BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

Q4 2017 Supplemental Information

Fourth Quarter and Full Year, December 31 2017

Brookfield

Cautionary Statement Regarding Forward-Looking Statements

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 39-49 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.

2017 HIGHLIGHTS

Brookfield

KEY PERFORMANCE METRICS

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

US$ MILLIONS, EXCEPT PER UNIT INFORMATION, UNAUDITED	12 months ended December 31	
	2017	2016
Funds from operations (FFO)	**$ 1,170**	$ 944
Per unit FFO[1]	**3.11**	2.72
Distributions	**1.74**	1.55
Payout ratio[2]	**68%**	67%
Growth of per unit FFO	**14%**	14%
Adjusted funds from operations (AFFO)	**941**	771
Return of Invested Capital (ROIC)[3]	**13%**	13%
Net income[4]	**125**	474
Net (loss) income per limited partner unit[5]	**(0.04)**	1.13
Adjusted Earnings	**569**	505
Adjusted Earnings per unit[1]	**1.51**	1.45

KEY BALANCE SHEET METRICS

US$ MILLIONS, UNAUDITED	As of	
	Dec 31, 2017	Dec 31, 2016
Total assets	**$ 29,477**	$ 21,275
Corporate borrowings	**1,944**	1,002
Invested capital	**7,599**	6,387

1. *Average units for the 12 month period ended December 31, 2017 of 376.8 million (2016: 347.2 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 $68 million for the year ended December 31, 2017 ($41 million in 2016), 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 2017 of 264.6 million (2016: 244.7 million). Results in a loss on a per unit basis as allocation of net income is reduced by preferred unit and incentive distributions.*

$1,170
million of FFO

14%
FFO per unit growth

PERFORMANCE HIGHLIGHTS

- FFO increased 24% to $1,170 million reflecting the contribution from our Brazilian regulated gas transmission business we acquired earlier this year and continued strength in our base business, partially offset by foreign exchange movements
  - Organic FFO growth of 10%, on a constant currency basis
- FFO per unit of $3.11, a 14% increase from prior year and our best ever annual results
- Total 2017 distribution paid of $1.74 per unit represents a payout ratio of 68%
- Net income of $125 million compared to $474 million in prior year
  - Net Income was higher across all of our operating segments compared to 2016, however these results were predominantly offset by the impact of non-cash movements on foreign currency hedges. The prior year period also included non-recurring gains of $190 million related to our toll road and ports businesses
- Total assets increased primarily as a result of the recently completed acquisition of our Brazilian regulated gas transmission business
- Invested capital increased from year-end as a result of equity issuance completed in September

2017 Highlights (cont'd)

Brookfield

OPERATIONS

- Deployed ~$900 million in growth capital expenditures in 2017, predominantly in our Utilities segment to increase rate base and in our Transport segment to add capacity and ease congestion
- Added over ~$1.3 billion to capital investment backlog across all segments in 2017; total capital to be commissioned in the next two to three years is ~$2.6 billion. New projects secured in the fourth quarter include:
  - Signed a contract at our UK regulated distribution business to acquire up to 2 million smart meters from a leading energy retailer
  - At our French communications infrastructure operation, secured our third contract to build a fibre-to-the-home network for up to 300,000 households, adding ~$130 million to backlog at our share
  - At our North American natural gas transmission business we secured a capital expansion contract with a large LNG operator adding $30 to backlog
- Continue to progress our ~$1.2 billion shadow backlog including our water desalination facility in Huntington Beach, California and the second phase of the Gulf Coast Reversal project at our North American natural gas transmission business
- South American toll road operations continue to benefit from inflationary tariff increases and improved traffic levels with increases of 10% and 3% respectively
- North American natural gas transmission business benefitted from higher revenues as a result of a 9% increase in transportation volumes

BUSINESS DEVELOPMENT

- Completed the following transactions in 2017:
  - Acquisition of Brazilian regulated gas transmission business, Nova Transportadora do Sudeste S.A. ("NTS") for ~$5.1 billion (BIP share - ~$1.6 billion)
  - Acquisition of five district energy systems in North America for a total of ~$100 million (BIP's share - ~$40 million)
- Agreed to acquire two toll roads in Southern India for ~$350 million (BIP's share - ~$100 million), which remains subject to customary completion conditions
- Awaiting customary regulatory approval for acquisition of a Peruvian water irrigation system for ~ $40 million (BIP's share - $15 million)

FINANCING AND LIQUIDITY

- Raised ~$1.3 billion in net proceeds throughout the year:
  - $1 billion unit issuance
  - C$300 million preferred unit issuance
  - C$700 million of medium term notes issued
  - C$400 million of notes matured in October 2017
- Ended the year with total liquidity of $2.9 billion
- Refinanced 2017 maturity at North American natural gas transmission business with $1.4 billion senior note issuance with an average term of 7.5 years at 4.625%
- Signed definitive agreements to sell South American electricity transmission business for pre-tax proceeds of $1.3 billion
- Completed C$200 million preferred unit issuance subsequent to year-end at a rate of 5% with five-year rate resets

Our Business

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
- Growth in FFO per unit is one of the key the key performance metrics that we use to assess our ability to increase distributions in the future or 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 rather than focusing exclusively on its consolidated equivalent, since we exercise co-control or significant influence over decision-making with respect to distributions from our unconsolidated subsidiaries:
  - 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

Brookfield

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 March 30, 2018 to unitholders of record as at the close of business on February 28, 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)

Brookfield

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

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

Our Operations

Brookfield

- 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

Brookfield

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

STATEMENTS OF OPERATIONS

US$ MILLIONS, UNAUDITED	12 months ended December 31 2017	2016
Net income (loss) by segment		
Utilities	**$ 313**	$ 162
Transport	**139**	206
Energy	**32**	90
Communications Infrastructure	**11**	27
Corporate	**(370)**	(11)
Net income	**$ 125**	$ 474
Adjusted EBITDA by segment		
Utilities	**$ 738**	$ 524
Transport	**694**	597
Energy	**281**	276
Communications Infrastructure	**90**	91
Corporate	**(239)**	(166)
Adjusted EBITDA	**$ 1,564**	$ 1,322
FFO by segment		
Utilities	**$ 610**	$ 399
Transport	**532**	423
Energy	**209**	175
Communications Infrastructure	**76**	77
Corporate	**(257)**	(130)
FFO	**$ 1,170**	$ 944

