

2016

## Supplemental Information

Quarter ended June 30

*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”, “enhance”, derivatives thereof and other expressions of similar import, or the negative variations thereof, and similar expressions of future or conditional verbs such as “will”, “may”, “should”, “could”, which are predictions of or indicate future events, trends or prospects and which do not relate to historical matters, identify forward-looking statements. Forward-looking statements in this Supplemental Information include among others, statements with respect to our assets tending to appreciate in value over time, current and proposed growth initiatives in our assets and operations, increases in FFO per unit and resulting capital appreciation, returns on capital and on equity, increasing demand for commodities and global movement of goods, 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 for products and services in the markets for the commodities that underpin demand for our infrastructure, our ability to complete acquisitions and large capital expansion projects on time and within budget, our ability to achieve the milestones necessary to deliver targeted returns to our unitholders, including targeted distribution growth, ability to negotiate favourable take-or-pay contractual terms, traffic volumes on our toll roads, our ability to obtain relevant regulatory approvals 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 29-35 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](http://www.brookfieldinfrastructure.com) and at [www.sec.gov/edgar.shtml](http://www.sec.gov/edgar.shtml) and [www.sedar.com](http://www.sedar.com).*

**\$230** million of FFO  
or \$1.00 per unit

**10%** FFO per unit  
growth

**\$0.57** per unit  
distribution

## KEY PERFORMANCE METRICS

See "Reconciliation of Non-IFRS Measures" on page 28

US\$ MILLIONS, EXCEPT PER UNIT INFORMATION, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Funds from operations (FFO)	\$ 230	\$ 208	\$ 464	\$ 394
Per unit FFO <sup>1</sup>	1.00	0.91	2.02	1.80
Distributions	0.57	0.53	1.14	1.06
Payout ratio <sup>2</sup>	66%	67%	66%	68%
Growth of per unit FFO	10%	6%	12%	3%
Adjusted funds from operations (AFFO)	189	174	398	337
Net income <sup>3</sup>	156	18	234	150
Net income per limited partner unit	0.59	0.01	0.84	0.55

## KEY BALANCE SHEET METRICS

US\$ MILLIONS, UNAUDITED	As of	
	June 30, 2016	Dec 31, 2015
Total assets	\$ 20,443	\$ 17,735
Corporate borrowings	2,238	1,380
Partnership capital <sup>4</sup>	5,554	5,379

1. Average units outstanding for both three and six-month periods ended June 30, 2016 of 230.1 million (2015: 228.3 million and 219.2 million for three and six-month periods)
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. Includes partnership capital attributable to non-controlling interests—Redeemable Partnership Units held by Brookfield, general partner and limited partners

## PERFORMANCE HIGHLIGHTS

- FFO increased by 11% to \$230 million reflecting strong organic growth and contribution from new investments, which more than offset the impact of foreign exchange
  - 'Same store' FFO growth of 11%, on a constant currency basis
  - FFO/unit of \$1.00, a 10% increase from prior year
- Distribution of \$0.57 per unit represents payout ratio of 66%
  - Within 60-70% long-term target range
  - Announced 3.5% mid-year increase in the quarterly distribution
- Net income of \$156 million versus \$18 million in prior year
  - Increase in net income is attributable to higher earnings from operations, a non-recurring gain of approximately \$100 million in our toll roads business and unrealized gains on hedging program, which was partially offset by higher depreciation and amortization charges
- Total assets increased as a result of recently acquired toll road businesses in India and Peru, in addition to the impact of foreign currencies appreciating versus the U.S. dollar since year-end, partially offset by higher depreciation and amortization charges

## OPERATIONS

- Deployed ~\$170 million in growth capital expenditures in the second quarter
  - ~\$100 million invested across Utilities segment to increase rate base
  - ~\$70 million in Transport and Energy projects to increase capacity and ease congestion
- Added ~\$370 million to capital investment backlog across all segments; total capital to be commissioned in the next two to three years currently stands at ~\$2 billion
  - Executed agreement with Spanish construction company to build an additional 1,200 km of greenfield electricity transmission projects in Brazil; brings total to ~2,800 km and added ~\$80 million to backlog
  - UK Regulated Distribution business experienced another strong quarter of connection sales that represented 17% increase from prior year levels; 785,000 connections in backlog at end of period
- Significant inflationary tariff increases in our South American toll road operations increased local currency EBITDA by 11% compared to prior year
- Solid results at North American natural gas transmission business driven by increased demand from LNG terminals on the Gulf Coast
  - Injected ~\$620 million (BIP share – \$310 million) along with our partner to retire 20% of the total outstanding debt as part of overall de-leveraging strategy for the business

## BUSINESS DEVELOPMENT

- Acquired a 57% interest in urban toll road business in Peru for \$430 million (BIP share – \$130 million)
- Acquired additional 8% of Brazilian toll road business for ~\$80 million; increasing ownership to 39%
- Recently completed the acquisition of Niska Gas Storage Partners for \$440 million (BIP share – \$180 million)
- Received regulatory approval for the acquisition of an Australian ports and logistics operator; August 2016 closing

