

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

Q2 2018 Supplemental --- Information

Second Quarter, June 30, 2018

Brookfield

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 32-42 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.

Q2 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 June 30		Six months ended June 30	
	2018	2017	2018	2017
Funds from operations (FFO)	\$ 294	\$ 295	\$ 627	\$ 556
Per unit FFO ¹	0.75	0.80	1.60	1.51
Distributions	0.47	0.435	0.94	0.87
Payout ratio ²	78%	66%	73%	70%
Growth of per unit FFO	(6)%	19%	6%	12%
Adjusted funds from operations (AFFO)	236	240	520	456
Return of Invested Capital (ROIC) ³	11%	13%	12%	13%
Net income ⁴	125	5	334	21
Net income (loss) per limited partner unit ⁵	0.21	(0.06)	0.63	(0.09)
Adjusted Earnings	140	143	294	289
Adjusted Earnings per unit ¹	0.36	0.39	0.75	0.79

KEY BALANCE SHEET METRICS

US\$ MILLIONS, UNAUDITED	As of	
	Jun 30, 2018	Dec 31, 2017
Total assets	\$ 28,830	\$ 29,477
Corporate borrowings	1,256	1,944
Invested capital	7,764	7,599

1. Average units for the three and six-month period ended June 30, 2018 of 394.1 million and 394.1 million (2017: 369.6 million and 369.5 million for the three and six-month periods)

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 \$22 million and \$47 million for both the three and six-month period ended June 30, 2018 (2017: \$21 million and \$33 million for the three and six-month periods), 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 and six-month period ended June 30, 2018 of 276.7 million and 276.6 million, (2017: 259.6 million and 259.5 million for the three and six-month periods). Results in a loss on a per unit basis, for the three and six-month periods ended June 30, 2017, as the allocation of net income is reduced by preferred unit and incentive distributions.

\$294

million of FFO

\$0.47

Distributions per unit

PERFORMANCE HIGHLIGHTS

- Our business generated FFO of \$294 million during the second quarter of 2018. While FFO benefited from another period of solid organic growth, this quarter's results were impacted by the loss of income associated with asset sales that we expect to replace as we deploy our significant liquidity into new investments
 - Additionally, current period results were impacted by a stronger U.S. dollar which reduced FFO by approximately \$26 million. Holding currencies constant, organic growth was 8%
- FFO per unit was \$0.75, a reduction of 6% relative to the prior year due to the timing of capital deployment following our September 2017 issuance
- Distribution paid of \$0.47 per unit, an 8% increase from the prior year
- Net income of \$125 million compared to \$5 million in prior year
 - Net Income increased primarily due to higher contribution from our operations, acquisitions completed in the past 12 months and positive variances from our foreign exchange hedging activities. These increases were offset by the sale of our Chilean electricity transmission operation.
- Total assets have decreased from year-end as the additions related to the closing of our recent Colombian regulated distribution business were more than offset by the repayment of corporate borrowings and the impact of foreign exchange

OPERATIONS

- Deployed ~\$180 million in growth capital expenditures in the period, predominantly in our Utilities segment to increase rate base and in our Transport segment to add capacity
- Added ~\$320 million to capital investment backlog across our business during the quarter; total capital to be commissioned in the next two to three years is ~\$2.3 billion
 - Another period of strong sales activity with 70,000 connections sold at UK regulated distribution business; total order book has now reached a record milestone of over 1 million connections
 - Our North American gas transmission business secured the second phase of its Gulf Coast expansion project, adding ~\$115 million to backlog
- Chilean toll roads continue to benefit from inflationary tariff increases and improved traffic levels with increases of 4% and 9%, respectively
 - Volumes at our Brazilian toll road operations were impacted by an 11 day nationwide truck driver strike
- North American natural gas transmission business benefited from higher revenues as a result of an 11% increase in transportation volumes associated with newly secured contracts
- Our district energy business benefited from strong performance due to contributions from four new customer connections in North America, two tuck-in acquisitions completed last year and record volumes in our Australian business

BUSINESS DEVELOPMENT

- Completed the second phase of our Gas Natural S.A. ESP transaction, acquiring a 55% controlling interest for ~\$310 million (BIP's share - ~\$90 million)
- Agreed to acquire 100% of the outstanding shares of Enercare Inc. ("Enercare") for \$2.3 billion (BIP's equity share - \$630 million); the acquisition is subject to approval by Enercare shareholders and is expected to close in the fourth quarter of 2018
- Agreed to acquire a Western Canadian Midstream energy business for \$1.8 billion (BIP's equity share - \$540 million); acquisition is subject to regulatory approvals and expected to close in two phases, occurring in the fourth quarter of 2018 and 2019
- Agreed to acquire AT&T's data center co-location assets for ~\$560 million (BIP's share - \$160 million); expect to receive customary regulatory approvals for a 2018 closing (fourth quarter)

FINANCING AND LIQUIDITY

- Ended the period with total liquidity of \$4.1 billion, including \$2.9 billion at the corporate level
- Completed R\$5.2 billion issuance of non-recourse debt in the local bond market at our Brazilian regulated gas transmission business, issuing five-year bonds at ~7% for net to BIP proceeds of ~\$450 million
- Continue to progress next phase of capital recycling program with a target of ~\$1 billion of after-tax proceeds over the next six to 12 months

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

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

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 September 28, 2018 to unitholders of record as at the close of business on August 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	\$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

