact, our arrangement with them going forward includes, I think, good pricing, but also a contribution of the capital to maintain the tracks. And so, we don't expect anything other than a steadily appreciating flow of grains on the rail and a growing relationship over time with the grain haulers.

Sam Pollock ***Brookfield Infrastructure Partners L.P. - CEO of Brookfield Infrastructure Partners Limited***
I'll just add two comments to what both Bahir and Ben mentioned. On Vodafone, the nature of the initial efforts underway really are in relation that you would expect with a corporate carve out where we're eliminating a number of the corporate costs and transition arrangements that we have in place with Vodafone. And so, there will be, we think, some initial low-hanging fruit to do that and establish as a stand-alone company.

And then in relation to the rail business, Ben mentioned the grain side, which we're very pleased to move forward with the co-op down there and strengthen our relationship with them and just grow and move grain very efficiently for all the farmers. But probably, the opportunities that are most meaningful these days relate to some of the iron ore mining companies that continue to look for opportunities to increase production. We have a couple of customers who have initiatives underway. And today, most of the contracts we're signing with people tend to be on the shorter-term side. We haven't seen someone commit for 10-plus years, but we are signing two and three-year contracts for higher volumes, which, again, is all positive for the business.

Robert Kwan ***RBC Capital Markets, Research Division - MD & Energy Infrastructure Analyst***
Great. That’s great color, Sam. Just on some of those contracts, are those just using existing capacity on the lines? And if it is deploying capital, how do you think about that given the shorter contracts and just some of the history you've had around iron ore movement?

Sam Pollock ***Brookfield Infrastructure Partners L.P. - CEO of Brookfield Infrastructure Partners Limited***
Yes. So that's a great question, and that really comes down to the nature of the negotiations that we have with our customers. To the extent that we can just invest modestly to manage the additional tonnage, then it's an easier discussion, and those are being done. To the extent that some of them are looking for a larger investment from us, then that's when we're looking for longer-term contracts in place or other financial assurances in order to get those deals done.

So today, most of them have done on the shorter-term minimal capital involved, but we are hopeful that we can do some longer-term contracts that might involve us deploying some capital.

Operator
Our next question comes from Rupert Merer with National Bank Financial.

Rupert Merer ***National Bank Financial, Inc., Research Division - MD and Research Analyst***
I have a couple of high-level questions on the economic outlook. First, it looks like we could have some positive news on trade disputes this morning, the potential rollback of tariffs. I think you said in the past that you've seen a limited impact from trade disputes on your logistics business, is that still the case? Or do you think you could see some direct visible benefits from a reduction of tariffs?

Sam Pollock ***Brookfield Infrastructure Partners L.P. - CEO of Brookfield Infrastructure Partners Limited***
Maybe I'll start, and then Ben or Bahir might chime in as well. Yes, I would say, for most of our businesses, they're not impacted directly by some of these trade situations. But there are regions where some of the reductions in overall global trade might impact our businesses on a longer-term basis. So today, probably the two countries where we have the biggest logistics investments would be in Brazil and Australia.

In Brazil, it's more of an agricultural story. So, depending on how the U.S.-China trade war plays out, that can either be very, very positive for Brazil or it could be kind of neutral, depending if agriculture volumes decline in the U.S. So that's one factor.

In Australia, the Australian economy is really dependent on how well China does. And to the extent that China is negatively impacted by these trade wars with the U.S., then it has sort of a reverberating impact on the outlook for Australia. Today, our businesses there are a little slower than we've seen in the past. I mean, Australia has been the success story of the last 25 years. And it's still doing fairly well, all things considered. But that's something we watch out for is what happens to that region because of the impact to China.

Rupert Merer ***National Bank Financial, Inc., Research Division - MD and Research Analyst***
All right, very good. And secondly, on Investor Day, you highlighted that you're well positioned in the event of a global economic downturn. Just wondering how your view on the global economy is informing your decision-making process for the timing of investments. And can you give a little bit of color on the pipeline of opportunities today and what your thoughts are about investing in this climate?