## FINANCING AND LIQUIDITY

- Corporate liquidity of \$1.7 billion as at June 30, 2016 (\$2.7 billion on a pro-forma basis reflecting capital recycling and preferred unit issuance)
- Hedged ~80% of FFO generated in foreign currencies for the next 18–24 months
- Chilean transmission business raised US\$350 million of 12.5 year bonds at an all-in rate of 3.875%; proceeds used to repay upcoming maturity and fund future growth capital projects
- Completed C\$250 million preferred L.P. unit issuance at a rate of 5.35% with five-year rate resets in August

## 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
- 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 \$0.59 per unit, payable on September 30, 2016 to unitholders of record as at the close of business on August 31, 2016. This quarterly distribution represents an 11% increase compared to the prior year
  - Mid-year distribution increase of 3.5%; consistent with previous guidance of an 11 - 13% increase dependent on capital deployment
  - Distributions have grown at a **compound annual growth rate of 12%** since inception of the partnership in 2008
- Below is a breakdown of distribution history since the spin-off

US\$, UNAUDITED	2008	2009	2010	2011	2012	2013	2014	2015	2016F
Annual Distribution	\$ 0.88*	\$ 1.06	\$ 1.10	\$ 1.32	\$ 1.50	\$ 1.72	\$1.92	\$2.12	\$2.32
Growth	N/A	—	4%	20%	14%	15%	12%	10%	9%

\* 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	ASSET TYPE	PRIMARY LOCATION
<b>Utilities</b>	Regulated or contractual businesses which earn a return on their asset base	<ul style="list-style-type: none"> <li>• Regulated Distribution</li> <li>• Electricity Transmission</li> <li>• Regulated Terminal</li> </ul>	<ul style="list-style-type: none"> <li>• Europe &amp; South America</li> <li>• North &amp; South America</li> <li>• Asia Pacific</li> </ul>
<b>Transport</b>	Provide transportation for freight, bulk commodities and passengers	<ul style="list-style-type: none"> <li>• Rail</li> <li>• Toll Roads</li> <li>• Ports</li> </ul>	<ul style="list-style-type: none"> <li>• Asia Pacific &amp; South America</li> <li>• South America &amp; Asia Pacific</li> <li>• Europe &amp; North America</li> </ul>
<b>Energy</b>	Systems that provide energy transmission, distribution and storage services	<ul style="list-style-type: none"> <li>• Energy Transmission, Distribution &amp; Storage</li> <li>• District Energy</li> </ul>	<ul style="list-style-type: none"> <li>• North America</li> <li>• North America &amp; Asia Pacific</li> </ul>
<b>Communications Infrastructure</b>	Provide essential services and critical infrastructure to the media broadcasting and telecom sectors	<ul style="list-style-type: none"> <li>• Tower Infrastructure Operations</li> </ul>	<ul style="list-style-type: none"> <li>• Europe</li> </ul>

# SELECTED INCOME STATEMENT AND BALANCE SHEET INFORMATION

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

## STATEMENTS OF OPERATIONS

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Net income by segment				
Utilities	\$ 26	\$ 31	\$ 69	\$ 80
Transport	127	34	156	70
Energy	10	2	20	19
Communications Infrastructure	—	5	2	5
Corporate and other	(7)	(54)	(13)	(24)
Net income	\$ 156	\$ 18	\$ 234	\$ 150
Adjusted EBITDA by segment				
Utilities	\$ 134	\$ 128	\$ 268	\$ 258
Transport	147	143	279	282
Energy	66	41	138	86
Communications Infrastructure	23	22	44	22
Corporate and other	(40)	(35)	(77)	(69)
Adjusted EBITDA	\$ 330	\$ 299	\$ 652	\$ 579
FFO by segment				
Utilities	\$ 100	\$ 93	\$ 200	\$ 188
Transport	102	104	196	200
Energy	43	23	83	51
Communications Infrastructure	19	20	38	20
Corporate and other	(34)	(32)	(53)	(65)
FFO	\$ 230	\$ 208	\$ 464	\$ 394

## STATEMENTS OF FINANCIAL POSITION

US\$ MILLIONS, UNAUDITED	As of	
	June 30 2016	Dec 31 2015
Total assets		
Utilities	\$ 4,729	\$ 4,723
Transport	6,472	5,338
Energy	2,553	2,744
Communications Infrastructure	853	824
Corporate and other	(269)	(196)
Net debt	\$ 8,784	\$ 8,054
Partnership capital by segment		
Utilities	\$ 1,942	\$ 2,002
Transport	3,948	3,220
Energy	1,223	1,009
Communications Infrastructure	446	438
Corporate and other	(2,005)	(1,290)
Partnership capital	\$ 5,554	\$ 5,379

# Brookfield

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## 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 distribution – ~2.6 million electricity and natural gas connections and 285,000 installed smart meters
- Electricity transmission – ~11,100 km of transmission lines in North and South America along with ~2,800 km of greenfield electricity transmission developments in South America
- Regulated terminal – one of the world’s largest coal export terminals in Australia, with ~85 Mtpa of capacity

