BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

Q1 2018 Supplemental Information

First Quarter, March 31, 2018

Brookfield

Cautionary Statement Regarding Forward-Looking Statements

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This Supplemental Information 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 "expect", "target", "believe", "objective", "anticipate", "plan", "estimate", "growth", "increase", "return", "expand", "maintain", 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", "could", 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 Supplemental Information include among others, statements with respect to our assets tending to appreciate in value over time, current and proposed growth initiatives 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, volume increases in the businesses in which we operate, expected capital expenditures, the impact of planned capital projects by customers of our businesses, the extent of our corporate, general and administrative expenses, our ability to close acquisitions and the expected timing thereof, our capacity to take advantage of opportunities in the marketplace, the future prospects of the assets that Brookfield Infrastructure operates or will operate, ability to identify, acquire and integrate new acquisition opportunities, long-term targeted returns on our assets, sustainability of distribution levels, the level of distribution growth and payout ratios over the next several years and our expectations regarding returns to our unitholders as a result of such growth, operating results and margins for our business and each of our operations, 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, commissioning of capital from our backlog, 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 plans for operating companies, foreign currency management activities and other statements with respect to our beliefs, outlooks, plans, expectations and intentions. Although we believe that Brookfield Infrastructure'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 Brookfield Infrastructure 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 for our products and services, foreign currency risk, the 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 customers of our businesses which themselves rely on access to capital and continued favourable commodity prices, weakening of demand for products and services in the markets for the commodities that underpin demand for our infrastructure, our ability to complete transactions in the competitive infrastructure space (including the transactions referred to in this presentation, 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 presentation 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, our ability to complete large capital expansion projects on time and within budget, our ability to achieve the milestones necessary to deliver targeted returns to our unitholders, including targeted distribution growth, ability to negotiate favourable take-or-pay contractual terms, traffic volumes on our toll roads, our ability to obtain relevant regulatory approvals and satisfy conditions precedent required to complete acquisitions, 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, Brookfield Infrastructure 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), adjusted funds from operations (AFFO), adjusted EBITDA and invested capital 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 on pages 32-40 of this Supplemental Information. 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 segments 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.

Q1 2018 HIGHLIGHTS

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KEY PERFORMANCE METRICS

(See "Reconciliation of Non-IFRS Financial Measures")

US$ MILLIONS, EXCEPT PER UNIT INFORMATION, UNAUDITED	Three months ended March 31	
	2018	2017
Funds from operations (FFO)	**$ 333**	$ 261
Per unit FFO[1]	**0.85**	0.71
Distributions	**0.47**	0.435
Payout ratio[2]	**68%**	74%
Growth of per unit FFO	**20%**	4%
Adjusted funds from operations (AFFO)	**284**	216
Return of Invested Capital (ROIC)[3]	**13%**	12%
Net income[4]	**209**	16
Net income (loss) per limited partner unit[5]	**0.42**	(0.03)
Adjusted Earnings	**154**	146
Adjusted Earnings per unit[1]	**0.39**	0.30

KEY BALANCE SHEET METRICS

US$ MILLIONS, UNAUDITED	As of	
	Mar 31, 2018	Dec 31, 2017
Total assets	**$ 29,168**	$ 29,477
Corporate borrowings	**1,279**	1,944
Invested capital	**7,760**	7,599

1. *Average units for the three month period ended March 31, 2018 of 394.0 million (2017: 369.5 million)*
2. *Payout ratio defined as distributions paid (inclusive of GP incentive and preferred unit distributions) divided by FFO*
3. *Return on invested capital is calculated as AFFO, adjusted for an estimate of returns of capital of $25 million for the three month period ended March 31, 2018 ($12 million in 2017), divided by average invested capital*
4. *Includes amounts attributable to non-controlling interests–Redeemable Partnership Units held by Brookfield, general partner and limited partners*
5. *Average limited partnership units for the three month period ended March 31, 2018 of 276.6 million (2017: 259.5 million). Results in a loss on a per unit basis, for the period ended March 31, 2017, as the allocation of net income is reduced by preferred unit and incentive distributions.*

$333
million of FFO

20%
FFO per unit growth

PERFORMANCE HIGHLIGHTS

- FFO increased 28% to $333 million reflecting the contribution from our Brazilian regulated gas transmission business acquired during the second quarter of 2017 and continued strength in our base business, partially offset by foreign exchange movements
  - Organic FFO growth of 9%, on a constant currency basis
- FFO per unit of $0.85, a 20% increase from prior year
- Distribution paid of $0.47 per unit, an 8% increase from the prior year
  - Represents a payout ratio of 68%
- Net income of $209 million compared to $16 million in prior year
  - Net Income increased primarily due to a gain recognized on the sale of our investment in a Chilean electricity transmission business and organic growth across the majority of our operations, which was offset by higher depreciation and the impact of foreign exchange
- Invested capital increased from year-end as a result of a preferred unit issuance completed in January

Q1 2018 Highlights (cont'd)

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OPERATIONS

- Deployed ~$175 million in growth capital expenditures in the first quarter, predominantly in our Utilities segment to increase rate base and in our Transport segment to add capacity
- Added over $170 million to capital investment backlog across all segments in the first quarter; total capital to be commissioned in the next two to three years is ~$2.5 billion
  - Another period of record sale activity that totaled 80,000 connections sold at UK regulated distribution business; bringing total order book to over 970,000 connections
  - Secured our fourth contract to build a fibre-to-the-home network for up to 220,000 households at our French communications infrastructure business; added ~$50 million to backlog at our share
  - Backlog and CWIP were reduced ~$125 million and ~$95 million, respectively, following the sale of the Chilean electricity transmission operation in March
- South American toll road operations continue to benefit from inflationary tariff increases and improved traffic levels with increases of 5% and 4%, respectively
- North American natural gas transmission business benefitted from higher revenues as a result of a 15% increase in transportation volumes associated with newly secured contracts

BUSINESS DEVELOPMENT

- Completed the sale of a 28% interest in a Chilean electricity transmission operation for $1.3 billion ($1.1 billion net of applicable taxes)
- Continue to progress the closing of two toll roads in Southern India for ~$350 million (BIP's share - ~$100 million), which remains subject to customary completion conditions which are expected during Q2'18
- Progressing our acquisition of a controlling interest in Gas Natural S.A. ESP, the second largest natural gas distribution system in Colombia
  - Initially acquired an 11% interest late last year and are currently progressing the second phase of the acquisition; expected completion during Q2'18

FINANCING AND LIQUIDITY

- Ended the period with record total liquidity of $4.2 billion
- Completed C$200 million preferred unit issuance at a rate of 5% with five-year rate resets
- Finalizing discussions with lenders to issue R$5.2 billion of non-recourse debt in the local bond market at our Brazilian regulated gas transmission business
  - Expect to generate proceeds of $500 million net to BIP

