Brookfield Infrastructure Partners L.P.

SUPPLEMENTAL INFORMATION *FOR THE THREE MONTHS ENDED MARCH 31, 2008*

CONTENTS

Cautionary Statement Regarding Forward-Looking Statements

This Supplemental Report to Unitholders contains forward-looking information within the meaning of Canadian provincial securities laws and other "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. These forward-looking statements include among others, statements with respect to cash flows generated by our assets, maintenance capital expenditure requirements, the increase in value of our assets over time, revenue, margin and growth expectations for our electricity transmission business, long-term return on capital expectations and anticipated margins in connection with our timber operations, increases in harvest levels and margins and the effects on adjusted net operating income and net income within our timber operations, near, and mid-to-long term factors expected to effect timber operations, our estimated future general and administrative expenses and maintenance capital expenditures, our ability to maintain sufficient financial liquidity, sustainability of distribution levels, our ability to secure third party financing and other statements with respect to our beliefs, outlooks, plans, expectations, and intentions.

The words "believe", "expect", "tend", "should", "seek", "anticipate", "intend", 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", which are predictions of or indicate future events, trends or prospects and which do not relate to historical matters, identify forward-looking statements. Although we believe that the Partnership'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 the Partnership to differ materially from anticipated future results, performance or achievement 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: economic and financial conditions in the countries in which we do business generally, and which may impact markets for timber; the behavior of financial markets, including fluctuations in interest and exchange rates as well as inflation rates; market demand for an infrastructure company, which is unknown; ability to compete for new acquisitions in the competitive infrastructure space; availability of equity and debt financing; the ability to effectively integrate acquisitions into existing operations and the ability to attain expected benefits; regulatory and political factors within the countries in which the Partnership operates; acts of God, such as earthquakes and hurricanes; the possible impact of international conflicts and other developments including terrorist acts; and other risks and factors detailed from time to time in documents filed by the Partnership with the securities regulators in Canada and the United States including the registration statement filed in connection with the distribution of the Partnership's units with the Securities and Exchange Commission 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 the Partnership or Brookfield Infrastructure, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, the Partnership 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-GAAP Accounting Measures

Although our financial results are determined in accordance with U.S. generally accepted accounting principles ("GAAP"), the basis of presentation throughout much of this report differs from GAAP in that it is organized by business unit and utilizes adjusted net operations income as an important measure. 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 in this supplemental information. Readers are encouraged to consider both measures in assessing Brookfield infrastructure's results.

Business Environment and Risks

The Partnership's and Brookfield Infrastructure's financial results are impacted by: the performance of each of our operations and various external factors influencing the specific sectors 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 factors are described in the Partnership's registration statement which is available on our web site and at *www.sec.gov/edgar.shtml.com* and *www.sedar.com.*

INTRODUCTION

Business Overview

Brookfield Infrastructure Partners L.P. (the "Partnership") was established by Brookfield Asset Management Inc. ("Brookfield") as its primary vehicle to own and operate certain infrastructure assets on a global basis. The Partnership, through its related entities, operates high quality, long-life assets that generate stable cash flows, require relatively minimal maintenance capital expenditures and, by virtue of barriers to entry and other characteristics, tend to appreciate in value over time. Its current business consists of the ownership and operation of premier electricity transmission systems and timberlands in North and South America, and it seeks acquisition opportunities in other infrastructure sectors with similar attributes.

Basis of Presentation

The Partnership's sole material asset is its 60% limited partnership interest in Brookfield Infrastructure L.P. ("Brookfield Infrastructure"), which is accounted for using the equity method. As a result, we believe the financial statements of Brookfield Infrastructure are more relevant than the Partnership's because they present the financial position and results of our underlying operations in greater detail.

