Brookfield Infrastructure Partners L.P.

SUPPLEMENTAL INFORMATION *FOR THE YEAR ENDED DECEMBER 31, 2009*

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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 “believe,” “expect,” “tend,” “seeks,” “should,” “anticipate,” “intend,” “objective,” “sustain,” “enable”, “endeavour,” “estimate,” “likely,” “typically,” ”stable,” “enhance,” “attempt,” “strategy,” “pursue,” “strive,”,“vision,” “positions,” 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,” 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 the appreciation of our assets over time, revenue, margin and growth expectations for our electricity transmission business, Transelec’s capital expenditure backlog, ability to refinance Transelec’s capital expenditure credit facility, completion of Transelec’s Chilean bond issuance, our participation in the Texas CREZ transmission project awarded to Brookfield, return on capital expectations and anticipated margins in connection with our timber operations, timing of increases in timber prices, reduction of our timber harvest levels and the effects thereof, our future timber harvest levels, timber prices at which we will increase harvest levels, future operating results in our timber segment, 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 affect timber operations, future growth and prospects of the Public Private Partnership (PPP) market and our ability to successfully build our operations in this area, expected construction completion date for our Peterborough Hospital PPP asset, our estimated future general and administrative expenses and maintenance capital expenditures, our ability to maintain sufficient financial liquidity, sustainability of distribution levels, statements with respect to future acquisitions, our ability to draw down funds under our bank credit facility, our ability to secure financing through the issuance of equity or debt ability to deploy capital in accretive investments, expansions of existing operations, ability to maintain credit ratings, ability to drive operating efficiencies, ability to mange regulatory process, optimization of production and sales and other statements with respect to our beliefs, outlooks, plans, expectations and intentions.

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: general economic and financial conditions in the countries in which we do business generally which may impact market demand, we do not have a controlling interest in Prime, foreign currency risk, the high level of government regulation affecting our businesses, the outcome and timing of various regulatory and contractual issues, global credit and financial markets, the competitive business environment in our timber business, the competitive market for acquisitions and other growth opportunities, availability of equity and debt financing, acts of God or similar events outside of our control, 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 Partnership’ 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 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 operating income (ANOI) 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 to net income 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 various factors, including 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 and other factors are described in the Partnership’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.com* and *www.sedar.com.*

SUPPLEMENTAL INFORMATION *FOR THE YEAR ENDED DECEMBER 31, 2009*

INTRODUCTION

This supplemental information should be read in conjunction with Brookfield Infrastructure Partners L.P.'s (the Partnership) most recently issued Form 20-F. Additional information, including the Partnership's Form 20-F is available on the Partnership's website at www.brookfieldinfrastructure.com, on SEDAR's website at www.sedar.com and on EDGAR's website at www.edgar.com.

Business Overview

The Partnership was established by Brookfield Asset Management Inc. (Brookfield) as its primary listed 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 utilities and energy, transportation and timber assets in North and South America, Australasia, and Europe.

Our vision is to be a leading owner and operator of high quality infrastructure assets that produce an attractive risk-adjusted total return for our unitholders. We will seek to leverage Brookfield's best-in-class operating platforms to invest in targeted assets and actively manage them to extract additional value following acquisition close. An integral part of our strategy is to participate with institutional investors in Brookfield sponsored consortiums for single asset acquisitions and as a partner in or alongside Brookfield sponsored partnerships that target acquisitions that suit our profile. We will focus on consortiums and partnerships where Brookfield has sufficient influence or control to deploy our operations oriented approach. Brookfield has a strong track record of leading such transactions and actively managing underlying assets to improve performance.

Performance Targets and Key Measures

Our objective is to earn a total return of 11% to 15% per annum from the infrastructure assets that we acquire, including our current operations, when measured over the long-term. This return will be generated from our initial adjusted net operating income plus growth in adjusted net operating income and asset values. We endeavor to manage our operations to generate increasing adjusted net operating income per unit over a very long period of time. If we are successful in doing so, we will be able to increase distributions to unitholders. Furthermore, the increase in our adjusted net operating income should result in capital appreciation of our operations. However, we recognize that a certain amount of the capital appreciation of our operations may not be reflected in our financial results for many years, if ever, until a realization event. Thus, our key performance measure is cash yield, defined as adjusted net operating income divided by invested capital, which measures how effectively we deploy our capital. We also measure the growth of adjusted net operating income per unit.

Although these are our long-term objectives, we cannot assure you that we will achieve them in any particular reporting period or year. Furthermore, we intend to pursue acquisitions that we believe are attractive on a long-term cash flow or total return basis, but may not be accretive on a short-term cash flow basis. Such acquisitions may adversely impact our adjusted net operating income per unit on a near-term basis following the acquisition.

Basis of Presentation

The Partnership's sole material asset is its 59% 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. Brookfield and its affiliates own the remaining 41% of Brookfield Infrastructure, which through a redemption exchange mechanism can be converted into an equivalent interest in the Partnership.

The unaudited results that are presented in this supplemental information reflect the financial position and results of Brookfield Infrastructure's operations for the year ended December 31, 2009.

For each of its business segments – utilities and energy, transportation and timber – 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 of key value drivers of each of these segments on Brookfield Infrastructure's overall performance.

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

OUR OPERATIONS

At December 31, 2009 our utilities and energy segment was comprised of premier assets such as Transelec, Natural Gas Pipeline Company of America (NGPL), Powerco, International Energy Group (IEG), Ontario Transmission and the Tasmania Gas Network (TGN). Our transportation segment is comprised of high quality businesses such as the Dalrymple Bay Coal Terminal (DBCT), WestNet Rail, PD Ports and Euroports. Finally, our timber segment is comprised of Longview and Island Timberlands, some of the highest quality timberlands in North America. Overall, over 70% of our net operating income is supported by regulated or contractual frameworks.

Our approximate ownership interests in underlying operations are as follows:

		Brookfield Infrastructure's Interest As at December 31	
Ownership Interests	**Location**	**2009**	2008
Utilities and Energy			
Transelec	Chile	**18%**	18%
NGPL	U.S.	**11%**[1]	—
Powerco	New Zealand	**17%**[1]	—
Ontario Transmission	Canada	**100%**	100%
IEG	Europe	**40%**[1]	—
TGN	Australia	**40%**[1]	—
TBE	Brazil	**—**	7-18%
Transportation			
DBCT	Australia	**50%**[2,3]	—
WestNet Rail	Australia	**40%**[1]	—
PD Ports	UK	**55%**[2,3]	—
Euroports	Europe and China	**24%**[1]	—
Timber			
Longview	U.S.	**30%**[3]	30%[3]
Island Timberlands	Canada	**38%**	38%

1 *Through its 39.9% interest in Prime which holds a 26.4% interest in NGPL, 42.0% in Powerco, 50.1% in DBCT, 60.0% in Euroports and 100% in each of IEG, TGN and WestNet Rail.*
2 *Through its 39.9% interest in Prime and its 29.0% direct investment in DBCT.*
3 *A portion of our direct interest is held through a Brookfield sponsored private fund.*

In addition, we have an interest in three public private partnerships ("PPP"): a 30% interest in Peterborough Hospital in the UK and a 50% interest in each of Long Bay Forensic and Prison Hospitals and Royal Melbourne Showgrounds in Australia. The results of these PPP investments are included in the Corporate and Other section.

ACQUISITIONS AND DIVESTITURES

On November 20, 2009, we invested $941.0 million to acquire a 40% interest in Prime Infrastructure ("Prime") and direct interests in two assets from Prime: DBCT and PD Ports. The acquisition was funded with the proceeds from an approximate $940 million issuance of partnership units. See the Partnership Capital section of this supplemental information for further information regarding the issuance of units.

Our investment in Prime was part of a comprehensive recapitalization in which Prime raised over $1.6 billion from Brookfield Infrastructure, Brookfield, and other investors to repay debt. Following the recapitalization Prime's proportional debt leverage decreased from 98% to approximately 68%.

The following table outlines sources and uses of cash for our participation in the recapitalization of Prime:

		As at November 20
		2009
Cash	**$**	**941.0**
Comprised of:		
Investment in Prime	**$**	**666.4**[1]
Investment in PD Ports		**102.9**[2]
Investment in DBCT		**165.7**[2]
Transaction costs		**6.0**
Total	**$**	**941.0**

1 See the Our Operations section of this supplemental information for a summary of the businesses Prime owns following its recapitalization.
2 A portion of our direct investment is held through a Brookfield sponsored private fund.