Our Business

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OUR MISSION

- 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

PERFORMANCE TARGETS AND KEY MEASURES

- Target a 12% to 15% total annual return on invested capital measured over the long term
- Expect to generate returns from in-place cash flows plus growth through investments in upgrades and expansions of our asset base
- FFO is used to assess our operating performance and can be used on a per unit basis as a proxy for future distribution growth over the long-term

BASIS OF PRESENTATION

- Our consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)
- For each operating segment, this Supplemental Information outlines Brookfield Infrastructure’s proportionate share of results in order to demonstrate the impact of key value drivers of each operating segment on the partnership’s overall performance

Distribution Policy

Brookfield

Our payout ratio is determined based on the amount of cash flow generated in our businesses that is available for distribution

- Objective is to pay a distribution that is sustainable on a long-term basis while retaining sufficient liquidity within operations to fund recurring growth capital expenditures and general corporate requirements
- We fund all of our growth initiatives through a combination of issuances of common equity, preferred equity and corporate debt, proceeds of asset sales and retained cash flow
  - Available funding and assessment of corporate liquidity is undertaken prior to committing to all new investments and capital projects
- Distributions are determined on the basis of the proportionate cash flow generating capacity of our businesses. We monitor proportionate cash flow from operations as over 40% of our FFO is generated by investments that are not consolidated in our financial statements.
- The partnership invests in joint ventures or consortiums to provide it with access to partners with local strategic expertise and substantial amounts of capital. When investing in such arrangements, the partnership maintains joint control or significant influence over the business, and is therefore, not a passive investor. We structure governance arrangements taking into account the following:
  - Each of our businesses is required to distribute all of its available cash (generally defined as cash on hand less any amounts reserved for committed growth projects)
  - Our governance arrangements over these businesses effectively provide us with a veto over any decision not to distribute all available cash flow. That is, any decision not to distribute available cash flow in these businesses requires our consent

Distribution Profile

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BIP has a conservative payout ratio underpinned by stable, highly regulated or contracted cash flows generated from operations

- We believe that a payout of 60-70% of FFO is appropriate
- Targeting 5% to 9% annual distribution growth, in light of expected per unit FFO growth
- Distribution payout is reviewed with the Board of Directors in the first quarter of each year
- The Board of Directors has declared a quarterly distribution in the amount of $0.47 per unit, payable on June 29, 2018 to unitholders of record as at the close of business on May 31, 2018. This quarterly distribution represents an 8% increase compared to the prior year
  - Distributions have grown at a **compound annual growth rate of 11%** since inception of the partnership in 2008
- Below is a breakdown of distribution history since the spin-off

US$, UNAUDITED	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018F
Annual Distribution[1]	$0.59[2]	$0.71	$0.73	$0.88	$1.00	$1.15	$1.28	$1.41	$1.55	$1.74	$1.88
Growth	N/A	—	4%	20%	14%	15%	12%	10%	10%	12%	8%

1. *Annual distribution amounts have been adjusted for 3-for-2 stock split effective September 14, 2016*
2. *2008 distribution was prorated from spin-off*

Distribution Profile (cont'd)

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Over the last five years, the Partnership has been able to achieve its target payout ratio of 60–70% of funds from operations while increasing its distribution by an average of 11%

- Based on our distribution track record, the Partnership's average distribution payout ratio for the last five years is 65% of FFO, as shown below

For the year ended December 31 US$ MILLIONS, UNAUDITED	2013	2014	2015	2016	2017	Total 2013–2017
Funds from Operations (FFO)	$ 682	$ 724	$ 808	$ 944	$ 1,170	$ 4,328
Adjusted Funds from Operations (AFFO)	553	593	672	771	941	3,530
Distributions	388	448	546	628	794	2,804
FFO payout ratio	57%	62%	68%	67%	68%	65%
AFFO payout ratio	70%	76%	81%	81%	84%	79%

Our Operations

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- Own and operate a diversified portfolio of high-quality, long-life utilities, transport, energy and communications infrastructure assets
- Generate stable cash flows with ~95% of adjusted EBITDA supported by regulated or long-term contracts
- Leverage Brookfield's best in-class operating segments to extract additional value from investments

SEGMENT	DESCRIPTION	ASSET TYPE	PRIMARY LOCATION
Utilities	Regulated or contractual businesses which earn a return on their asset base	• Regulated Transmission • Regulated Distribution • Regulated Terminal	• North & South America • Europe & South America • Asia Pacific
Transport	Provide transportation for freight, bulk commodities and passengers	• Rail • Toll Roads • Ports	• Asia Pacific & South America • South America & Asia Pacific • Europe, North America & Asia Pacific
Energy	Systems that provide energy transmission, distribution and storage services	• Energy Transmission & Storage • District Energy	• North America • North America & Asia Pacific
Communications Infrastructure	Provide essential services and critical infrastructure to the media broadcasting and telecom sectors	• Tower Infrastructure Operations	• Europe

Selected Income Statement and Balance Sheet Information

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The following tables present selected income statement and balance sheet information by operating segment on a proportionate basis:

STATEMENTS OF OPERATIONS

US$ MILLIONS, UNAUDITED	Three months ended March 31 2018	2017
Net income (loss) by segment		
Utilities	**$ 49**	$ 46
Transport	**12**	31
Energy	**13**	17
Communications Infrastructure	**1**	3
Corporate	**134**	(81)
Net income	**$ 209**	$ 16
Adjusted EBITDA by segment		
Utilities	**$ 203**	$ 128
Transport	**178**	165
Energy	**79**	86
Communications Infrastructure	**23**	22
Corporate	**(58)**	(51)
Adjusted EBITDA	**$ 425**	$ 350
FFO by segment		
Utilities	**$ 169**	$ 100
Transport	**137**	123
Energy	**66**	62
Communications Infrastructure	**19**	19
Corporate	**(58)**	(43)
FFO	**$ 333**	$ 261

STATEMENTS OF FINANCIAL POSITION

US$ MILLIONS, UNAUDITED	As of Mar 31, 2018	Dec 31, 2017
Utilities	**$ 5,034**	$ 6,542
Transport	**7,008**	6,990
Energy	**3,122**	3,134
Communications Infrastructure	**1,098**	1,049
Corporate	**(1,165)**	(1,083)
Total assets	**$ 15,097**	$ 16,632
Net debt by segment		
Utilities	**$ 2,668**	$ 3,252
Transport	**2,941**	2,874
Energy	**1,302**	1,328
Communications Infrastructure	**448**	435
Corporate	**722**	1,739
Net debt	**$ 8,081**	$ 9,628
Partnership capital by segment		
Utilities	**$ 2,366**	$ 3,290
Transport	**4,067**	4,116
Energy	**1,820**	1,806
Communications Infrastructure	**650**	614
Corporate	**(1,887)**	(2,822)
Partnership capital	**$ 7,016**	$ 7,004

