

2015

Supplemental Information Quarter ended March 31

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 “continue”, “expect”, “target”, “believe”, “objective”, “anticipate”, “plan”, “estimate”, “growth”, “increase”, “return”, “expand”, “maintain”, derivatives thereof and other expressions of similar import, or the negative variations thereof, and similar expressions of future or conditional verbs such as “will”, “may”, “should”, “could”, which are predictions of or indicate future events, trends or prospects and which do not relate to historical matters, identify forward-looking statements. Forward-looking statements in this Supplemental Information include among others, statements with respect to our assets tending to appreciate in value over time, growth in our assets and operations, increases in FFO per unit and resulting capital appreciation, returns on capital and on equity, increasing demand for commodities and global movement of goods, expected capital expenditures, the impact of planned capital projects by customers of our businesses, the extent of our corporate, general and administrative expenses, our ability to close acquisitions, our capacity to take advantage of opportunities in the marketplace, the future prospects of the assets that Brookfield Infrastructure operates or will operate, ability to identify, acquire and integrate new acquisition opportunities, long-term target return on our assets, sustainability of distribution levels, distribution growth and payout ratios, operating results and margins for our business and each operation, future prospects for the markets for our products, Brookfield Infrastructure’s plans for growth through internal growth and capital investments, ability to achieve stated objectives, ability to drive operating efficiencies, return on capital expectations for the business, contract prices and regulated rates for our operations, our expected future maintenance and capital expenditures, ability to deploy capital in accretive investments, impact on the business resulting from our view of future economic conditions, our ability to maintain sufficient financial liquidity, our ability to draw down funds under our bank credit facilities, our ability to secure financing through the issuance of equity or debt, expansions of existing operations, financing plan for operating companies, foreign currency management activities and other statements with respect to our beliefs, outlooks, plans, expectations and intentions. Although we believe that Brookfield Infrastructure’s anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Brookfield Infrastructure to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include: general economic and financial conditions in the countries in which we do business which may impact market demand, foreign currency risk, the high level of government regulation affecting our businesses, the outcome and timing of various regulatory, legal and contractual issues, global credit and financial markets, the competitive business environment in the industries in which we operate, the competitive market for acquisitions and other growth opportunities, availability of equity and debt financing, the completion of various large capital projects by customers of our businesses which themselves rely on access to capital and continued favourable commodity prices, weakening of demand in the natural gas market, our ability to complete acquisitions and large capital expansion projects on time and within budget, ability to negotiate favourable take-or-pay contractual terms, traffic volumes on our toll roads, our ability to obtain relevant regulatory approvals required to complete acquisitions, acts of God, weather events, or similar events outside of our control, and other risks and factors detailed from time to time in documents filed by Brookfield Infrastructure with the securities regulators in Canada and the United States, including Brookfield Infrastructure’s most recent Annual Report on Form 20-F under the heading “Risk Factors”.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to Brookfield Infrastructure, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, Brookfield Infrastructure undertakes no obligation to publicly update or revise any forward-looking statements or information, whether written or oral, that may be as a result of new information, future events or otherwise.

CAUTIONARY STATEMENT REGARDING USE OF NON-IFRS, ACCOUNTING MEASURES

Although our financial results are determined in accordance with International Financial Reporting Standards (IFRS), the basis of presentation throughout much of this report differs from IFRS in that it is organized by business segment and utilizes, funds from operations (FFO), adjusted funds from operations (AFFO), adjusted EBITDA and invested capital as important measures. This is reflective of how we manage the business and, in our opinion, enables the reader to better understand our affairs. We provide a reconciliation to the most directly comparable IFRS measure on pages 26-32 of this Supplemental Information. Readers are encouraged to consider both measures in assessing Brookfield Infrastructure’s results.

BUSINESS ENVIRONMENT AND RISKS

Brookfield Infrastructure’s financial results are impacted by various factors, including the performance of each of our operations and various external factors influencing the specific segments and geographic locations in which we operate; macro-economic factors such as economic growth, changes in currency, inflation and interest rates; regulatory requirements and initiatives; and litigation and claims that arise in the normal course of business. These and other factors are described in Brookfield Infrastructure’s most recent Annual Report on Form 20-F which is available on our website at www.brookfieldinfrastructure.com and at www.sec.gov/edgar.shtml and www.sedar.com.

\$186 million of FFO**\$0.89** per unit FFO**\$0.53** per unit quarterly distribution**KEY PERFORMANCE METRICS**

See "Reconciliation of Non-IFRS Measures" on page 26

US\$ MILLIONS, EXCEPT PER UNIT INFORMATION, UNAUDITED	Three months ended March 31	
	2015	2014
Funds from operations (FFO)	\$ 186	\$ 186
Per unit FFO ¹	0.89	0.89
Distributions	0.53	0.48
Payout ratio ²	68%	60%
Adjusted funds from operations (AFFO)	163	163
Net income ³	132	32
Net income per limited partner unit	0.56	0.10
AFFO yield ⁴	14%	14%

KEY BALANCE SHEET METRICS

US\$ MILLIONS, UNAUDITED	As of	
	Mar 31, 2015	Dec 31, 2014
Total assets	\$ 16,286	\$ 16,495
Corporate borrowings	1,040	588
Partnership capital ⁵	4,588	4,878

1. Average units outstanding for the three month period ended March 31, 2015 of 210.1 million (2014: 210.1 million).
2. Payout ratio is defined as distributions paid (inclusive of GP incentive and preferred unit distributions) divided by FFO.
3. Includes net income attributable to non-controlling interests—Redeemable Partnership Units held by Brookfield, general partner and limited partners.
4. AFFO yield is defined as AFFO divided by time weighted average invested capital.
5. Includes partnership capital attributable to non-controlling interests—Redeemable Partnership Units held by Brookfield, general partner and limited partners.