On December 31, 2009, the Brookfield sponsored infrastructure partnership, through which a portion of our interest in PD Ports is held, admitted a new limited partner resulting in the reduction of our ownership interest in this asset. In conjunction with the transaction, we received $9.5 million, representing the original cost of the investment plus a notional interest charge.

On June 30, 2009, we completed the sale of our minority interest in TBE for after-tax proceeds of $275 million, including proceeds from foreign exchange currency hedges. The sale resulted in the recognition of a $68.2 million after-tax gain over book value. A portion of the proceeds was used to repay corporate borrowings in full, with the balance available to fund growth capital investments and acquisitions, as well as for general corporate working capital purposes.

On February 3, 2009, we completed the acquisition from Brookfield of a 50% interest in the Royal Melbourne Showgrounds PPP project for a purchase price of $3.0 million.

On December 5, 2008, we acquired from Brookfield a 30% interest in the Peterborough Hospital and a 50% interest in the Long Bay Forensic and Prison Hospitals PPP projects for a purchase price of $12.3 million.

On November 4, 2008, we invested $102.8 million directly and indirectly (through the Brookfield Global Timber Fund) into Longview to maintain our interest at the 30% level. The proceeds were used to partially fund the add-on acquisition of a 67,661 acre tree farm in Washington State for $163 million and repay Longview's outstanding bridge loan whose principal amount was approximately $250 million.

On April 3, 2008, we acquired an additional 7.1% interest in Transelec for $134.9 million, increasing our total ownership interest to 17.8%.

Subsequent Events

On January 28, 2010, subsequent to period end, the Brookfield sponsored infrastructure partnership, through which a portion of our interests in DBCT and PD Ports is held, admitted a new limited partner resulting in the reduction in our ownership interest in these assets. In addition, we sold a 1.4% interest in DBCT to the new limited partner. In conjunction with the transaction, we received proceeds of $21.5 million, representing the original cost of these investments plus a notional interest charge. As a result, our interests in DBCT and PD Ports were reduced to 46% and 51%, respectively. If the Brookfield sponsored infrastructure partnership is successful in reaching its fund raising target range, we would receive additional proceeds of approximately $11.3 million and our interests in DBCT and PD Ports would be reduced to approximately 44% and 48%, respectively.

OVERVIEW OF PERFORMANCE

In this section we review our performance and our financial position for the year ended December 31, 2009. Further details on our operations and financial position are contained within the review of Operating Platforms.

To measure performance, we focus on net income as well as adjusted net operating income or ANOI. We define adjusted net operating income as net income excluding the impact of depreciation, depletion and amortization, deferred taxes and other items as detailed in the reconciliation shown under the Reconciliation Of Non-GAAP Financial Measures section of this supplemental information. 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 (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. See the Reconciliation Of Non-GAAP Financial Measures section for a more fulsome discussion, including a reconciliation to the most directly comparable GAAP measure.

Results of Operations

The following table summarizes the financial results of Brookfield Infrastructure.

MILLIONS, EXCEPT PER UNIT INFORMATION, UNAUDITED	**For the Years Ended December 31**	
Income Statement Key Metrics	**2009**	2008
Revenues	**$ 29.8**	$ 32.9
Gross margin	**14.8**	17.9
Earnings from equity accounted investments	**(10.4)**	25.2
Dividend income	**3.5**	14.3
Gain on sale of investment (after tax)	**68.2**	—
Selling, general and administrative expenses	**(16.6)**	(14.0)
Interest expense – corporate borrowings	**(7.7)**	(5.6)
Interest expense – non-recourse borrowings	**(6.9)**	(7.3)
Net income[1]	**47.8**	28.0
Per unit net income[1, 2]	**1.00**	0.72
ANOI[1]	**117.4**	59.7
Per unit ANOI[1, 2]	**2.46**	1.54

MILLIONS, UNAUDITED	**As at December 31**	
Balance Sheet Key Metrics	**2009**	2008
Cash and cash equivalents	**$ 58.3**	$ 9.2
Total assets	**1,962.9**	1,174.3
Partnership capital[3]	**1,799.5**	899.9
Corporate borrowings	**—**	139.5
Non-recourse borrowings	**$ 114.0**	$ 97.6

1 *Includes a $68.2 million after-tax gain recognized on sale of TBE ($1.43 per unit).*
2 *Per unit net income for Brookfield Infrastructure is equivalent to per unit net income for the Partnership as Brookfield Infrastructure units are exchangeable into Partnership units on a one-for-one basis.*
3 *Includes redeemable partnership units as they can be converted to an equivalent interest in partnership units through a redemption exchange mechanism.*

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, DBCT, PD Ports, Island Timberlands, Longview, PPP assets and Prime, which includes NGPL, Powerco, IEG, TGN, DBCT, WestNet Rail and Euroports); and cost accounting (TBE).

For the year ended December 31, 2009, we recorded net income of $47.8 million, compared to $28.0 million in the comparable period of 2008. This increase in net income is attributable mainly to the $68.2 million after-tax gain recognized on the sale of TBE and $17.6 million from six weeks of contribution from our newly acquired assets. These increases were partially offset by the following:

- A decrease in earnings from equity accounted investments of $53.2 million (excluding earnings from newly acquired assets), primarily as a result of further deterioration of log prices due to the weak U.S. housing market and lower net income from Transelec as several non-cash items more than offset the higher ANOI recorded in the business, primarily mark-to-market losses on derivative contracts and to a lesser extent increased depreciation expense;
- A decrease in dividend income of $10.8 million due to the sale of TBE in June 2009;
- An increase of $2.6 million in selling, general and administrative expenses as a result of costs associated with the acquisition of Prime and the direct interest in DBCT and PD Ports;
- A decrease in gross margin of $3.1 million from our Ontario transmission operations, primary due to the impact of foreign exchange as well as lower system loads which resulted in lower revenue levels;
- An increase in interest expense of $1.7 million due to increased borrowings under our corporate credit facility.

As at December 31, 2009, Brookfield Infrastructure had $1,962.9 million in assets and $1,799.5 million in Partnership capital. The increase in assets and partnership capital is primarily a result of the November 20, 2009 investment in Prime and the direct interests in DBCT and PD Ports which were funded with an equity issuance. There were no corporate borrowings at period end. The corporate credit facility was repaid in full on July 3, 2009 with proceeds from the TBE sale. In addition, our consolidated balance sheet at December 31, 2009 reflects $114.0 million in non-recourse borrowings at our Ontario Transmission operations. Please refer to the Acquisitions and Divestitures section of this supplemental information for further information regarding the investment in Prime and the TBE sale.

The following table presents select income statement and balance sheet metrics by segment on a proportionate basis:

	Years Ended December 31	
MILLIONS, UNAUDITED	**2009**	2008
Net income by segment		
Utilities and Energy	**$ 76.2**[1]	$ 39.9
Transportation	**(5.9)**	—
Timber	**(26.0)**	6.7
Corporate and other	**3.5**	(18.6)
Net (loss) income	**$ 47.8**	$ 28.0
ANOI by segment		
Utilities and Energy	**$ 127.5**[1]	$ 64.0
Transportation	**13.8**	—
Timber	**(2.6)**	12.8
Corporate and other	**(21.3)**	(17.1)
ANOI	**$ 117.4**	$ 59.7
Total assets by segment		
Utilities and Energy	**$ 1,756.3**	$ 836.0
Transportation	**1,916.2**	—
Timber	**937.1**	956.2
Corporate and other	**132.4**	66.5
Total assets	**$ 4,742.0**	$ 1,858.7
Debt by segment		
Utilities and Energy	**$ 1,048.6**	$ 344.5
Transportation	**1,366.1**	—
Timber	**474.8**	474.8
Corporate and other	**53.0**	139.5
Total debt	**$ 2,942.5**	$ 958.8
Partnership capital by segment		
Utilities and Energy	**$ 707.7**	$ 491.5
Transportation	**550.1**	—
Timber	**462.3**	481.4
Corporate and other	**79.4**	(73.0)
Total partnership capital	**$ 1,799.5**	$ 899.9

1 Includes a $68.2 million after-tax gain recognized on the sale of TBE.

Changes in net income and ANOI for each segment, as presented above, are discussed in the following Operating Platforms section.

OPERATING PLATFORMS

In this section, we review the operating results of our principal operating platforms; utilities and energy, transportation and timber.

Utilities and Energy Operations

Our utilities and energy segment generates stable revenue that is generally 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 growth in revenues and income as we earn a return on the investment of additional capital in our existing operations.

Our utilities and energy segment is comprised of the following businesses:

Transelec: The largest electricity transmission system in Chile with approximately 8,200 km of transmission lines. Transelec owns 100% of the highest voltage transmission lines in the country and is responsible for transmitting electricity to 98% of the population.