STATEMENTS OF FINANCIAL POSITION

US$ MILLIONS, UNAUDITED	As of Dec 31, 2017	Dec 31 2016
Utilities	**$ 6,542**	$ 4,605
Transport	**6,990**	6,160
Energy	**3,134**	3,032
Communications Infrastructure	**1,049**	933
Corporate	**(1,083)**	(510)
Total assets	**$ 16,632**	$ 14,220
Net debt by segment		
Utilities	**$ 3,252**	$ 2,798
Transport	**2,874**	2,611
Energy	**1,328**	1,468
Communications Infrastructure	**435**	392
Corporate	**1,739**	453
Net debt	**$ 9,628**	$ 7,722
Partnership capital by segment		
Utilities	**$ 3,290**	$ 1,807
Transport	**4,116**	3,549
Energy	**1,806**	1,564
Communications Infrastructure	**614**	541
Corporate	**(2,822)**	(963)
Partnership capital	**$ 7,004**	$ 6,498

OPERATING SEGMENTS

Utilities Operations

Brookfield

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, ~12,000 km of transmission lines in North and South America along with ~3,500 km of greenfield electricity transmission developments in South America
- Regulated Distribution – ~3.3 million electricity and natural gas connections and ~800,000 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	12 months ended December 31 2017	2016
Rate base	$ **5,638**	$ 3,788
Funds from operations (FFO)	$ **610**	$ 399
Maintenance capital	**(15)**	(15)
Adjusted funds from operations (AFFO)	$ **595**	$ 384
Return on rate base[1,2]	**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 $610 million in 2017 compared to $399 million in prior year
  - The largest contributor to the increase in FFO was the acquisition of our 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 the sale of the Ontario electricity transmission business in the prior year

Utilities Operations (cont'd)

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

US$ MILLIONS, UNAUDITED		12 months ended December 31 2017		2016
Revenue	**$**	**891**	$	602
Connections revenue		**97**		82
Cost attributable to revenues		**(250)**		(160)
Adjusted EBITDA		**738**		524
Interest expense		**(114)**		(130)
Other (expense) income		**(14)**		5
Funds from operations (FFO)		**610**		399
Depreciation and amortization		**(186)**		(154)
Deferred taxes and other items		**(111)**		(83)
Net income	**$**	**313**	$	162

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

12 months ended December 31		Adjusted EBITDA				FFO		
US$ MILLIONS, UNAUDITED		**2017**		2016		**2017**		2016
Regulated Transmission	**$**	**352**	$	135	**$**	**308**	$	105
Regulated Distribution		**282**		257		**235**		213
Regulated Terminal		**104**		132		**67**		81
Total	**$**	**738**	$	524	**$**	**610**	$	399

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were $738 million and $610 million, respectively, versus $524 million an $399 million, respectively, in the prior year
  - Regulated Transmission: Results benefitted from the contribution of our recently acquired regulated gas transmission business in Brazil, inflation-indexation and additions to rate base
    - The prior year included contribution from a transmission business in Ontario that was sold in 2016
  - Regulated Distribution: Strong performance at our U.K. regulated distribution business was driven by an increased rate base, higher connections income due to record activity in the current year, inflation-indexation and the contribution from smart meters adopted over the last 12 months, partially offset by the impact of foreign exchange
  - Regulated Terminal: Adjusted EBITDA and FFO decreased versus prior year as the benefit of inflation-indexation was more than offset by the impact of the regulatory rate reset effective July 2016 and foreign exchange

Utilities Operations (cont'd)

Brookfield

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

US$ MILLIONS, UNAUDITED	12 months ended December 31 2017	2016
Capital backlog, start of period	$ **761**	$ 452
Additional capital project mandates	**776**	793
Less: capital expenditures	**(449)**	(428)
Foreign exchange and other	**52**	(56)
Capital backlog, end of period	**1,140**	761
Construction work in progress	**310**	225
Total capital to be commissioned	$ **1,450**	$ 986

US$ MILLIONS, UNAUDITED	12 months ended December 31 2017	2016
Rate base, start of period	$ **3,788**	$ 4,018
Acquisitions	**1,498**	—
Impact of asset sales	**—**	(162)
Capital expenditures commissioned	**305**	226
Inflation and other indexation	**34**	63
Regulatory depreciation	**(48)**	(44)
Foreign exchange and other	**61**	(313)
Rate base, end of period	$ **5,638**	$ 3,788

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 ~$1.5 billion of total capital to be commissioned into rate base; a 47% increase compared to the prior year
  - Capital project additions relate to new connections added to our backlog and the addition of 600,000 smart meter installations awarded during the year at our U.K. regulated distribution business
  - Our U.K. regulated distribution business, Brazilian electricity transmission business and Chilean electricity transmission operations are the largest contributors to capital to be commissioned with ~$875 million, ~$335 million and ~$220 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, the commissioning of 18 projects into rate base at our Chilean transmission system during the year and the positive impact of foreign exchange

Transport Operations

Brookfield

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	12 months ended December 31 2017	2016
Growth capital expenditures	**326**	319
Adjusted EBITDA margin[1]	**44%**	48%
Funds from operations (FFO)	**532**	423
Maintenance capital	**(133)**	(88)
Adjusted funds from operations (AFFO)	**$ 399**	$ 335

1. *EBITDA margin is calculated net of construction revenues and costs of $6 million which were incurred at our Peruvian toll road operation during the year ended December 31, 2017 (2016 - $11 million)*

- FFO of $532 million in 2017 compared to $423 million in 2016
  - FFO benefitted from a number of positive factors at our Brazilian toll road business that included: an increase in traffic flows, lower interest expense and incremental contribution from an increased ownership stake
  - Additionally, results benefitted from inflationary tariff increases across a number of our operations and a full year contribution from the acquisition of our Australian ports business