Upon close of the spin-off of Brookfield Infrastructure from Brookfield through the issuance of units of the Partnership by way of special dividend to the holders of Class A and Class B limited voting shares of Brookfield on January 31, 2008, Brookfield Infrastructure owned interests in each of Transelec Chile S.A. ("Transelec" or our "Chilean transmission operations") (10.7%), Island Timberlands Limited Partnership ("Island Timberlands" or our "Canadian timber operations") (37.5%), Longview Timber Holdings Corp. ("Longview" or our "U.S. timber operations") (30%) and Transmissions Brasilerios de Companies ("TBE") (7% to 18%). On March 12, 2008, Brookfield Infrastructure acquired 100% of the transmission division of Great Lakes Power Limited (our "Ontario transmission operations").

The unaudited results that are presented in this supplemental information package reflect the financial position and results of operations of our current operations for the three-month period ended March 31, 2008, with the exception of our Ontario transmission operations which we owned from March 12, 2008 to March 31, 2008.

We will also present our results on a proforma basis to reflect for the following:

- Brookfield Infrastructure's increased investment in Transelec, which was completed on April 4, 2008, as a result of finalization of a purchase price adjustment, based upon resolution of Transelec's current transmission rate proceeding, that has increased Brookfield Infrastructure's ownership to approximately 17.8%. Brookfield Infrastructure completed this transaction with cash funded by Brookfield;
- The acquisition of 100% of our Ontario transmission operations on January 1, 2008; and
- The spin-off of Brookfield Infrastructure from Brookfield and related transactions including entry into the master services agreement with Brookfield (the "Master Services Agreement").

This supplemental information discusses Brookfield Infrastructure's proportionate share of results for its consolidated operations and equity accounted investments in order to demonstrate the impact, on a segmented basis, of key value drivers of each of these segments on Brookfield Infrastructure's overall performance. Consistent with how the business is managed, the segments are electricity transmission and timber. Each of these platforms have their own management teams responsible for their operations and investments. Certain items, such as corporate administration costs, are not included in this segmented financial information.

All figures are provided in U.S. dollars, unless otherwise noted.

Non-GAAP Financial Measure

To measure performance, we focus on net income as well as adjusted net operating income. We define adjusted net operating income ("ANOI") as net income excluding the impact of depreciation, depletion and amortization, deferred taxes and other items as discussed below. Adjusted net operating income is a measure of operating performance that is not calculated in accordance with, and does not have any standardized meaning prescribed by, U.S. generally accepted accounting principles, or U.S. GAAP. Adjusted net operating income is therefore unlikely to be comparable to similar measures presented by other issuers. Adjusted net operating income has limitations as an analytical tool:

- Adjusted net operating income does not include depreciation and amortization expense; because we own capital assets with finite lives, depreciation and amortization expense recognizes the fact that we must maintain or replace our asset base in order to preserve our revenue generating capability;
- Adjusted net operating income does not include deferred income taxes, which may become payable if we own our assets for a long period of time; and
- Adjusted net operating income does not include performance fees accrued relating to our Canadian timber operations, which

will be required to be paid in cash and which type of fee we expect to accrue in the future.

Because of these limitations, adjusted net operating income should not be considered as the sole measure of our performance and should not be considered in isolation from, or as a substitute for, analysis of our results as reported under U.S. GAAP. We compensate for these limitations by relying on our U.S. GAAP results and using adjusted net operating income only supplementally. However, adjusted net operating income is a key measure that management uses to evaluate the performance of our operations and forms the basis for our Partnership's distribution policy. When viewed with our U.S. GAAP results, we believe that adjusted net operating income provides a more complete understanding of factors and trends affecting our underlying operations. Adjusted net operating income allows our management to evaluate our businesses on the basis of cash return on net capital deployed by removing the effect of non-cash and other items. We add back depreciation and amortization to remove the implication that our assets decline in value over time since we believe that the value of most or our assets will typically increase over time provided we make all necessary maintenance expenditures. We add back depletion because we endeavor to manage our timberlands on a sustainable basis over the long term. Furthermore, changes in asset values typically do not decline on a predetermined schedule, as suggested by accounting depreciation or depletion, but instead will inevitably vary upwards and downwards based on a number of market and other conditions that cannot be determined in advance. We add back deferred income taxes because we do not believe this item reflects the present value of the actual cash tax obligations we will be required to pay, particularly if our operations are held for a long period of time. Finally, we add back a performance fee payable to Brookfield by Island Timberlands. This performance fee was calculated based upon a percentage of the increased appraised value of timber and Higher and Better Use ("HBU") land assets held by our Canadian timber operations over a threshold level. We believe it is appropriate to measure our performance excluding the impact of this accrual as we expect that over time the financial impact of this fee will be more than offset by increased income associated with the increased appraised value of these assets, which benefit is not reflected in the period in which the related fee accrues. In addition, as a result of our fee netting mechanism which is designed to eliminate any duplication of fees, any performance fees will reduce future incentive distributions that may otherwise be made to Brookfield by Brookfield Infrastructure. As this credit is reflected as a reduction in distributions to Brookfield, it would not be reflected in adjusted net operating income without adding back the performance fee.