NGPL: One of the largest natural gas transmission pipeline and storage systems in the United States, with over 15,500 km of pipeline and approximately 270 billion cubic feet of storage capacity. NGPL provides transportation and storage to approximately 60% of the Chicago and the Northern Indiana natural gas markets.

Powerco: New Zealand's second largest provider of regulated electricity and gas distribution services, with over 410,000 connections. Powerco accounts for approximately 40% of the gas and approximately 16% of the electricity connections throughout New Zealand.

IEG: The second largest independent provider of "last-mile" gas and electricity connection services in the UK and the sole provider of natural gas and liquid propane gas in the Channel Islands and the Isle of Man.

Ontario Transmission: An electricity transmission provider in the province of Ontario. Ontario Transmission has approximately 550 km of transmission lines that connect generators located in Northern Ontario to regions of high electricity demand in Southern Ontario.

TGN: The sole provider of gas distribution services in Tasmania, Australia. TGN owns approximately 730 km of distribution pipeline and services approximately 6,500 customers throughout Tasmania.

The following table presents our utilities and energy segment's proportionate share of financial results. As it is accounted for on a cost basis, TBE's results prior to its sale in June 2009 are reflected as dividend income.

	Years Ended December 31	
MILLIONS, UNAUDITED	**2009**	2008
Revenue	**$ 116.2**	$ 86.4
Costs attributed to revenues	**(32.6)**	(15.8)
Dividend income	**3.5**	14.3
Net operating income	**87.1**	84.9
Other income	**1.9**	1.6
Gain on sale of investment (after-tax)[1]	**68.2**	—
Interest expense[2]	**(27.3)**	(21.1)
Cash taxes	**(2.4)**	(1.4)
Adjusted net operating income (ANOI)	**127.5**	64.0
Depreciation and amortization	**(22.3)**	(17.6)
Premium on refinancing	**(2.8)**	—
Unrealized losses on derivative instruments	**(23.1)**	(2.9)
Deferred taxes and other items	**(3.1)**	(3.6)
Net income	**$ 76.2**	$ 39.9

1 Gain on sale of TBE, net of cash taxes paid – please refer to Acquisitions and Divestitures section of this supplemental information for more details.
2 Excludes non-cash components of interest expense which are included in the line item unrealized losses on derivative instruments and other.

For the year ended December 31, 2009, our utility and energy segment posted an increase in ANOI of 35%, excluding the impact of TBE which was sold in June 2009, and non-recurring revenues recorded in Transelec in 2008. The increase is attributable to strong performance by Transelec and six weeks of contribution from the Prime acquisition, offset to a degree by Ontario Transmission.

For the year ended December 31, 2009 Transelec's net operating income and ANOI were $48.1 million and $35.6 million, respectively, compared with $45.0 million and $32.9 million for the prior year. Transelec's results in 2008 reflected non-recurring revenues of $8.5 million as a result of retroactive application of the 2006 trunk transmission study, and our increased ownership interest from 10.7% to 17.8% in the first quarter of 2008. Adjusting for non-recurring revenue and the change in ownership, Transelec's net operating income and ANOI increased by 32% and 46% respectively, relative to the prior year, primarily as a result of the rate increases provided for in the 2006 trunk transmission study, indexation of revenues resulting from inflation and foreign exchange movements and the benefit of growth capital expenditures. After adjusting for non-recurring revenues in the prior year, operating margins at our Chilean transmission operations were 81% compared to 82% in the prior year.

For the year ended December 31, 2009, Ontario Transmission's net operating income and ANOI were $22.2 million and $14.8 million, respectively, compared with $25.6 million and $16.8 million in the prior year. The decline in NOI was largely due to a weakening of the Canadian dollar, and to a lesser extent, a decline in revenues as a result of lower demand in Ontario.

Our newly acquired utilities and energy assets generated NOI and ANOI of $13.3 million and $5.4 million, respectively, for the six weeks following the acquisition.

Dividends received from our TBE investment in 2009 were $3.5 million for the year compared to $14.3 million in 2008. Dividends from TBE were lower as a result of the sale of TBE in the second quarter of 2009, which resulted in a $68.2 million after-tax gain.

Non-cash expenses are primarily comprised of depreciation and amortization, non-cash inflation indexations on our Chilean peso denominated debt, unrealized mark-to-market losses on derivative contracts, which are part of our currency hedging program, as well as a premium on the refinancing of a portion of Transelec debt. Depreciation and amortization totalled to $22.3 million in 2009, an increase from $17.6 million in 2008, as a result of incremental depreciation booked in conjunction with the expansion of our regulated asset base. Our mark-to-market losses on derivative contracts were $23.1 million for the year compared to $2.9 million in 2008. Non cash inflation indexation was $1.0 million in 2009 compared to $12.9 million in 2008, due to a decline in Chilean inflation.

Our utility and energy operations have a combination of regulatory and contractual frameworks, some of which are indexed. For our utility and energy operations with revenue indexation, increases in revenue are primarily a result of inflation, changes in foreign exchange rates and growth capital expenditures. For our remaining operations, revenue increases are primarily attributable to growth capital expenditures. Growth and maintenance capital expenditures are discussed in the Capital Expenditures section of this supplemental information.

The following table profiles our proportionate share of revenue by type:

	Years Ended December 31	
MILLIONS, UNAUDITED	**2009**	2008
Contractual revenue with indexation	**$ 28.6**	$ 27.3
Regulated revenue with indexation	**20.7**	25.4
	49.3	52.7
Other utilities and energy revenue	**66.9**	33.7
	$ 116.2	$ 86.4

Adjusting for non-recurring revenues of $8.5 million recorded in 2008, our proportionate share of revenues with indexation increased by $5.1 million or 12% in 2009 over 2008, due primarily to: inflation indexation, which contributed $3.0 million of this increase; increased rates due to the recent trunk and sub-transmission rate review, which contributed $2.5 million; and growth capital expenditures, which contributed $1.0 million. These increases were offset by a $1.4 million decline related to foreign exchange. For 2009, all of the revenues from the newly acquired Prime businesses were included in the other revenue category. Prime's revenues include regulated, contractual and other revenues, a portion of which is indexed.

Business Development and Outlook – Utilities and Energy

Following our investment in Prime, the United States Energy Regulatory Commission (FERC) announced in November of 2009 a review of rates charged by NGPL and two other natural gas pipeline companies. In its complaint, FERC alleges that NGPL is earning a return on equity that is in excess of a reasonable level and that it is over recovering on fuel gas. We believe the FERC proceeding will likely be resolved in the next twelve months; however, at this time we cannot estimate the impact. In our Ontario Transmission and Powerco businesses, we also have regular rate reviews pending that we believe will be resolved in 2010 or 2011. In Ontario, the regulator has acknowledged that the current ROE formula does not provide a reasonable rate of return for regulated utilities and is supportive of changing the ROE formula. We anticipate that this will result in an increase in our ROE by 150 bps to 175 bps in our pending rate case. For Powerco, the regulator establishes a rate by which revenues are escalated equal to CPI less an X-factor. In a preliminary ruling, the regulator has indicated an X-factor of 0%, resulting in a rate equal to CPI. We expect that within the next 12 to 18 months, the regulator will also decide on other elements of the allowed revenue.

Within our existing utilities and energy operations we have numerous opportunities to expand and upgrade our networks. The competitive positions of our networks allow us to invest capital at attractive returns. In particular, we see substantial opportunities to invest capital in Transelec and IEG to finance growth. In addition, we are in the early stages of evaluating several large-scale development projects in our Ontario Transmission operations that total approximately $1 billion. We believe that we are well positioned to win these projects; however we will only move forward if we can earn sufficient returns on our capital.

For 2009, Transelec's growth capital expenditures (100% basis) were $139 million compared to $71 million in 2008. As a result of $122 million of new projects that were booked during the year, Transelec's capital expenditure backlog (projects that have been awarded to Transelec for which expenditures have not yet been made) was approximately $215 million at December 31, 2009, compared with $240 million at the end of 2008. In order to partially finance its growth plan, Transelec has executed a capital expenditure credit facility of approximately $130 million. The objective is to draw the facility to fund a portion of capital expenditures and to refinance the facility over time through the issuance of long-term debt, maintaining Transelec's investment grade rating.

On June 30, 2009, we completed the sale of our minority interest in TBE for after-tax proceeds of $275 million. Please refer to the Acquisitions and Divestiture section of this supplemental information for further details regarding the TBE sale.