PERFORMANCE HIGHLIGHTS

- FFO of \$186 million in line with prior year as benefit of organic growth and contribution from new investments were offset predominantly as a result of the strengthening U.S. dollar
- Operational performance was strong, benefiting from commissioning growth projects, inflation indexation and higher volumes
- Distribution of \$0.53 per unit represents payout ratio of 68%
 - Within 60-70% long-term target range
- Net income of \$132 million versus \$32 million in prior year
 - Increased earnings generated from operations and unrealized gains on hedging program were partially offset by higher depreciation and deferred tax charges
- AFFO yield of 14% in line with prior year
- Total assets includes impact of acquisition of communications infrastructure business offset by impact of foreign exchange and depreciation
- Corporate borrowings reflects issuance of C\$450 million medium term notes during the period

OPERATIONS

- Strong performance from UK regulated distribution business due to increased in-place connections, as well as continued strong connection sales of 55,000, which were 35% ahead of the prior year
- Toll road platform benefited from inflationary tariff increases and higher volumes resulting in EBITDA increasing by 6% in local currencies compared to prior year
- At our UK port operation container volumes increased 13% compared to prior year, benefiting from economic growth and operating efficiencies
- Progressed strategy to grow our district energy platform by connecting 1,100 new residential customers, renewing seven contracts at favourable rates and completing the LSU medical center project
- Added ~\$200 million in new capital project mandates to backlog across all segments, resulting in total backlog of ~\$1.3 billion
- Deployed ~\$120 million into growth capex projects, progressing several key organic growth initiatives:
 - ~\$50 million spent across Utilities segment to increase rate base
 - ~\$40 million in road expansion projects in Brazil to ease congestion

BUSINESS DEVELOPMENT

- Closed acquisition of French telecom infrastructure business in March (our share ~\$415 million)
- Focused on converting a number of advanced stage acquisition opportunities in our pipeline into signed agreements

FINANCING AND LIQUIDITY

- Continued to strengthen balance sheet and enhance liquidity by completing three capital raises consisting of:
 - C\$125 million preferred L.P. unit issuance at a rate of 4.5% with five-year rate resets
 - C\$450 million of seven-year corporate bonds, swapped to USD at all-in rate of 3.9%
 - \$950 million equity offering completed subsequent to period end
- Total liquidity of ~\$3 billion following April equity issuance
- Hedged ~75% of FFO generated in foreign currencies for next 18-24 months
- Signed definitive agreement to sell New England electricity transmission business for proceeds of ~\$280 million (100% basis; our share of net proceeds ~\$30 million), expected to close in H2 2015



OUR MISSION

- To own and operate a globally diversified portfolio of high quality infrastructure assets that will generate sustainable and growing dividends over the long-term for our unitholders

PERFORMANCE TARGETS AND KEY MEASURES

- Target a 12% to 15% total annual return on invested capital measured over the long term
- Expect to generate returns from in-place cash flows plus growth through investments in upgrades and expansions of our asset base
- AFFO yield is a key performance metric which measures sustainable return on capital deployed
- Growth in FFO per unit is also a key performance metric as it is a proxy for our ability to increase distributions

BASIS OF PRESENTATION

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

- Objective is to pay a distribution that is sustainable on a long-term basis while retaining sufficient liquidity within operations to fund recurring growth capital expenditures and general corporate requirements
- We believe that a payout of 60-70% of FFO is appropriate
- Targeting 5% to 9% annual distribution growth, in light of expected per unit FFO growth
- Distribution payout is reviewed with the Board of Directors in the first quarter of each year
- The Board of Directors has declared a quarterly distribution in the amount of \$0.53 per unit, payable on June 30, 2015 to unitholders of record as at the close of business on May 29, 2015. This distribution represents a 10% increase compared to the prior year
 - Distributions have grown at a **compound annual growth rate of 13%** since inception of the partnership in 2008
- Below is a breakdown of distribution history since the spin-off

US\$, UNAUDITED	2008	2009	2010	2011	2012	2013	2014	2015F
Annual Distribution	\$ 0.88*	\$ 1.06	\$ 1.10	\$ 1.32	\$ 1.50	\$ 1.72	\$1.92	\$2.12
Growth	—	—	4%	20%	14%	15%	12%	10%

* 2008 distribution was prorated from spin-off

- Own and operate a diversified portfolio of high-quality, long-life utilities, transport, energy and communications infrastructure assets
- Generate stable cash flows with ~90% of adjusted EBITDA supported by regulated or long-term contracts
- Leverage Brookfield’s best in-class operating segments to extract additional value from investments