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%

- 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							Total
US\$ MILLIONS, UNAUDITED	2013	2014	2015	2016	2017	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%	

- Own and operate a diversified portfolio of high-quality, long-life utilities, transport, energy and data 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	<ul style="list-style-type: none"> • Regulated Transmission • Regulated Distribution • Regulated Terminal 	<ul style="list-style-type: none"> • North & South America • Europe & South America • Asia Pacific
Transport	Provide transportation for freight, bulk commodities and passengers	<ul style="list-style-type: none"> • Rail • Toll Roads • Ports 	<ul style="list-style-type: none"> • Asia Pacific & South America • South America & Asia Pacific • Europe, North America & Asia Pacific
Energy	Systems that provide energy transmission and storage services	<ul style="list-style-type: none"> • Energy Transmission & Storage • District Energy 	<ul style="list-style-type: none"> • North America • North America & Asia Pacific
Data Infrastructure	Provide essential services and critical infrastructure to transmit and store data globally	<ul style="list-style-type: none"> • Towers and Fibre 	<ul style="list-style-type: none"> • 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 June 30		Six months ended June 30	
	2018	2017	2018	2017
Net income (loss) by segment				
Utilities	\$ 74	\$ 87	\$ 123	\$ 133
Transport	24	43	36	74
Energy	(5)	1	8	18
Data Infrastructure	3	2	4	5
Corporate	29	(128)	163	(209)
Net income	\$ 125	\$ 5	\$ 334	\$ 21
Adjusted EBITDA by segment				
Utilities	\$ 177	\$ 205	\$ 380	\$ 333
Transport	173	171	351	336
Energy	69	63	148	149
Data Infrastructure	23	23	46	45
Corporate	(54)	(59)	(112)	(110)
Adjusted EBITDA	\$ 388	\$ 403	\$ 813	\$ 753
FFO by segment				
Utilities	\$ 139	\$ 168	\$ 308	\$ 268
Transport	133	134	270	257
Energy	54	43	120	105
Data Infrastructure	19	19	38	38
Corporate	(51)	(69)	(109)	(112)
FFO	\$ 294	\$ 295	\$ 627	\$ 556

STATEMENTS OF FINANCIAL POSITION

US\$ MILLIONS, UNAUDITED	As of	
	Jun 30, 2018	Dec 31, 2017
Total assets		
Utilities	\$ 4,828	\$ 6,542
Transport	6,457	6,990
Energy	3,104	3,134
Data Infrastructure	1,072	1,049
Corporate	(781)	(1,083)
Total assets	\$ 14,680	\$ 16,632
Net debt by segment		
Utilities	\$ 3,058	\$ 3,252
Transport	2,714	2,874
Energy	1,305	1,328
Data Infrastructure	423	435
Corporate	781	1,739
Net debt	\$ 8,281	\$ 9,628
Partnership capital by segment		
Utilities	\$ 1,770	\$ 3,290
Transport	3,743	4,116
Energy	1,799	1,806
Data Infrastructure	649	614
Corporate	(1,562)	(2,822)
Partnership capital	\$ 6,399	\$ 7,004



OPERATING SEGMENTS



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 – ~6.5 million electricity and natural gas connections and ~980,000 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 June 30		Six months ended June 30	
	2018	2017	2018	2017
Rate base	\$ 4,583	\$ 5,553	\$ 4,583	\$ 5,553
Funds from operations (FFO)	\$ 139	\$ 168	\$ 308	\$ 268
Maintenance capital	(4)	(3)	(9)	(6)
Adjusted funds from operations (AFFO)	\$ 135	\$ 165	\$ 299	\$ 262
Return on rate base ^{1,2}	11%	11%	11%	11%

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 \$139 million in Q2'18 compared to \$168 million in prior year
 - Base business grew organically by 6%, primarily associated with the benefits from strong connections activity at our U.K. regulated distribution business, inflation-indexation and capital commissioned into rate base
 - Offsetting these positive factors was the impact of the sale of our Chilean electricity transmission operation at the end of last quarter, the recently completed financing at our Brazilian regulated gas transmission business and the impact of foreign exchange

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

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2018	2017	2018	2017
Revenue	\$ 215	\$ 255	\$ 461	\$ 409
Connections revenue	28	23	54	45
Cost attributable to revenues	(68)	(73)	(137)	(121)
Adjusted EBITDA	177	205	380	333
Interest expense	(30)	(29)	(61)	(58)
Other expenses	(8)	(8)	(11)	(7)
Funds from operations (FFO)	139	168	308	268
Depreciation and amortization	(43)	(57)	(101)	(89)
Deferred taxes and other items	(22)	(24)	(84)	(46)
Net income	\$ 74	\$ 87	\$ 123	\$ 133

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

US\$ MILLIONS, UNAUDITED	Adjusted EBITDA				FFO			
	Three months ended June 30		Six months ended June 30		Three months ended June 30		Six months ended June 30	
	2018	2017	2018	2017	2018	2017	2018	2017
Regulated Transmission	\$ 74	\$ 111	\$ 182	\$ 141	\$ 61	\$ 94	\$ 157	\$ 116
Regulated Distribution	77	69	145	140	61	58	117	118
Regulated Terminal	26	25	53	52	17	16	34	34
Total	\$ 177	\$ 205	\$ 380	\$ 333	\$ 139	\$ 168	\$ 308	\$ 268