We provide reconciliations of this non-GAAP financial measure to the most directly comparable U.S. GAAP measure, which is net income, in this supplemental information package. We urge you to review the U.S. GAAP financial measures in the supplemental financial information contained herein, and to not rely on any single financial measure to evaluate Brookfield Infrastructure.

OVERVIEW OF PERFORMANCE

In this section we review our performance and our financial position for the three months ended March 31, 2008. We also review our performance on a proforma basis as described earlier for the three months ended March 31, 2008 as compared to the three months ended March 31, 2007. Further details on our operations and financial position are contained within the review of Operating Platforms below.

Results of Operations

The following table summarizes the results of Brookfield Infrastructure for the quarter.

	As at and for the Three Months Ended March 31
MILLIONS, UNAUDITED	**2008**
Revenue	**$ 1.7**
Equity accounted earnings (losses)	**(1.4)**
Dividend income	**5.6**
Net income	**3.0**
Adjusted net operating income	**15.4**
Total assets	**1,084.6**
Non-recourse borrowings	**116.0**
Partnership capital	**$ 924.7**

Due to our levels of ownership and control, Brookfield Infrastructure's financial statements reflect a mix of consolidation accounting (Ontario transmission operations), equity accounting (Transelec, Island Timberlands, Longview) and cost accounting (TBE). For the three months ended March 31, 2008, net income was $3.0 million. Dividend income from our TBE investment was offset to a degree by losses on our equity accounted earnings, which reflected high levels of depreciation and depletion at our Chilean transmission and U.S. timber operations. The quarter also reflects a partial period of results from our Ontario transmission operations which was transferred into Brookfield Infrastructure on March 12, 2008, as well as a 10.7% ownership level of Transelec versus our current ownership level of 17.8% as of April 4, 2008.

As at March 31, 2008, Brookfield Infrastructure had $1,084.6 million in assets, $116.0 million in non-recourse borrowings at our Ontario transmission operations and $924.7 million in partnership capital.

The following table reconciles net income to adjusted net operating income. In doing so, we add back to net income the amounts recorded in respect of depreciation, depletion and amortization, deferred taxes and certain other items, as well as the minority interest related to those items such that, similar to net income, adjusted net operating income reflects Brookfield Infrastructure's ownership interest.

	Three Months Ended March 31
MILLIONS, UNAUDITED	**2008**
Net income	**$ 3.0**
Add back or deduct the following:	
Depreciation, depletion and amortization	**10.9**
Deferred taxes	**(4.4)**
Other non-cash items	**5.9**
Adjusted net operating income	**$ 15.4**

For the quarter, the difference between net income and adjusted net operating income is attributable to depreciation and depletion expense due to purchase accounting adjustments for Transelec and Longview associated with their respective acquisitions, deferred taxes due to the step up in tax basis associated with those acquisitions, as well as non-cash expenses in Transelec, primarily relating to non-cash inflation indexations on its Chilean peso denominated debt.