SEGMENT	DESCRIPTION	PLATFORM	PRIMARY LOCATION
Utilities	Regulated or contractual businesses which earn a return on their asset base	<ul style="list-style-type: none"> • Regulated Terminal • Electricity Transmission • Regulated Distribution 	<ul style="list-style-type: none"> • Australia • North & South America • Europe & South America
Transport	Provide transportation for freight, bulk commodities and passengers, for which we are paid an access fee	<ul style="list-style-type: none"> • Rail • Toll Roads • Ports 	<ul style="list-style-type: none"> • Australia & South America • South America • Europe & North America
Energy	Systems that provide energy transmission, distribution and storage services	<ul style="list-style-type: none"> • Energy Transmission, Distribution & Storage • District Energy 	<ul style="list-style-type: none"> • North America & Europe • North America & Australia
Communications Infrastructure	Provide essential services and critical infrastructure to the media broadcasting and telecom sectors	<ul style="list-style-type: none"> • Tower Infrastructure Operations 	<ul style="list-style-type: none"> • Europe

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

STATEMENTS OF OPERATIONS

US\$ MILLIONS, UNAUDITED	Period ended March 31	
	2015	2014
Net income by segment		
Utilities	\$ 49	\$ 37
Transport	36	33
Energy	17	9
Communications Infrastructure ¹	—	—
Corporate and other	30	(47)
Net income	\$ 132	\$ 32
Adjusted EBITDA by segment		
Utilities	\$ 130	\$ 126
Transport	139	144
Energy	45	44
Communications Infrastructure ¹	—	—
Corporate and other	(34)	(27)
Adjusted EBITDA	\$ 280	\$ 287
FFO by segment		
Utilities	\$ 95	\$ 89
Transport	96	95
Energy	28	26
Communications Infrastructure ¹	—	—
Corporate and other	(33)	(24)
FFO	\$ 186	\$ 186

STATEMENTS OF FINANCIAL POSITION

US\$ MILLIONS, UNAUDITED	As of	
	Mar 31, 2015	Dec 31, 2014
Total assets by segment		
Utilities	\$ 4,600	\$ 4,805
Transport	4,517	4,970
Energy	1,794	1,816
Communications Infrastructure	787	—
Corporate and other	(144)	(56)
Total assets	\$ 11,554	\$ 11,535
Net debt by segment		
Utilities	\$ 2,698	\$ 2,843
Transport	2,214	2,513
Energy	1,007	1,030
Communications Infrastructure	372	—
Corporate and other	675	271
Net debt	\$ 6,966	\$ 6,657
Partnership capital by segment		
Utilities	\$ 1,902	\$ 1,962
Transport	2,303	2,457
Energy	787	786
Communications Infrastructure	415	—
Corporate and other	(819)	(327)
Partnership capital	\$ 4,588	\$ 4,878

¹ Acquired on March 31, 2015

Brookfield

OPERATING SEGMENTS



SEGMENT OVERVIEW

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

OBJECTIVES

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

OPERATIONS

- Regulated terminal – one of the world’s largest coal export terminals in Australia, with 85 Mtpa of capacity
- Electricity transmission – approximately 10,800 km of transmission lines in North and South America
- Regulated distribution – approximately 2.4 million electricity and natural gas connections

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

US\$ MILLIONS, UNAUDITED	Three months ended March 31	
	2015	2014
Rate base	\$ 3,956	\$ 4,335
Funds from operations (FFO)	\$ 95	\$ 89
Maintenance capital	(2)	(2)
Adjusted funds from operations (AFFO)	\$ 93	\$ 87
Return on rate base ^{1,2}	11%	10%

1. Return on rate base is adjusted EBITDA divided by time weighted average rate base.

2. Return on rate base excludes impact of connections revenue at our UK regulated distribution business.

- FFO of \$95 million in Q1'15 compared to \$89 million in 2014
 - FFO increased by \$6 million as results benefited from higher connections activity at our UK regulated distribution business, inflation indexation and additions to rate base, slightly offset by the impact of foreign exchange

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

US\$ MILLIONS, UNAUDITED	Three months ended March 31	
	2015	2014
Revenue	\$ 152	\$ 161
Connections revenue	16	15
Cost attributable to revenues	(38)	(50)
Adjusted EBITDA	130	126
Interest expense	(36)	(39)
Other income	1	2
Funds from operations (FFO)	95	89
Depreciation and amortization	(38)	(39)
Deferred taxes and other items	(8)	(13)
Net income	\$ 49	\$ 37

The following table presents our proportionate adjusted EBITDA and FFO for each platform in this operating segment:

US\$ MILLIONS, UNAUDITED	Three months ended March 31		Adjusted EBITDA		FFO	
	2015	2014	2015	2014	2015	2014
Regulated Distribution	\$ 53	\$ 47	\$ 42	\$ 36		
Regulated Terminal	40	42	23	23		
Electricity Transmission	37	37	30	30		
Total	\$ 130	\$ 126	\$ 95	\$ 89		

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$130 million and \$95 million, respectively, versus \$126 million and \$89 million, respectively, in the prior year
 - Regulated Distribution: Adjusted EBITDA and FFO increased versus prior year primarily due to stronger performance at our UK regulated distribution business that benefited from a larger rate base, inflation indexation and higher connections activity
 - Regulated Terminal: Adjusted EBITDA decreased slightly and FFO was in line with the prior year as inflation indexation and the benefit of additions to rate base were offset by the impact of foreign exchange as our hedged rate declined compared to the prior year
 - Electricity Transmission: Adjusted EBITDA and FFO are consistent with prior year as inflation indexation and lower operating costs were offset by the impact of foreign exchange