Sam Pollock ***Brookfield Infrastructure Partners L.P. - CEO of Brookfield Infrastructure Partners Limited***
I think we're somewhat agnostic as to whether or not we're investing into weaker or stronger economic conditions because we tend to take those into account in all our underwritings. What we typically look for, and probably the most important factor that affects the pace and posture of our investment program, is the scarcity of capital. We tend to, and I know I've said this on many calls in the past, look to deploy capital where money is scarce or where people don't have access to the capital and stay away from those regions where capital is abundant and being given away.

And so, having a global franchise where we can move capital amongst different sectors and different regions allows us to invest in a way where we think we can achieve good risk-adjusted returns. Where that translates today is, we are seeing better opportunities in the data and energy sectors. Those are the two sectors where capital is more scarce than, let's say, in the utility sector or in certain parts of the transportation sector.

And then from a global perspective, we see good opportunities in Asia, in particular, India, there's a banking crisis. And so, people like ourselves who have access to international credit can buy assets there, I think, at good value. South America is a region that today, capital isn't as strong as other markets. We find North America as not too bad, particularly in the energy sector, we think we can find good opportunities here. And maybe the most challenging market where capital is abundant and being priced unfairly today would be Europe, and that's largely due to negative interest rates and people just trying to race to the bottom. But even there, we still find some opportunities once in a while. So, I hope that gives you a little bit of color. I realize it's high level.

Operator
Our next question comes from Robert Catellier with CIBC Capital Markets.

Robert Catellier ***CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research***
I just wanted to see if you can provide more color on GWR in closing that transaction, whether or not you expect it will be a clean closing or if you'll have to structure around either the ROFO or any competition concern.

Sam Pollock ***Brookfield Infrastructure Partners L.P. - CEO of Brookfield Infrastructure Partners Limited***
The great news is that the two most important approvals we have received, which are shareholder approval, number one; and two, the Surface Transportation Board approval. The last critical approval that we need is SIFI's approval, which is one that all foreign investors generally require to buy assets in the United States. Given our footprint in the United States and the numerous transactions that Brookfield as a whole has done in the U.S., we feel highly confident that we should get that approval and hopefully get it relatively soon.

And so, I think, as far as completion risk, we think it's relatively low at this stage. We also had some great news this week on the financing front. Bahir and his team did an unbelievable job in executing financing. And maybe I'll let Bahir do a little victory lap here.

Bahir Manios ***Brookfield Infrastructure Partners L.P. - CFO of Brookfield Infrastructure Partners Limited***
Thanks for that, Sam. Yes. So just picking up on what Sam just noted. We did finance the debt related to this acquisition. In total, we'll be doing about $2.5 billion in the U.S. bond market. This financing was very well received by bond market investors. The deal was almost 5x oversubscribed, done at LIBOR plus 200, which is well inside of our underwriting case, which is a terrific start for us. And our understanding is that this is the most successful debt financing done in the leveraged finance market, at least since the financial crisis. So that was terrific and really highlights the robust credit characteristics of this business and the underlying strong fundamentals in the scale of the business that we're acquiring. So, a very, very positive early start for us on this acquisition.

Robert Catellier ***CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research***
Okay. And just one test to Brookfield's appetite for investing in in the Middle East. There's been some energy deals there recently. How would you describe Brookfield's appetite for investing there, particularly energy assets?

Sam Pollock ***Brookfield Infrastructure Partners L.P. - CEO of Brookfield Infrastructure Partners Limited***
It is a region we'll consider. We have lots of strong relationships with a number of the sovereign funds in that region. They've been great supporters. As you mentioned, there have been a few transactions that have been completed over the last 12 months, particularly in Abu Dhabi. And we've also looked at district energy assets in that region as well. It's not a market where there's a lot of investment activity, they tend to come up every once in a while. So, I can't tell you that we will do something, but I would just say that it is a region that we would consider.

Operator

I'm showing no further questions in queue at this time. I'd like to turn the call back to Mr. Pollock for closing remarks.

Sam Pollock ***Brookfield Infrastructure Partners L.P. - CEO of Brookfield Infrastructure Partners Limited***

Well thank you, operator. And thank you, everyone, for joining our call this morning. We look forward to updating you on our progress next quarter. On behalf of my colleagues, we wish you the best for the rest of the year. And if we don't speak before the holidays, happy holidays.

Operator

Ladies and gentlemen, thank you for participating in today's conference. This concludes today's program. You may all disconnect. Everyone, have a great day.