For the quarter, the following table presents both net income and adjusted net operating income on a segmented basis:

	Three Months Ended March 31
MILLIONS, UNAUDITED	**2008**
Net Income (loss) by segment	
Electricity transmission	**$ 6.2**
Timber	**(1.6)**
Corporate	**(1.6)**
Net income	**$ 3.0**
Adjusted net operating income by segment	
Electricity transmission	**$ 12.3**
Timber	**4.7**
Corporate	**(1.6)**
Adjusted net operating income	**$ 15.4**

Our results reflect a strong performance by our transmission segment, combined with continuing weakness in our timber segment due primarily to the impact of the softness that the U.S. housing market is having on sawlog pricing. Net income of $6.2 million from our transmission segment was partly offset by a loss of $1.6 million from our timber segment. Adjusted net operating income from our transmission segment was $12.3 million compared with $4.7 million from our timber segment.

For our proforma results, the following table presents both net income and adjusted net operating income on a segmented basis:

	Three Months Ended March 31	
MILLIONS, UNAUDITED	**2008**	2007
Net Income (loss) by segment		
Electricity transmission	**$ 9.4**	$ 8.9
Timber	**(1.6)**	(1.4)
Corporate	**(2.5)**	(2.5)
Net income	**$ 5.3**	$ 5.0
Adjusted net operating income by segment		
Electricity transmission	**$ 20.5**	$ 12.6
Timber	**4.7**	2.2
Corporate	**(2.5)**	(2.5)
Adjusted net operating income	**$ 22.7**	$ 12.3

OPERATING PLATFORMS

In this section, we review the results of our principal operating platforms.

Electricity Transmission

Our transmission segment generates stable revenue that is governed by regulated frameworks and long-term contracts. Accordingly, we expect this segment to produce consistent revenue and margins that should increase with inflation and other factors such as operational improvements. We also expect to achieve continued growth in revenues and income as we earn a return on investments of additional capital into our existing operations and through acquisitions.

The following table presents our transmission segment's proportionate share of results for the three-month period ended March 31, 2008. For TBE, which is accounted for on a cost basis, these results reflect its dividend income.

MILLIONS, UNAUDITED	**2008**
Revenue	**$ 10.9**
Costs attributed to revenues	**(1.4)**
Dividend income	**5.6**
Net operating income	**15.1**
Other income	**—**
Interest expense	**(2.7)**
Cash taxes	**(0.1)**
Adjusted net operating income	**12.3**
Depreciation and amortization	**(2.3)**
Deferred taxes and other	**(3.8)**
Net income	**$ 6.2**
Invested capital	**$ 339.6**

On a proportionate basis, our transmission segment earned $15.1 million of net operating income, $12.3 million of adjusted net operating income and $6.2 million of net income for the three months ended March 31, 2008. The quarter reflects a partial period of results from our Ontario transmission operations, which was transferred into Brookfield Infrastructure on March 12, 2008.

The following table presents the transmission segment's proforma proportionate share of results for the three-month periods ended March 31, 2008 and 2007.

MILLIONS, UNAUDITED	**2008**	2007
Revenue	**$ 24.6**	$ 18.8
Costs attributed to revenues	**(2.9)**	(3.0)
Dividend income	**5.6**	4.2
Net operating income	**27.3**	20.0
Other income	**(0.1)**	(0.1)
Interest expense	**(5.6)**	(6.1)
Cash taxes	**(1.1)**	(1.2)
Adjusted net operating income	**20.5**	12.6
Depreciation and amortization	**(4.8)**	(3.8)
Deferred taxes and other	**(6.3)**	0.1
Net income	**$ 9.4**	$ 8.9
Invested capital	**$ 527.3**	