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$177 million and \$139 million, respectively, versus \$205 million and \$168 million, respectively, in the prior year
 - Regulated Transmission: Results benefited from organic growth associated with inflation indexation and additions to rate base, offset by the impact of the sale of our Chilean electricity transmission operation, the impact of the recently completed financing at our Brazilian regulated gas transmission business and foreign exchange
 - Regulated Distribution: Results increased compared to the prior year as the benefits of an increased rate base, higher connections income and inflation-indexation at our U.K. regulated distribution business, and the initial contribution from our recently acquired Colombian business, were partially offset by the impact of foreign exchange
 - Regulated Terminal: Adjusted EBITDA and FFO increased versus the prior year due the benefits of inflation indexation and additions to rate base

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

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2018	2017	2018	2017
Capital backlog, start of period	\$ 990	\$ 862	\$ 1,140	\$ 761
Impact of asset sales	—	—	(124)	—
Additional capital project mandates	93	146	172	286
Less: capital expenditures	(96)	(113)	(199)	(196)
Foreign exchange and other	(110)	15	(112)	59
Capital backlog, end of period	877	910	877	910
Construction work in progress	166	223	166	223
Total capital to be commissioned	\$ 1,043	\$ 1,133	\$ 1,043	\$ 1,133

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2018	2017	2018	2017
Rate base, start of period	\$ 4,808	\$ 3,949	\$ 5,638	\$ 3,788
Acquisitions	63	1,498	63	1,498
Impact of asset sales	—	—	(969)	—
Capital expenditures commissioned	133	50	248	104
Inflation and other indexation	22	4	25	20
Regulatory depreciation	(10)	(13)	(20)	(25)
Foreign exchange and other	(433)	65	(402)	168
Rate base, end of period	\$ 4,583	\$ 5,553	\$ 4,583	\$ 5,553

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 ~\$1.0 billion of total capital to be commissioned into rate base; 8% decrease compared to the prior year and 28% compared to year end
 - Total capital commissioned decreased compared to the prior year as a result of successful commissioning of connections and smart meters at our U.K. regulated distribution business in addition to the impact of foreign exchange
 - Capital project additions relate primarily to new connections added to our project backlog at our U.K. regulated distribution business
 - Our U.K. regulated distribution business and Brazilian electricity transmission business are the largest contributors to our total capital expected to be commissioned to rate base; comprised of ~\$765 million and ~\$240 million of total projects, respectively

RATE BASE

- Our rate base has decreased from the prior year as the acquisition of our Colombian regulated natural gas business, new connections at our UK regulated distribution business and the commissioning of 1,600 kilometers of greenfield transmission lines in Brazil over the past 12 months were more than offset by the impacts of the sale of our Chilean electricity transmission operation and foreign exchange

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 – ~3,800 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 June 30		Six months ended June 30	
	2018	2017	2018	2017
Growth capital expenditures	\$ 41	\$ 86	\$ 85	\$ 173
Adjusted EBITDA margin ¹	42%	44%	42%	44%
Funds from operations (FFO)	133	134	270	257
Maintenance capital	(36)	(31)	(72)	(63)
Adjusted funds from operations (AFFO)	\$ 97	\$ 103	\$ 198	\$ 194

1. EBITDA margin is calculated net of construction revenues and costs of \$nil and \$1 million which were incurred at our Peruvian toll road operation during the three and six-month period ended June 30, 2018 (2017: \$1 million and \$4 million for the three and six-month periods)

- FFO of \$133 million in Q2'18 compared to \$134 million in Q2'17
 - On a constant currency basis, FFO increased by 6% relative to the prior year. Results benefited from inflationary tariff increases and resilient volumes across our operations
 - Offsetting these positive factors was the impact of an eleven day truck driver strike in Brazil, in addition to the impact of a depreciating Brazilian Real

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

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2018	2017	2018	2017
Revenue	\$ 410	\$ 395	\$ 834	\$ 770
Cost attributable to revenues	(237)	(224)	(483)	(434)
Adjusted EBITDA	173	171	351	336
Interest expense	(40)	(38)	(83)	(77)
Other income (expenses)	—	1	2	(2)
Funds from operations (FFO)	133	134	270	257
Depreciation and amortization	(85)	(75)	(184)	(151)
Deferred taxes and other items	(24)	(16)	(50)	(32)
Net income	\$ 24	\$ 43	\$ 36	\$ 74

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$173 million and \$133 million, respectively, versus \$171 million and \$134 million, respectively, in the prior year
 - Rail: Adjusted EBITDA and FFO increased compared to prior year due to the benefit of inflationary tariff increases and a termination payment received from one of our Australian customers. These positive variances are partially offset by the impact of foreign exchange in both Australian and Brazilian businesses.
 - Toll roads: Adjusted EBITDA and FFO decreased versus prior year as inflationary tariff increases and higher volumes at our Chilean toll road business were more than offset by lower volumes in our Brazilian business caused by an eleven day truck driver strike which has since been resolved
 - Ports: Adjusted EBITDA and FFO increased compared to prior year as we benefited from a break fee received from one of our customers, in addition to higher tariffs in our Australian business. These positive variances are partially offset by lower volumes from our European business and impact of foreign exchange