In January 2009, Brookfield and its partner Isolux, through their joint venture company Wind Energy Texas Transmission (WETT), were awarded the right to build $500 million of transmission lines in Texas to facilitate delivery of wind power to population centers as part of the Texas Competitive Renewable Energy Zones (CREZ) program. We anticipate commercial operation of the project in the beginning of 2013, at which time WETT will be a licensed transmission utility in the state. In the third quarter of 2009, Brookfield contributed its interest in WETT to a Brookfield sponsored infrastructure partnership in which we own an interest. We anticipate that our ownership will ultimately be approximately 15% of this project.

In August of 2009, Transelec completed a refinancing of approximately $220 million of its $465 million senior notes due April 2011. These U.S. dollar denominated bonds were refinanced with an issue in the local Chilean market at a rate of approximately 275 bps lower than the existing notes. 2009 results include a premium on refinancing which represents the accounting loss booked in conjunction with the tender.

In December of 2009, Transelec issued $120 million of bonds in the local Chilean market to fund the exercise of a call option on an existing series of bonds. The refinancing will result in approximately $2 million a year of cash interest savings (100% basis.)

Transportation Operations

Our transportation operation is a global platform that handles over 210 million tonnes of cargo per year. Our transportation platform is expected to benefit from increases in the global movement of goods. We also expect to achieve continued growth in revenues and income as we earn a return on the investment of capital into our existing operations.

Our transportation segment is comprised of the following businesses:

DBCT: One of the world's largest coal terminals, accounting for 8% of global seaborne coal exports and 20% of global seaborne metallurgical coal exports. DBCT provides access to the export market for the Bowen Basin in Queensland, Australia, which is one of the lowest cost sources of coal in the world.

WestNet Rail: Leases and operates a network of approximately 5,100 km of track and related infrastructure in Southwestern Australia. WestNet Rail provides exclusive rail access to market for minerals and grain businesses that underpin Western Australia's economy.

PD Ports: The third-largest port operator in the UK by volume. PD Ports is a landlord port with over 2,000 acres of land, and it operates as the statutory harbour authority out of the Port of Tees and Hartlepool in northern UK.

Euroports: Owns a portfolio of seven port concession businesses in key strategic locations throughout Europe and in China, handling over 70 million tonnes per annum ("mtpa").

The following table presents our transportation segment's proportionate share of financial results.

	Years Ended December 31	
MILLIONS, UNAUDITED	**2009**	2008
Revenues	**$ 57.4**	$ —
Cost attributed to revenues	**(30.9)**	—
Net operating income	**26.5**	—
Other expense	**(1.6)**	—
Interest expense	**(11.1)**	—
ANOI	**13.8**	—
Depreciation, depletion and amortization	**(5.0)**	—
Foreign exchange translation losses	**(13.9)**	—
Deferred taxes and other items	**(0.8)**	—
Net income	**$ (5.9)**	$ —

The results of our transportation segment, which represent six weeks of operations following the completion of the acquisition of our interests in Prime, DBCT and PD Ports on November 20, 2009, were in line with expectations.

Business Development and Outlook – Transportation

Our UK and European ports should continue to grow as our customers seek to maximize the seaborne movement of their cargo for delivery to distribution centers near large population areas. Seaborne transportation is less costly and more efficient compared to other modes of transportation in Europe given poor rail access, heavily congested roads and increasing costs of fuels. In addition, through the reduction of road miles traveled, our customers have been able to reduce their carbon footprint, an area receiving increasing attention from local and federal governments. Our portfolio of ports are strategically located near large population catchment areas and/or distribution centers which allow our customers to maximize these supply chain objectives.

In December 2009, one of PD Ports' major customers commenced the closure of a portion of its steel mill which was announced and planned for prior to our acquisition. As a result of the steel mill's longer than expected ramp-down, PD Ports generated greater cash flow from this customer than we had anticipated. This past year, PD Ports' efforts were redirected towards reducing and reallocating staff to focus on its container business, which posted a 20% volume increase during calendar year 2009.

PD Ports has been successful over the past few years in attracting leading UK retailers to locate their primary distribution facilities on land at the port. By locating at PD Ports, they were able to improve their logistics supply management chain and reduce the number of road miles that their goods had to travel to reach their customers in Northern England. Going forward, we will focus our efforts on driving additional revenue from our significant land base at the port by attracting other retailers and supply management firms to locate at the port. Our location is attractive due to the proximity to a large catchment area and the physical attributes of the port.

DBCT has been working with the users of the terminal for the past several months in preparing a consensual draft access undertaking to be filed later this month with the Queensland Competition Authority. By year end 2010 we anticipate receiving a final access undertaking and it is our expectation that the final access undertaking, which will be in effect for the next five years, will largely reflect the terms of the joint submission.

Within our transportation operation we have numerous opportunities to expand and upgrade our existing networks. Our competitive positions allows us to invest capital at attractive returns to fund customer initiated growth projects. We are particularly excited about the growth potential at DBCT and WestNet Rail.

> *The Dalrymple Bay Coal Terminal* is one of the world's largest coal export facilities. Situated on the northeast coast of Australia, this terminal serves as the critical link in the export of metallurgical coal from the Bowen Basin, which is one of the most prolific, low-cost metallurgical coal basins in the world. With capacity of 85 million tonnes per annum (mtpa), DBCT handles approximately 20% of the seaborne metallurgical coal in the world. For context of size, this terminal ships approximately $8 billion of coal annually, most of which is shipped to steel companies in Japan, Korea, India and China. Due to global demand for metallurgical coal, the queue to receive coal from DBCT is over 25 days. As a result, there is considerable customer demand for us to expand the facility. As a first step, we believe that feasibility studies will commence in 2010 to evaluate expansion alternatives beyond the current 85 mtpa. Any expansion of the facility by 5% or more will require capital expenditure in excess of $250 million, based on our preliminary analysis.

WestNet Rail is a 5,100 kilometre rail network in Western Australia. WestNet Rail provides access to its rail network to companies with trains that ship primarily bulk commodities (iron ore, alumina, coal, minerals, grain) to ports along the west coast of Australia. Due to the high costs and inefficiency of road transportation, our rail network often provides the sole economic access to the export market for our customers. In 2009, over 50 million tonnes of freight was shipped across WestNet Rail's network. With the recovery in the capital markets and the renewed demand for commodities, particularly from China, several large-scale iron ore mining developments in proximity to our rail network have progressed and are proposed to be brought into production in 2011. The engineering and financing analysis to support the necessary upgrades to WestNet Rail's network to accommodate these projects will begin in 2010. Based on our preliminary analysis, these upgrade projects will require capital expenditure in excess of $200 million.

In January 2010, WestNet Rail received a notice for stamp duty assessed in respect of the 2006 acquisition of the ARG Group. Our Partnership's share of the amount of the assessment is A$18.5 million (Prime's A$46.4 million). We believe that the assessment is incorrect at law and Prime intends to vigorously challenge it. Prime will fund the assessment from its cash resources while the matter is still pending.

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 operations are predominantly comprised of premium species and are expected to provide attractive risk adjusted returns on capital employed over the long-term.

Our timber segment is comprised of the following businesses:

Longview: Owns approximately 651,000 acres of freehold timberlands in Oregon and Washington. Longview has an estimated merchantable inventory of 25.5 million m^3 of timber, which is primarily comprised of high value Douglas-fir and hemlock trees.

Island Timberlands: Owns approximately 634,000 acres of freehold timberlands located principally on Vancouver Island, British Columbia. Island Timberlands has an estimated merchantable inventory of 58.0 million m^3 of timber, which is primarily comprised of high value Douglas-fir, hemlock and cedar trees. Island Timberlands' land holdings include approximately 33,000 acres of "higher and better use" ("HBU") lands, which may have greater value if used for real estate development or conservation.

The following table presents our timber segment's proportionate share of financial results.

	Years Ended December 31	
MILLIONS, UNAUDITED	**2009**	2008
Revenue	**$ 77.4**	$ 124.8
Cost attributed to revenues	**(56.2)**	(81.8)
Net operating income	**21.2**	43.0
Other income (expense)	**1.7**	(0.5)
Interest expense	**(25.7)**	(29.0)
Cash taxes	**0.2**	(0.7)
Adjusted net operating income (ANOI)	**(2.6)**	12.8
Depreciation, depletion and amortization	**(26.3)**	(36.7)
Performance fee	**5.4**	13.4
Unrealized loss on investment	**(11.9)**	—
Deferred taxes and other items	**9.4**	17.2
Net (loss) income	**$ (26.0)**	$ 6.7

For the year ended December 31, 2009, our timber operations' net operating income and ANOI totaled $21.2 million and negative $2.6 million, respectively, compared to $43.0 million and $12.8 million, for the same period in the prior year.