Transport Operations (cont'd)

Brookfield

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

US$ MILLIONS, UNAUDITED	12 months ended December 31 2017	2016
Revenue	**$ 1,589**	$ 1,247
Cost attributable to revenues	**(895)**	(650)
Adjusted EBITDA	**694**	597
Interest expense	**(158)**	(157)
Other expenses	**(4)**	(17)
Funds from operations (FFO)	**532**	423
Depreciation and amortization	**(312)**	(253)
Deferred taxes and other items	**(81)**	36
Net income	**$ 139**	$ 206

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

12 months ended December 31	Adjusted EBITDA		FFO	
US$ MILLIONS, UNAUDITED	**2017**	2016	**2017**	2016
Rail	**$ 262**	$ 270	**$ 192**	$ 206
Toll Roads	**333**	239	**257**	152
Ports	**99**	88	**83**	65
Total	**$ 694**	$ 597	**$ 532**	$ 423

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were $694 million and $532 million, respectively, versus $597 million and $423 million, respectively, in the prior year
  - Rail: Adjusted EBITDA and FFO decreased compared to prior year as the benefit of higher volumes and increased tariffs at our South American operation were more than offset by the impact of foreign exchange on our Australian business
  - Toll roads: Adjusted EBITDA and FFO increased versus prior year due to a 3% increase in traffic flows in South America, lower interest expense, inflationary increases in tariffs at all of our operations and the benefit from increased ownership of our Brazilian toll road business
  - Ports: Adjusted EBITDA and FFO increased versus prior year due to a full year contribution from our Australian ports business which was acquired in August 2016, in addition to organic growth across the business of 5% driven by stronger volumes

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:

	12 months ended December 31	
US$ MILLIONS, UNAUDITED	**2017**	2016
Capital backlog, start of period	**$ 721**	$ 467
Additional capital project mandates	**303**	533
Less: capital expenditures	**(326)**	(319)
Foreign exchange and other	**(61)**	40
Capital backlog, end of period	**$ 637**	$ 721
Construction work in progress	**113**	349
Total capital to be commissioned	**$ 750**	$ 1,070

- 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 ~$630 million and ~$90 million, respectively

Energy Operations

Brookfield

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 ~18,700 natural gas, water and wastewater connections in Australia

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

US$ MILLIONS, UNAUDITED	12 months ended December 31 2017	2016
Growth capital expenditures	**76**	67
Adjusted EBITDA margin[1]	**50%**	56%
Funds from operations (FFO)	**209**	175
Maintenance capital	**(70)**	(61)
Adjusted funds from operations (AFFO)	$ **139**	$ 114

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

- FFO of $209 million in 2017 compared to $175 million in 2016
  - FFO from our North American natural gas transmission business benefitted from lower interest expense from deleveraging and refinancing activities completed over the past year and higher transportation volumes associated with newly secured contracts
  - Partially offsetting this were lower spreads 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	12 months ended December 31 2017	2016
Revenue	$ 559	$ 496
Cost attributable to revenues	(278)	(220)
Adjusted EBITDA	281	276
Interest expense	(87)	(109)
Other income	15	8
Funds from operations (FFO)	209	175
Depreciation and amortization	(151)	(128)
Deferred taxes and other items	(26)	43
Net income	$ 32	$ 90

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

12 months ended December 31	Adjusted EBITDA		FFO	
US$ MILLIONS, UNAUDITED	2017	2016	2017	2016
Energy Transmission & Storage	$ 228	$ 225	$ 165	$ 131
District Energy	53	51	44	44
Total	$ 281	$ 276	$ 209	$ 175

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were $281 million and $209 million, respectively, versus $276 million and $175 million, respectively, in the prior year
  - Energy Transmission & Storage: Adjusted EBITDA and FFO increased due to lower interest expense from deleveraging and refinancing $1.4 billion of senior notes and the benefit of higher transportation volumes of 9% at our North American natural gas transmission operation, partially offset by the impact of lower spreads at our gas storage businesses
  - District Energy: Adjusted EBITDA and FFO were in-line with the prior year as the initial contribution from eight new customers in North America and the benefit from tuck-in acquisitions completed in the U.S. and Canada in June 2017 were partially offset by foreign exchange movements

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:

	12 months ended December 31			
US$ MILLIONS, UNAUDITED		**2017**		2016
Capital backlog, start of period	**$**	**147**	$	181
Additional capital project mandates		**61**		37
Less: capital expenditures		**(76)**		(67)
Foreign exchange and other		**11**		(4)
Capital backlog, end of period	**$**	**143**	$	147
Construction work in progress		**71**		37
Total capital to be commissioned	**$**	**214**	$	184

- 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 ~$145 million within our Energy Transmission & Storage operations and ~$70 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 ~$50 million for an energy network and district water expansions in Australia, and ~$20 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:

	12 months ended December 31	
US$ MILLIONS, UNAUDITED	**2017**	2016
Growth capital expenditures	**42**	29
Adjusted EBITDA margin[1]	**55%**	56%
Funds from operations (FFO)	**76**	77
Maintenance capital	**(11)**	(9)
Adjusted funds from operations (AFFO)	**$ 65**	$ 68

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

- FFO of $76 million in 2017 relatively consistent compared to $77 million in 2016

Communications Infrastructure Operations (cont'd)

Brookfield

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

US$ MILLIONS, UNAUDITED	12 months ended December 31 2017	2016
Revenue	$ **165**	$ 163
Cost attributable to revenues	**(75)**	(72)
Adjusted EBITDA	**90**	91
Interest expense	**(12)**	(12)
Other expenses	**(2)**	(2)
Funds from operations (FFO)	**76**	77
Depreciation and amortization	**(77)**	(74)
Deferred taxes and other items	**12**	24
Net income	$ **11**	$ 27