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

US\$ MILLIONS, UNAUDITED	Adjusted EBITDA				FFO			
	Three months ended June 30		Six months ended June 30		Three months ended June 30		Six months ended June 30	
	2018	2017	2018	2017	2018	2017	2018	2017
Rail	\$ 72	\$ 69	\$ 139	\$ 133	\$ 56	\$ 52	\$ 107	\$ 100
Toll Roads	75	79	165	158	55	62	122	117
Ports	26	23	47	45	22	20	41	40
Total	\$ 173	\$ 171	\$ 351	\$ 336	\$ 133	\$ 134	\$ 270	\$ 257

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:

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2018	2017	2018	2017
Capital backlog, start of period	\$ 626	\$ 656	\$ 637	721
Additional capital project mandates	88	122	114	136
Less: capital expenditures	(41)	(86)	(85)	(173)
Foreign exchange and other	(74)	(22)	(67)	(14)
Capital backlog, end of period	\$ 599	\$ 670	\$ 599	670
Construction work in progress	119	305	119	305
Total capital to be commissioned	\$ 718	\$ 975	\$ 718	975

- 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 ~\$600 million and ~\$75 million, respectively

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 ~20,900 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 June 30		Six months ended June 30	
	2018	2017	2018	2017
Growth capital expenditures	\$ 34	\$ 24	\$ 49	\$ 46
Adjusted EBITDA margin ¹	52%	51%	52%	56%
Funds from operations (FFO)	54	43	120	105
Maintenance capital	(15)	(18)	(20)	(25)
Adjusted funds from operations (AFFO)	\$ 39	\$ 25	\$ 100	\$ 80

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

- FFO of \$54 million in Q2'18 compared to \$43 million in prior year
 - FFO benefited from the incremental contribution from new contracts and higher volumes at our North American natural gas transmission business and our district energy operations, in addition to a reduction in interest costs following the deleveraging and refinancing activities completed last year
 - Partially offsetting this was the impact of a lower spread environment at our gas storage businesses

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

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2018	2017	2018	2017
Revenue	\$ 137	\$ 123	\$ 290	\$ 265
Cost attributable to revenues	(68)	(60)	(142)	(116)
Adjusted EBITDA	69	63	148	149
Interest expense	(18)	(23)	(36)	(50)
Other income	3	3	8	6
Funds from operations (FFO)	54	43	120	105
Depreciation and amortization	(38)	(35)	(71)	(68)
Deferred taxes and other items	(21)	(7)	(41)	(19)
Net (loss) income	\$ (5)	\$ 1	\$ 8	\$ 18

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$69 million and \$54 million respectively, versus \$63 million and \$43 million, respectively, in the prior year
 - Energy Transmission & Storage: Results benefited from an 8% growth in EBITDA driven by incremental contributions from recently secured contracts and higher transportation volumes at our North American natural gas transmission operation, partially offset by the impact of lower spreads at our gas storage businesses
 - FFO benefited from lower interest costs following the deleveraging and refinancing activities completed at our North American natural gas transmission operation last year
 - District Energy: Adjusted EBITDA and FFO increased versus the prior year due to the initial contribution from four new customer connections in North America, two tuck-in acquisitions completed last year and record volumes at our Australian district energy operation

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

US\$ MILLIONS, UNAUDITED	Adjusted EBITDA				FFO			
	Three months ended June 30		Six months ended June 30		Three months ended June 30		Six months ended June 30	
	2018	2017	2018	2017	2018	2017	2018	2017
Energy Transmission & Storage	\$ 54	\$ 50	\$ 122	\$ 124	\$ 41	\$ 32	\$ 97	\$ 84
District Energy	15	13	26	25	13	11	23	21
Total	\$ 69	\$ 63	\$ 148	\$ 149	\$ 54	\$ 43	\$ 120	\$ 105

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:

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2018	2017	2018	2017
Capital backlog, start of period	\$ 134	\$ 145	\$ 143	147
Additional capital project mandates	118	4	134	24
Less: capital expenditures	(34)	(24)	(49)	(46)
Foreign exchange and other	1	—	(9)	—
Capital backlog, end of period	\$ 219	\$ 125	\$ 219	125
Construction work in progress	106	69	106	69
Total capital to be commissioned	\$ 325	\$ 194	\$ 325	194

- 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 ~\$250 million within our Energy Transmission & Storage operations and ~\$75 million in our District Energy segment
 - Transmission & Storage projects primarily relate to first and second phases of the Gulf Coast Reversal project which are anchored by two 20-year, 300,000-385,000 dekatherms per day contracts with a large LNG operator
 - District Energy projects include ~\$40 million for an energy network and district water expansions in Australia, and ~\$35 million of expansionary projects in North American systems

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 data infrastructure segment:

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2018	2017	2018	2017
Growth capital expenditures	\$ 11	\$ 8	\$ 23	\$ 17
Adjusted EBITDA margin ¹	51%	56%	52%	56%
Funds from operations (FFO)	19	19	38	38
Maintenance capital	(3)	(3)	(6)	(6)
Adjusted funds from operations (AFFO)	\$ 16	\$ 16	\$ 32	\$ 32

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

- FFO of \$19 million in Q2'18 was consistent with the prior year

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

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2018	2017	2018	2017
Revenue	\$ 45	\$ 41	\$ 88	\$ 80
Cost attributable to revenues	(22)	(18)	(42)	(35)
Adjusted EBITDA	23	23	46	45
Interest expense	(3)	(3)	(6)	(6)
Other expenses	(1)	(1)	(2)	(1)
Funds from operations (FFO)	19	19	38	38
Depreciation and amortization	(17)	(19)	(37)	(36)
Deferred taxes and other items	1	2	3	3
Net income	\$ 3	\$ 2	\$ 4	\$ 5