OPERATING SEGMENTS

Utilities Operations

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SEGMENT OVERVIEW

- Businesses that generate long-term returns on regulated or contractual asset base (rate base)
- Rate base increases with capital that we invest to upgrade and/or expand our systems
- Virtually all of adjusted EBITDA supported by regulated or contractual revenues

OBJECTIVES

- Invest capital to increase our rate base
- Earn an attractive return on rate base
- Provide safe and reliable service to our customers

OPERATIONS

- Regulated Transmission – ~2,000 km of regulated natural gas pipelines in Brazil, ~2,200 km of transmission lines in North and South America along with ~2,600 km of greenfield electricity transmission developments in South America
- Regulated Distribution – ~3.4 million electricity and natural gas connections and ~880,000 installed smart meters
- Regulated Terminal – one of the world's largest coal export terminals in Australia, with ~85 Mtpa of capacity

The following table presents selected key performance metrics of our utilities segment:

US$ MILLIONS, UNAUDITED	Three months ended March 31	
	2018	2017
Rate base	**$ 4,808**	$ 3,949
Funds from operations (FFO)	**$ 169**	$ 100
Maintenance capital	**(5)**	(3)
Adjusted funds from operations (AFFO)	**$ 164**	$ 97
Return on rate base[1,2]	**11%**	10%

1. *Return on rate base is adjusted EBITDA divided by time weighted average rate base.*
2. *Return on rate base excludes impact of connections revenue at our UK regulated distribution business, a return of capital component from earnings generated at our Brazilian regulated gas transmission business and foreign exchange*

- FFO of $169 million in Q1'18 compared to $100 million in prior year
  - The largest contributor to the increase in FFO was the acquisition of a regulated gas transmission business in Brazil
  - Additionally, FFO for the segment benefitted from strong connections activity at our U.K. regulated distribution business, inflation-indexation and capital commissioned into rate base
  - Partially offsetting these increases was the impact of foreign exchange

Utilities Operations (cont'd)

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

US$ MILLIONS, UNAUDITED	Three months ended March 31 2018	2017
Revenue	**$ 246**	$ 154
Connections revenue	**26**	22
Cost attributable to revenues	**(69)**	(48)
Adjusted EBITDA	**203**	128
Interest expense	**(31)**	(29)
Other (expense) income	**(3)**	1
Funds from operations (FFO)	**169**	100
Depreciation and amortization	**(58)**	(32)
Deferred taxes and other items	**(62)**	(22)
Net income	**$ 49**	$ 46

The following table presents our proportionate adjusted EBITDA and FFO for this operating segment by business:

Three months ended March 31	Adjusted EBITDA		FFO	
US$ MILLIONS, UNAUDITED	**2018**	2017	**2018**	2017
Regulated Transmission	**$ 108**	$ 30	**$ 96**	$ 22
Regulated Distribution	**68**	71	**56**	60
Regulated Terminal	**27**	27	**17**	18
Total	**$ 203**	$ 128	**$ 169**	$ 100

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were $203 million and $169 million, respectively, versus $128 million an $100 million, respectively, in the prior year
  - Regulated Transmission: Results benefitted from the contribution of our regulated gas transmission business in Brazil acquired during the second quarter of 2017, and organic growth resulting from inflation-indexation and additions to rate base
    - Completed sale of a Chilean electricity transmission operation which contributed annual EBITDA and FFO of $100 million and $80 million, respectively in 2017
  - Regulated Distribution: Results decreased as the benefits of an increased rate base, higher connections income, inflation-indexation and the contribution from smart meters adopted over the last 12 months at our U.K. regulated distribution business were more than offset by the impact of foreign exchange
  - Regulated Terminal: Adjusted EBITDA and FFO remained relatively consistent versus the prior year as the benefit of inflation-indexation was offset by the impact of foreign exchange

Utilities Operations (cont'd)

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The following tables present our proportionate share of capital backlog and rate base:

US$ MILLIONS, UNAUDITED	Three months ended March 31 2018	2017
Capital backlog, start of period	$ 1,140	$ 761
Impact of asset sales	(124)	—
Additional capital project mandates	79	140
Less: capital expenditures	(103)	(83)
Foreign exchange and other	(2)	44
Capital backlog, end of period	990	862
Construction work in progress	218	213
Total capital to be commissioned	$ 1,208	$ 1,075

US$ MILLIONS, UNAUDITED	Three months ended March 31 2018	2017
Rate base, start of period	$ 5,638	$ 3,788
Impact of asset sales	(969)	—
Capital expenditures commissioned	115	54
Inflation and other indexation	(7)	16
Regulatory depreciation	—	(12)
Foreign exchange and other	31	103
Rate base, end of period	$ 4,808	$ 3,949

CAPITAL BACKLOG

Projects that we have been awarded and/or filed with regulators with anticipated commissioning into rate base in the next two to three years

- Ended the period with ~$1.2 billion of total capital to be commissioned into rate base; a 12% increase compared to the prior year
  - Total capital to be commissioned decreased 17% compared to year-end primarily due to the sale of our Chilean electricity transmission operation
  - Capital project additions relate to new connections added to our backlog at our U.K. regulated distribution business
  - Our U.K. regulated distribution business and Brazilian electricity transmission business are the largest contributors to capital to be commissioned with ~$870 million and ~$310 million, respectively

RATE BASE

- Our rate base has increased from the prior year as a result of the acquisition of a regulated gas transmission business in Brazil, new connections at our UK regulated distribution business and commissioning over 900km of greenfield transmission lines in Brazil, partially offset by the sale of our Chilean electricity transmission operation

Transport Operations

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SEGMENT OVERVIEW

- Networks that provide transportation for freight, bulk commodities and passengers, for which we are paid an access fee
- Rail and toll road revenues are subject to regulatory price ceilings, while ports are primarily unregulated

OBJECTIVES

- Increase throughput of existing assets
- Expand networks in a capital efficient manner to support incremental customer demand
- Provide safe and reliable service for our customers

OPERATIONS

- Rail – sole provider of rail network in Southwestern Western Australia with ~5,500 km of track and operator of ~4,800 km of rail in South America
- Toll Roads – ~4,000 km of motorways in Brazil, Chile, Peru and India
- Ports – 37 terminals in North America, UK, Australia and across Europe

The following table presents selected key performance metrics for our transport segment:

US$ MILLIONS, UNAUDITED	Three months ended March 31			
		2018		2017
Growth capital expenditures		**44**		87
Adjusted EBITDA margin[1]		**42%**		44%
Funds from operations (FFO)		**137**		123
Maintenance capital		**(36)**		(32)
Adjusted funds from operations (AFFO)	**$**	**101**	$	91

1. *EBITDA margin is calculated net of construction revenues and costs of $1 million which were incurred at our Peruvian toll road operation during the three-month period ended March 31, 2018 (2017 - $3 million)*