While timber market conditions continue to be poor, prices have improved steadily since the second quarter of 2009. Seasonally adjusted, annualized U.S. housing starts fell 5% from the third quarter to 554,000. While an improvement from the lows of the first quarter, this level is approximately one third of long-term trend levels. The inventory of new homes in the U.S. declined to 234,000 units while existing home inventories declined to 3.29 million units or a 7.2 month supply, both these statistics suggesting an increasingly balanced market. Despite these seemingly positive statistics, recovery of U.S. housing starts is expected to remain weak through 2010 and into 2011 as a result of the significant amount of vacant and foreclosed homes which we anticipate will continue to add to the inventory of existing homes for sale. Despite this difficult outlook, strong supply-side management has resulted in very low inventories of sawlogs and finished wood products across North America. Prices for most products have increased over 20% from their second quarter lows. Log prices in the Japanese market were stable through the quarter, and demand for whitewood in the Korean market remained strong, with realized pricing, net of transportation, at levels close to five-year averages.

Consistent with our focus on optimizing the long-term value of our business, we continued to harvest at sharply curtailed levels. We continue to adapt our plan as necessary to pursue market opportunities that arise.

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

	Year Ended December 31, 2009				Year Ended December 31, 2008			
UNAUDITED	**Harvest (000's m^3)**	**Sales (000's m^3)**	**Revenue/m^3**	**Revenue ($ millions)**	Harvest (000's m^3)	Sales (000's m^3)	Revenue/m^3	Revenue ($ millions)
Douglas-fir	**502**	**538**	**$ 78**	**$ 42.0**	773	793	$ 88	$ 70.0
Whitewood	**237**	**258**	**61**	**15.7**	403	419	60	25.0
Other species	**235**	**261**	**70**	**18.3**	246	233	109	25.5
	974	**1,057**	**$ 72**	**$ 76.0**	1,422	1,445	$ 83	$ 120.5
HBU and other sales				**1.4**				4.3
Total				**$ 77.4**				$ 124.8

In 2009, sales volumes of Douglas-fir and whitewood declined by 32% and 38%, respectively, versus 2008 due to difficult market conditions in the North American structural lumber market. Sales volumes of other species increased 12% year-over-year, as a result of better relative market conditions for pulp logs and cedar through the first nine months of the year. To mitigate the impact of weak North American markets, we continued to increase our proportion of export quality timber from our harvest to take advantage of significantly better prices, net of transportation costs, available in the off-shore markets. Export volumes represented 42% of shipments in 2009, compared to 35% in 2008. Harvest volumes in our timber operations decreased 32% over 2008 as a result of our decision to reduce near-term harvest levels to preserve value.

Our operating margins declined to 28% for the year versus 34% in the prior year due to lower prices offset partially by lower costs per unit. The average realized price for Douglas-fir decreased by 11% compared to the prior year as declines in prices of products sold to the domestic market were partially offset by a significant percentage of high value appearance and export grade products sold to off-shore markets in our product mix. This compares favorably to the 15% decline in prices of indicative Douglas-fir logs during the same time period. The average selling price of whitewood increased modestly verus 2008, reflecting strong pricing realized on shipments to the Korean market. The significant change in the average realized price for other species is mostly attributable to a change in the mix of products included in that category.

Harvest and delivery costs per unit decreased 6% compared to 2008 primarily due to aggressive efforts to manage fixed costs and an increase in the proportion of harvesting rates determined through bid processes. This was partially offset by the impact of foreign exchange on Canadian dollar denominated costs in our Canadian operations.

Our share of revenue from HBU land and other sales totalled $1.4 million for the year compared to $4.3 million for 2008.

For the years ended December 31, 2009 and 2008, depreciation, depletion and amortization was $26.2 million and $36.7 million, respectively. The decrease is due to reduced harvest levels.

The unrealized loss on investment relates to our 7% indirect interest in our U.S. timber operations that is held through a private fund and is carried at fair value with changes to the carrying value recorded in income. Also, during the year, our Canadian timber operations recorded a reversal of a performance fee payable in 2011 as a result of a decline in the valuation of their HBU lands. We record this accrual below ANOI as it is a non-cash accrual that is subject to a claw-back prior to the determination of the payment amount in 2011.

Business Development and Outlook – Timber

One of the key attributes of our timber business is operating flexibility that allows us to adapt our harvest levels to market conditions to maximize the value of our business. Until we believe that sustainable demand will support meaningfully higher prices, we plan to harvest at minimum levels required to service our key customers and protect key distribution channels while capitalizing on market opportunities that do arise. Based on current conditions, we expect harvest levels at our Canadian and U.S. operations in 2010 to be similar to 2009 levels. Prices need to increase at least 20% from current levels before we would expect to return to target harvest levels. We currently do not expect this magnitude of price increases before late 2010 or early 2011.

We believe operating results for our timber segment will improve following recovery in U.S. new home construction. Although it is difficult to predict the timing and amount, we believe that we will achieve increases in ANOI and net income from this segment of our business for the following reasons:

- Improved pricing upon market recovery
- Increased harvest levels
  - The estimated long-run sustainable yield of our Canadian operations is approximately 0.7 million m^3 on a proportionate basis. Due to a surplus of merchantable inventory, we expect to achieve an elevated harvest level of approximately 0.9 million m^3 on a proportionate basis for a period of 10 years before returning to the long-run sustainable yield level.
  - As a result of a substantial surplus of merchantable inventory at our U.S. operations, we expect to increase harvest levels to approximately 0.9 million m^3 on a proportionate basis and sustain this higher level for a period of 10 years before returning to a long-run sustainable yield of approximately 0.8 million m^3.
- Increased margins
  - As the product mix in our Canadian operations evolves to a greater percentage of second growth harvest relative to primary growth harvest, we expect our margins to increase due to the lower harvesting costs of this product.

In addition, 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:

- The mountain pine beetle infestation, which is having a significant impact on the supply of timber from the interior of British Columbia, Alberta and the U.S. Inland;
- Increasing demand from both Asian markets and the rapidly expanding bio-fuel industry; and
- Continuing withdrawals of timberlands for conservation and alternate uses.

CORPORATE AND OTHER

The following table presents the components of Corporate and other for the years ended December 31, 2009 and 2008:

	Years Ended December 31	
MILLIONS, UNAUDITED	**2009**	2008
General and administrative costs	**$ (7.8)**	$ (7.0)
Base management fee	**(10.2)**	(7.0)
Financing costs	**(5.0)**	(3.1)
Corporate expenses	**(23.0)**	(17.1)
Contribution from social infrastructure investments	**1.7**	—
Corporate and other	**$ (21.3)**	$ (17.1)

General and administrative costs were higher in 2009 compared to the prior year as a result of transaction costs that were incurred in conjunction with our investment in Prime, DBCT and PD Ports.

Pursuant to the Master Services Agreement, we pay a base management fee to the Manager on a quarterly basis, based on our market value. The fee increased over the prior year due to the approximately $940 million equity offering that was completed in November of 2009.

Financing costs include dividends paid on our preferred shares, interest expense and standby fees on our committed credit facility, less ancillary interest earned on cash balances. The amounts above exclude non-cash amortization of financing costs of $2.8 million and $1.3 million for the years December 31, 2009 and 2008, respectively. Financing costs in 2009 were higher than 2008 as a result of increased borrowing under our corporate facility and inclusion of six weeks of interest expense on Prime's corporate debt offset by a reduction in standby fees, as we reduced our credit facility from $450 million to $200 million in June 2009. In addition, we recognized $1.2 million of interest income in 2008 as a result of higher levels of cash balances, compared to $0.2 million in the current period.

Social Infrastructure

In December 2008, we completed the acquisition of equity interests in two PPP projects – Long Bay Forensic and Prison Hospitals in Australia and Peterborough Hospital in the United Kingdom – for $12.3 million. We completed the acquisition of an equity interest in a third PPP asset – Royal Melbourne Showgrounds in Australia – in February 2009 for an additional purchase price of $3.0 million. Royal Melbourne Showgrounds and Long Bay Hospitals achieved commercial operation in August 2006 and February 2009, respectively. It is anticipated that Peterborough Hospital will be operational in late 2011. These projects are expected to generate stable cash flows from long-term contracts with long-term financing arrangements.

Social infrastructure operations differ from our utilities and energy, transportation and timber operations, as social infrastructure concessions have finite lives of between 25-30 years, and cash generated from these projects must fully retire project debt over the term of the concession. Thus, net operating income and ANOI for our social infrastructure operations include GAAP net income plus depreciation less debt amortization payments, which approximates the distributions to us from these operations.