FINACIAL RESULTS

- Adjusted EBITDA and FFO decreased slightly from the prior year to $90 million and $76 million, respectively, versus $91 million and $77 million, respectively, in the prior year
  - Adjusted EBITDA and FFO decreased compared to the prior year as the benefits of inflation indexation and additions to existing tower infrastructure in the last 12 months have been more than offset by foreign exchange movement
- Total capital to be commissioned stands at ~$220 million, predominantly relating 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 households in north-east France, adding $130 million to backlog

Corporate

Brookfield

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

US$ MILLIONS, UNAUDITED	12 months ended December 31 2017	12 months ended December 31 2016
General and administrative costs	**$ (9)**	$ (8)
Base management fee	**(230)**	(158)
Adjusted EBITDA	**(239)**	(166)
Other income	**45**	84
Financing costs	**(63)**	(48)
Funds from operations (FFO)	**(257)**	(130)
Deferred taxes and other items	**(113)**	119
Net loss	**$ (370)**	$ (11)

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 higher unit price, in addition to capital raised in the last 12 months to finance acquisitions
- Other income includes interest and dividend income, as well as realized gains or losses earned on corporate financial assets
  - Other income decreased as the prior year benefitted from higher yielding financial assets that were realized in the last 12 months
- 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 corporate net debt balances, the proceeds from which were used to fund acquisitions and organic growth initiatives

Liquidity

Brookfield

Total liquidity was $2.9 billion at December 31, 2017, comprised of the following:

US$ MILLIONS, UNAUDITED	As of Dec 31, 2017	As of Dec 31, 2016	Pro-forma[1]
Corporate cash and financial assets	**$ 205**	$ 549	205
Committed corporate credit facility	**1,975**	1,975	1,975
Subordinated corporate credit facility	**500**	500	500
Draws under corporate credit facility	**(789)**	—	(632)
Commitments under corporate credit facility	**(47)**	(46)	(47)
Proportionate cash retained in businesses	**392**	283	392
Proportionate availability under subsidiary credit facilities	**629**	634	629
Total liquidity	**$ 2,865**	$ 3,895	3,022

1. Includes C$200 million from preferred units issuance completed in January 2018, net of fees

- 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
  - Subsequent to year-end, we completed a C$200 million preferred unit issuance at a rate of 5.00% with a five-year rate reset at the greater of the five-year Government of Canada bond yield plus 3.00% and 5.00%
- 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 December 31, 2017, 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[1]	4	$ 99	$ —	$ 298	$ —	$ 990	$ 557	**$ 1,944**
Total recourse borrowings	4	99	—	298	—	990	557	**1,944**
Utilities								
Regulated Transmission	10	—	—	1	1	222	1,204	**1,428**
Regulated Distribution	4	—	62	165	321	111	407	**1,066**
Regulated Terminal	11	62	7	11	6	6	745	**837**
	8	62	69	177	328	339	2,356	**3,331**
Transport								
Rail	6	17	23	112	122	182	656	**1,112**
Toll Roads	9	176	158	88	195	228	624	**1,469**
Ports	3	52	111	237	62	12	59	**533**
	7	245	292	437	379	422	1,339	**3,114**
Energy								
Energy Transmission, Distribution & Storage	9	77	86	7	—	350	579	**1,099**
District Energy	12	2	2	46	3	3	214	**270**
	9	79	88	53	3	353	793	**1,369**
Communications Infrastructure								
Telecommunications Infrastructure	6	—	—	112	—	152	203	**467**
	6	—	—	112	—	152	203	**467**
Total non-recourse borrowings	8	386	449	779	710	1,266	4,691	**8,281**
Total borrowings	7	$ 485	$ 449	$ 1,077	$ 710	$ 2,256	$ 5,248	**$ 10,225**
		5%	4%	11%	7%	22%	51%	**100%**

[1] As of December 31, 2017 pro forma for the proceeds from the C$200 million January 2018 preferred unit issuance which were applied against BIP's credit facility balance.

Proportionate Net Debt

Brookfield

The following table presents proportionate net debt by operating segment:

US$ MILLIONS, UNAUDITED	As of **December 31, 2017**		As of December 31, 2016	
Non-recourse borrowings				
Utilities	**$**	**3,331**	$	2,843
Transport		**3,114**		2,787
Energy		**1,369**		1,512
Communications Infrastructure		**467**		410
Corporate		**1,944**		1,002
Total borrowings	**$**	**10,225**	$	8,554
Cash retained in businesses				
Utilities	**$**	**79**	$	45
Transport		**240**		176
Energy		**41**		44
Communications Infrastructure		**32**		18
Corporate		**205**		549
Total cash retained	**$**	**597**	$	832
Net debt				
Utilities	**$**	**3,252**	$	2,798
Transport		**2,874**		2,611
Energy		**1,328**		1,468
Communications Infrastructure		**435**		392
Corporate		**1,739**		453
Total net debt	**$**	**9,628**	$	7,722

- Weighted average cash interest rate is 4.6% for the overall business, in which our utilities, transport, energy, communications infrastructure and corporate segments were 3.9%, 6.5%, 5.2%, 2.6%, and 3.5%, 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 Dec 31, 2017		As of Dec 31, 2016	
Partnership units outstanding, end of period		**394.0**		369.5
Price - 5 day VWAP as at reporting date	**$**	**44.92**	$	33.47
Market Capitalization		**17,698**		12,368
Preferred units		**595**		375
Proportionate net debt		**9,628**	$	7,722
Enterprise Value (EV)	**$**	**27,921**	$	20,465
Proportionate Net Debt to Capitalization (based on market value)		**34%**		38%
Proportionate Net Debt to Capitalization (based on invested capital)		**56%**		55%

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

US$ MILLIONS, UNAUDITED	Three months ended December 31 2017		2016		12 months ended December 31 2017		2016	
FFO	**$**	**313**	$	245	**$**	**1,170**	$	944
Maintenance Capital		**(64)**		(55)		**(229)**		(173)
Return of Capital		**(12)**		(10)		**(68)**		(41)
Adjusted AFFO		**948**		720		**873**		730
Weighted average Invested Capital		**7,595**	$	5,881		**6,885**	$	5,592
Return on Invested Capital (ROIC)[1]		**13%**		12%		**13%**		13%