- FFO of $137 million in Q1'18 compared to $123 million in Q1'17
  - FFO benefitted from higher traffic flows and inflationary tariff increases at our South American toll roads, lower interest expense at our Brazilian operations and the contribution from the commissioning of an expansion project at one of our roads completed in December 2017
  - Partially offsetting these increases was lower agriculture volumes from weaker harvest conditions in Brazil and Australia and the impact of foreign exchange

Transport Operations (cont'd)

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

US$ MILLIONS, UNAUDITED	Three months ended March 31 **2018**	2017
Revenue	**$ 424**	$ 375
Cost attributable to revenues	**(246)**	(210)
Adjusted EBITDA	**178**	165
Interest expense	**(43)**	(39)
Other income (expenses)	**2**	(3)
Funds from operations (FFO)	**137**	123
Depreciation and amortization	**(99)**	(76)
Deferred taxes and other items	**(26)**	(16)
Net income	**$ 12**	$ 31

The following table presents our proportionate adjusted EBITDA and FFO for this operating segment by business:

Three months ended March 31	Adjusted EBITDA		FFO	
US$ MILLIONS, UNAUDITED	**2018**	2017	**2018**	2017
Rail	**$ 67**	$ 64	**$ 51**	$ 48
Toll Roads	**90**	79	**67**	55
Ports	**21**	22	**19**	20
Total	**$ 178**	$ 165	**$ 137**	$ 123

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were $178 million and $137 million, respectively, versus $165 million and $123 million, respectively, in the prior year
  - Rail: Adjusted EBITDA and FFO increased compared to prior year due to the benefit of inflationary tariff increases, lower tariff relief extended to a large customer at our Australian rail operation and lower interest expenses at our Brazilian operations. Partially offsetting the above factors was the impact of lower agricultural volumes in Australia and Brazil associated with weaker harvest conditions
  - Toll roads: Adjusted EBITDA and FFO increased versus prior year due to a 4% increase in traffic flows in South America, inflationary tariff increases across all of our operations, an incremental contribution from the commissioning of an expansion project at one of our roads completed in December 2017 and the benefit of lower interest expense predominantly as a result of lower CDI rates in Brazil
  - Ports: Adjusted EBITDA and FFO decreased compared to the prior year as the benefit of 5% volume growth at our U.K. and Australian port operations was more than offset by the impact of foreign exchange

Capital Backlog

We expect enhancements to our networks over the next two to three years to expand capacity and support additional volumes, leading to cash flow growth over the long term

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

	Three months ended March 31	
US$ MILLIONS, UNAUDITED	**2018**	2017
Capital backlog, start of period	**$ 637**	$ 721
Additional capital project mandates	**26**	14
Less: capital expenditures	**(44)**	(87)
Foreign exchange and other	**7**	8
Capital backlog, end of period	**$ 626**	$ 656
Construction work in progress	**152**	303
Total capital to be commissioned	**$ 778**	$ 959

- Consists of the following types of projects:
  - Rail: Upgrading and expanding our network to capture volume growth from incremental activity in the sectors we serve
  - Toll roads: Increasing the capacity of our roads by increasing and widening lanes on certain routes to support traffic growth
  - Ports: Increasing capacity of our terminals by deepening the berths and enhancing and modernizing our existing infrastructure

- Largest contributors to capital to be commissioned over the next two to three years are our South American toll road businesses and Brazilian rail operation with ~$640 million and ~$100 million, respectively

Energy Operations

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SEGMENT OVERVIEW

- Systems that provide energy transmission and storage services
- Profitability based on the volume and price achieved for the provision of these services
- Businesses are typically unregulated or subject to price ceilings

OBJECTIVES

- Satisfy customer growth requirements by increasing the utilization of our assets and expanding our capacity in a capital efficient manner
- Provide safe and reliable service to our customers

OPERATIONS

- Energy Transmission & Storage – ~15,000 km of transmission pipelines and 600 billion cubic feet of natural gas storage in the U.S. and Canada
- District Energy – Delivers 3,185,000 pounds per hour of heating and 315,000 tons of cooling capacity to customers, as well as servicing ~20,800 natural gas, water and wastewater connections in Australia

The following table presents selected key performance metrics for our energy segment:

US$ MILLIONS, UNAUDITED	Three months ended March 31	
	2018	2017
Growth capital expenditures	**15**	22
Adjusted EBITDA margin[1]	**52%**	61%
Funds from operations (FFO)	**66**	62
Maintenance capital	**(5)**	(7)
Adjusted funds from operations (AFFO)	**$ 61**	$ 55

1. *Adjusted EBITDA margin is adjusted EBITDA divided by revenues.*

- FFO of $66 million in Q1'18 compared to $62 million in prior year
  - FFO from our North American natural gas transmission business benefitted from lower interest expense due to deleveraging and refinancing activities completed last year, the incremental contribution from new contracts and higher transportation volumes
  - Partially offsetting this was the impact of a lower spread environment at our gas storage businesses

Energy Operations (cont'd)

Brookfield

The following table presents our energy segment's proportionate share of financial results:

US$ MILLIONS, UNAUDITED	Three months ended March 31 2018	2017
Revenue	**$ 153**	$ 142
Cost attributable to revenues	**(74)**	(56)
Adjusted EBITDA	**79**	86
Interest expense	**(18)**	(27)
Other income	**5**	3
Funds from operations (FFO)	**66**	62
Depreciation and amortization	**(33)**	(33)
Deferred taxes and other items	**(20)**	(12)
Net income	**$ 13**	$ 17

The following table presents our proportionate adjusted EBITDA and FFO for this operating segment by business:

Three months ended March 31	Adjusted EBITDA		FFO	
US$ MILLIONS, UNAUDITED	**2018**	2017	**2018**	2017
Energy Transmission & Storage	**$ 68**	$ 74	**$ 56**	$ 52
District Energy	**11**	12	**10**	10
Total	**$ 79**	$ 86	**$ 66**	$ 62

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were $79 million and $66 million, respectively, versus $86 million and $62 million, respectively, in the prior year
  - Energy Transmission & Storage: Adjusted EBITDA decreased as the incremental contribution from new contracts and the benefit of higher transportation volumes at our North American natural gas transmission operation were more than offset by the impact of lower spreads at our gas storage businesses
    - FFO increased due to lower interest expense as a result of deleveraging and refinancing activities completed last year at our North American natural gas transmission operation
  - District Energy: Adjusted EBITDA and FFO were relatively consistent with the prior year as the initial contribution from three new customers in North America and the benefit from tuck-in acquisitions completed in the U.S. and Canada in June 2017 were offset by the negative impact of foreign exchange

Energy Operations (cont'd)

Brookfield

Capital Backlog

Enhancements to our systems over the next two to three years that are expected to expand capacity to support additional volumes, leading to cash flow growth over the long term