On a proportionate basis, our social infrastructure operations earned $1.7 million of ANOI for the year ended December 31, 2009, compared to nil in 2008.

We have a commitment to fund our share of the additional equity investment in the Peterborough Hospital project totaling approximately £8.0 million. We have entered into foreign currency contracts to hedge this amount to the equivalent of approximately $11.8 million.

CAPITAL EXPENDITURES

	Years Ended December 31	
MILLIONS, UNAUDITED	**2009**	2008
Maintenance capital expenditures by segment		
Utilities and Energy	**$ 11.9**	$ 7.5
Transportation	**—**	—
Timber	**6.1**	5.2
	$ 18.0	$ 12.7
Growth capital expenditures by segment		
Utilities and Energy	**$ 24.8**	$ 14.6
Transportation	**—**	—
Timber	**—**	—
	$ 24.8	$ 14.6

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.

The growth capital expenditures for the utilities and energy segment for 2009 totalled $24.8 million (2008 – $14.6 million), which primarily represents our share of growth capital investments at Transelec.

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 ANOI to unitholders.

Our principal sources of liquidity are cash flow from our operations, undrawn credit and equity facilities 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.

Our total estimated liquidity as at December 31, 2009 was as follows:

MILLIONS, UNAUDITED		**As at December 31, 2009**
Cash[1]	**$**	**57.9**
Availability under committed credit facility		**200.0**
Total estimated liquidity	**$**	**257.9**

1 *Brookfield Infrastructure Partners L.P. cash only.*

In June 2009, we completed the sale of our minority interest in TBE. Proceeds from the sale were $275 million including $70 million of previously realized hedge gains. Further details regarding the TBE sale are provided under the Acquisitions and Divestitures section of this supplemental information. In June 2009, we closed a $200 million senior secured revolving credit facility with a syndicate of global financial institutions. The credit facility is comprised of a single tranche that will be available for investments and acquisitions, as well as general corporate purposes. Prior to drawing on the facility, we must satisfy a number of conditions including compliance with certain financial ratios. At December 31, 2009, nil was drawn on this facility, and $200 million was available. Commitments under the facility will be available on a revolving basis until June 2010. All amounts outstanding at that time will be repayable in full in June 2011. The facility is intended to be a bridge to equity financing rather than a permanent source of capital.

In addition, Brookfield has provided us with an equity commitment of $200 million. The equity commitment may be called by our Partnership and/or Brookfield Infrastructure in exchange for the issuance of a number of units of our 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 our Partnership's Units and expires January 31, 2011.

We finance our assets principally at the operating entity level with debt which generally has long-term maturities, few restrictive covenants and no recourse to either the Partnership or our other operations. At the operating company level, we endeavour to maintain investment grade or crossover ratings.

We also strive to ladder our principal repayments over a number of years. On a proportionate basis, scheduled principal repayments as at December 31, 2009 for our borrowings over the next five years are as follows:

	Average Term (years)	2010	2011	2012	2013	2014	Beyond	**Total**
Recourse borrowings								
Corporate borrowings	2.9	$ —	$ —	$ 53.0	$ —	$ —	$ —	**$ 53.0**
Total recourse borrowings	2.9	—	—	53.0	—	—	—	**53.0**
Non-recourse borrowings[1, 2]								
Utilities and Energy	8.0	—	89.7	131.7	234.2	—	593.0	**1,048.6**
Transportation	5.5	97.6	516.6	11.6	157.7	—	582.6	**1,366.1**
Timber	7.8	—	—	—	136.0	—	338.8	**474.8**
Total non-recourse borrowings[1, 2]	7.3	97.6	606.3	143.3	527.9	—	1,514.4	**2,889.5**
Total	7.2	$ 97.6	$ 606.3	$ 196.3	$ 527.9	$ —	$ 1,514.4	**$ 2,942.5**

1 *Represents non-recourse debt to Brookfield Infrastructure as the holders have recourse only to the underlying operations.*
2 *Non-recourse project debt from our social infrastructure operations has been excluded from the above tables as this is long-term debt which is fully amortized during the term of our concession contracts.*

Our proportionate share of debt has an average term of 7.2 years. Including non-recourse borrowings, on a proportionate consolidated basis, our debt-to-capitalization ratio as at December 31, 2009 was 62%.

The following table summarizes our proportionate share of debt on a segment basis:

MILLIONS, UNAUDITED	Year Ended December 31, 2009			Year Ended December 31, 2008		
	Proportionate Average Debt	**Average Cash Interest Rate**	**Cash Interest**	Proportionate Average Debt	Average Cash Interest Rate	Cash Interest
Utilities and Energy	**$ 471.1**	**5.8%**	**$ 27.3**	$ 366.6	6.2%	$ 22.6
Transportation	**153.5**	**7.2%**	**11.1**	—	—	—
Timber	**474.8**	**5.4%**	**25.7**	510.6	5.7%	29.0
Corporate borrowings	**54.0**	**3.7%**	**2.0**	17.5	5.7%	1.0
Total	**$ 1,153.4**	**5.7%**	**$ 66.1**	$ 894.7	5.9%	$ 52.6

Our equity strategy is to issue equity in conjunction with future acquisitions. However, we may also issue an amount of equity opportunistically to enhance our liquidity to pursue future acquisitions. On December 22, 2009, we filed shelf registrations to enable us to issue securities in both the U.S. and Canadian markets.

PARTNERSHIP CAPITAL

As at December 31, 2009, the Partnership owns limited partnership units that represent 59% of Brookfield Infrastructure's total outstanding units, and Brookfield owns redeemable partnership units that represent 40% of Brookfield Infrastructure's total outstanding units. The redeemable partnership units, at the request of the holder, require Brookfield Infrastructure to redeem all or a portion of the holder's units of Brookfield Infrastructure at the market price for cash. This right is subject to the Partnership's right of first refusal which entitles it, at its sole discretion, to elect to acquire any unit so presented to Brookfield Infrastructure in exchange for one of its units, subject to certain customary adjustments. Based on the number of the Partnership Units outstanding as at December 31, 2009, Brookfield's aggregate limited partnership interest in the Partnership would be 40% if Brookfield fully exercised its redemption right and the Partnership fully exercised its right of first refusal.

Brookfield also owns general partnership units that represent 1% of Brookfield Infrastructure's total outstanding units. The general partnership units are entitled to receive incentive distributions which are calculated in increments based on the amount by which quarterly distributions on the limited partnership units of Brookfield Infrastructure exceed specified target levels as set forth in Brookfield Infrastructure's limited partnership agreement.

During 2009 and 2008, the number of issued and outstanding units of Brookfield Infrastructure units changed as follows:

MILLIONS, UNAUDITED	2009		2008	
	Book Value	**Units**	Book Value	Units
Outstanding at beginning of year	**$ 709.3**	**38,661,470**	$ 908.3	38,842,072
Units issued[1]	**937.1**	**68,705,358**	—	—
Units purchased	**(7.6)**	**(674,000)**	(2.0)	(180,602)
Adjustment related to acquired entity	**—**	**—**	(44.4)	—
Revaluation of redeemable partnership units	**168.1**	**—**	(152.6)	—
Outstanding at end of year	**$ 1,806.9**	**106,692,828**	$ 709.3	38,661,470

1 Includes limited, general partner and redeemable partnership units.

The caption "Adjustment related to acquired entity" is related to the acquisition of Ontario Transmission, an entity that was accounted for as a reorganization of entities under common control.

As at December 31, the total number of Brookfield Infrastructure units outstanding was comprised as follows:

	2009	2008
General partnership units	**1,066,928**	388,457
Limited partnership units	**63,155,680**	23,160,269
Redeemable partnership units	**42,470,220**	15,112,744
Total	**106,692,828**	38,661,470

In November 2009, to finance the investments in Prime, DBCT and PD Ports, we completed an approximate $940 million equity offering consisting of approximately 40.0 million limited partnership units, 27.4 million redeemable partnership units and 0.7 million general partnership units at an average price of $13.64 per unit.

Pursuant to its equity offering in November 2009, the Partnership issued 39,995,411 limited partnership Units at an average price of $13.82. The Partnership has 63,155,680 limited partnership units outstanding at December 31, 2009, which are publicly traded on the New York and Toronto stock exchanges. The Partnership owns all 63,155,680 of Brookfield Infrastructure's limited partnership units.

In November 2008, we implemented a unit repurchase program. Repurchases were authorized for the period beginning on November 10, 2008 and ending on November 9, 2010. In the year ended December 31, 2009, 674,000 Units were repurchased and cancelled under this program at an average price of $11.48 per Unit. Since commencement of the unit repurchase program in November 2008, 854,602 Units were repurchased and cancelled at an average price of $11.39 per Unit.

