Letter to Unitholders

Overview

Brookfield Infrastructure posted solid results for the third quarter. Funds from Operations ("FFO") of $301 million or $0.81 per unit were 28% and 19% higher than the same quarter last year, respectively. Our financial performance reflects the diversification of our business, the contractual nature of our cash flows and the positive effects of global economic growth. Each of our operating groups posted stronger results relative to last year and the outlook for our businesses remains positive.

Our investment teams are actively pursuing a number of business development initiatives that should set the stage for the next phase of growth. In anticipation of completing several of these investments, and to fund our growing backlog of organic growth projects, we recently raised $1 billion of capital in the equity markets. Brookfield Infrastructure was also recently added to the S&P/TSX Composite Index and consequently, our access to capital has never been better. With current corporate liquidity in excess of $2 billion, we are well positioned to quickly execute transactions that add value to the business.

Results of Operations

Our business delivered year-over-year organic growth of 10% for the third quarter. This level of performance exceeds our long-term target range for same store growth of 6-9%.

The utilities segment generated FFO of $170 million, representing a step-change increase over the prior year. Results benefitted from a sizable contribution from our newly acquired Brazilian regulated gas transmission operations, additions to our rate base and upward inflation adjustments. These results were modestly offset by the impact of the sale of our Canadian electricity transmission asset last year.

Since the acquisition of our regulated gas transmission business in Brazil, we have been executing our integration plan. Our management team has successfully internalized all finance, procurement, human resources and information technology-related activities and the focus for the next six months is on planning and preparing for the internalization of all operating functions. The goal is for this business to run on a fully stand-alone basis by the end of 2019.

Our U.K. regulated distribution operations delivered another strong quarter supported by several large contract wins. This business is on track to achieve its most impressive annual performance, both in terms of new sales and completed connections. The growth outlook for 2018 is robust, supported by record-high planning permits and new home registrations in the country. We are close to finalizing an agreement with a leading energy retailer to secure up to

2 million smart meters which is a significant accomplishment for the business, as it more than doubles the size of this product offering. With this contract, we will have secured up to 3.5 million meters, which we would look to commission over the next few years. We are on track to deploy nearly $1 billion into this business, which generates excellent risk-adjusted returns on our capital.

The transport segment posted solid results and delivered FFO of $136 million for the third quarter, an increase of 21% compared to the prior year. Results for this segment reflected substantial volume growth, particularly in the toll road business.

Both our Brazilian integrated logistics business and toll roads are benefitting from the economic recovery that is taking place in the country after a severe and protracted recession. In the past year, Brazil has seen its core inflation decline by over 50% to below 3% and government interest rates have fallen by over 6%. GDP also grew modestly in the range of 1% and we expect the pace of recovery to accelerate.

The improvement in the overall economy led to an increase in traffic volumes on our roads of 4%, following declines experienced since mid-2014. This volume growth, combined with tariff increases and lower interest costs, contributed to a 50% improvement in results for the quarter. Our integrated logistics business has had meaningful year-over-year volume growth. This increase was driven by improvements in key industrial sectors and our ongoing ability to capture increasing volumes of agricultural products.

The energy segment generated FFO of $48 million in the third quarter, or 20% higher compared to the prior year. Results reflect the growing contribution from our North American gas transmission business. This business is reporting stronger results due to higher gas transport volumes, new contracts and reduced leverage levels. Our district energy operations also performed well, while the gas storage business had weaker results due to lower gas spreads compared to the prior year.

With its broad reach, our natural gas transmission business continues to capitalize on changing flow dynamics in the U.S. Phase I of our Gulf Coast reversal project is progressing on plan and we are seeing continued interest in our Phase II expansion. During the quarter, we also secured a significant transportation agreement in the Permian basin with initial volumes and revenues starting in 2018 and ramping up meaningfully over the next three years. The business is also pursuing $300 million of new potential expansion projects. If these projects proceed, we should generate approximately $90 million in incremental EBITDA (BIP's share – $45 million). We will provide further updates on these opportunities early next year.

Our communications infrastructure operations in France generated FFO of $19 million in the quarter, which is consistent with the prior year. Results in local currency terms were higher by 8%, primarily reflecting additional contribution from growth projects. Following our early success in the fibre-to-the-home ("FTTH") market, our management team is starting to position the business as a strategic partner of choice to leading internet service providers. During the quarter, we progressed several new FTTH opportunities, including both new network service

areas tendered by municipal authorities and potential partnerships with large service providers to build out and operate segments of their networks. If successful, these initiatives could represent a significant investment and provide attractive risk-adjusted returns.