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

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Rate base	\$ 3,961	\$ 4,115	\$ 3,961	\$ 4,115
Funds from operations (FFO)	\$ 100	\$ 93	\$ 200	\$ 188
Maintenance capital	(3)	(2)	(6)	(4)
Adjusted funds from operations (AFFO)	\$ 97	\$ 91	\$ 194	\$ 184
Return on rate base <sup>1,2</sup>	11%	11%	11%	11%

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

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

- FFO of \$100 million in Q2'16 compared to \$93 million in 2015
  - FFO benefitted from strong connection activity at our UK regulated distribution business, inflation indexation and capital commissioned into rate base, partially offset by the impact of foreign exchange and the sale of our New England transmission operation in Q3'15

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

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Revenue	\$ 156	\$ 154	\$ 302	\$ 306
Connections revenue	20	18	39	34
Cost attributable to revenues	(42)	(44)	(73)	(82)
Adjusted EBITDA	134	128	268	258
Interest expense	(35)	(36)	(70)	(72)
Other income	1	1	2	2
Funds from operations (FFO)	100	93	200	188
Depreciation and amortization	(40)	(39)	(78)	(77)
Deferred taxes and other items	(34)	(23)	(53)	(31)
Net income	\$ 26	\$ 31	\$ 69	\$ 80

## FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$134 million and \$100 million, respectively, versus \$128 million and \$93 million, respectively, in the prior year
  - Regulated Distribution: Adjusted EBITDA and FFO increased versus prior year due to solid performance at our UK regulated distribution business driven by higher connection activity, increased rate base, inflation indexation and contribution from smart meters acquired during the year
  - Electricity Transmission: Adjusted EBITDA and FFO decreased as inflation indexation and additions to rate base were more than offset by the impact of foreign exchange and the sale of our New England electricity transmission business in August of last year
  - Regulated Terminal: Adjusted EBITDA and FFO decreased versus prior year as inflation indexation and the benefit of additions to rate base were offset by the impact of lower hedged rates compared to the prior year
    - Expect final QCA decision by year-end; current draft represents decrease in quarterly FFO of \$3-5 million as a result of rate reset (effective July 1, 2016)

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

US\$ MILLIONS, UNAUDITED	Adjusted EBITDA				FFO			
	Three months ended June 30		Six months ended June 30		Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015	2016	2015	2016	2015
Regulated Distribution	\$ 63	\$ 53	\$ 126	\$ 106	\$ 52	\$ 42	\$ 104	\$ 84
Electricity Transmission	33	35	66	72	26	28	52	58
Regulated Terminal	38	40	76	80	22	23	44	46
Total	\$ 134	\$ 128	\$ 268	\$ 258	\$ 100	\$ 93	\$ 200	\$ 188

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

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Capital backlog, start of period	\$ 645	\$ 364	\$ 452	\$ 397
Additional capital project mandates	180	90	513	138
Less: capital expenditures	(96)	(67)	(223)	(119)
Foreign exchange and other	(28)	14	(41)	(15)
Capital backlog, end of period	701	401	701	401
Construction work in progress	150	110	150	110
Total capital to be commissioned	\$ 851	\$ 511	\$ 851	\$ 511

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Rate base, start of period	\$ 4,035	\$ 3,956	\$ 4,018	\$ 4,118
Capital expenditures commissioned	53	69	107	110
Inflation and other indexation	16	19	39	45
Regulatory depreciation	(13)	(14)	(25)	(28)
Foreign exchange and other	(130)	85	(178)	(130)
Rate base, end of period	\$ 3,961	\$ 4,115	\$ 3,961	\$ 4,115

## 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 ~\$850 million of total capital to be commissioned into rate base; a 67% increase compared to the prior year and 48% above year-end
  - Capital project additions include R\$1.8 billion relating to development of greenfield electricity transmission (BIP share – \$80M) and additions of ~80,000 connections to backlog at our UK regulated distribution business (~\$90M)
  - Our UK regulated distribution business and Chilean transmission system are the largest contributors at ~\$500 million and ~\$230 million, respectively

## RATE BASE

- Our rate base decreased from year-end as new connections at our UK Regulated Distribution business, commissioning of six projects in our Chilean transmission system and the benefit of inflation indexation were more than offset by regulatory depreciation and foreign exchange

## SEGMENT OVERVIEW

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

## OBJECTIVES

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

## OPERATIONS

- Rail – sole provider of rail network in Southwestern Western Australia with ~5,100 km of track and operator of ~4,800 km of rail in South America
- Toll Roads – ~3,600 km of motorways in Brazil, Chile, Peru and India
- Ports – 33 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 June 30		Six months ended June 30	
	2016	2015	2016	2015
Growth capital expenditures	\$ 52	\$ 73	\$ 107	\$ 134
Adjusted EBITDA margin <sup>1</sup>	51%	49%	50%	48%
Funds from operations (FFO)	102	104	196	200
Maintenance capital	(20)	(18)	(35)	(35)
Adjusted funds from operations (AFFO)	\$ 82	\$ 86	\$ 161	\$ 165