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

	Three months ended March 31	
US$ MILLIONS, UNAUDITED	**2018**	2017
Capital backlog, start of period	**$ 143**	$ 147
Additional capital project mandates	**16**	20
Less: capital expenditures	**(15)**	(22)
Foreign exchange and other	**(10)**	—
Capital backlog, end of period	**$ 134**	$ 145
Construction work in progress	**86**	55
Total capital to be commissioned	**$ 220**	$ 200

- Consists of the following energy projects:
  - Expanding systems to capture volume growth underpinned by long-term take-or-pay contracts
  - Upgrading systems to attain incremental volumes from increased demand in regions we serve
- Capital to be commissioned includes ~$135 million within our Energy Transmission & Storage operations and ~$85 million in our District Energy segment
  - Transmission, & Storage projects primarily relate to the first phase of the Gulf Coast Reversal project which is anchored by a 20-year, 385,000 dekatherms per day contract with a large LNG operator
  - District Energy projects include ~$55 million for an energy network and district water expansions in Australia, and ~$30 million of expansionary projects in North American systems

Communications Infrastructure Operations

Brookfield

SEGMENT OVERVIEW

- Businesses that provide essential services and critical infrastructure to media broadcasting and telecom sectors
- Adjusted EBITDA underpinned by both regulated and unregulated services, secured by long-term inflation-linked contracts

OBJECTIVES

- Increase profitability through site rental revenue growth
- Maintain high level of service by managing availability and reliability of our customers network
- Deploy capital in response to customer demands for increased densification of their networks

OPERATIONS

- ~7,000 multi-purpose towers and active rooftop sites
- 5,000 km of fibre backbone located in France

The following table presents selected key performance metrics for our communications infrastructure segment:

US$ MILLIONS, UNAUDITED	Three months ended March 31 **2018**	2017
Growth capital expenditures	**12**	9
Adjusted EBITDA margin[1]	**53%**	56%
Funds from operations (FFO)	**19**	19
Maintenance capital	**(3)**	(3)
Adjusted funds from operations (AFFO)	**$ 16**	$ 16

1. *Adjusted EBITDA margin is adjusted EBITDA divided by revenues.*

- FFO of $19 million in Q1'18 was consistent with the prior year

Communications Infrastructure Operations (cont'd)

Brookfield

The following table presents our communications infrastructure segment's proportionate share of financial results:

US$ MILLIONS, UNAUDITED	Three months ended March 31	
	2018	2017
Revenue	**$ 43**	$ 39
Cost attributable to revenues	**(20)**	(17)
Adjusted EBITDA	**23**	22
Interest expense	**(3)**	(3)
Other expenses	**(1)**	—
Funds from operations (FFO)	**19**	19
Depreciation and amortization	**(20)**	(17)
Deferred taxes and other items	**2**	1
Net income	**$ 1**	$ 3

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were $23 million and $19 million, respectively, versus $22 million and $19 million, respectively, in the prior year
  - Adjusted EBITDA and FFO increased by 8% in local currencies as the benefits of inflation-indexation and new points-of-presence (PoP) added to our existing tower portfolio were offset by the impact of foreign exchange
- Total capital to be commissioned stands at ~$255 million and primarily relates to our fibre-to-the-home roll-out and the addition of further sites associated with minimum coverage requirements
  - Secured contracts to deploy fibre-to-the-home to 220,000 households in north-east France, adding $50 million to backlog during the quarter

Corporate

The following table presents the components of corporate on a proportionate basis:

US$ MILLIONS, UNAUDITED	Three months ended March 31	
	2018	2017
General and administrative costs	**$ (2)**	$ (3)
Base management fee	**(56)**	(48)
Adjusted EBITDA	**(58)**	(51)
Other income	**17**	20
Financing costs	**(17)**	(12)
Funds from operations (FFO)	**(58)**	(43)
Deferred taxes and other items	**192**	(38)
Net income (loss)	**$ 134**	$ (81)

FINANCIAL RESULTS

- General and administrative costs were relatively consistent with prior year
  - Anticipate corporate and administrative costs of $8 to $10 million per year, excluding base management fee
- We pay Brookfield an annual base management fee equal to 1.25% of our market value, plus recourse debt net of cash
  - Increased from prior year due to a higher market capitalization as a result of an increased unit price, in addition to capital raised in the last 12 months to finance acquisitions and organic growth initiatives
- Other income includes interest and dividend income, as well as realized gains or losses earned on corporate financial assets
- Corporate financing costs include interest expense and standby fees on committed credit facility, less interest earned on cash balances
  - Financing costs increased compared to the prior year due to higher average net debt balances, the proceeds from which were used to fund growth initiatives

Liquidity

Total liquidity was $4.2 billion at March 31, 2018, comprised of the following:

US$ MILLIONS, UNAUDITED	As of Mar 31, 2018	As of Dec 31, 2017
Corporate cash and financial assets	**$ 557**	$ 205
Committed corporate credit facility	**1,975**	1,975
Subordinated corporate credit facility	**500**	500
Draws under corporate credit facility	**—**	(789)
Commitments under corporate credit facility	**(63)**	(47)
Proportionate cash retained in businesses	**476**	392
Proportionate availability under subsidiary credit facilities	**795**	629
Total liquidity	**$ 4,240**	$ 2,865

- We maintain sufficient liquidity at all times to participate in attractive opportunities as they arise, withstand sudden adverse changes in economic circumstances and maintain a relatively high payout of our FFO to unitholders
- Principal sources of liquidity are cash flows from operations, undrawn credit facilities and access to public and private capital markets
- We may, from time to time, invest in financial assets comprised mainly of liquid equity and debt infrastructure securities in order to earn attractive short-term returns and for strategic purpose

Maturity Profile

Brookfield

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.

On a proportionate basis as of March 31, 2018, scheduled principal repayments over the next five years are as follows:

US$ MILLIONS, UNAUDITED	Average Term (years)	2018	2019	2020	2021	2022	Beyond	Total
Recourse borrowings								
Net corporate borrowings	4	$ 97	$ —	$ 291	$ —	$ 349	$ 542	**$ 1,279**
Total recourse borrowings	4	97	—	291	—	349	542	**1,279**
Utilities								
Regulated Transmission	9	58	5	19	4	4	89	**179**
Regulated Distribution	13	—	—	1	1	1	1,586	**1,589**
Regulated Terminal	4	—	65	163	315	109	401	**1,053**
	9	58	70	183	320	114	2,076	**2,821**
Transport								
Rail	6	15	43	114	125	179	663	**1,139**
Toll Roads	9	154	159	89	199	233	664	**1,498**
Ports	3	49	116	241	63	12	62	**543**
	7	218	318	444	387	424	1,389	**3,180**
Energy								
Energy Transmission, Distribution & Storage	9	—	—	7	—	350	737	**1,094**
District Energy	12	2	2	38	3	3	213	**261**
	10	2	2	45	3	353	950	**1,355**
Communications Infrastructure								
Telecommunications Infrastructure	5	—	—	115	—	156	208	**479**
	5	—	—	115	—	156	208	**479**
Total non-recourse borrowings	8	278	390	787	710	1,047	4,623	**7,835**
Total borrowings	8	$ 375	$ 390	$ 1,078	$ 710	$ 1,396	$ 5,165	**$ 9,114**
		4%	4%	12%	8%	15%	57%	**100%**