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

US\$ MILLIONS, UNAUDITED	Three months ended March 31	
	2015	2014
Capital backlog, start of period	\$ 397	\$ 300
Additional capital project mandates	48	91
Less: capital expenditures	(52)	(68)
Foreign exchange and other	(29)	4
Capital backlog, end of period	364	327
Construction work in progress	112	55
Total capital to be commissioned	\$ 476	\$ 382

US\$ MILLIONS, UNAUDITED	Three months ended March 31	
	2015	2014
Rate base, start of period	\$ 4,118	\$ 4,242
Capital expenditures commissioned	41	61
Inflation and other indexation	26	23
Regulatory depreciation	(14)	(15)
Foreign exchange and other	(215)	24
Rate base, end of period	\$ 3,956	\$ 4,335

CAPITAL BACKLOG

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

- Ended period with capital backlog of \$364 million, a \$33 million decrease from December 31, 2014
 - Capital project mandates awarded were more than offset by capital expenditures and foreign exchange movements during the period
 - Our UK regulated distribution business, Chilean transmission system and Australian regulated terminal are the largest contributors at \$199 million, \$103 million and \$37 million, respectively
- Construction work in progress was \$112 million at period end
 - Increase due to advancing several organic growth initiatives over the past year, primarily in our UK regulated distribution and Chilean transmission businesses
- Ended quarter with \$476 million of total capital to be commissioned into rate base

RATE BASE

- We continued to invest in our rate base and benefit from inflation indexation during the quarter, however these increases were more than offset by the impact of foreign exchange

SEGMENT OVERVIEW

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

OBJECTIVES

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

OPERATIONS

- Rail – sole provider of rail network in Southwestern Western Australia with ~5,100 km of track and operator of ~4,800 km of rail in South America
- Toll Roads – ~3,200 km of motorways in Brazil and Chile
- Ports – 30 terminals in North America, UK and across Europe

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

US\$ MILLIONS, UNAUDITED	Three months ended March 31	
	2015	2014
Growth capital expenditures	\$ 61	\$ 66
Adjusted EBITDA margin ¹	48%	50%
Funds from operations (FFO)	\$ 96	\$ 95
Maintenance capital	(17)	(18)
Adjusted funds from operations (AFFO)	\$ 79	\$ 77

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

- FFO of \$96 million in Q1'15 compared to \$95 million in Q1'14
 - Driven by the investment in our Brazilian rail operation in Q3'14, the benefit of inflationary tariff increases at our South American toll roads and volume growth at our UK port, which were offset by the impact of foreign exchange

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

US\$ MILLIONS, UNAUDITED	Three months ended March 31			
	2015		2014	
Revenue	\$	291	\$	286
Cost attributable to revenues		(152)		(142)
Adjusted EBITDA		139		144
Interest expense		(40)		(42)
Other expenses		(3)		(7)
Funds from operations (FFO)		96		95
Depreciation and amortization		(54)		(61)
Deferred taxes and other items		(6)		(1)
Net income	\$	36	\$	33

The following table presents our proportionate adjusted EBITDA and FFO for each platform in this operating segment:

US\$ MILLIONS, UNAUDITED	Three months ended March 31		Adjusted EBITDA		FFO			
	2015		2014		2015		2014	
Rail	\$	70	\$	65	\$	54	\$	49
Toll roads		48		60		28		34
Ports		21		19		14		12
Total	\$	139	\$	144	\$	96	\$	95

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$139 million and \$96 million, respectively, versus \$144 million and \$95 million, respectively, in the prior year
 - Rail: Adjusted EBITDA and FFO increased versus prior year due to contribution from our South American rail acquisition completed in Q3'14, partially offset by the impact of lower grain volumes at our Australian operation as the prior year benefited from a bumper grain harvest
 - Toll roads: Adjusted EBITDA and FFO decreased versus prior year as regulatory tariff increases were offset by the impact of foreign exchange
 - In local currency, toll road EBITDA was 6% higher than prior year driven by tariff and volume increases
 - Ports: Adjusted EBITDA and FFO increased versus prior year primarily due to improved volumes at our UK port, as a result of improving economy and operational efficiencies, and contribution from our North American container terminal acquired at the end of Q1'14

CAPITAL BACKLOG

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

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

US\$ MILLIONS, UNAUDITED	Three months ended March 31	
	2015	2014
Capital backlog, start of period	\$ 655	\$ 373
Additional capital project mandates	104	93
Less: capital expenditures	(61)	(66)
Foreign exchange and other	(99)	14
Capital backlog, end of period	\$ 599	\$ 414
Construction work in progress	85	66
Total capital to be commissioned	\$ 684	\$ 480

- Consists of the following types of projects:
 - Rail
 - Upgrading and expanding our network to allow for the capture of volume growth from incremental activity in the sectors we serve
 - Toll roads
 - Increasing the capacity of our roads by increasing and widening lanes on certain routes to support growing traffic
 - Ports
 - Increasing capacity of our terminals by deepening the berths and enhancing and modernizing our existing infrastructure
- Decline in capital backlog from year-end as additional approved capital projects were offset by capital expenditures, primarily in Brazil where we advanced our toll road projects and Santos port expansion, and the impact of foreign exchange