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

- FFO of \$102 million in Q2'16 compared to \$104 million in Q2'15
  - FFO benefitted from inflationary tariff increases at our rail and toll road operations, higher volumes at our rail logistics business in Brazil, strong light vehicle traffic on Chilean toll roads and cost savings at our Australian rail operation. This was more than offset by the impact of foreign exchange, lower vehicle traffic on Brazilian toll roads, and the impact of tariff relief extended to one of our clients in Australia

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

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Revenue	\$ 291	\$ 294	\$ 560	\$ 585
Cost attributable to revenues	(144)	(151)	(281)	(303)
Adjusted EBITDA	147	143	279	282
Interest expense	(40)	(35)	(74)	(75)
Other expenses	(5)	(4)	(9)	(7)
Funds from operations (FFO)	102	104	196	200
Depreciation and amortization	(60)	(56)	(114)	(110)
Deferred taxes and other items	85	(14)	74	(20)
Net income	\$ 127	\$ 34	\$ 156	\$ 70

## FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$147 million and \$102 million, respectively, versus \$143 million and \$104 million, respectively, in the prior year
  - Rail: Adjusted EBITDA and FFO benefitted from higher volumes and increased tariffs in South America which were offset by the impact of tariff relief extended to one of our clients in Australia and changes in foreign exchange
  - Toll roads: Adjusted EBITDA and FFO increased versus prior year due to a 10% increase in average tariffs, increased ownership in our Brazilian toll road business, strong light vehicle traffic on Chilean toll roads and contribution from our recent investment in India. These positive results were partially offset by lower vehicle traffic in Brazil and the impact of foreign exchange
  - Ports: Adjusted EBITDA and FFO decreased versus prior year primarily as a result of a lost bulk commodity customer at our UK port operations, lower volumes at our European port operations and the impact of foreign exchange

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

US\$ MILLIONS, UNAUDITED	Adjusted EBITDA				FFO			
	Three months ended June 30		Six months ended June 30		Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015	2016	2015	2016	2015
Rail	\$ 74	\$ 78	\$ 144	\$ 148	\$ 58	\$ 61	\$ 112	\$ 115
Toll Roads	55	43	99	91	32	28	59	56
Ports	18	22	36	43	12	15	25	29
Total	\$ 147	\$ 143	\$ 279	\$ 282	\$ 102	\$ 104	\$ 196	\$ 200

**CAPITAL BACKLOG**

*We expect enhancements to our networks over the next two to three years to expand capacity and support additional volumes, leading to cash flow growth over the long term*

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

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Capital backlog, start of period	\$ 514	\$ 599	\$ 467	\$ 655
Additional capital project mandates	175	33	251	137
Less: capital expenditures	(52)	(73)	(107)	(134)
Foreign exchange and other	50	(6)	76	(105)
Capital backlog, end of period	\$ 687	\$ 553	\$ 687	\$ 553
Construction work in progress	212	96	212	96
Total capital to be commissioned	\$ 899	\$ 649	\$ 899	\$ 649

- Consists of the following types of projects:
  - Rail: Upgrading and expanding our network to capture volume growth from incremental activity in the sectors we serve
  - Toll roads: Increasing the capacity of our roads by increasing and widening lanes on certain routes to support growing traffic
  - Ports: Increasing capacity of our terminals by deepening the berths and enhancing and modernizing our existing infrastructure
- Largest contributors to capital to be commissioned over the next two to three years are our Brazilian toll road business and Brazilian rail operation with ~\$520 million and ~\$200 million, respectively

**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 – ~15,000 km of transmission pipelines and 600 billion cubic feet of natural gas storage in the U.S. and Canada
- District Energy – Delivers 2,870,000 pounds per hour of heating and 255,000 tons of cooling capacity to North American customers, as well as in Australia where we provide heating, cooling and distributed water and sewage services to 1,800 customers

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

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Growth capital expenditures	\$ 19	\$ 9	\$ 33	\$ 13
Adjusted EBITDA margin <sup>1</sup>	57%	49%	57%	48%
Funds from operations (FFO)	43	23	83	51
Maintenance capital	(15)	(12)	(20)	(16)
Adjusted funds from operations (AFFO)	\$ 28	\$ 11	\$ 63	\$ 35

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

- FFO of \$43 million in Q2'16 compared to \$23 million in 2015
  - FFO benefitted from an increased ownership interest and a reduction in interest expense, both associated with our North American natural gas transmission business, and the commissioning of several organic growth initiatives in our district energy operations

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

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Revenue	\$ 116	\$ 84	\$ 242	\$ 178
Cost attributable to revenues	(50)	(43)	(104)	(92)
Adjusted EBITDA	66	41	138	86
Interest expense	(23)	(19)	(56)	(36)
Other income	—	1	1	1
Funds from operations (FFO)	43	23	83	51
Depreciation and amortization	(31)	(12)	(60)	(22)
Deferred taxes and other items	(2)	(9)	(3)	(10)
Net income	\$ 10	\$ 2	\$ 20	\$ 19

## FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$66 million and \$43 million, respectively, versus \$41 million and \$23 million, respectively, in the prior year
  - Energy Transmission, Distribution & Storage: Adjusted EBITDA and FFO increased versus prior year as result of our increased ownership, the impact of deleveraging and contributions from new contracts, all at our North American natural gas transmission operation, as well as a better spread environment at our gas storage business
  - District Energy: Adjusted EBITDA and FFO increased from the prior year primarily as a result of a higher number of in-place connections and the contribution from two tuck-in acquisitions completed in our Australian business in the second half of 2015