REVIEW OF FOURTH QUARTER PERFORMANCE

In this section we review our performance and financial position for the three months ended December 31, 2009 and 2008.

The following table summarizes the financial results of Brookfield Infrastructure for the fourth quarter:

	Three Months Ended December 31	
MILLIONS, UNAUDITED	**2009**	2008
Income Statement Key Metrics		
Revenues	**$ 7.7**	$ 6.8
Earnings from equity accounted investments	**1.4**	25.6
Dividend income	**—**	3.3
Interest expense	**(3.3)**	(4.3)
Net (loss) income	**(7.7)**	21.5
Adjusted net operating income (ANOI)	**$ 20.5**	$ 11.3
Key Income Statement Metrics By Segment		
Net income (loss) by segment		
Utilities and Energy	**$ (1.6)**	$ 15.1
Transportation	**(5.9)**	—
Timber	**(7.4)**	14.4
Corporate	**7.2**	(8.0)
Net income	**$ (7.7)**	$ 21.5
Adjusted net operating income by segment		
Utilities and Energy	**$ 19.4**	$ 15.7
Transportation	**13.8**	—
Timber	**(2.7)**	2.1
Corporate	**(10.0)**	(6.5)
Adjusted net operating income (ANOI)	**$ 20.5**	$ 11.3

For the three months ended December 31, 2009, we recorded a net loss of $7.7 million compared to net income of $21.5 million in the same period of 2008. ANOI was $20.5 million in the fourth quarter of 2009 compared to $11.3 million in the same quarter of 2008. Changes in net income and adjusted net operating income for each segment, as presented above, are discussed in the following section.

Utilities and Energy Operations

The following table presents our utilities and energy segment's proportionate share of financial results for the fourth quarter:

	Three Months Ended December 31	
MILLIONS, UNAUDITED	**2009**	2008
Revenue	**$ 52.8**	$ 18.7
Costs attributed to revenues	**(20.4)**	(5.2)
Dividend income	**—**	3.3
Net operating income	**32.4**	16.8
Other income	**0.2**	3.1
Interest expense[1]	**(12.0)**	(5.1)
Cash taxes	**(1.2)**	0.9
Adjusted net operating income (ANOI)	**19.4**	15.7
Depreciation and amortization	**(8.5)**	(5.8)
Unrealized losses on derivative instruments	**(14.0)**	4.3
Deferred taxes and other items	**1.5**	0.9
Net (loss) income	**$ (1.6)**	$ 15.1

1 Excludes non-cash components of interest expense which are included in the line item deferred taxes and other items.

Our utilities and energy operations recorded strong results. On a proportionate basis, the three months ended December 31, 2009, Transelec's net operating income and ANOI were $13.7 million and $10.1 million, respectively, compared with $9.2 million and $7.4 million for the prior year. Excluding non-recurring revenue of $1.7 million associated with resolution of the subtransmission rate study, this represents an increase of 14% versus the prior year. Operating margins at our Chilean transmission operations, excluding non-recurring revenue, were 78% for the current quarter compared to 80% in the prior year. The margin at the underlying core business remains consistent with historical levels. The decreased margin in the current period is due to an increase in engineering revenue that is charged at cost plus 15% margin, which impacts our overall margin.

For the three months ended December 31, 2009, Ontario Transmission's net operating income and ANOI were $5.4 million and $3.9 million, respectively, compared with $4.3 million and $5.0 million from the prior year. Revenues from our Ontario transmission operations declined compared with the prior year as a result of foreign exchange and lower volumes from warmer than average weather conditions.

For the quarter, dividends received from our TBE investment were nil compared to $3.3 million in the same period of 2008 as we sold our interest in TBE on June 30, 2009. Our newly acquired utilities and energy assets generated net operating income and ANOI of $13.3 million and $5.4 million, respectively, for the six weeks of operations since acquisition.

Non-cash expenses are primarily comprised of depreciation and amortization which reflect application of purchase accounting in our Chilean transmission operations, as well as non-cash inflation indexation on our Chilean peso denominated debt. Depreciation and amortization amounted to $8.5 million for the three-month period ended December 31, 2009, up from $5.7 million in the comparable period of 2008 due to incremental depreciation booked in conjunction with the expansion of our asset base and due to depreciation booked on our newly acquired assets. In the fourth quarter of 2009, non-cash losses relating to mark-to-market losses on derivative instruments was $14.0 million compared to $12.1 million in the prior year. The derivative instruments relate to Transelec's currency hedging program, under which 100% of Transelec's U.S. dollar debt was converted to Chilean pesos to align interest expense with Chilean peso revenue.

Transportation Operations

The following table presents our transportation segments proportionate share of financial results for the fourth quarter:

	Three Months Ended December 31	
MILLIONS, UNAUDITED	**2009**	2008
Revenue	**$ 57.4**	$ —
Costs attributed to revenues	**(30.9)**	—
Net operating income	**26.5**	—
Other expenses	**(1.6)**	—
Interest expense	**(11.1)**	—
Adjusted net operating income (ANOI)	**13.8**	—
Depreciation, depletion and amortization	**(5.0)**	—
Foreign exchange translation losses	**(13.9)**	—
Deferred taxes and other items	**(0.8)**	—
Net income	**$ (5.9)**	$ —

The results of our transportation segment reflect the six weeks of operation following the acquisition of our interests in Prime, DBCT and PD Ports on November 20, 2009.

Timber Operations

The following table presents our timber segment's proportionate share of financial results for the fourth quarter:

	Three Months Ended December 31	
MILLIONS, UNAUDITED	**2009**	2008
Revenue	**$ 17.5**	$ 28.5
Costs attributed to revenues	**(14.5)**	(18.0)
Net operating income	**3.0**	10.5
Other income (expenses)	**0.5**	(0.9)
Interest expense	**(6.5)**	(7.7)
Cash taxes	**0.3**	0.2
Adjusted net operating (loss) income (ANOI)	**(2.7)**	2.1
Depreciation, depletion and amortization	**(5.9)**	(8.8)
Performance fee	**5.4**	13.4
Unrealized loss on investment	**(5.8)**	—
Deferred taxes and other items	**1.6**	7.7
Net (loss) income	**$ (7.4)**	$ 14.4

In our timber operations for the three-month period ended December 31, 2009, net operating income and ANOI were $3.0 million and negative $2.7 million, respectively, compared to $10.5 million and $2.1 million, respectively, in the prior year.

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

UNAUDITED	**Three-Month Period Ended December 31, 2009**				Three-Month Period Ended December 31, 2008			
	Harvest (000's m³)	**Sales (000's m³)**	**Revenue/m³**	**Revenue ($ millions)**	Harvest (000's m³)	Sales (000's m³)	Revenue/m³	Revenue ($ millions)
Douglas-fir	**116**	**119**	**$ 77**	**$ 9.2**	195	180	$ 92	$ 16.6
Whitewood	**66**	**71**	**61**	**4.3**	93	102	77	7.9
Other	**60**	**64**	**61**	**3.9**	51	49	53	2.6
	242	**254**	**$ 69**	**$ 17.4**	339	331	$ 82	$ 27.1
HBU and other sales				**0.1**				1.4
Total				**$ 17.5**				$ 28.5

Sales volumes in the fourth quarter of 2009 decreased 23% compared to the prior year, in line with our reduced harvest plan. In our continuing effort to mitigate the impact of weak North American markets, we maintained a high percentage of appearance grade products in our sales mix for export to Asian markets and took full advantage of the continuing strong demand and pricing for whitewood in Korea. This focus on off-shore markets resulted in an increase in export volumes to 47% of total shipments in the fourth quarter of 2009 compared to 37% in the comparable quarter of 2008. Harvest volumes in the quarter at our timber operations decreased 29% over the fourth quarter of 2008 as a result of our decision to reduce near-term harvest levels to preserve value.

The average realized price for Douglas-fir decreased by 16% compared to the prior year as declines in prices of products sold to the domestic market were partially offset by a significant percentage of high value appearance and export grade products sold to off-shore markets in our product mix. The average selling price of whitewood decreased 21% versus 2008, despite strong pricing realized on shipments to the Korean market. The significant change in the average realized price for other species is mainly attributable to a change in the mix of products included in that category.

In the fourth quarter, operating margins decreased to 23% versus 37% in the same quarter of 2008, due to both the decline in product pricing and a 7% increase in per unit operating costs. Per unit operating costs were negatively impacted by the lower harvest volumes and the increased strength of the Canadian dollar versus the U.S. dollar.