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$23 million and \$19 million, consistent with the prior year
 - Adjusted EBITDA and FFO benefited from the contribution of new points-of-presence (PoP) added to our existing tower portfolio, offset by the impact of foreign exchange
- Total capital to be commissioned stands at ~\$245 million and primarily relates to our fibre-to-the-home roll-out and the addition of further sites associated with minimum coverage requirements

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

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2018	2017	2018	2017
General and administrative costs	\$ (2)	\$ (2)	\$ (4)	(5)
Base management fee	(52)	(57)	(108)	(105)
Adjusted EBITDA	(54)	(59)	(112)	(110)
Other income	16	7	33	27
Financing costs	(13)	(17)	(30)	(29)
Funds from operations (FFO)	(51)	(69)	(109)	(112)
Deferred taxes and other items	80	(59)	272	(97)
Net income (loss)	\$ 29	\$ (128)	\$ 163	(209)

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
 - Decreased from prior year due to a lower unit price and additional liquidity provided by our capital recycling program
- Other income includes interest and dividend income, as well as realized gains or losses earned on corporate financial assets
 - Other income increased relative to the prior year due to excess cash invested in our financial asset portfolio following the sale of our Chilean transmission operation
- Corporate financing costs include interest expense and standby fees on committed credit facility, less interest earned on cash balances
 - Financing costs decreased compared to the prior year due to lower average net debt balances

Total liquidity was \$4.1 billion at June 30, 2018, comprised of the following:

US\$ MILLIONS, UNAUDITED	As of	
	Jun 30, 2018	Dec 31, 2017
Corporate cash and financial assets	\$ 475	\$ 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	(59)	(47)
Proportionate cash retained in businesses	461	392
Proportionate availability under subsidiary credit facilities	751	629
Total liquidity	\$ 4,103	\$ 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

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 June 30, 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	\$ 95	\$ —	\$ 285	\$ —	\$ 343	\$ 533	\$ 1,256
Total recourse borrowings	4	95	—	285	—	343	533	1,256
Utilities								
Regulated Transmission	7	27	9	15	3	3	486	543
Regulated Distribution	12	3	19	7	22	1	1,535	1,587
Regulated Terminal	4	—	—	157	304	192	386	1,039
	8	30	28	179	329	196	2,407	3,169
Transport								
Rail	5	8	36	108	118	170	654	1,094
Toll Roads	9	66	144	103	174	183	700	1,370
Ports	3	46	111	233	60	11	57	518
	7	120	291	444	352	364	1,411	2,982
Energy								
Energy Transmission, Distribution & Storage	9	—	—	6	—	350	737	1,093
District Energy	12	6	2	38	3	3	211	263
	10	6	2	44	3	353	948	1,356
Data Infrastructure								
Data Infrastructure	5	—	—	109	—	148	197	454
	5	—	—	109	—	148	197	454
Total non-recourse borrowings	8	156	321	776	684	1,061	4,963	7,961
Total borrowings	7	\$ 251	\$ 321	\$ 1,061	\$ 684	\$ 1,404	\$ 5,496	\$ 9,217
		3%	3%	12%	7%	15%	60%	100%

Proportionate Net Debt

The following table presents proportionate net debt by operating segment:

US\$ MILLIONS, UNAUDITED	As of	
	Jun 30, 2018	Dec 31, 2017
Non-recourse borrowings		
Utilities	\$ 3,169	\$ 3,331
Transport	2,982	3,114
Energy	1,356	1,369
Data Infrastructure	454	467
Corporate	1,256	1,944
Total borrowings	\$ 9,217	\$ 10,225
Cash retained in businesses		
Utilities	\$ 111	\$ 79
Transport	268	240
Energy	51	41
Data Infrastructure	31	32
Corporate	475	205
Total cash retained	\$ 936	\$ 597
Net debt		
Utilities	\$ 3,058	\$ 3,252
Transport	2,714	2,874
Energy	1,305	1,328
Data Infrastructure	423	435
Corporate	781	1,739
Total net debt	\$ 8,281	\$ 9,628

- Weighted average cash interest rate is 4.9% for the overall business, in which our utilities, transport, energy, data infrastructure and corporate segments were 4.3%, 6.6%, 5.4%, 2.7%, and 3.9%, respectively

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

US\$ MILLIONS, UNAUDITED	As of	
	Jun 30, 2018	Dec 31, 2017
Partnership units outstanding, end of period	394.2	394.0
Price - 5 day VWAP as at reporting date	\$ 38.20	\$ 44.92
Market Capitalization	15,058	17,698
Preferred units	752	595
Proportionate net debt	8,281	9,628
Enterprise Value (EV)	\$ 24,091	\$ 27,921
Proportionate Net Debt to Capitalization (based on market value)	34%	34%
Proportionate Net Debt to Capitalization (based on invested capital)	52%	55%

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

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2018	2017	2018	2017
FFO	\$ 294	\$ 295	\$ 627	\$ 556
Maintenance Capital	(58)	(55)	(107)	(100)
Return of Capital	(22)	(21)	(47)	(33)
Adjusted AFFO	214	219	473	423
Weighted average Invested Capital	\$ 7,760	\$ 6,613	\$ 7,738	\$ 6,578
Return on Invested Capital (ROIC) ¹	11%	13%	12%	13%