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

Foreign Currency Hedging Strategy

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 December 31, 2017:

	Net Investment Hedges									
US$ MILLIONS, UNAUDITED	USD	AUD	GBP	BRL	CLP	CAD	EUR	COP	PEN	INR
Net equity investment – US$	$ 355	$ 1,512	$ 1,158	$ 3,336	$ 79	$ (497)	$ 836	$ 66	$ 121	$ 38
FX contracts – US$	3,665	(1,512)	(1,158)	—	—	(159)	(836)	—	—	—
Net unhedged – US$	$ 4,020	$ —	$ —	$ 3,336	$ 79	$ (656)	$ —	$ 66	$ 121	$ 38
% of equity investment hedged	N/A	100%	100%	—%	—%	N/A	100%	—%	—%	—%

- As at December 31, 2017, 57% 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 12 months ended December 31, 2017, 19%, 18%, 18%, 33% and 12% of our pre-corporate FFO was generated in USD, AUD, GBP, BRL, and other, respectively
- Due to our FFO hedging program, 63%, —%, —%, 33% and 4% of our pre-corporate FFO for the 12 months ended December 31, 2017 was effectively generated in USD, AUD, GBP, BRL, and other, respectively

Capital Reinvestment

Brookfield

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

	12 months ended December 31	
US$ MILLIONS, UNAUDITED	**2017**	2016
Funds from operations (FFO)	**$ 1,170**	$ 944
Maintenance capital	**(229)**	(173)
Funds available for distribution (AFFO)	**941**	771
Distributions paid	**(794)**	(628)
Funds available for reinvestment	**147**	143
Growth capital expenditures	**(893)**	(843)
Debt funding of growth capex	**473**	460
Non-recourse debt (repayments) issuances	**(118)**	33
New investments, net of disposals	**(1,902)**	(159)
Draws (repayments) on corporate credit facility	**789**	(407)
Partnership unit issuances	**992**	749
Proceeds from debt issuances	**129**	—
Proceeds from preferred unit issuances	**220**	186
Changes in working capital and other	**(72)**	127
Change in proportionate cash	**(235)**	289
Opening, proportionate cash	**832**	543
Closing, proportionate cash	**$ 597**	$ 832

- 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	12 months ended December 31 **2017**	2016
Growth capital expenditures by segment		
Utilities	**$ 449**	$ 428
Transport	**326**	319
Energy	**76**	67
Communications Infrastructure	**42**	29
Total	**$ 893**	$ 843

US$ MILLIONS, UNAUDITED	12 months ended December 31 **2017**	2016
Maintenance capital expenditures by segment		
Utilities	**$ 15**	$ 15
Transport	**133**	88
Energy	**70**	61
Communications Infrastructure	**11**	9
Total	**$ 229**	$ 173

- 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 Dec 31, 2017	As of Dec 31, 2016
Redeemable partnership unit	**115.8**	108.4
Limited partnership unit	**276.6**	259.5
General partnership unit	**1.6**	1.6
Total partnership units	**394.0**	369.5

- On September 15, 2017, the partnership issued 17 million limited partnership units and 7 million redeemable partnership units for total proceeds of $1 billion
- 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 $113 million were paid during the year versus $80 million in the prior year as a result of the 12% increase in our distribution on partnership units since 2016
- 32 million preferred units outstanding at December 31, 2017, were issued at par value of C$25 per unit
  - Distributions of $30 million were paid during the year
  - Subsequent to year-end, the partnership issued 8,000,000 Series 9 Preferred Units at par value of C$25 per unit

REVIEW OF FOURTH QUARTER PERFORMANCE

Q4 2017 HIGHLIGHTS

Brookfield

KEY PERFORMANCE METRICS

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

US$ MILLIONS, EXCEPT PER UNIT INFORMATION, UNAUDITED	Three months ended December 31 **2017**	2016
Funds from operations (FFO)	**$ 313**	$ 245
Per unit FFO[1]	**0.80**	0.69
Distributions	**0.435**	0.39
Payout ratio[2]	**67%**	66%
Growth of per unit FFO	**16%**	17%
Adjusted funds from operations (AFFO)	**249**	190
Return of Invested Capital (ROIC)[3]	**13%**	12%
Net income[4]	**71**	162
Net income per limited partner unit[5]	**0.09**	0.40
Adjusted Earnings	**142**	115
Adjusted Earnings per unit[1]	**0.36**	0.33

1. *Average units for the three month period ended December 31, 2017 of 393.9 million (2016: 353.3 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 $12 million for the three months ended December 31, 2017 (2016: $10 million), 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 December 31, 2017 of 276.5 million (2016: 248.7 million). Net income per LP unit is reduced by preferred unit and incentive distributions paid*

$313
million of FFO

16%
FFO per unit growth

PERFORMANCE HIGHLIGHTS

- FFO increased 28% to $313 million reflecting the contribution from our Brazilian regulated gas transmission business acquired earlier this year and continued strength in our base business, partially offset by foreign exchange movements
  - Organic FFO growth of 10%, on a constant currency basis
- FFO/unit of $0.80, a 16% increase from prior year
- Distribution of $0.435 per unit, an increase of 12% compared to the prior year; represents a payout ratio of 67%
- Net income of $71 million compared to $162 million in prior year
  - Net income decreased as higher earnings from a majority of our segments were more than offset by a non-recurring gain of ~$70 million included in the prior year

Selected Income Statement and Balance Sheet Information

Brookfield

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 December 31 2017	2016
Net income (loss) by segment		
Utilities	**$ 88**	$ 49
Transport	**36**	28
Energy	**10**	75
Communications Infrastructure	**4**	24
Corporate	**(67)**	(14)
Net income	**$ 71**	$ 162
Adjusted EBITDA by segment		
Utilities	**$ 205**	125
Transport	**179**	156
Energy	**70**	74
Communications Infrastructure	**22**	24
Corporate	**(66)**	(44)
Adjusted EBITDA	**$ 410**	$ 335
FFO by segment		
Utilities	**$ 172**	97
Transport	**139**	115
Energy	**56**	52
Communications Infrastructure	**19**	20
Corporate	**(73)**	(39)
FFO	**$ 313**	$ 245