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

US\$ MILLIONS, UNAUDITED	Adjusted EBITDA				FFO			
	Three months ended June 30		Six months ended June 30		Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015	2016	2015	2016	2015
Energy Transmission, Distribution & Storage	\$ 54	\$ 30	\$ 114	\$ 65	\$ 32	\$ 13	\$ 62	\$ 33
District Energy	12	11	24	21	11	10	21	18
Total	\$ 66	\$ 41	\$ 138	\$ 86	\$ 43	\$ 23	\$ 83	\$ 51

**CAPITAL BACKLOG**

*Enhancements to our systems 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 table presents our proportionate share of growth capital backlog:

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Capital backlog, start of period	\$ 186	\$ 88	\$ 181	\$ 73
Additional capital project mandates	6	5	22	36
Less: capital expenditures	(19)	(9)	(33)	(13)
Foreign exchange and other	(3)	—	—	(12)
Capital backlog, end of period	\$ 170	\$ 84	\$ 170	\$ 84
Construction work in progress	45	26	45	26
Total capital to be commissioned	\$ 215	\$ 110	\$ 215	\$ 110

- Consists of the following energy projects:
  - Expanding systems to capture volume growth underpinned by long-term take or pay contracts
  - Upgrading systems to attain incremental volumes from increased demand in regions we serve
- Capital to be commissioned includes ~\$145 million within our Energy Transmission, Distribution & Storage operations and ~\$70 million in our District Energy segment
  - Transmission, Distribution & Storage projects include a 238,000 dekatherms per day expansion project serving the Chicago market and the first phase of the Gulf Coast Reversal project which is anchored by a 20-year, 385,000 dekatherms per day contract with a large LNG operator
  - District Energy projects include ~\$50 million for an energy network and district water expansions in Australia, and ~\$20 million of expansionary projects in North American systems

## SEGMENT OVERVIEW

- Businesses that provide essential services and critical infrastructure to media broadcasting and telecom sectors
- Adjusted EBITDA underpinned by both regulated and unregulated services, secured by long-term inflation-linked contracts

## OBJECTIVES

- Increase profitability through site rental revenue growth
- Maintain high level of service by managing availability and reliability of our customers network
- Deploy capital in response to customer demands for increased densification of their networks

## OPERATIONS

- ~7,000 multi-purpose towers and active rooftop sites
- 5,000 km of fibre backbone located in France

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

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Growth capital expenditures	\$ 6	\$ 5	\$ 11	\$ 5
Adjusted EBITDA margin <sup>1</sup>	58%	52%	53%	52%
Funds from operations (FFO)	19	20	38	20
Maintenance capital	(3)	(2)	(5)	(2)
Adjusted funds from operations (AFFO)	\$ 16	\$ 18	\$ 33	\$ 18

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

- FFO of \$19 million in Q2'16; consistent with prior year and slightly ahead of underwriting

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

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Revenue	\$ 40	\$ 42	\$ 83	\$ 42
Cost attributable to revenues	(17)	(20)	(39)	(20)
Adjusted EBITDA	23	22	44	22
Interest expense	(3)	(2)	(5)	(2)
Other income	(1)	—	(1)	—
Funds from operations (FFO)	19	20	38	20
Depreciation and amortization	(19)	(16)	(38)	(16)
Deferred taxes and other items	—	1	2	1
Net income	\$ —	\$ 5	\$ 2	\$ 5

## FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$23 million and \$19 million, respectively, versus \$22 million and \$20 million, respectively, in the prior year
  - Adjusted EBITDA increased compared to the prior year as the benefit of inflation indexation was partially offset by the impact of foreign exchange
  - FFO decreased compared to the prior year as a result of higher interest costs associated with the long-term financing put in place
- Organic growth opportunities in this segment include further site roll-outs associated with minimum coverage requirements, acquiring additional sites from customers looking to enhance liquidity and network densification
  - During the quarter we agreed to a tuck-in acquisition of a small communications infrastructure business which is expected to close by year end
  - Current capital project backlog for this segment is ~\$45 million

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

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
General and administrative costs	\$ (2)	(2)	\$ (4)	(4)
Base management fee	(38)	(33)	(73)	(65)
Adjusted EBITDA	(40)	(35)	(77)	(69)
Other income	18	10	47	15
Financing costs	(12)	(7)	(23)	(11)
Funds from operations (FFO)	(34)	(32)	(53)	(65)
Deferred taxes and other items	27	(22)	40	41
Net loss	\$ (7)	\$ (54)	\$ (13)	\$ (24)

## FINANCIAL RESULTS

- General and administrative costs were 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
  - Increased from prior year due to capital raised in 2015 to finance acquisitions and a higher unit price
- Other income includes interest and distribution income, as well as realized gains earned on corporate financial assets
  - Other income increased compared to the prior year due to investments made in higher yielding financial assets
- Corporate financing costs include interest expense and standby fees on committed credit facility, less interest earned on cash balances
  - Financing costs increased compared to the prior year due to increased borrowings to finance new investments