Strategic Initiatives

In August, we agreed to acquire a portfolio of 370 kilometres of toll roads in southern India, for approximately $350 million (BIP's share – $100 million). This brings our total road portfolio in the country to over 600 kilometres. These two high-quality, well-located roads are in advanced stages of construction and are partially open for tolling, with full commissioning expected by March 2018. These roads should capture the benefits of favourable demographic and economic trends in India.

We are also in the process of reviewing several attractive opportunities in the Indian telecom infrastructure sector. We believe this space has tremendous growth potential as the demand for data in India, primarily through mobile phones, is expected to increase exponentially over the coming decades. The current owners of telecom towers in the country are mobile network operators, who need to raise capital to fund the required capital expenditures for growth. As a result, there is an opportunity to acquire attractive tower portfolios with scale.

Reflecting on a decade of growth, and looking ahead

In September, we held our annual Investor Day in New York. For those of you who were unable to join us, we invite you to review the presentation on our website. With Brookfield Infrastructure's 10-year anniversary approaching, we took the opportunity to reflect on our first decade, and to examine the investment landscape ahead, focusing on how we are positioned for continued success.

Since BIP was launched in 2008, we have focused on four key objectives:

(i) **Adding scale and diversifying the business –** At inception, BIP had five operating businesses, two of which were in the timber sector. We have since divested of the timber businesses profitably, and today we operate 35 high-quality businesses across five segments, with investments in multiple sectors.

(ii) **Building a solid financial foundation –** As a dual-listed issuer and with BIP's recent inclusion in the S&P/TSX Composite Index, our access to capital is significantly enhanced. The business is supported by a BBB+ credit rating and $2.0 billion in lines of credit which allow us to act quickly on opportunities.

(iii) **Developing a track record of investment discipline –** Concurrent with deploying significant capital since inception, we have also been strategically disposing of businesses to recycle capital to fund higher-returning growth initiatives. To date, we have sold 10 businesses, generating over $2 billion of proceeds at returns in excess of 25% measured on an IRR basis.

(iv) **Achieving profitable growth –** Making large, value-based investments while simultaneously executing on organic growth projects has supported per unit compound annual growth of 20% and 12% for FFO and distributions, respectively, since inception. BIP has also generated attractive annualized returns for unitholders, outperforming its peer group.

We also assessed our performance in the context of our ability to deploy capital on behalf of our unitholders. The presentation focused on the use of return on invested capital (“ROIC”), which we believe to be the most relevant metric in assessing our ability to invest capital well. We provided a spotlight on our returns over the last five years, and our average annual ROIC over this period was 13%. We consider this result to be very strong for a well-diversified real asset business such as ours. Additionally, we believe that this metric is most useful when applied over a longer period versus isolated annual periods given the growth profile of our business, which is often back-end loaded. Our track record since inception highlights that we have been able to achieve same-store growth of approximately 5% over the years, from inflationary price increases and volume upside (before including reinvestment of cash flows in the business).

Lastly, we discussed the investment landscape for infrastructure for the next 10 years, focusing on trends that should generate meaningful investment opportunities for our business:

- **Data infrastructure –** Data is the fastest growing commodity in the world, with global usage expected to grow exponentially for the foreseeable future. This growth is driving the need for massive investment in the networks that transmit and store data. We have already begun making investments in data highways, namely fibre-to-the-home networks, and telecom towers, and are pursuing additional opportunities in the sector.

- **Municipal infrastructure –** Trillions of dollars have been committed globally to building ‘smart cities’. These are communities that are more connected, efficient and environmentally friendly – a top priority for many major municipal governments. With the number of people living in urban areas anticipated to increase from 55% to 70% by 2020, solutions for reducing pollution and congestion are of critical importance. We see the largest opportunities in district energy, where we already have operations in 11 North American cities, and energy-efficient systems such as smart meters, an area where we have already begun deploying capital in the U.K. We are ideally suited to capture scale in this sector given Brookfield’s vast urban property presence.

- **Water infrastructure –** The spending gap for capital needed to support critical and aging water infrastructure is predicted to grow to ~$7 trillion globally by 2050. We see

several opportunities to invest in water supply (desalination plants), water recycling (greywater and purification facilities), and transportation systems for uses such as irrigation.

- **Investment in Asia –** This is the world's largest and fastest-growing market, with current GDP growth of nearly 6%. The need for capital to fund the buildout and maintenance of critical infrastructure exists across all sectors where we invest. We will leverage Brookfield's established presence in Asia and expect to make this region a larger part of our capital allocation in the future.