Proportionate Net Debt

The following table presents proportionate net debt by operating segment:

US$ MILLIONS, UNAUDITED	As of Mar 31, 2018		Dec 31, 2017	
Non-recourse borrowings				
Utilities	**$**	**2,821**	$	3,331
Transport		**3,180**		3,114
Energy		**1,355**		1,369
Communications Infrastructure		**479**		467
Corporate		**1,279**		1,944
Total borrowings	**$**	**9,114**	$	10,225
Cash retained in businesses				
Utilities	**$**	**153**	$	79
Transport		**239**		240
Energy		**53**		41
Communications Infrastructure		**31**		32
Corporate		**557**		205
Total cash retained	**$**	**1,033**	$	597
Net debt				
Utilities	**$**	**2,668**	$	3,252
Transport		**2,941**		2,874
Energy		**1,302**		1,328
Communications Infrastructure		**448**		435
Corporate		**722**		1,739
Total net debt	**$**	**8,081**	$	9,628

- Weighted average cash interest rate is 4.8% for the overall business, in which our utilities, transport, energy, communications infrastructure and corporate segments were 3.9%, 6.6%, 5.4%, 2.6%, and 3.9%, respectively

Supplemental Measures

Brookfield

The following table presents supplemental measures to assist users in understanding and evaluating the partnership's capital structure

US$ MILLIONS, UNAUDITED	As of Mar 31, 2018	Dec 31, 2017
Partnership units outstanding, end of period	**394.1**	394.0
Price - 5 day VWAP as at reporting date	**$ 41.1830**	$ 44.9200
Market Capitalization	**16,230**	17,698
Preferred units	**752**	595
Proportionate net debt	**8,081**	9,628
Enterprise Value (EV)	**$ 25,063**	$ 27,921
Proportionate Net Debt to Capitalization (based on market value)	**32%**	34%
Proportionate Net Debt to Capitalization (based on invested capital)	**51%**	56%

The following table provides the calculation of one of our performance measures, Return on Invested Capital

US$ MILLIONS, UNAUDITED	Three months ended March 31 2018	2017
FFO	**$ 333**	$ 261
Maintenance Capital	**(49)**	(45)
Return of Capital	**(25)**	(12)
Adjusted AFFO	**259**	204
Weighted average Invested Capital	**$ 7,716**	$ 6,543
Return on Invested Capital (ROIC)[1]	**13%**	12%

1. *Return on invested capital is calculated as adjusted AFFO divided by weighted averaged invested capital*

Supplemental Measures (cont'd)

Brookfield

The following table summarizes the sources of capital used to fund the Partnership's acquisitions and growth capital expenditures since inception

For the year ended December 31 US$ MILLIONS, UNAUDITED	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Capital deployed in new investments	$ 344	$ 941	$ —	$ 160	$ 569	$ 569	$ 539	$ 1,673	$ 1,476	$ 1,902
Growth capital expenditures (net of non-recourse debt financing)	28	35	130	395	216	216	272	233	383	420
	372	976	130	555	785	785	811	1,906	1,859	2,322
Total capital market activity										
Equity issuance	221	929	5	658	497	338	2	865	749	992
Preferred units issuance	—	—	—	—	—	—	—	189	186	220
Corporate debt issuance	—	—	—	—	408	—	—	738	—	129
	221	929	5	658	905	338	2	1,792	935	1,341
Proceeds from asset sales	—	275	—	20	320	1,097	—	28	1,317	—
	221	1,204	5	678	1,225	1,435	2	1,820	2,252	1,341
Net funding from retained cash flows and credit facility draws	**$ 151**	**$ (228)**	**$ 125**	**$ (123)**	**$ (440)**	**$ (650)**	**$ 809**	**$ 86**	**$ (393)**	**$ 981**

- Since inception, the Partnership has deployed over $11 billion in acquisition and organic growth initiatives of which $10 billion has been funded through capital market issuances and proceeds from capital recycling and the remaining $1 billion predominantly through operating cash flows generated and retained in the business and draws on our corporate credit facility
  - Since inception, the Partnership has generated and retained $0.9 billion of operating cash flows which represented approximately 15% of our funds from operations generated during the same period

Foreign Currency Hedging Strategy

Brookfield

To the extent that it is economic to do so, we hedge a portion of our equity investments and/or cash flows exposed to foreign currencies. The following 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 at March 31, 2018:

	Net Investment Hedges									
US$ MILLIONS, UNAUDITED	USD	AUD	GBP	BRL	CLP	CAD	EUR	COP	PEN	INR
Net equity investment – US$	$ 464	$ 1,476	$ 1,227	$ 3,302	$ 78	$ (658)	$ 905	$ 63	$ 122	$ 37
FX contracts – US$	3,759	(1,476)	(1,227)	—	—	(151)	(905)	—	—	—
Net unhedged – US$	$ 4,223	$ —	$ —	$ 3,302	$ 78	$ (809)	$ —	$ 63	$ 122	$ 37
% of equity investment hedged	N/A	100%	100%	—%	—%	N/A	100%	—%	—%	—%

- As at March 31, 2018, 60% of overall net equity is USD functional
- We have implemented a strategy to hedge all of our expected FFO generated in AUD, GBP, EUR and CAD for the next 24 months
- For the three months ended March 31, 2018, 22%, 18%, 15%, 34% and 11% of our pre-corporate FFO was generated in USD, AUD, GBP, BRL, and other, respectively
- Due to our FFO hedging program, 61%, —%, —%, 34% and 5% of our pre-corporate FFO for the three months ended March 31, 2018 was effectively generated in USD, AUD, GBP, BRL, and other, respectively

Capital Reinvestment

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

US$ MILLIONS, UNAUDITED	Three months ended March 31	
	2018	2017
Funds from operations (FFO)	**$ 333**	$ 261
Maintenance capital	**(49)**	(45)
Funds available for distribution (AFFO)	**284**	216
Distributions paid	**(228)**	(194)
Funds available for reinvestment	**56**	22
Growth capital expenditures	**(174)**	(201)
Debt funding of growth capex	**113**	85
Non-recourse debt repayments	**(37)**	(51)
Disposals, net of new investments	**982**	(78)
(Repayments) draws on corporate credit facility	**(789)**	455
Partnership unit issuances	**4**	6
Proceeds from debt issuances	**—**	228
Proceeds from preferred unit issuances	**157**	220
Changes in working capital and other	**124**	(26)
Change in proportionate cash	**436**	660
Opening, proportionate cash	**597**	832
Closing, proportionate cash	**$ 1,033**	$ 1,492