Total liquidity was \$2.5 billion at June 30, 2016, comprised of the following:

US\$ MILLIONS, UNAUDITED	As of		Proforma <sup>1</sup>
	June 30, 2016	Dec 31, 2015	
Corporate cash and financial assets	\$ 502	\$ 286	502
Committed corporate credit facility	1,975	1,875	1,975
Subordinated corporate credit facility	500	—	500
Draws under corporate credit facility	(1,194)	(407)	(244)
Commitments under corporate credit facility	(77)	(83)	(77)
Proportionate cash retained in businesses	349	257	349
Proportionate availability under subsidiary credit facilities	409	472	409
<b>Total liquidity</b>	<b>\$ 2,464</b>	<b>\$ 2,400</b>	<b>3,414</b>

<sup>1</sup> Includes \$190 million of proceeds from preferred unit issuance, ~\$600 million in net proceeds from sale of toehold stake in Australian ports and logistics operator and ~\$160 million from disposition of Ontario electricity transmission business

- We maintain sufficient liquidity at all times to participate in attractive opportunities as they arise, withstand sudden adverse changes in economic circumstances and maintain a relatively high payout of our FFO to unitholders
- Principal sources of liquidity are cash flows from operations, undrawn credit facilities and access to public and private capital markets
  - Subsequent to quarter-end, completed C\$250 million preferred L.P. unit issuance at a rate of 5.35% with five-year rate resets
- We may, from time to time, invest in financial assets comprised mainly of liquid equity and debt infrastructure securities in order to earn attractive short-term returns and for strategic purpose

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

On a proportionate basis as of June 30, 2016, scheduled principal repayments over the next five years are as follows:

US\$ MILLIONS, UNAUDITED	Average Term (years)	2016	2017	2018	2019	2020	Beyond	Total
<b>Recourse borrowings</b>								
Net corporate borrowings	4	\$ —	\$ 309	\$ 97	\$ —	\$ 290	\$ 1,542	\$ 2,238
<b>Total recourse borrowings</b>	4	—	309	97	—	290	1,542	2,238
<b>Utilities</b>								
Regulated Distribution	10	—	—	—	—	126	878	1,004
Electricity Transmission	11	90	12	5	6	6	693	812
Regulated Terminal	6	—	—	—	52	158	801	1,011
	9	90	12	5	58	290	2,372	2,827
<b>Transport</b>								
Rail	7	6	18	25	25	99	854	1,027
Toll Roads	9	216	166	99	112	77	740	1,410
Ports	5	13	49	179	10	11	81	343
	8	235	233	303	147	187	1,675	2,780
<b>Energy</b>								
Energy Transmission, Distribution & Storage	6	—	649	—	275	—	229	1,153
District Energy	12	6	32	2	2	2	161	205
	7	6	681	2	277	2	390	1,358
<b>Communications Infrastructure</b>								
Telecommunications Infrastructure	7	—	—	39	—	65	328	432
	7	—	—	39	—	65	328	432
<b>Total non-recourse borrowings</b>	8	331	926	349	482	544	4,765	7,397
<b>Total borrowings</b>	8	\$ 331	\$ 1,235	\$ 446	\$ 482	\$ 834	\$ 6,307	\$ 9,635
		3%	13%	5%	5%	9%	65%	100%

The following table presents proportionate net debt by operating segment:

US\$ MILLIONS, UNAUDITED	As of	
	June 30, 2016	December 31, 2015
<b>Non-recourse borrowings</b>		
Utilities	\$ 2,827	\$ 2,758
Transport	2,780	2,275
Energy	1,358	1,761
Communications Infrastructure	432	423
Corporate & Other	2,238	1,380
<b>Total borrowings</b>	<b>\$ 9,635</b>	<b>\$ 8,597</b>
<b>Cash retained in businesses</b>		
Utilities	\$ 40	\$ 37
Transport	256	157
Energy	28	26
Communications Infrastructure	25	37
Corporate & Other	502	286
<b>Total cash retained</b>	<b>\$ 851</b>	<b>\$ 543</b>
<b>Net debt</b>		
Utilities	\$ 2,787	\$ 2,721
Transport	2,524	2,118
Energy	1,330	1,735
Communications Infrastructure	407	386
Corporate & Other	1,736	1,094
<b>Total net debt</b>	<b>\$ 8,784</b>	<b>\$ 8,054</b>

- Weighted average cash interest rate is 5.1% for the overall business, in which our utilities, transport, energy, communications infrastructure and corporate segments were 4.1%, 7.4%, 7.4%, 2.6%, and 2.6%, 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 June 30, 2016:

### Net Investment Hedges

US\$ MILLIONS, UNAUDITED	USD	AUD	GBP	BRL	CLP	CAD	EUR	COP	PEN	INR
Net equity investment – US\$	\$ (153)	\$ 2,265	\$ 1,016	\$ 1,368	\$ 133	\$ 57	\$ 629	\$ 62	\$ 135	\$ 42
FX contracts – US\$	4,100	(2,265)	(1,016)	(180)	—	(57)	(582)	—	—	—
Net unhedged – US\$	\$ 3,947	\$ —	\$ —	\$ 1,188	\$ 133	\$ —	\$ 47	\$ 62	\$ 135	\$ 42
% of equity investment hedged	N/A	100%	100%	13%	—%	100%	93%	—%	—%	—%