On a proforma proportionate basis, our transmission businesses recorded strong results, earning $27.3 million in net operating income, $20.5 million of adjusted net operating income and $9.4 million in net income for the three months ended March 31, 2008, compared to $20.0 million of net operating income, $12.6 million of adjusted net operating income and $8.9 million of net income for the same period of 2007. The increase in net operating income was a result of improved results in our Chilean operations due to increased operating margins and net non-recurring revenue of $2.8 million. Adjusting for the non-recurring revenue, operating margins at our Chilean transmission operations increased to 85.0% for 2008, in comparison with 82.0% for the quarter ended March 31, 2007, primarily as a result of the impact of favorable foreign exchange rates, revenue associated with commissioning of growth capital expenditures during the period and inflation indexation of revenues. We also received greater dividends generated from our Brazilian investment, which increased by $1.4 million to $5.6 million for the quarter. Dividends from TBE are paid on a periodic basis, not necessarily quarterly. For the quarter, we also benefited from lower interest expense relative to last year as a result of a shareholder loan in our Chilean transmission operations that negatively impacted our results in the first half of 2007, which was subsequently converted into equity. Offsetting these benefits were certain non-cash expenses in our Chilean transmission operations primarily as a result of higher depreciation and amortization, as well as non-cash inflation indexations on our Chilean peso denominated debt. Depreciation and amortization increased to $4.8 million from $3.8 million in the comparable period in 2007. Maintenance capital expenditures for our transmission segment were $1.5 million and $1.6 million for the quarters ended March 31, 2008 and 2007, respectively.

Our transmission operations have a combination of regulatory and contractual frameworks, some of which are indexed by inflation. For our transmission operations with revenue indexation, increases in revenue are primarily a result of inflation and growth capital expenditures. For our remaining operations, revenue increases are primarily attributable to growth capital expenditures.

The following table breaks down our proportionate share of revenue by these categories:

	Three Months Ended March 31	
MILLIONS, UNAUDITED	**2008**	2007
Contractual revenue with indexation	**$ 7.8**	$ 6.3
Regulated revenue with indexation	**5.3**	4.2
	13.1	10.5
Other transmission revenue	**11.5**	8.3
	$ 24.6	$ 18.8

Our revenues with indexation increased by 24.8% in 2008. Of the total, $0.7 million was attributable to growth capital expenditures. The balance was a result of favorable foreign exchange rates and inflation indexation. On an annualized basis, Chilean inflation was 7.0% and U.S. inflation was 2.9% in the first quarter of 2008.

Business Developments

On April 4, 2008, Transelec increased its regulated high voltage transmission asset base by approximately $110.9 million to a total of $494.4 million as a result of a favorable rate case outcome. The terms of our stock purchase agreement required that our consortium pay a purchase price adjustment to the seller of $160.8 million, in respect of this increase. On April 4, 2008, in conjunction with the funding of this purchase price adjustment, Brookfield Infrastructure increased its ownership in its Chilean transmission operations to 17.8% from 10.7% at a cost of $111.3 million.

Following favorable movements of the Chilean peso relative to the U.S. dollar, Transelec is working on increasing the amount of its foreign currency hedge portfolio to lock in value at current foreign exchange levels.

Our TBE investment is subject to put/call agreements with third parties whereby we have the right to sell and the third parties have the right to buy our investments at a price that will yield a real, compounded annual return in Brazilian reis equal to 14.8%, after taking into account all distributions received to date. We have the right to exercise our put between September 16, 2008 and November 15, 2008. If we do so, the transaction would close after regulatory approval which we estimate would take approximately three months. For two months following the expiration of our put option, the third parties have a corresponding right to call our investment at a price calculated with the same formula.

Timber Operations

Our timber operations consist of high quality timberlands located in the coastal region of British Columbia, Canada and the Pacific Northwest region of the U.S. These timberlands are characterized by their ability to generate strong operating margins due to the premium prices that can be earned for many of their species. These operations are expected to provide attractive risk adjusted returns on capital employed over the long term.

The following table presents our timber segment's proportionate share of financial results for the three-month period ended March 31, 2008.