SEGMENT OVERVIEW

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

OBJECTIVES

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

OPERATIONS

- Energy Transmission, Distribution & Storage – 14,800 km of transmission pipelines, over 40,000 gas distribution customers in the UK and 370 billion cubic feet of natural gas storage in the U.S. and Canada
- District Energy – Delivers heating and cooling to North American customers from centralized systems including heating plants capable of delivering over 2,825,000 pounds per hour of steam heating capacity and 251,000 tons of cooling capacity, as well as in Australia where we provide heating, cooling and distributed water and sewage services

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

US\$ MILLIONS, UNAUDITED	Three months ended March 31	
	2015	2014
Growth capital expenditures	\$ 4	\$ 11
Adjusted EBITDA margin ¹	48%	48%
Funds from operations (FFO)	\$ 28	\$ 26
Maintenance capital	(4)	(3)
Adjusted funds from operations (AFFO)	\$ 24	\$ 23

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

- FFO of \$28 million in Q1'15 compared to \$26 million in 2014
 - FFO increased by \$2 million as improved performance and contribution from investments made during Q3'14 in our district energy business were partially offset by lower transportation volumes at our North American energy transmission business

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

US\$ MILLIONS, UNAUDITED	Three months ended March 31	
	2015	2014
Revenue	\$ 94	\$ 91
Cost attributable to revenues	(49)	(47)
Adjusted EBITDA	45	44
Interest expense	(17)	(18)
Funds from operations (FFO)	28	26
Depreciation and amortization	(10)	(17)
Deferred taxes and other items	(1)	—
Net income	\$ 17	\$ 9

The following table presents our proportionate adjusted EBITDA and FFO for each platform in this operating segment:

US\$ MILLIONS, UNAUDITED	Three months ended March 31		Adjusted EBITDA		FFO	
	2015	2014	2015	2014	2015	2014
Energy Transmission, Distribution & Storage	\$ 35	\$ 40	\$ 20	\$ 23		
District Energy	10	4	8	3		
Total	\$ 45	\$ 44	\$ 28	\$ 26		

FINANCIAL RESULTS

- Adjusted EBITDA and FFO in the quarter were \$45 million and \$28 million, respectively, versus \$44 million and \$26 million in the prior year
 - Energy Transmission, Distribution & Storage: Adjusted EBITDA and FFO decreased versus prior year as results were impacted by milder weather in the Chicago market which lowered transportation volumes at our North American energy transmission business
 - District Energy: Adjusted EBITDA and FFO increased from the prior year primarily as a result of contribution from new systems that came on-line in Q3'14 and increased contribution from our Australian business that benefited from a higher number of in-place connections
 - Prior period balances have been reclassified to include Australian district energy business which were formerly presented as part of the energy distribution platform

CAPITAL BACKLOG

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

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

US\$ MILLIONS, UNAUDITED	Three months ended March 31	
	2015	2014
Capital backlog, start of period	\$ 73	\$ 30
Additional capital project mandates	31	12
Less: capital expenditures	(4)	(11)
Foreign exchange and other	(12)	—
Capital backlog, end of period	\$ 88	\$ 31
Construction work in progress	20	10
Total capital to be commissioned	\$ 108	\$ 41

- Consists of the following district energy projects:
 - Expanding networks to capture volume growth from new systems underpinned by long-term take or pay contracts
 - Upgrading systems to attain incremental volumes from increased demand in regions we serve
- Increase in capital backlog from prior year is primarily due to capital project mandates awarded in our district energy platform, expansionary project approved at our North American gas transmission business, partially offset by capital expenditures made during the period and the impact of foreign exchange

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

	Three months ended March 31	
	2015	2014
US\$ MILLIONS, UNAUDITED		
General and administrative costs	\$ (2)	\$ (2)
Base management fee	(32)	(25)
Adjusted EBITDA	(34)	(27)
Other income	5	6
Financing costs	(4)	(3)
Funds from operations (FFO)	(33)	(24)
Deferred taxes and other items	63	(23)
Net income (loss)	\$ 30	\$ (47)

FINANCIAL RESULTS

- General and administrative costs in-line with prior year
 - Anticipate corporate and administrative costs of \$8 million to \$10 million per year, excluding base management fee
- We pay Brookfield an annual base management fee equal to 1.25% of our market value, plus recourse debt net of cash
 - Base management fee increased from prior year due to a larger market capitalization driven by higher unit trading price and higher recourse debt due to capital raised during the quarter
- Corporate financing costs include interest expense and standby fees on committed credit facility, less interest earned on cash balances
 - Financing costs increased year-over-year due to higher recourse debt used to finance new investments
- Other income includes interest and distribution income earned on corporate financial assets

Our total liquidity was ~\$2 billion at March 31, 2015, and was comprised of the following:

US\$ MILLIONS, UNAUDITED	As of		Pro-forma ¹
	Mar 31, 2015	Dec 31, 2014	
Corporate cash and financial assets	\$ 370	\$ 317	\$ 923
Committed corporate credit facility	1,400	1,400	1,400
Draws under corporate credit facility	(373)	(246)	—
Commitments under corporate credit facility	(108)	(110)	(108)
Proportionate cash retained in businesses	320	380	320
Proportionate availability under subsidiary credit facilities	387	384	387
Total liquidity	\$ 1,996	\$ 2,125	\$ 2,922

¹ Includes proceeds from equity issuance, net of fees

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

MATURITY PROFILE

We finance our assets principally at the operating company level with debt that generally has long-term maturities, few restrictive covenants and no recourse to either Brookfield Infrastructure or our other operations.