Utilities Operations

Brookfield

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

US$ MILLIONS, UNAUDITED	Three months ended December 31 **2017**	2016
Revenue	**$ 245**	$ 143
Connections revenue	**28**	20
Cost attributable to revenues	**(68)**	(38)
Adjusted EBITDA	**205**	125
Interest expense	**(28)**	(29)
Other (expense) income	**(5)**	1
Funds from operations (FFO)	**172**	97
Depreciation and amortization	**(39)**	(38)
Deferred taxes and other items	**(45)**	(10)
Net income	**$ 88**	$ 49

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

Three months ended December 31	Adjusted EBITDA		FFO	
US$ MILLIONS, UNAUDITED	**2017**	2016	**2017**	2016
Regulated Transmission	**$ 106**	$ 30	**$ 95**	$ 23
Regulated Distribution	**72**	65	**60**	54
Regulated Terminal	**27**	30	**17**	20
Total	**$ 205**	$ 125	**$ 172**	$ 97

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were $205 million and $172 million, respectively, versus $125 million and $97 million, respectively, in the prior year
  - Regulated Transmission: Results benefitted from the contribution of our recently acquired regulated gas transmission business in Brazil, inflation indexation and capital commissioned into rate base
    - The prior year included contribution from a transmission business in Ontario that was sold in October 2016
  - Regulated Distribution: Strong performance at our U.K. regulated distribution business was driven by an increased rate base, higher connections income, inflation-indexation and the contribution from smart meters adopted over the last 12 months, partially offset by the impact of foreign exchange
  - Regulated Terminal: Adjusted EBITDA and FFO decreased versus prior year as the benefit of inflation-indexation was more than offset by the impact of the final regulatory rate reset outcome and foreign exchange

Transport Operations

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

US$ MILLIONS, UNAUDITED	Three months ended December 31 **2017**	2016
Revenue	**$ 408**	$ 353
Cost attributable to revenues	**(229)**	(197)
Adjusted EBITDA	**179**	156
Interest expense	**(40)**	(41)
Other income (expenses)	**—**	—
Funds from operations (FFO)	**139**	115
Depreciation and amortization	**(79)**	(70)
Deferred taxes and other items	**(24)**	(17)
Net income	**$ 36**	$ 28

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

Three months ended December 31	Adjusted EBITDA		FFO	
US$ MILLIONS, UNAUDITED	**2017**	2016	**2017**	2016
Rail	**$ 62**	$ 61	**$ 45**	$ 46
Toll Roads	**90**	70	**72**	49
Ports	**27**	25	**22**	20
Total	**$ 179**	$ 156	**$ 139**	$ 115

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were $179 million and $139 million, respectively, versus $156 million and $115 million, respectively, in the prior year
  - Rail: Adjusted EBITDA and FFO were relatively consistent with the prior year as benefits of higher volumes at our South American operation were offset by lower grain volumes and the impact of foreign exchange
  - Toll roads: Adjusted EBITDA and FFO increased versus prior year due to an 8% increase in average tariffs and a 5% increase in traffic flows in South America and the benefit from increased ownership of our Brazilian toll road business
  - Ports: Adjusted EBITDA and FFO increased compared to prior year from the benefit of higher volumes due to a strong harvest at our European port operations

Energy Operations

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

US$ MILLIONS, UNAUDITED	Three months ended December 31 2017	2016
Revenue	**$ 161**	$ 131
Cost attributable to revenues	**(91)**	(57)
Adjusted EBITDA	**70**	74
Interest expense	**(18)**	(27)
Other income	**4**	5
Funds from operations (FFO)	**56**	52
Depreciation and amortization	**(47)**	(36)
Deferred taxes and other items	**1**	59
Net income	**$ 10**	$ 75

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

Three months ended December 31	**Adjusted EBITDA**		**FFO**	
US$ MILLIONS, UNAUDITED	**2017**	2016	**2017**	2016
Energy Transmission & Storage	**$ 58**	$ 61	**$ 46**	$ 41
District Energy	**12**	13	**10**	11
Total	**$ 70**	$ 74	**$ 56**	$ 52

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were $70 million and $56 million, respectively, versus $74 million and $52 million, respectively, in the prior year
  - Energy Transmission & Storage: Adjusted EBITDA decreased from prior year as the benefit of higher transportation volumes from newly secured contracts at our North American natural gas transmission operation was more than offset by the impact of lower spreads at our gas storage businesses
    - FFO increased despite the decrease in EBITDA noted above due to lower interest expense from deleveraging and refinancing activities completed during 2017 at our North American natural gas transmission business
  - District Energy: Adjusted EBITDA and FFO decreased as the benefit of new connections made during the year were more than offset by the impact of foreign exchange at our Australian district energy operations

Communications Infrastructure Operations

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

US$ MILLIONS, UNAUDITED	Three months ended December 31 2017	2016
Revenue	**$ 43**	$ 40
Cost attributable to revenues	**(21)**	(16)
Adjusted EBITDA	**22**	24
Interest expense	**(3)**	(3)
Other expenses	**—**	(1)
Funds from operations (FFO)	**19**	20
Depreciation and amortization	**(22)**	(17)
Deferred taxes and other items	**7**	21
Net income	**$ 4**	$ 24

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were $22 million and $19 million, respectively, versus $24 million and $20 million, respectively, in the prior year
  - Adjusted EBITDA and FFO decreased compared to the prior year as the contribution from capital deployed in the last 12 months was more than offset by foreign exchange movement