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

Supplemental Measures (cont'd)

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	\$ 1,332	\$ 569	\$ 539	\$ 1,673	\$ 1,476	\$ 1,902
Growth capital expenditures (net of non-recourse debt financing)	28	35	130	395	128	216	272	233	383	420
	372	976	130	555	1,460	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)	\$ 235	\$ (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

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 June 30, 2018:

US\$ MILLIONS, UNAUDITED	Net Investment Hedges										
	USD	AUD	GBP	BRL	CLP	CAD	EUR	COP	PEN	INR	
Net equity investment – US\$	\$ 841	\$ 1,414	\$ 1,161	\$ 2,378	\$ 64	\$ (660)	\$ 905	\$ 142	\$ 119	\$ 35	
FX contracts – US\$	3,625	(1,414)	(1,161)	—	—	(145)	(905)	—	—	—	
Net unhedged – US\$	\$ 4,466	\$ —	\$ —	\$ 2,378	\$ 64	\$ (805)	\$ —	\$ 142	\$ 119	\$ 35	
% of equity investment hedged	N/A	100%	100%	—%	—%	N/A	100%	—%	—%	—%	

- As at June 30, 2018, 70% 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 June 30, 2018, 14%, 21%, 19%, 32% and 14% of our pre-corporate FFO was generated in USD, AUD, GBP, BRL, and other, respectively
- Due to our FFO hedging program, 59%, 1%, 2%, 32% and 6% of our pre-corporate FFO for the three months ended June 30, 2018 was effectively generated in USD, AUD, GBP, BRL, and other, respectively

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

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2018	2017	2018	2017
Funds from operations (FFO)	\$ 294	\$ 295	\$ 627	\$ 556
Maintenance capital	(58)	(55)	(107)	(100)
Funds available for distribution (AFFO)	236	240	520	456
Distributions paid	(229)	(196)	(457)	(390)
Funds available for reinvestment	7	44	63	66
Growth capital expenditures	(182)	(231)	(356)	(432)
Debt funding of growth capex	97	134	210	219
Non-recourse debt draws (repayments)	410	(26)	373	(77)
New investments, net of disposals	(86)	(1,572)	896	(1,650)
Draws (repayments) on corporate credit facility	—	319	(789)	774
Partnership unit issuances	4	5	8	11
Proceeds from debt issuances	—	309	—	537
Proceeds from preferred unit issuances	—	—	157	220
Impact of foreign currency movements	(65)	(10)	(136)	(40)
Changes in working capital and other	(282)	(57)	(87)	(53)
Change in proportionate cash	(97)	(1,085)	339	(425)
Opening, proportionate cash	1,033	1,492	597	832
Closing, proportionate cash	\$ 936	\$ 407	\$ 936	\$ 407

- 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

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

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2018	2017	2018	2017
Growth capital expenditures by segment				
Utilities	\$ 96	\$ 113	\$ 199	196
Transport	41	86	85	173
Energy	34	24	49	46
Data Infrastructure	11	8	23	17
Total	\$ 182	\$ 231	\$ 356	432

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2018	2017	2018	2017
Maintenance capital expenditures by segment				
Utilities	\$ 4	\$ 3	\$ 9	6
Transport	36	31	72	63
Energy	15	18	20	25
Data Infrastructure	3	3	6	6
Total	\$ 58	\$ 55	\$ 107	100

- 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 data infrastructure segments, respectively, for a total range of \$210-240 million

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

MILLIONS OF PARTNERSHIP UNITS, UNAUDITED	As of	
	Jun 30, 2018	Dec 31, 2017
Redeemable partnership unit	115.8	115.8
Limited partnership unit	276.8	276.6
General partnership unit	1.6	1.6
Total partnership units	394.2	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 June 30, 2018, were issued at par value of C\$25 per unit
 - During the three and six months ended June 30, 2018, preferred unit distributions of \$10 million and \$19 million were paid



APPENDIX – RECONCILIATION OF NON-IFRS FINANCIAL MEASURES

Reconciliation of Non-IFRS Measures to IFRS Measures

RECONCILIATION OF NET INCOME TO FUNDS FROM OPERATIONS

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2018	2017	2018	2017
Net income attributable to partnership ¹	\$ 125	\$ 5	\$ 334	\$ 21
Add back or deduct the following:				
Depreciation and amortization	183	186	393	344
Deferred income taxes	13	5	15	8
Mark-to-market on hedging items and other	(27)	99	223	183
Gain on sale of associates	—	—	(338)	—
FFO	294	295	627	556
Maintenance capital expenditures	(58)	(55)	(98)	(100)
AFFO	\$ 236	\$ 240	\$ 529	\$ 456

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

RECONCILIATION OF NET INCOME TO ADJUSTED EARNINGS

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2018	2017	2018	2017
Net income attributable to partnership ¹	\$ 125	\$ 5	\$ 334	\$ 21
Add back or deduct the following:				
Depreciation and amortization expense due to application of revaluation model and acquisition accounting	86	91	171	169
Mark-to-market on hedging items and other	(71)	47	127	99
Gain on sale of subsidiaries or ownership changes	—	—	(338)	—
Adjusted Earnings	\$ 140	\$ 143	\$ 294	\$ 289

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 our Chilean electricity transmission business