On a proportionate basis as of March 31, 2015, scheduled principal repayments over the next five years are as follows:

US\$ MILLIONS, UNAUDITED	Average Term (years)	2015	2016	2017	2018	2019	Beyond	Total
Recourse borrowings								
Net corporate borrowings	5	\$ —	\$ —	\$ 316	\$ —	\$ 373	\$ 356	\$ 1,045
Total recourse borrowings	5	—	—	316	—	373	356	1,045
Utilities								
Regulated Distribution	11	—	—	43	—	—	859	902
Regulated Terminal	6	—	189	—	—	34	789	1,012
Electricity Transmission	12	6	74	7	8	8	727	830
	10	6	263	50	8	42	2,375	2,744
Transport								
Rail	8	—	—	17	—	—	955	972
Toll Roads	9	163	102	138	77	76	563	1,119
Ports	6	17	9	44	174	11	97	352
	9	180	111	199	251	87	1,615	2,443
Energy								
Energy Transmission, Distribution & Storage	6	15	15	462	—	145	228	865
District Energy	14	—	—	30	1	—	155	186
	8	15	15	492	1	145	383	1,051
Communications Infrastructure								
Tower Infrastructure Operations	4	—	—	—	158	—	215	373
	4	—	—	—	158	—	215	373
Total non-recourse borrowings	9	201	389	741	418	274	4,588	6,611
Total borrowings	9	\$ 201	\$ 389	\$ 1,057	\$ 418	\$ 647	\$ 4,944	\$ 7,656
		3%	5%	14%	5%	8%	65%	100%

The following table presents proportionate net debt by operating segment:

US\$ MILLIONS, UNAUDITED	As of	
	March 31, 2015	December 31, 2014
Non-recourse borrowings		
Utilities	\$ 2,744	\$ 2,891
Transport	2,443	2,804
Energy	1,051	1,071
Communications Infrastructure	373	—
Corporate & Other	1,045	588
Total borrowings	\$ 7,656	\$ 7,354
Cash retained in businesses		
Utilities	\$ 46	\$ 48
Transport	229	291
Energy	44	41
Communications Infrastructure	1	—
Corporate & Other	370	317
Total cash retained	\$ 690	\$ 697
Net debt		
Utilities	\$ 2,698	\$ 2,843
Transport	2,214	2,513
Energy	1,007	1,030
Communications Infrastructure	372	—
Corporate & Other	675	271
Total net debt	\$ 6,966	\$ 6,657

- Weighted average cash interest rate is 5.9% for the overall business, in which our utilities, transport, energy and corporate segments were 5.4%, 6.5%, 6.8%, and 3.5%, respectively

To the extent that it is economic to do so, we hedge a portion of our equity investments and/or cash flows exposed to foreign currencies. The following principles form the basis of our foreign currency hedging strategy:

- We leverage any natural hedges that may exist within our operations
- We utilize local currency debt financing to the extent possible
- We may utilize derivative contracts to the extent that natural hedges are insufficient

The following table presents our hedged position in foreign currencies as at March 31, 2015:

US\$ MILLIONS, UNAUDITED	Net Investment Hedges								
	USD	AUD	GBP	BRL	EUR	CAD	CLP	COP	
Net equity Investment – US\$	\$ 333	\$ 1,452	\$ 973	\$ 954	\$ 568	\$ 141	\$ 110	\$ 57	
FX contracts – US\$	2,955	(1,323)	(973)	—	(518)	(141)	—	—	
Net unhedged – US\$	\$ 3,288	\$ 129	\$ —	\$ 954	\$ 50	\$ —	\$ 110	\$ 57	
% of equity investment hedged	N/A	91%	100%	—%	91%	100%	—%	—%	

- As at March 31, 2015, hedges in place are equal to 69% of net equity in foreign currencies
- We have implemented a strategy to hedge approximately 75% of our expected FFO generated in foreign currencies
- For the three months ended March 31, 2015, 19%, 29%, 26% and 17% of our pre-corporate FFO was generated in USD, AUD, GBP and BRL, respectively
- Due to our FFO hedging program, 76%, 2%, 1% and 17% of our pre-corporate FFO was effectively generated in USD, AUD, GBP and BRL, respectively

CAPITAL REINVESTMENT

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

US\$ MILLIONS, UNAUDITED	Three months ended March 31	
	2015	2014
Funds from operations (FFO)	\$ 186	\$ 186
Maintenance capital	(23)	(23)
Funds available for distribution (AFFO)	163	163
Distributions paid	(126)	(112)
Funds available for reinvestment	37	51
Growth capital expenditures	(117)	(145)
Asset level debt funding of growth capex	70	71
New investments, net of disposals	(452)	(39)
Asset level financings (repayments)	(134)	(27)
Draws on corporate credit facility	127	—
Proceeds from debt issuance	360	—
Proceeds from preferred shares issuance	96	—
Changes in working capital and other	6	31
Change in proportionate cash	(7)	(58)
Opening, proportionate cash	697	853
Closing, proportionate cash	\$ 690	\$ 795