We often get asked if the growth we have achieved over the past 10 years is sustainable. With our global presence and reach, enhanced access to capital and established investment engine, Brookfield Infrastructure is now in a much stronger position than when it started in 2008. We intend to remain true to our investment strategy by creatively and selectively sourcing the right opportunities to achieve our target returns, identifying highly accretive projects and tuck-in acquisitions and acting decisively when the right opportunities present themselves. With an opportunity set that is extremely robust, we look forward to generating substantial growth in the future.

Outlook

The current outlook for Brookfield Infrastructure is favourable. We are operating in a global economy that is experiencing strong growth and there is an exceptional need for capital to fund investment projects. We are utilizing our competitive strengths of size, global footprint, operating capabilities and access to capital to execute on accretive projects. We believe there are opportunities to buy for value in both developed and emerging economies.

Our primary focus for the balance of the year is to advance our robust pipeline of communications infrastructure and energy transactions that are well-progressed. We also remain very focused on the integration plans at our Brazilian regulated gas transmission business, and executing on our organic capital project initiatives.

On behalf of the Board and management of Brookfield Infrastructure, I would like to thank all our unitholders for their ongoing support. I look forward to updating you on our progress.

Sincerely,

Sam Pollock
Chief Executive Officer
Brookfield Infrastructure Group L.P.

Forward-looking Statement

Note: This letter to unitholders contains forward-looking information within the meaning of Canadian provincial securities laws and "forward-looking statements" within the meaning of 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. The words, "will," "continue," "believe," "growth," "potential," "prospect," "expect," "should," "could, "outlook," "target,", "increase," derivatives thereof and other expressions which are predictions of or indicate future events, trends or prospects and which do not relate to historical matters identify the above mentioned and other forward-looking statements. Forward-looking statements in this letter to unitholders may include statements regarding the likelihood and timing of successfully completing the acquisitions and other growth initiatives referred to in this letter to unitholders, the pursuit of projects in our pipeline, the future performance of those and other recently acquired businesses and growth projects, the impact of planned growth projects and initiatives on our existing businesses, the commissioning of our capital backlog, financial and operating performance of Brookfield Infrastructure and some of its businesses, availability of investment opportunities in current and new sectors, market demand for the products and services we provide, ability to access capital, our ability to execute capital recycling initiatives, statements regarding future trends in the infrastructure industry, the continued growth of Brookfield Infrastructure and its businesses in a competitive infrastructure sector, future revenue, distribution prospects in general and our expectations regarding growth in distributions and returns to our unitholders. Although Brookfield Infrastructure believes that these forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on them, or any other forward-looking statements or information in this letter. The future performance and prospects of Brookfield Infrastructure are subject to a number of known and unknown risks and uncertainties. Factors that could cause actual results of the Partnership and Brookfield Infrastructure to differ materially from those contemplated or implied by the statements in this letter to unitholders include general economic conditions in the jurisdictions in which we operate and elsewhere which may impact the markets for our products or services, the ability to achieve growth within Brookfield Infrastructure's businesses, our ability to achieve the milestones necessary to deliver the targeted returns to our unitholders, which is uncertain, some of which depends on access to capital and continuing favourable commodity prices, the impact of market conditions on our businesses, the fact that success of Brookfield Infrastructure is dependent on market demand for an infrastructure company, which is unknown, the availability of equity and debt financing for Brookfield Infrastructure, the ability to effectively complete new acquisitions in the competitive infrastructure space (including the potential acquisitions referred to in this letter to unitholders, some of which remain subject to the satisfaction of conditions precedent, and the inability to reach final agreement with counterparties to transactions referred to in this letter to unitholders as being currently pursued, given that there can be no assurance that any such transaction will be agreed to or completed) and to integrate acquisitions into existing operations, changes in technology which have the potential to disrupt the businesses and industries in which we invest, the market conditions of key commodities, the price, supply or demand for which can have a significant impact upon the financial and operating performance of our business, regulatory decisions affecting our regulated businesses, our ability to secure favourable contracts, weather events affecting our business, traffic volumes on our toll road businesses and other risks and factors described in the documents filed by Brookfield Infrastructure with the securities regulators in Canada and the United States including under "Risk Factors" in Brookfield Infrastructure's most recent Annual Report on Form 20-F and other risks and factors that are described therein. Except as required by law, Brookfield Infrastructure undertakes no obligation to publicly update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.