Corporate

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

US$ MILLIONS, UNAUDITED	Three months ended December 31	
	2017	2016
General and administrative costs	**$ (2)**	$ (2)
Base management fee	**(64)**	(42)
Adjusted EBITDA	**(66)**	(44)
Other income	**10**	17
Financing costs	**(17)**	(12)
Funds from operations (FFO)	**(73)**	(39)
Deferred taxes and other items	**6**	25
Net loss	**$ (67)**	$ (14)

FINANCIAL RESULTS

- General and administrative costs were relatively consistent with prior year
- 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 a higher unit price and capital raised in the last 12 months to finance acquisitions
- Other income includes interest and dividend income, as well as realized gains or losses earned on corporate financial assets
  - Other income decreased as the prior year benefitted from higher yielding financial assets that were realized in the last 12 months
- 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 corporate net debt balances, the proceeds from which were used to fund acquisitions and organic growth initiatives

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 December 31		12 months ended December 31	
US$ MILLIONS, UNAUDITED	**2017**	2016	**2017**	2016
Net income attributable to partnership[1]	**$ 71**	$ 162	**$ 125**	$ 474
Add back or deduct the following:				
Depreciation and amortization	**187**	161	**726**	609
Deferred income taxes	**(7)**	26	**7**	(5)
Mark-to-market on hedging items	**62**	(104)	**312**	(134)
FFO	**313**	245	**1,170**	944
Maintenance capital expenditures	**(64)**	(55)	**(229)**	(173)
AFFO	**$ 249**	$ 190	**$ 941**	$ 771

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 ADJUSTED EARNINGS

US$ MILLIONS, UNAUDITED	Three months ended December 31		12 months ended December 31	
	2017	2016	**2017**	2016
Net income attributable to partnership[1]	**$ 71**	$ 162	**$ 125**	$ 474
Add back or deduct the following:				
Depreciation and amortization expense due to application of revaluation model and acquisition accounting	**90**	78	**352**	300
Mark-to-market on hedging items	**(5)**	(57)	**106**	(17)
Gain on sale of subsidiaries or ownership changes and other	**(14)**	(68)	**(14)**	(252)
Adjusted Earnings	**$ 142**	115	**$ 569**	505

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
    - Items in the prior year reflect one-time gains in our ports and toll road businesses

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

Brookfield

RECONCILIATION OF NET INCOME ADJUSTED EARNINGS PER UNIT

	Three months ended December 31		12 months ended December 31	
US$ MILLIONS, UNAUDITED	**2017**	2016	**2017**	2016
Net income (loss) per limited partnership unit[1]	**$ 0.09**	0.40	**$ (0.04)**	1.13
Add back or deduct the following:				
Depreciation and amortization expense due to application of revaluation model and acquisition accounting	**0.23**	0.22	**0.93**	0.86
Mark-to-market on hedging items	**(0.01)**	(0.16)	**0.29**	(0.05)
Gain on sale of subsidiaries or ownership changes and other	**0.05**	(0.13)	**0.33**	(0.49)
Adjusted Earnings per unit[2]	**$ 0.36**	0.33	**$ 1.51**	1.45

1. *Average limited partnership units for the three and 12 month periods ended December 31, 2017 of 276.5 million and 264.6 million, respectively (2016: 248.7 million and 244.7 million for both the three and 12 month periods). Net income per LP unit is reduced by preferred unit and incentive distributions paid*
2. *Average units for the three and 12 month periods ended December 31, 2017 of 373.9 million and 371.0 million, respectively (2016: 345.3 million and 345.2 million for both the three and 12 month periods)*

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

Brookfield

RECONCILIATION OF PROPORTIONATE OPERATING RESULTS TO CONSOLIDATED OPERATING RESULTS

FOR 12 MONTHS ENDED DECEMBER 31, 2017 US$ MILLIONS, UNAUDITED	Brookfield Infrastructure's Share						Contribution from investments in associates	Attributable to non-controlling interest	As per IFRS financials
	Utilities	Transport	Energy	Comm. Infrastructure	Corporate	Total			
Revenues	$ 988	$ 1,589	$ 559	$ 165	$ —	$ 3,301	$ (1,624)	$ 1,858	$ 3,535
Costs attributed to revenues	(250)	(895)	(278)	(75)	—	(1,498)	861	(872)	(1,509)
General and administrative costs	—	—	—	—	(239)	(239)	—	—	(239)
Adjusted EBITDA	738	694	281	90	(239)	1,564	(763)	986	
Other (expense) income	(14)	(4)	15	(2)	45	40	7	(108)	(61)
Interest expense	(114)	(158)	(87)	(12)	(63)	(434)	172	(166)	(428)
FFO	610	532	209	76	(257)	1,170	(584)	712	
Depreciation and amortization	(186)	(312)	(151)	(77)	—	(726)	382	(327)	(671)
Deferred taxes	(52)	(1)	11	21	14	(7)	(22)	(38)	(67)
Mark-to-market on hedging items and other	(59)	(80)	(37)	(9)	(127)	(312)	106	124	(82)
Share of earnings from associates	—	—	—	—	—	—	118	—	118
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(471)	(471)
Net income (loss) attributable to partnership[1]	$ 313	$ 139	$ 32	$ 11	$ (370)	$ 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

FOR 12 MONTHS ENDED DECEMBER 31, 2016 US$ MILLIONS, UNAUDITED	Brookfield Infrastructure's Share: Utilities	Transport	Energy	Comm. Infrastructure	Corporate	Total	Contribution from investments in associates	Attributable to non-controlling interest	As per IFRS financials
Revenues	$ 684	$ 1,247	$ 496	$ 163	$ —	$ 2,590	$ (1,311)	$ 836	$ 2,115
Costs attributed to revenues	(160)	(650)	(220)	(72)	—	(1,102)	651	(612)	(1,063)
General and administrative costs	—	—	—	—	(166)	(166)	—	—	(166)
Adjusted EBITDA	524	597	276	91	(166)	1,322	(660)	224	
Other income (expense)	5	(17)	8	(2)	84	78	16	1	95
Interest expense	(130)	(157)	(109)	(12)	(48)	(456)	190	(126)	(392)
FFO	399	423	175	77	(130)	944	(454)	99	
Depreciation and amortization	(154)	(253)	(128)	(74)	—	(609)	328	(166)	(447)
Deferred taxes	5	26	(38)	29	(17)	5	9	4	18
Mark-to-market on hedging items and other	(88)	10	81	(5)	136	134	(131)	117	120
Share of earnings from associates	—	—	—	—	—	—	248	—	248
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(54)	(54)
Net income (loss) attributable to partnership[1]	$ 162	206	$ 90	$ 27	$ (11)	$ 474	$ —	$ —	$ 474