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

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

US\$ MILLIONS, UNAUDITED	Three months ended March 31	
	2015	2014
Growth capital expenditures by segment		
Utilities	\$ 52	\$ 68
Transport	61	66
Energy	4	11
Total	\$ 117	\$ 145

US\$ MILLIONS, UNAUDITED	Three months ended March 31	
	2015	2014
Maintenance capital expenditures by segment		
Utilities	\$ 2	\$ 2
Transport	17	18
Energy	4	3
Total	\$ 23	\$ 23

- We estimate annual maintenance capital expenditures of \$15-20 million, \$90-100 million, \$25-35 million and \$5-10 million for our Utilities, Transport, Energy and Communications Infrastructure segments respectively, for a total range between \$135-165 million

The total number of partnership units outstanding was comprised of the following:

MILLIONS OF PARTNERSHIP UNITS, UNAUDITED	As of		Pro-forma ¹
	March 31, 2015	December 31, 2014	
Redeemable partnership unit	58.7	58.7	66.8
Limited partnership unit	150.3	150.3	163.7
General partnership unit	1.1	1.1	1.1
Total partnership units	210.1	210.1	231.6

¹ Includes units issued subsequent to period end

- The general partner may be entitled to incentive distribution rights, as follows:
 - To the extent distributions on partnership units are greater than \$0.305, the general partner is entitled to 15% of incremental distributions above this threshold until distributions reach \$0.33 per unit
 - To the extent distributions on partnership units are greater than \$0.33, the general partner is entitled to 25% of incremental distributions above this threshold
- Incentive distributions of \$15 million were paid during the quarter versus \$11 million in the prior year as a result of the 10% increase in our distribution on partnership units from 2014
- Preferred Limited Partnership units outstanding at March 31, 2015 were 5 million, issued at par value of C\$25 per unit

APPENDIX – RECONCILIATION OF NON-IFRS FINANCIAL MEASURES



RECONCILIATION OF NET INCOME¹ TO FUNDS FROM OPERATIONS

US\$ MILLIONS, UNAUDITED	Three months ended March 31	
	2015	2014
Net income attributable to partnership ¹	\$ 132	\$ 32
Add back or deduct the following:		
Depreciation and amortization	102	117
Deferred income taxes	8	(1)
Mark-to-market on hedging items	(77)	16
Valuation losses and other	21	22
FFO	186	186
Maintenance capital expenditures	(23)	(23)
AFFO	\$ 163	\$ 163

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

RECONCILIATION OF PROPORTIONATE OPERATING RESULTS TO CONSOLIDATED OPERATING RESULTS

Brookfield Infrastructure's Share

 FOR THE THREE MONTHS ENDED MARCH 31, 2015
 US\$ MILLIONS, UNAUDITED

	Utilities	Transport	Energy	Other	Total	Contribution from investments in associates	Attributable to non-controlling interest	Discontinued Operations	As per IFRS financials
Revenues	\$ 168	\$ 291	\$ 94	\$ —	\$ 553	\$ (200)	\$ 149	\$ (36)	\$ 466
Costs attributed to revenues	(38)	(152)	(49)	—	(239)	111	(88)	13	(203)
General and administrative costs	—	—	—	(34)	(34)	—	—	—	(34)
Adjusted EBITDA	130	139	45	(34)	280	(89)	61	(23)	
Other income (expense)	1	(3)	—	5	3	2	(2)	—	3
Interest expense	(36)	(40)	(17)	(4)	(97)	22	(29)	14	(90)
FFO	95	96	28	(33)	186	(65)	30	(9)	
Depreciation and amortization	(38)	(54)	(10)	—	(102)	38	(31)	—	(95)
Deferred taxes	(13)	2	1	2	(8)	(1)	3	3	(3)
Mark-to-market on hedging items	8	—	—	69	77	—	13	—	90
Valuation losses and other	(3)	(8)	(2)	(8)	(21)	11	1	6	(3)
Share of earnings from associates	—	—	—	—	—	17	—	—	17
Net income attributable to non-controlling interest	—	—	—	—	—	—	(16)	—	(16)
Net income attributable to partnership¹	\$ 49	\$ 36	\$ 17	\$ 30	\$ 132	\$ —	\$ —	\$ —	\$ 132

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

RECONCILIATION OF PROPORTIONATE OPERATING RESULTS TO CONSOLIDATED OPERATING RESULTS

Brookfield Infrastructure's Share

FOR THE THREE MONTHS ENDED MARCH 31, 2014
US\$ MILLIONS, UNAUDITED

	Utilities	Transport	Energy	Other	Total	Contribution from investments in associates	Attributable to non-controlling interest	Discontinued Operations	As per IFRS financials
Revenues	\$ 176	\$ 286	\$ 91	\$ —	\$ 553	\$ (183)	\$ 150	\$ (40)	\$ 480
Costs attributed to revenues	(50)	(142)	(47)	—	(239)	94	(78)	11	(212)
General and administrative costs	—	—	—	(27)	(27)	—	—	—	(27)
Adjusted EBITDA	126	144	44	(27)	287	(89)	72	(29)	
Other income (expense)	2	(7)	—	6	1	3	(1)	—	3
Interest expense	(39)	(42)	(18)	(3)	(102)	25	(25)	15	(87)
FFO	89	95	26	(24)	186	(61)	46	(14)	
Depreciation and amortization	(39)	(61)	(17)	—	(117)	41	(25)	10	(91)
Deferred taxes	(6)	7	(4)	4	1	(10)	(1)	4	(6)
Mark-to-market on hedging items	2	5	—	(23)	(16)	—	—	—	(16)
Valuation (losses) gains and other	(9)	(13)	4	(4)	(22)	17	(8)	1	(12)
Share of earnings from associates	—	—	—	—	—	13	—	—	13
Loss from discontinued operations, net of income tax	—	—	—	—	—	—	—	(1)	(1)
Net income attributable to non-controlling interest	—	—	—	—	—	—	(12)	—	(12)
Net income (loss) attributable to partnership¹	\$ 37	\$ 33	\$ 9	\$ (47)	\$ 32	\$ —	\$ —	\$ —	\$ 32