- Financing plan: We fund recurring growth capital expenditures with cash flow generated by operations, as well as debt financing that is sized to maintain credit profile
- To fund large scale development projects and acquisitions, we will evaluate a number of capital sources including proceeds from the sale of non-core assets as well as equity and debt financings

Capital Reinvestment (cont'd)

Brookfield

The following tables present the components of growth and maintenance capital expenditures by operating segment:

US$ MILLIONS, UNAUDITED	Three months ended March 31	
	2018	2017
Growth capital expenditures by segment		
Utilities	**$ 103**	$ 83
Transport	**44**	87
Energy	**15**	22
Communications Infrastructure	**12**	9
Total	**$ 174**	$ 201

US$ MILLIONS, UNAUDITED	Three months ended March 31	
	2018	2017
Maintenance capital expenditures by segment		
Utilities	**$ 5**	$ 3
Transport	**36**	32
Energy	**5**	7
Communications Infrastructure	**3**	3
Total	**$ 49**	$ 45

- We estimate annual maintenance capital expenditures for the upcoming year will be $15-20 million, $125-135 million, $60-70 million and $10-15 million for our utilities, transport, energy and communications infrastructure segments, respectively, for a total range of $210-240 million

Partnership Capital

Brookfield

The total number of partnership units outstanding consisted of the following:

MILLIONS OF PARTNERSHIP UNITS, UNAUDITED	As of	
	Mar 31, 2018	Dec 31, 2017
Redeemable partnership unit	**115.8**	115.8
Limited partnership unit	**276.7**	276.6
General partnership unit	**1.6**	1.6
Total partnership units	**394.1**	394.0

- The general partner may be entitled to incentive distribution rights, as follows:
  - To the extent distributions on partnership units are greater than $0.203, the general partner is entitled to 15% of incremental distributions above this threshold until distributions reach $0.22 per unit
  - To the extent distributions on partnership units are greater than $0.22, the general partner is entitled to 25% of incremental distributions above this threshold
- Incentive distributions of $34 million were paid during the quarter versus $28 million in the prior year as a result of the 8% increase in our distribution on partnership units since 2017
- 40 million preferred units outstanding at March 31, 2018, were issued at par value of C$25 per unit
  - Distributions of $9 million were paid during the quarter

APPENDIX – RECONCILIATION OF NON-IFRS FINANCIAL MEASURES

Reconciliation of Non-IFRS Measures to IFRS Measures

Brookfield

RECONCILIATION OF NET INCOME TO FUNDS FROM OPERATIONS

	Three months ended March 31	
US$ MILLIONS, UNAUDITED	**2018**	2017
Net income attributable to partnership[1]	**$ 209**	$ 16
Add back or deduct the following:		
Depreciation and amortization	**210**	158
Deferred income taxes	**2**	3
Mark-to-market on hedging items and other	**250**	84
Gain on sale of associates	**(338)**	—
FFO	**333**	261
Maintenance capital expenditures	**(49)**	(45)
AFFO	**$ 284**	$ 216

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

Reconciliation of Non-IFRS Measures to IFRS Measures (cont'd)

Brookfield

RECONCILIATION OF NET INCOME TO ADJUSTED EARNINGS

US$ MILLIONS, UNAUDITED	Three months ended March 31			
		2018		2017
Net income attributable to partnership[1]	**$**	**209**	$	16
Add back or deduct the following:				
Depreciation and amortization expense due to application of revaluation model and acquisition accounting		**85**		78
Mark-to-market on hedging items and other		**198**		46
Gain on sale of subsidiaries or ownership changes		**(338)**		—
Adjusted Earnings	**$**	**154**	$	140

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

- Adjusted Earnings provides a supplemental understanding of the performance of our underlying operations and also gives users enhance comparability of our ongoing performance relative to peers; defined as net income attributable to our partnership, excluding the following:
  - Incremental depreciation and amortization expense associated with the revaluation of our property, plant and equipment and the impact of purchase price accounting to reflect historical depreciation levels
  - Non-cash fair value changes relating to hedging activities, as we believe these items are not reflective of the ongoing performance of our operations
  - Disposition gains or losses recorded in net income as these items by definition are non-recurring in nature
    - The current year reflects a gain recognized on the sale of our investment in a Chilean electricity transmission business

Reconciliation of Non-IFRS Measures to IFRS Measures (cont'd)

Brookfield

RECONCILIATION OF NET INCOME TO ADJUSTED EARNINGS PER UNIT

US$ MILLIONS, UNAUDITED	Three months ended March 31			
		2018		2017
Net income (loss) per limited partnership unit[1]	**$**	**0.42**	$	(0.03)
Add back or deduct the following:				
Depreciation and amortization expense due to application of revaluation model and acquisition accounting		**0.22**		0.21
Mark-to-market on hedging items		**0.61**		0.12
Gain on sale of subsidiaries or ownership changes and other		**(0.86)**		—
Adjusted Earnings per unit[2]	**$**	**0.39**	$	0.30

1. *Average limited partnership units for the three-month period ended March 31, 2018 of 276.6 million (2017: 259.5 million). Net income per LP unit is reduced by preferred unit and incentive distributions paid*
2. *Average units for the three-month period ended March 31, 2018 of 394.0 million (2017: 369.5 million)*

Reconciliation of Non-IFRS Measures to IFRS Measures (cont'd)

Brookfield

RECONCILIATION OF PROPORTIONATE OPERATING RESULTS TO CONSOLIDATED OPERATING RESULTS

	Brookfield Infrastructure's Share								
FOR THREE MONTHS ENDED MARCH 31, 2018 US$ MILLIONS, UNAUDITED	Utilities	Transport	Energy	Comm. Infrastructure	Corporate	Total	Contribution from investments in associates	Attributable to non-controlling interest	As per IFRS financials
Revenues	$ 272	$ 424	$ 153	$ 43	$ —	$ 892	$ (423)	$ 544	$ 1,013
Costs attributed to revenues	(69)	(246)	(74)	(20)	—	(409)	220	(220)	(409)
General and administrative costs	—	—	—	—	(58)	(58)	—	—	(58)
Adjusted EBITDA	203	178	79	23	(58)	425	(203)	324	546
Other (expense) income	(3)	2	5	(1)	17	20	—	(25)	(5)
Interest expense	(31)	(43)	(18)	(3)	(17)	(112)	42	(44)	(114)
FFO	169	137	66	19	(58)	333	(161)	255	427
Depreciation and amortization	(58)	(99)	(33)	(20)	—	(210)	111	(94)	(193)
Deferred taxes	(15)	13	(2)	2	—	(2)	(9)	(4)	(15)
Mark-to-market on hedging items and other	(47)	(39)	(18)	—	(146)	(250)	64	(39)	(225)
Gain on sale of associates	—	—	—	—	338	338	—	—	338
Share of earnings from associates	—	—	—	—	—	—	(5)	—	(5)
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(118)	(118)
Net income attributable to partnership[1]	$ 49	$ 12	$ 13	$ 1	$ 134	$ 209	$ —	$ —	$ 209