MILLIONS, UNAUDITED	**2008**
Revenue	**$ 31.1**
Cost attributed to revenues	**(19.9)**
Net operating income	**11.2**
Investment and other income	**0.4**
Interest expense	**(6.6)**
Cash taxes	**(0.3)**
Adjusted net operating income	**4.7**
Depreciation, depletion and amortization	**(8.6)**
Deferred taxes and other	**2.3**
Net loss	**$ (1.6)**
Invested capital	**$ 367.7**

On a proportionate basis, our timber operations generated $11.2 million of net operating income, $4.7 million of adjusted net operating income and a net loss of $1.6 million for the period ended March 31, 2008. For the quarter, our results were impacted by unfavorable conditions in the structural lumber market as a result of the slumping U.S. housing sector. However, not all products have been adversely impacted, and as a result, we shifted our product mix where possible to products whose prices have remained stronger in the current environment. Appearance grade Douglas-fir, whitewood products, cedar and pulp logs have performed relatively better than our second growth Douglas-fir logs. However, many of these products are lower margin than second growth Douglas-fir and consequently, this shift in product mix has reduced our overall margin. Additionally, we have increased our exports to the Asian market which yielded premium pricing to the North American market. In order to preserve the value of our high value timber resource, we are delaying the planned increase in our harvest volumes until demand and pricing improve.

The following table presents our timber segment's proforma proportionate share of financial results for the three-month period ended March 31, 2008 and 2007.

MILLIONS, UNAUDITED	**2008**	2007
Revenue	**$ 31.1**	$ 31.9
Cost attributed to revenues	**(19.9)**	(16.8)
Net operating income	**11.2**	15.0
Investment and other income	**0.4**	(6.2)
Interest expense	**(6.6)**	(6.9)
Cash taxes	**(0.3)**	0.3
Adjusted net operating income	**4.7**	2.2
Depreciation, depletion and amortization	**(8.6)**	(3.2)
Deferred taxes and other	**2.3**	(0.4)
Net (loss) income	**$ (1.6)**	$ (1.4)
Invested capital	**$ 367.7**	

On a proportionate proforma basis, our timber operations generated $11.2 million of net operating income, $4.7 million of adjusted net operating income and a net loss of $1.6 million for the quarter ended March 31, 2008, compared to $15.0 million of net operating income, $2.2 million of adjusted net operating income and a net loss of $1.4 million for the same quarter of 2007.

In our Canadian operations, we shifted our harvest toward cedar and other appearance grade products for which prices are, in the case of cedar, actually higher year-over-year. We also increased our exports to the Asian market to 28.6% (versus 19.0% in the comparable period last year) in response to the greater relative strength of this market. However, due to lower selling prices for commodity products and greater harvest costs for cedar and appearance grade products, a large component of which is harvested from primary growth stands, margins at our Canadian operations were 28.7% for the quarter versus 37.8% in the prior year. Additionally, due to significant snow pack, harvest levels as well as maintenance expenses were lower than the prior year which experienced very favorable weather conditions. The end result was a decrease in net operating income of approximately $3.0 million on a year-over-year basis.

In our U.S. timber operations, as a result of strong demand and pricing for pulp logs, we increased our proportion of sales of this product category. This change in mix was accomplished by shifting production to stands with a greater proportion of pulp logs and low grade sawlogs. However, while this strategy offered an opportunity to achieve reasonable sales realizations and protect long-term values, margins for these lower value products are lower than in our higher value Douglas-fir stands resulting in lower overall profitability. We also took advantage of the greater relative strength of Asian markets by increasing our exports to 27.5% (versus 14.2% in the comparable period last year). On the expense side, our U.S. timber operations also experienced non-recurring costs primarily as a result of storm related salvage operations. For the quarter, margins decreased to 40.8% versus 50.7% in the prior year. The end result was a decrease of approximately $2.0 million in net operating income on a year-over-year basis. Adjusted net operating income increased for the quarter ended March 31, 2008 relative to the prior year due to our share of a one-time advisory fee of $6.5 million paid by Longview relating to its sale to Brookfield in the second quarter of 2007.