- As at June 30, 2016, hedges in place are equal to 72% of net equity in foreign currencies
- We have implemented a strategy to hedge approximately 80% of our expected FFO generated in foreign currencies for the next 18-24 months
- For the three months ended June 30, 2016, 21%, 24%, 24% and 15% of our pre-corporate FFO was generated in USD, AUD, GBP and BRL, respectively
- Due to our FFO hedging program, 77%, —%, 3% and 15% of our pre-corporate FFO for the three months ended June 30, 2016 was effectively generated in USD, AUD, GBP and BRL, respectively

## CAPITAL REINVESTMENT

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

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Funds from operations (FFO)	\$ 230	\$ 208	\$ 464	\$ 394
Maintenance capital	(41)	(34)	(66)	(57)
Funds available for distribution (AFFO)	189	174	398	337
Distributions paid	(153)	(140)	(306)	(266)
Funds available for reinvestment	36	34	92	71
Growth capital expenditures	(173)	(154)	(374)	(271)
Asset level debt funding of growth capex	92	94	214	164
Project level financings (repayments)	—	(108)	(7)	(242)
New investments, net of disposals	(502)	(34)	(519)	(486)
Draws (repayments) on corporate credit facility	636	(373)	787	(246)
Partnership unit (repurchases) issuances	2	950	5	950
Proceeds from debt issuance	—	—	—	360
Proceeds from preferred shares issuance	—	—	—	96
Changes in working capital and other	(15)	(16)	110	(10)
Change in proportionate cash	76	393	308	386
Opening, proportionate cash	775	690	543	697
Closing, proportionate cash	\$ 851	\$ 1,083	\$ 851	\$ 1,083

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

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

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Growth capital expenditures by segment				
Utilities	\$ 96	\$ 67	\$ 223	\$ 119
Transport	52	73	107	134
Energy	19	9	33	13
Communications Infrastructure	6	5	11	5
Total	\$ 173	\$ 154	\$ 374	\$ 271

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Maintenance capital expenditures by segment				
Utilities	\$ 3	\$ 2	\$ 6	\$ 4
Transport	20	18	35	35
Energy	15	12	20	16
Communications Infrastructure	3	2	5	2
Total	\$ 41	\$ 34	\$ 66	\$ 57

- We estimate annual maintenance capital expenditures of \$10-15 million, \$90-100 million, \$60-70 million and \$5-10 million for our Utilities, Transport, Energy and Communications Infrastructure segments, respectively, for a total range of \$165-195 million

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

MILLIONS OF PARTNERSHIP UNITS, UNAUDITED	As of	
	June 30, 2016	Dec 31, 2015
Redeemable partnership unit	66.8	66.8
Limited partnership unit	162.3	162.1
General partnership unit	1.1	1.1
Total partnership units	230.2	230.0

- 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 \$19 million were paid during the quarter versus \$17 million in the prior year as a result of the 7.5% increase in our distribution on partnership units from 2015
- 10 million preferred limited partnership units outstanding at June 30, 2016, issued at par value of C\$25 per unit
  - Distributions of \$2 million were paid during the quarter

## APPENDIX – RECONCILIATION OF NON-IFRS FINANCIAL MEASURES



## RECONCILIATION OF NET INCOME TO FUNDS FROM OPERATIONS

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Net income attributable to partnership <sup>1</sup>	\$ 156	\$ 18	\$ 234	\$ 150
Add back or deduct the following:				
Depreciation and amortization	150	123	290	225
Deferred income taxes	(11)	—	(13)	8
Mark-to-market on hedging items and other	(65)	67	(47)	11
FFO	230	208	464	394
Maintenance capital expenditures	(41)	(34)	(66)	(57)
AFFO	\$ 189	\$ 174	\$ 398	\$ 337

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 JUNE 30, 2016 US\$ MILLIONS, UNAUDITED	Utilities	Transport	Energy	Comm. Infrastructure	Other	Total	Contribution from investments in associates	Attributable to non- controlling interest	As per IFRS financials
Revenues	\$ 176	\$ 291	\$ 116	\$ 40	\$ —	\$ 623	\$ (311)	\$ 150	\$ 462
Costs attributed to revenues	(42)	(144)	(50)	(17)	—	(253)	154	(99)	(198)
General and administrative costs	—	—	—	—	(40)	(40)	—	—	(40)
<b>Adjusted EBITDA</b>	<b>134</b>	<b>147</b>	<b>66</b>	<b>23</b>	<b>(40)</b>	<b>330</b>	<b>(157)</b>	<b>51</b>	
Other income (expense)	1	(5)	—	(1)	18	13	6	(4)	15
Interest expense	(35)	(40)	(23)	(3)	(12)	(113)	43	(31)	(101)
<b>FFO</b>	<b>100</b>	<b>102</b>	<b>43</b>	<b>19</b>	<b>(34)</b>	<b>230</b>	<b>(108)</b>	<b>16</b>	
Depreciation and amortization	(40)	(60)	(31)	(19)	—	(150)	78	(36)	(108)
Deferred taxes	(2)	4	2	4	3	11	(8)	4	7
Mark-to-market on hedging items and other	(32)	81	(4)	(4)	24	65	(68)	19	16
Share of earnings from associates	—	—	—	—	—	—	106	—	106
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(3)	(3)
<b>Net income (loss) attributable to partnership<sup>1</sup></b>	<b>\$ 26</b>	<b>\$ 127</b>	<b>\$ 10</b>	<b>\$ —</b>	<b>\$ (7)</b>	<b>\$ 156</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 156</b>