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

Reconciliation of Non-IFRS Measures to IFRS Measures (cont'd)

Brookfield

RECONCILIATION OF PROPORTIONATE OPERATING RESULTS TO CONSOLIDATED OPERATING RESULTS

	Brookfield Infrastructure's Share								
FOR THREE MONTHS ENDED MARCH 31, 2017 US$ MILLIONS, UNAUDITED	Utilities	Transport	Energy	Comm. Infrastructure	Corporate	Total	Contribution from investments in associates	Attributable to non-controlling interest	As per IFRS financials
Revenues	$ 176	$ 375	$ 142	$ 39	$ —	$ 732	$ (380)	$ 304	$ 656
Costs attributed to revenues	(48)	(210)	(56)	(17)	—	(331)	191	(203)	(343)
General and administrative costs	—	—	—	—	(51)	(51)	—	—	(51)
Adjusted EBITDA	128	165	86	22	(51)	350	(189)	101	
Other income (expense)	1	(3)	3	—	20	21	6	—	27
Interest expense	(29)	(39)	(27)	(3)	(12)	(110)	49	(33)	(94)
FFO	100	123	62	19	(43)	261	(134)	68	
Depreciation and amortization	(32)	(76)	(33)	(17)	—	(158)	88	(50)	(120)
Deferred taxes	(6)	5	(5)	2	1	(3)	2	1	—
Mark-to-market on hedging items and other	(16)	(21)	(7)	(1)	(39)	(84)	21	11	(52)
Share of earnings from associates	—	—	—	—	—	—	23	—	23
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(30)	(30)
Net income (loss) attributable to partnership[1]	$ 46	$ 31	$ 17	$ 3	$ (81)	$ 16	$ —	$ —	$ 16

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

Reconciliation of Non-IFRS Measures to IFRS Measures (cont'd)

Brookfield

RECONCILIATION OF PARTNERSHIP CAPITAL TO INVESTED CAPITAL

	Three months ended March 31			
	Partnership Capital		Invested Capital	
US$ MILLIONS, UNAUDITED	**2018**	2017	**2018**	2017
Opening balance[1]	**$ 7,004**	$ 6,498	**$ 7,599**	$ 6,387
Changes in accounting policies	**6**	—	**—**	—
Adjusted balance	**$ 7,010**	$ 6,498	**$ 7,599**	$ 6,387
Items impacting Partnership Capital				
Net income	**209**	22	**—**	—
Other comprehensive income	**21**	(12)	**—**	—
Ownership changes and other	**—**	—	**—**	—
Distributions to unitholders	**(228)**	(194)	**—**	—
Items impacting Invested Capital				
Preferred Unit Issuances	**—**	—	**157**	220
Items impacting both metrics				
Equity issuances, net	**4**	6	**4**	6
Ending balance	**$ 7,016**	$ 6,320	**$ 7,760**	$ 6,613
Weighted averaged Invested Capital	$ —	$ —	**$ 7,716**	$ 6,543

1. *Invested Capital includes a cumulative opening balance difference of $595 million for the three-month period ended March 31, 2018 (2017: $(111) million) due to maintenance capital expenditures, other comprehensive income and non-cash statement of operating results items since inception of the partnership.*

Reconciliation of Non-IFRS Measures to IFRS Measures (cont'd)

Brookfield

RECONCILIATION OF PROPORTIONATE ASSETS TO CONSOLIDATED ASSETS – AS OF MARCH 31, 2018

	Total Attributable to Brookfield Infrastructure									
US$ MILLIONS, UNAUDITED	Utilities	Transport	Energy	Comm. Infrastructure	Corporate	Brookfield Infrastructure	Contribution from investment in associates	Attributable to non-controlling interest	Working capital adjustment	As per IFRS financials [1]
Total assets	**$5,034**	**$7,008**	**$3,122**	**$1,098**	**$(1,165)**	**$15,097**	**$(2,597)**	**$11,711**	**$4,957**	**$29,168**

RECONCILIATION OF PROPORTIONATE ASSETS TO CONSOLIDATED ASSETS – AS OF DECEMBER 31, 2017

	Total Attributable to Brookfield Infrastructure									
US$ MILLIONS, UNAUDITED	Utilities	Transport	Energy	Comm. Infrastructure	Corporate	Brookfield Infrastructure	Contribution from investment in associates	Attributable to non-controlling interest	Working capital adjustment	As per IFRS financials [1]
Total assets	$6,542	$6,990	$3,134	$1,049	$(1,083)	$16,632	$(3,134)	$11,668	$4,311	$29,477

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, reflecting the assets attributable to non-controlling interests, and adjusting for working capital assets which are netted against working capital liabilities.*

Reconciliation of Non-IFRS Measures to IFRS Measures (cont'd)

RECONCILIATION OF CONSOLIDATED DEBT TO PROPORTIONATE DEBT

US$ MILLIONS, UNAUDITED	As of Mar 31, 2018	As of Dec 31, 2017
Consolidated debt	**$ 9,458**	$ 10,164
Add: proportionate share of debt of investment in associates		
Utilities	**179**	837
Transport	**1,366**	1,291
Energy	**929**	929
Communications Infrastructure	**479**	467
Less: debt attributable to non-controlling interest	**(2,944)**	(3,028)
Premium on debt and cross currency swaps	**(353)**	(435)
Proportionate debt	**$ 9,114**	$ 10,225

Use of Non-IFRS Measures

Brookfield

- ***Funds from operations (FFO), adjusted funds from operations (AFFO), adjusted EBITDA, adjusted earnings, invested capital*** and their per share equivalents, where applicable, are non-IFRS measures which do not have any standard meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies
  - FFO, AFFO, adjusted earnings and invested capital are reconciled to Net Income and Partnership capital, respectively, the closest measures determined under IFRS on pages 33, 34 and 38, respectively
- ***FFO*** is defined as net income excluding the impact of depreciation and amortization, deferred income taxes, breakage and transaction costs, and non-cash valuation gains or losses
  - Brookfield Infrastructure uses FFO to assess its operating results
- ***Adjusted EBITDA*** is defined as FFO excluding the impact of interest expense, and other income or expenses
  - Brookfield Infrastructure uses Adjusted EBITDA as a measure of operating performance
- ***Adjusted Earnings*** is defined as net income attributable to our partnership, excluding the impact of depreciation and amortization expense from revaluing property, plant and equipment and the effects of purchase price accounting, mark-to-market on hedging items and disposition gains or losses
- ***AFFO*** is a measure of our long-term sustainable performance and is calculated as FFO less capital expenditures required to maintain the current performance of our operations (maintenance capital expenditures)
- ***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