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

FOR THREE MONTHS ENDED DECEMBER 31, 2017 US$ MILLIONS, UNAUDITED	Brookfield Infrastructure's Share								
	Utilities	Transport	Energy	Comm. Infrastructure	Corporate	Total	Contribution from investments in associates	Attributable to non-controlling interest	As per IFRS financials
Revenues	$ 273	$ 408	$ 161	$ 43	$ —	$ 885	$ (433)	$ 532	$ 984
Costs attributed to revenues	(68)	(229)	(91)	(21)	—	(409)	237	(226)	(398)
General and administrative costs	—	—	—	—	(66)	(66)	—	(1)	(67)
Adjusted EBITDA	205	179	70	22	(66)	410	(196)	305	
Other (expense) income	(5)	—	4	—	10	9	(5)	(77)	(73)
Interest expense	(28)	(40)	(18)	(3)	(17)	(106)	40	(47)	(113)
FFO	172	139	56	19	(73)	313	(161)	181	
Depreciation and amortization	(39)	(79)	(47)	(22)	—	(187)	109	(52)	(130)
Deferred taxes	(19)	(11)	12	13	12	7	(21)	(22)	(36)
Mark-to-market on hedging items and other	(26)	(13)	(11)	(6)	(6)	(62)	38	64	40
Share of earnings from associates	—	—	—	—	—	—	35	—	35
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(171)	(171)
Net income (loss) attributable to partnership[1]	$ 88	$ 36	$ 10	$ 4	$ (67)	$ 71	$ —	$ —	$ 71

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

FOR THREE MONTHS ENDED DECEMBER 31, 2016 US$ MILLIONS, UNAUDITED	Brookfield Infrastructure's Share						Contribution from investments in associates	Attributable to non-controlling interest	As per IFRS financials
	Utilities	Transport	Energy	Comm. Infrastructure	Corporate	Total			
Revenues	$ 163	$ 353	$ 131	$ 40	$ —	$ 687	$ (352)	$ 342	$ 677
Costs attributed to revenues	(38)	(197)	(57)	(16)	—	(308)	176	(264)	(396)
General and administrative costs	—	—	—	—	(44)	(44)	—	—	(44)
Adjusted EBITDA	125	156	74	24	(44)	335	(176)	78	
Other income (expense)	1	—	5	(1)	17	22	1	1	24
Interest expense	(29)	(41)	(27)	(3)	(12)	(112)	49	(35)	(98)
FFO	97	115	52	20	(39)	245	(126)	44	
Depreciation and amortization	(38)	(70)	(36)	(17)	—	(161)	91	(43)	(113)
Deferred taxes	11	4	(47)	22	(16)	(26)	24	(15)	(17)
Mark-to-market on hedging items and other	(21)	(21)	106	(1)	41	104	(95)	30	39
Share of earnings from associates	—	—	—	—	—	—	106	—	106
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(16)	(16)
Net income (loss) attributable to partnership[1]	$ 49	$ 28	$ 75	$ 24	$ (14)	$ 162	$ —	$ —	$ 162

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

	For the three months ended December 31, 2017				For the 12 months ended December 31, 2017			
	Partnership Capital		Invested Capital		Partnership Capital		Invested Capital	
US$ MILLIONS, UNAUDITED	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
Opening balance[1]	**$ 6,947**	$ 5,422	**$ 7,595**	$ 5,651	**$ 6,498**	$ 5,379	**$ 6,387**	$ 5,452
Items impacting Partnership Capital								
Net income	**71**	162	**—**	—	**125**	474	**—**	—
Other comprehensive income	**190**	335	**—**	—	**183**	509	**—**	—
Ownership changes and other	**—**	—	**—**	—	**—**	2	**—**	—
Distributions to unitholders	**(208)**	(157)	**—**	—	**(794)**	(615)	**—**	—
Items impacting Invested Capital								
Preferred units offerings	**—**	—	**—**	—	**—**	—	**220**	186
Items impacting both metrics								
Equity issuances, net	**4**	736	**4**	736	**992**	749	**992**	749
Ending balance	**$ 7,004**	$ 6,498	**$ 7,599**	$ 6,387	**$ 7,004**	$ 6,498	**$ 7,599**	$ 6,387
Weighted averaged Invested Capital			**$ 7,595**	$ 5,881			**$ 6,885**	$ 5,592

1. *Invested Capital includes cumulative opening balance differences of $648 million and $(111) million for the three and 12 month periods ended December 31, 2017, respectively (2016: $229 million and $73 million for both three and 12 month periods) 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 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**

RECONCILIATION OF PROPORTIONATE ASSETS TO CONSOLIDATED ASSETS – AS OF DECEMBER 31, 2016

	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	$4,605	$6,160	$3,032	$933	$(510)	$14,220	$(2,996)	$6,496	$3,555	$21,275

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)

Brookfield

RECONCILIATION OF CONSOLIDATED DEBT TO PROPORTIONATE DEBT

	As of	
US$ MILLIONS, UNAUDITED	**Dec 31, 2017**	Dec 31, 2016
Consolidated debt	**$ 10,164**	$ 8,236
Add: proportionate share of debt of investment in associates		
Utilities	**837**	727
Transport	**1,291**	1,083
Energy	**929**	1,146
Communications Infrastructure	**467**	410
Less: debt attributable to non-controlling interest	**(3,028)**	(2,619)
Premium on debt and cross currency swaps	**(435)**	(429)
Proportionate debt	**$ 10,225**	$ 8,554

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 40, 41 and 47, 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