For the quarters ended December 31, 2009 and 2008, depreciation, depletion and amortization was $5.9 million and $8.8 million, respectively. The decrease is predominantly due to lower sales volume.

The unrealized loss on investment relates to our 7% indirect interest in our U.S. timber operations that is held through a private fund and is carried at fair value with changes to the carrying value recorded in income. Also, during the quarter, our Canadian timber operations recorded a reversal of a performance fee payable in 2011 as a result of a decline in the valuation of their HBU lands. We record this accrual below ANOI as it is a non-cash accrual that is subject to a claw-back prior to the determination of the payment amount in 2011.

Corporate and Other

The following table presents the components of corporate and other for the fourth quarter:

MILLIONS, UNAUDITED	**Three Months Ended December 31**	
	2009	2008
General and administrative costs	**$ (4.2)**	$ (3.4)
Base management fee	**(5.4)**	(2.0)
Financing costs	**(0.9)**	(1.1)
Corporate expenses	**(10.5)**	(6.5)
Contribution from social infrastructure investments	**0.5**	—
Corporate and other	**$ (10.0)**	$ (6.5)

General and administrative costs were higher in 2009 compared to the prior year as a result of transaction costs that were incurred in conjunction with our investment in Prime, DBCT and PD Ports.

Pursuant to the Master Services Agreement, we pay a base management fee to the Manager on a quarterly basis, based on our market value. The fee increased over the prior year principally due to the approximately $940 million equity offering that was completed in the quarter.

Financing costs include dividends paid on our preferred shares, interest expense and standby fees on our committed credit facility, less ancillary interest earned on cash balances. The amounts above exclude non-cash amortization of financing costs of $0.7 million for the three month period ended December 31, 2009 and 2008. Financing costs were lower than the prior year principally due to decreased borrowing under our corporate credit facility.

SELECTED QUARTERLY INFORMATION

The following table summarizes the financial results for the past eight quarters on a proportionate basis:

MILLIONS, EXCEPT PER UNIT INFORMATION	**2009**				2008			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Income Statement Key Metrics								
Net income by segment:								
Utilities and Energy	**$ (1.6)**	$ 3.0	$ 70.9	$ 3.9	$ 15.1	$ 7.4	$ 8.6	$ 8.8
Transportation	**(5.9)**	—	—	—	—	—	—	—
Timber	**(7.4)**	(5.4)	(4.9)	(8.3)	14.4	(3.2)	(2.9)	(1.6)
Corporate and other	**7.2**	(2.1)	3.0	(4.6)	(8.0)	(5.6)	(3.4)	(1.6)
Net income	**$ (7.7)**	$ (4.5)	$ 69.0	$ (9.0)	$ 21.5	$ (1.4)	$ 2.3	$ 5.6
ANOI by segment:								
Utilities and Energy	**$ 19.4**	$ 14.1	$ 82.5	$ 11.5	$ 15.7	$ 17.1	$ 15.4	$ 15.8
Transportation	**13.8**	—	—	—	—	—	—	—
Timber	**(2.7)**	0.7	(2.4)	1.8	2.1	1.6	4.4	4.7
Corporate and other	**(10.0)**	(2.7)	(4.1)	(4.5)	(6.5)	(5.6)	(3.4)	(1.6)
ANOI	**$ 20.5**	$ 12.1	$ 76.0	$ 8.8	$ 11.3	$ 13.1	$ 16.4	$ 18.9
Per unit net income	**(0.10)**	(0.12)	1.82	(0.23)	0.55	(0.04)	0.06	0.15
Per unit ANOI	**0.27**	0.32	2.01	0.23	0.29	0.34	0.42	0.49
Balance Sheet Key Metrics								
Total assets	**$ 1,962.9**	$ 1,037.3	$ 1,204.0	$ 1,126.4	$ 1,174.3	$ 1,065.7	$ 1,044.2	$ 1,062.7
Debt	**114.0**	111.4	264.0	206.0	237.1	111.9	116.0	116.0
Partnership capital	**1,799.5**	891.3	870.4	882.0	899.9	896.8	870.4	924.7

INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

In 2007 the U.S. Securities and Exchange Commission ("SEC") adopted rules that permit foreign private issuers to prepare financial statements included in their filings with the SEC, in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), without reconciliation to U.S. generally accepted accounting principles ("U.S. GAAP"). The Partnership plans to prepare its financial statements and the financial statements of Brookfield Infrastructure in accordance with IFRS. This change is being made in light of Brookfield Infrastructure's recent investments in Prime, DBCT and PD Ports which use IFRS as their primary basis of accounting.

IFRS are premised on a framework similar to U.S. GAAP; however, significant differences exist in certain matters of recognition, measurement and disclosure. While the Partnership believes that the adoption of IFRS will not have a material impact on its or Brookfield Infrastructure's reported cash flow, it is expected to have a material impact on its and Brookfield Infrastructure's financial position and results of operations. The Partnership is in the process of determining the impact of a transition to IFRS on its financial statements and the financial statements of Brookfield Infrastructure.

In conjunction with the transition to IFRS, the Partnership has establised a comprehensive conversion plan that addresses matters including changes in accounting policy, the restatement of comparative periods, organizational and internal control, the modification of existing systems, in addition to other related business matters. The first financial statements of the Partnership and Brookfield Infrastructure to be prepared in accordance with IFRS will be for the financial statements as at and for the quarter ended March 31, 2010.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

To measure performance, we focus on net income as well as ANOI. We define ANOI as net income excluding the impact of depreciation, depletion and amortization, deferred taxes and other items as shown in the reconciliation below. For our social infrastructure operations we also subtract debt amortization from ANOI as these are finite life concessions and debt must be fully amortized during the concession term. ANOI is a measure of operating performance that is not calculated in accordance with, and does not have any standardized meaning prescribed by GAAP. ANOI is therefore unlikely to be comparable to similar measures presented by other issuers. ANOI has limitations as an analytical tool:

- ANOI 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;
- ANOI does not include deferred income taxes, which may become payable if we own our assets for a long period of time; and
- ANOI 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, ANOI 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 GAAP. We compensate for these limitations by relying on our GAAP results and using ANOI only supplementally. However, ANOI is a key measure that we use to evaluate the performance of our operations and forms the basis for our Partnership's distribution policy.

When viewed with our GAAP results, we believe that ANOI provides a more complete understanding of factors and trends affecting our underlying operations. ANOI allows us 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 the timber and 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, a benefit which 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 ANOI without adding back the performance fee.

The following table reconciles ANOI to the most directly comparable GAAP measure, which is net 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, ANOI reflects Brookfield Infrastructure's ownership interest. We urge you to review the GAAP financial measures in the supplemental financial information contained herein, and to not rely on any single financial measure to evaluate Brookfield Infrastructure.

	Year Ended December 31	
MILLIONS, UNAUDITED	**2009**	2008
Net income	**$ 47.8**	$ 28.0
Add back or deduct the following:		
Depreciation, depletion and amortization	**54.1**	54.3
Unrealized losses on derivative instruments	**21.2**	2.9
Unrealized loss on investment	**11.9**	—
Performance fees	**(5.4)**	(13.4)
Deferred taxes and other items	**(12.2)**	(12.1)
ANOI	**$ 117.4**	$ 59.7

MILLIONS, UNAUDITED	**2009**				2008			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net income (loss)	**$ (7.7)**	$ (4.5)	$ 69.0	$ (9.0)	$ 21.5	$ (1.4)	$ 2.3	$ 5.6
Add back or deduct the following:								
Depreciation, depletion and amortization	**19.4**	13.3	9.4	12.0	14.5	13.3	14.3	12.2
Unrealized losses on derivative instruments	**11.6**	1.0	6.4	2.2	(4.3)	4.5	3.5	(0.8)
Unrealized loss on investment	**5.8**	—	—	6.1	—	—	—	—
Performance fees	**(5.4)**	—	—	—	(13.4)	—	—	—
Deferred taxes and other items	**(3.2)**	2.3	(8.8)	(2.5)	(7.0)	(3.3)	(3.7)	1.9
ANOI	**$ 20.5**	$ 12.1	$ 76.0	$ 8.8	$ 11.3	$ 13.1	$ 16.4	$ 18.9

The difference between net income and ANOI is primarily attributable to depreciation and depletion expense which reflects 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; non-cash expenses in Transelec, primarily relating to non-cash inflation indexations on its Chilean peso denominated debt; as well as mark-to-market losses on derivative contracts associated with our foreign currency hedging. The unrealized loss on investment relates to our 7% indirect investment in Longview. This investment is held through a private fund and is carried at fair value with changes to carrying value recorded in the statement of operations.