Net loss for the quarter ended March 31, 2008 reflects a higher level of depreciation and depletion as a result of the application of purchase accounting following the close of our acquisition of Longview in April 2007. For the periods ended March 31, 2008 and 2007, depreciation, depletion and amortization were $8.6 million and $3.2 million, respectively. Maintenance capital expenditures were $0.9 million and $1.4 million for the quarters ended March 31, 2008 and 2007, respectively.

The following table summarizes our proportionate share of operating metrics for our timber operations:

	Period Ended March 31, 2008			Period Ended March 31, 2007		
MILLIONS, VOLUME IN THOUSANDS, UNAUDITED	**Harvest (m^3)**	**Sales (m^3)**	**Revenue**	Harvest (m^3)	Sales (m^3)	Revenue
Douglas-fir	**198.5**	**207.4**	**$ 17.8**	290.3	229.0	$ 21.0
Whitewood	**72.9**	**96.3**	**6.0**	95.9	90.5	5.9
Other	**65.1**	**63.4**	**7.3**	49.5	38.9	3.9
	336.5	**367.1**	**31.1**	435.7	358.4	30.8
Gain on HBU and other sales			**—**			1.1
			$ 31.1			$ 31.9

For the quarter ended March 31, 2008, Douglas-fir sales volumes decreased by 9.4% compared to the same quarter of 2007, primarily due to a reduction in Douglas-fir in our product mix. Sales volumes for whitewood and other logs increased by 23.4%, reflecting better relative market conditions for whitewood sawlogs, pulp logs and cedar.

The average realized price for Douglas-fir was down by 6% compared to the prior year as this product was most affected by softness in the structural lumber market. However, the average realized price for our other category increased by 8% due to strong pricing for pulp logs and cedar.

Our share of HBU gains and other sales were nil for the quarter ended March 31, 2008, as compared to $1.1 million for the quarter ended March 31, 2007 as a result of a delay in timing of HBU sales.

Business Developments

On April 3, 2008, Longview secured $1 billion of long-term financing from a lending syndicate. This issuance consists of three equal, fixed-rate tranches with an average term of 7.3 years and an average coupon of 5.17%, as well as a five-year $75 million floating rate note priced at LIBOR plus 160 basis points.

We have entered into an agreement with Brookfield that provides for us to acquire an additional indirect interest in Longview in the event that Brookfield contributes its remaining interest in Longview to a timberlands focused partnership with institutional investors. The agreement provides that we will participate in any such partnership through a combined commitment of up to $600 million provided that (i) third-party institutional investors commit at least $400 million; (ii) the transfer of Longview is at a price equal to the appraised value of the timberlands and real estate plus working capital; and (iii) the transaction is completed within 18 months of December 2007. Our agreement is also subject to a financing condition in our favor.

Outlook

We believe operating results for the timber segment will consistently improve over the long term, however, they are highly dependent on harvest levels and log prices.

Although it is difficult to predict the impact of variances in these factors, we believe that we will achieve increases in adjusted net operating income and net income from this segment of our business for the following two reasons:

1) Increase in harvest levels. Production levels in the first quarter of 2008 in our Canadian operations were 8% below planned levels, due to unfavorable weather conditions. We expect production levels to return to planned levels going forward. As a result of a substantial surplus of merchantable, standing inventory in our U.S. operations, we expect to increase harvest levels by approximately 40% relative to historical harvest levels and sustain this higher level for a period of 10 years before returning to a long-run sustainable yield of approximately 10% above current levels. In order to capture the full value of this inventory, this increase in harvest will be staged in as market conditions improve. We currently anticipate operating at harvest plan commencing during 2009.
2) Increased margins. As our product mix evolves over time to a greater percentage of secondary harvest relative to primary harvest in our Canadian operations, we expect our margins to increase due to the lower harvesting costs of this product.