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

RECONCILIATION OF PARTNERSHIP CAPITAL TO INVESTED CAPITAL – AS AT MARCH 31, 2015

US\$ MILLIONS, UNAUDITED		Total
Partnership capital	\$	4,588
Cumulative differences ¹		1,075
Maintenance capital expenditures		(23)
Non-cash statement of operating results items		54
Accumulated other comprehensive income and other		(835)
Invested capital	\$	4,859
Weighted average invested capital		
– three months ended March 31, 2015	\$	4,840

RECONCILIATION OF PARTNERSHIP CAPITAL TO INVESTED CAPITAL – AS AT MARCH 31, 2014

US\$ MILLIONS, UNAUDITED		Total
Partnership capital	\$	5,105
Cumulative differences ¹		669
Maintenance capital expenditures		(23)
Non-cash statement of operating results items		154
Accumulated other comprehensive income and other		(1,176)
Invested capital	\$	4,729
Weighted average invested capital		
– three months ended March 31, 2014	\$	4,703

1. Cumulative differences are comprised of total cumulative maintenance capital expenditures, non-cash statement of operating results items and other adjustments since capital was invested.

RECONCILIATION OF PROPORTIONATE ASSETS TO CONSOLIDATED ASSETS – AS AT MARCH 31, 2015

US\$ MILLIONS, UNAUDITED	Total Attributable to Brookfield Infrastructure						Contribution from investment in associates	Attributable to non-controlling interest	Working capital adjustment	As per IFRS financials ¹
	Utilities	Transport	Energy	Communications Infrastructure	Other	Brookfield Infrastructure				
Total assets	\$4,600	\$4,517	\$1,794	\$787	\$(144)	\$11,554	\$(2,568)	\$3,934	\$3,366	\$16,286

RECONCILIATION OF PROPORTIONATE ASSETS TO CONSOLIDATED ASSETS – AS AT DECEMBER 31, 2014

US\$ MILLIONS, UNAUDITED	Total Attributable to Brookfield Infrastructure						Contribution from investment in associates	Attributable to non-controlling interest	Working capital adjustment	As per IFRS financials ¹
	Utilities	Transport	Energy	Other	Brookfield Infrastructure					
Total assets	\$4,805	\$4,970	\$1,816	\$(56)	\$11,535	\$(1,944)	\$4,284	\$2,620	\$16,495	

1. The above tables provide each segment's assets in the format that management organizes its segments to make operating decisions and assess performance. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations using consolidation and the equity method whereby the Partnership either controls or exercises significant influence over the investment respectively. The above table reconciles Brookfield Infrastructure's proportionate assets to total assets presented on the Partnership's consolidated statements of financial position by removing net liabilities contained within investments in associates, reflecting the assets attributable to non-controlling interests, and adjusting for working capital assets which are netted against working capital liabilities.

RECONCILIATION OF CONSOLIDATED DEBT TO PROPORTIONATE DEBT

US\$ MILLIONS, UNAUDITED	As of	
	Mar 31 2015	Dec 31 2014
Consolidated debt	\$ 7,007	\$ 6,809
Add: proportionate share of debt of investment in associates		
Utilities	674	684
Transport	863	1,140
Communications Infrastructure	373	—
Add: proportionate share of debt directly associated with assets held for sale	799	809
Less: debt attributable to non-controlling interest	(1,706)	(1,834)
Premium on debt and cross currency swaps	(354)	(254)
Proportionate debt	\$ 7,656	\$ 7,354

- **Funds from operations (FFO), adjusted funds from operations (AFFO), adjusted EBITDA, invested capital** and their per share equivalents, where applicable, are non-IFRS measures which do not have any standard meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies
 - FFO, AFFO and invested capital are reconciled to Net Income and Partnership capital, respectively, their closest measures determined under IFRS on pages 26 and 29, respectively
- **FFO** is defined as net income excluding the impact of depreciation and amortization, deferred income taxes, breakage and transaction costs, non-cash valuation gains or losses, and other items
 - Brookfield Infrastructure uses FFO to assess its operating results
- **Adjusted EBITDA** is defined as FFO excluding the impact of interest expense and other income or expenses
 - Brookfield Infrastructure uses Adjusted EBITDA as a measure of operating performance
- **AFFO** is a measure of our sustainable cash flow and is calculated as FFO less maintenance capital expenditures
 - In order to assess our performance as stewards of capital, we also focus on AFFO yield, which is a proxy for our returns on invested capital
- **Invested capital** is meant to track the initial investment that we make in a business in addition to the retained cash that we reinvest in each of our businesses