RECONCILIATION OF NET INCOME TO ADJUSTED EARNINGS PER UNIT

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2018	2017	2018	2017
Net income (loss) per limited partnership unit ¹	\$ 0.21	\$ (0.06)	\$ 0.63	\$ (0.09)
Add back or deduct the following:				
Depreciation and amortization expense due to application of revaluation model and acquisition accounting	0.22	0.24	0.44	0.45
Mark-to-market on hedging items	(0.07)	0.21	0.54	0.43
Gain on sale of subsidiaries or ownership changes and other	—	—	(0.86)	—
Adjusted Earnings per unit ²	\$ 0.36	\$ 0.39	\$ 0.75	\$ 0.79

1. Average limited partnership units for the three and six-month period ended June 30, 2018 of 276.7 million and 276.6 million, (2017: 259.6 million and 259.5 million for the three and six-month periods). Net income per LP unit is reduced by preferred unit and incentive distributions paid

2. Average units for the three and six-month periods ended June 30, 2018 of 394.1 million and 394.1 million (2017: 369.6 million and 369.5 million for the three and six-month periods)

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 THE THREE MONTHS ENDED
JUNE 30, 2018
US\$ MILLIONS, UNAUDITED

	Utilities	Transport	Energy	Data Infrastructure	Corporate	Total	Contribution from investments in associates	Attributable to non-controlling interest	As per IFRS financials
Revenues	\$ 245	\$ 410	\$ 137	\$ 45	\$ —	\$ 837	\$ (368)	\$ 575	\$ 1,044
Costs attributed to revenues	(68)	(237)	(68)	(22)	—	(395)	211	(283)	(467)
General and administrative costs	—	—	—	—	(54)	(54)	—	—	(54)
Adjusted EBITDA	177	173	69	23	(54)	388	(157)	292	
Other (expense) income	(8)	—	3	(1)	16	10	4	(26)	(12)
Interest expense	(30)	(40)	(18)	(3)	(13)	(104)	30	(51)	(125)
FFO	139	133	54	19	(51)	294	(123)	215	
Depreciation and amortization	(43)	(85)	(38)	(17)	—	(183)	91	(96)	(188)
Deferred taxes	(12)	(1)	(1)	—	1	(13)	(3)	(10)	(26)
Mark-to-market on hedging items and other	(10)	(23)	(20)	1	79	27	34	(15)	46
Gain on sale of associates	—	—	—	—	—	—	—	—	—
Share of earnings from associates	—	—	—	—	—	—	1	—	1
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(94)	(94)
Net income (loss) attributable to partnership¹	\$ 74	\$ 24	\$ (5)	\$ 3	\$ 29	\$ 125	\$ —	\$ —	\$ 125

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 THE THREE MONTHS ENDED
JUNE 30, 2017
US\$ MILLIONS, UNAUDITED

	Utilities	Transport	Energy	Data Infrastructure	Corporate	Total	Contribution from investments in associates	Attributable to non-controlling interest	As per IFRS financials
Revenues	\$ 278	\$ 395	\$ 123	\$ 41	\$ —	\$ 837	\$ (408)	\$ 505	\$ 934
Costs attributed to revenues	(73)	(224)	(60)	(18)	—	(375)	220	(218)	(373)
General and administrative costs	—	—	—	—	(59)	(59)	—	—	(59)
Adjusted EBITDA	205	171	63	23	(59)	403	(188)	287	
Other (expense) income	(8)	1	3	(1)	7	2	1	(16)	(13)
Interest expense	(29)	(38)	(23)	(3)	(17)	(110)	44	(41)	(107)
FFO	168	134	43	19	(69)	295	(143)	230	
Depreciation and amortization	(57)	(75)	(35)	(19)	—	(186)	91	(111)	(206)
Deferred taxes	(12)	2	5	3	(3)	(5)	(3)	(10)	(18)
Mark-to-market on hedging items and other	(12)	(18)	(12)	(1)	(56)	(99)	19	21	(59)
Share of earnings from associates	—	—	—	—	—	—	36	—	36
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(130)	(130)
Net income (loss) attributable to partnership¹	\$ 87	\$ 43	\$ 1	\$ 2	\$ (128)	\$ 5	\$ —	\$ —	\$ 5

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 THE SIX MONTHS ENDED
JUNE 30, 2018
US\$ MILLIONS, UNAUDITED

	Utilities	Transport	Energy	Data Infrastructure	Corporate	Total	Contribution from investments in associates	Attributable to non-controlling interest	As per IFRS financials
Revenues	\$ 517	\$ 834	\$ 290	\$ 88	\$ —	\$ 1,729	\$ (791)	\$ 1,119	\$ 2,057
Costs attributed to revenues	(137)	(483)	(142)	(42)	—	(804)	431	(503)	(876)
General and administrative costs	—	—	—	—	(112)	(112)	—	—	(112)
Adjusted EBITDA	380	351	148	46	(112)	813	(360)	616	
Other (expense) income	(11)	2	8	(2)	33	30	4	(51)	(17)
Interest expense	(61)	(83)	(36)	(6)	(30)	(216)	72	(95)	(239)
FFO	308	270	120	38	(109)	627	(284)	470	
Depreciation and amortization	(101)	(184)	(71)	(37)	—	(393)	202	(190)	(381)
Deferred taxes	(27)	12	(3)	2	1	(15)	(12)	(14)	(41)
Mark-to-market on hedging items and other	(57)	(62)	(38)	1	(67)	(223)	98	(54)	(179)
Gain on sale of associates	—	—	—	—	338	338	—	—	338
Share of earnings from associates	—	—	—	—	—	—	(4)	—	(4)
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(212)	(212)
Net income attributable to partnership¹	\$ 123	\$ 36	\$ 8	\$ 4	\$ 163	\$ 334	\$ —	\$ —	\$ 334