In the near term, we expect that the softness in the U.S. housing market, exacerbated by extreme dislocations in the mortgage financing market, will result in continued reduction in demand from sawmills that produce structural lumber for the housing market, putting downward pressure on sawlog prices. Over the mid-to-long term, we expect that our timber operations will be positively impacted by a number of fundamental factors affecting the supply of timber in the markets that we serve, namely (i) the western Canadian mountain pine beetle infestation which is having a significant impact on the supply of Canadian timber from the interior of British Columbia and Alberta; (ii) Russian timber supply to the Asian markets, which is expected to be constrained as a result of Russia's newly implemented log export restrictions; and (iii) timberlands that are continuing to be withdrawn for conservation and alternate uses.

CAPITAL RESOURCES AND LIQUIDITY

Expenses

We estimate that our general and administrative costs related to Brookfield Infrastructure will be approximately $4 million per annum on a going-forward basis. Prospectively, any base fees and/or performance fees paid by our operations to Brookfield will be netted against the base fees and/or incentive distributions payable to Brookfield under the Master Services Agreement and other arrangements in order to avoid double payment of fees.

Capital Expenditures

Maintenance capital expenditures are expenditures that are required to maintain the current revenue generating capability of our asset base; these expenditures do not increase our revenues. Growth capital investments are investments on which we expect to earn additional revenues; as these investments are typically discretionary, we invest this capital if we believe we can earn attractive risk-adjusted returns.

For the quarter ended March 31, 2008, Brookfield Infrastructure's share of maintenance capital expenditures was $2.3 million compared to $2.7 million for the same period in 2007. For the quarter ended March 31, 2008, approximately $1.4 million of maintenance capital expenditures were related to our transmission segment and approximately $0.9 million of maintenance capital expenditures were related to our timber segment.

For the quarter ended March 31, 2008, our share of growth capital investments (based on 17.8% ownership of our Chilean operations) was $1.0 million, comprised almost exclusively of regulated transmission projects, which increased our regulated asset base and accordingly should result in additional adjusted net operating income, compared to $0.2 million in 2006.

Based on our current operations, we expect our share of maintenance capital expenditures will be approximately $15 million per year.

Capital Resources and Liquidity

The nature of our asset base and the quality of associated cash flows enable us to maintain a stable and low cost capitalization. We attempt to maintain sufficient financial liquidity at all times so that we are able to participate in attractive opportunities as they arise, better withstand sudden adverse changes in economic circumstances and maintain a relatively high distribution of our adjusted net operating income to unitholders.

Our principal sources of liquidity are undrawn credit and equity facilities, cash flow from our operations and access to public and private capital markets. We also structure the ownership of our assets to enhance our ability to monetize them to provide additional liquidity if necessary. At March 31, 2008, we had approximately $118.0 million of cash for working capital purposes and to fund our increased ownership in Transelec. Furthermore, we have signed non-binding commitment letters with a number of banks to provide a credit facility of $440 million, and Brookfield has provided Brookfield Infrastructure with an equity commitment in the amount of $200 million. The equity commitment may be called by the Partnership and/or Brookfield Infrastructure in exchange for the issuance of a number of units of the Partnership or of Brookfield Infrastructure, as the case may be, to Brookfield, corresponding to the amount of the equity commitment called divided by the five day, volume-weighted average trading price for the Partnership's units. This liquidity will be used for general corporate working capital purposes as well as to fund growth capital investments and acquisitions.

Adjusted net operating income represents the funds that are available to pay distributions to unitholders and fund maintenance capital expenditures. Our Managing General Partner has adopted a distribution policy for our partnership pursuant to which our partnership will make quarterly cash distributions in an initial amount of $0.265 per unit. This distribution policy targets a distribution level that is sustainable on a long-term basis while retaining sufficient liquidity for capital expenditures within our current operations and general purposes. We believe that a distribution of 60% to 70% of adjusted net operating income will allow us to meet these objectives. From time-to-time our distributions may exceed these percentages as a result of acquisitions that are attractive on a long-term cash flow and/or total return basis but are not immediately accretive to adjusted net operating income.