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 THE SIX MONTHS ENDED
JUNE 30, 2017
US\$ MILLIONS, UNAUDITED

	Utilities	Transport	Energy	Data Infrastructure	Corporate	Total	Contribution from investments in associates	Attributable to non-controlling interest	As per IFRS financials
Revenues	\$ 454	\$ 770	\$ 265	\$ 80	\$ —	\$ 1,569	\$ (788)	\$ 809	\$ 1,590
Costs attributed to revenues	(121)	(434)	(116)	(35)	—	(706)	411	(421)	(716)
General and administrative costs	—	—	—	—	(110)	(110)	—	—	(110)
Adjusted EBITDA	333	336	149	45	(110)	753	(377)	388	
Other (expense) income	(7)	(2)	6	(1)	27	23	7	(16)	14
Interest expense	(58)	(77)	(50)	(6)	(29)	(220)	93	(74)	(201)
FFO	268	257	105	38	(112)	556	(277)	298	
Depreciation and amortization	(89)	(151)	(68)	(36)	—	(344)	179	(161)	(326)
Deferred taxes	(18)	7	—	5	(2)	(8)	(1)	(9)	(18)
Mark-to-market on hedging items and other	(28)	(39)	(19)	(2)	(95)	(183)	40	32	(111)
Share of earnings from associates	—	—	—	—	—	—	59	—	59
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(160)	(160)
Net income (loss) attributable to partnership¹	\$ 133	\$ 74	\$ 18	\$ 5	\$ (209)	\$ 21	\$ —	\$ —	\$ 21

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

US\$ MILLIONS, UNAUDITED	For the three months ended June 30				For the six months ended June 30			
	Partnership Capital		Invested Capital		Partnership Capital		Invested Capital	
	2018	2017	2018	2017	2018	2017	2018	2017
Opening balance ¹	\$ 7,016	\$ 6,320	\$ 7,760	\$ 6,613	\$ 7,004	\$ 6,498	\$ 7,599	\$ 6,387
Changes in accounting policies	—	—	—	—	6	—	—	—
Adjusted balance	\$ 7,016	\$ 6,320	\$ 7,760	\$ 6,613	\$ 7,010	\$ 6,498	\$ 7,599	\$ 6,387
Items impacting Partnership Capital								
Net income	125	5	—	—	334	21	—	—
Other comprehensive (loss) income	(517)	(158)	—	—	(496)	(170)	—	—
Ownership changes and other	—	—	—	—	—	—	—	—
Distributions to unitholders ²	(229)	(188)	—	—	(457)	(376)	—	—
Items impacting Invested Capital								
Preferred unit issuances	—	—	—	—	—	—	157	220
Items impacting both metrics								
Equity issuances, net	4	5	4	5	8	11	8	11
Ending balance	\$ 6,399	\$ 5,984	\$ 7,764	\$ 6,618	\$ 6,399	\$ 5,984	\$ 7,764	\$ 6,618
Weighted averaged Invested Capital	\$ —	\$ —	\$ 7,760	\$ 6,613	\$ —	\$ —	\$ 7,738	\$ 6,578

1. Invested Capital includes a cumulative opening balance difference of \$744 million and \$595 million for the three and six-month periods ended June 30, 2018 (2017: \$293 million and \$(111) million for the three and six-month periods) due to maintenance capital expenditures, other comprehensive income and non-cash statement of operating results items since inception of the partnership.

2. Distributions to unitholders excludes preferred unit distributions of \$8 million and \$14 million for the three and six-month periods ended June 30, 2017.

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

Brookfield

RECONCILIATION OF PROPORTIONATE ASSETS TO CONSOLIDATED ASSETS – AS OF JUNE 30, 2018

US\$ MILLIONS, UNAUDITED	Total Attributable to Brookfield Infrastructure						Contribution from investment in associates	Attributable to non-controlling interest	Working capital adjustment	As per IFRS financials ¹
	Utilities	Transport	Energy	Data Infrastructure	Corporate	Brookfield Infrastructure				
Total assets	\$4,828	\$6,457	\$3,104	\$1,072	\$(781)	\$14,680	\$(2,391)	\$12,115	\$4,426	\$28,830

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

US\$ MILLIONS, UNAUDITED	Total Attributable to Brookfield Infrastructure						Contribution from investment in associates	Attributable to non-controlling interest	Working capital adjustment	As per IFRS financials ¹
	Utilities	Transport	Energy	Data Infrastructure	Corporate	Brookfield Infrastructure				
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 CONSOLIDATED DEBT TO PROPORTIONATE DEBT

US\$ MILLIONS, UNAUDITED	As of	
	Jun 30, 2018	Dec 31, 2017
Consolidated debt	\$ 10,945	\$ 10,164
Add: proportionate share of debt of investment in associates		
Utilities	169	837
Transport	1,273	1,291
Energy	929	929
Data Infrastructure	454	467
Less: debt attributable to non-controlling interest	(4,156)	(3,028)
Premium on debt and cross currency swaps	(397)	(435)
Proportionate debt	\$ 9,217	\$ 10,225

- **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 40, 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