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 JUNE 30, 2015 US\$ MILLIONS, UNAUDITED	Utilities	Transport	Energy	Comm. Infrastructure	Other	Total	Contribution from investments in associates	Attributable to non- controlling interest	As per IFRS financials
Revenues	\$ 172	\$ 294	\$ 84	\$ 42	\$ —	\$ 592	\$ (274)	\$ 148	\$ 466
Costs attributed to revenues	(44)	(151)	(43)	(20)	—	(258)	145	(84)	(197)
General and administrative costs	—	—	—	—	(35)	(35)	—	—	(35)
Adjusted EBITDA	128	143	41	22	(35)	299	(129)	64	
Other income (expense)	1	(4)	1	—	10	8	3	—	11
Interest expense	(36)	(35)	(19)	(2)	(7)	(99)	35	(29)	(93)
FFO	93	104	23	20	(32)	208	(91)	35	
Depreciation and amortization	(39)	(56)	(12)	(16)	—	(123)	54	(32)	(101)
Deferred taxes	(3)	1	(1)	1	2	—	(3)	5	2
Mark-to-market on hedging items and other	(20)	(15)	(8)	—	(24)	(67)	20	(1)	(48)
Share of earnings from associates	—	—	—	—	—	—	20	—	20
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(7)	(7)
Net income attributable to partnership <sup>1</sup>	\$ 31	\$ 34	\$ 2	\$ 5	\$ (54)	\$ 18	\$ —	\$ —	\$ 18

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 SIX MONTHS ENDED JUNE 30, 2016 US\$ MILLIONS, UNAUDITED	Utilities	Transport	Energy	Comm. Infrastructure	Other	Total	Contribution from investments in associates	Attributable to non- controlling interest	As per IFRS financials
Revenues	\$ 341	\$ 560	\$ 242	\$ 83	\$ —	\$ 1,226	\$ (604)	\$ 294	\$ 916
Costs attributed to revenues	(73)	(281)	(104)	(39)	—	(497)	300	(203)	(400)
General and administrative costs	—	—	—	—	(77)	(77)	—	—	(77)
<b>Adjusted EBITDA</b>	<b>268</b>	<b>279</b>	<b>138</b>	<b>44</b>	<b>(77)</b>	<b>652</b>	<b>(304)</b>	<b>91</b>	
Other income (expense)	2	(9)	1	(1)	47	40	8	(2)	46
Interest expense	(70)	(74)	(56)	(5)	(23)	(228)	90	(58)	(196)
<b>FFO</b>	<b>200</b>	<b>196</b>	<b>83</b>	<b>38</b>	<b>(53)</b>	<b>464</b>	<b>(206)</b>	<b>31</b>	
Depreciation and amortization	(78)	(114)	(60)	(38)	—	(290)	153	(71)	(208)
Deferred taxes	(8)	6	5	6	4	13	(10)	9	12
Mark-to-market on hedging items and other	(45)	68	(8)	(4)	36	47	(47)	44	44
Share of earnings from associates	—	—	—	—	—	—	110	—	110
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(13)	(13)
<b>Net income (loss) attributable to partnership<sup>1</sup></b>	<b>\$ 69</b>	<b>\$ 156</b>	<b>\$ 20</b>	<b>\$ 2</b>	<b>\$ (13)</b>	<b>\$ 234</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 234</b>

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 SIX MONTHS ENDED JUNE 30, 2015 US\$ MILLIONS, UNAUDITED	Utilities	Transport	Energy	Comm. Infrastructure	Other	Total	Contribution from investments in associates	Attributable to non- controlling interest	As per IFRS financials
Revenues	\$ 340	\$ 585	\$ 178	\$ 42	\$ —	\$ 1,145	\$ (510)	\$ 297	\$ 932
Costs attributed to revenues	(82)	(303)	(92)	(20)	—	(497)	269	(172)	(400)
General and administrative costs	—	—	—	—	(69)	(69)	—	—	(69)
Adjusted EBITDA	258	282	86	22	(69)	579	(241)	125	
Other income (expense)	2	(7)	1	—	15	11	5	(2)	14
Interest expense	(72)	(75)	(36)	(2)	(11)	(196)	71	(58)	(183)
FFO	188	200	51	20	(65)	394	(165)	65	
Depreciation and amortization	(77)	(110)	(22)	(16)	—	(225)	92	(63)	(196)
Deferred taxes	(16)	3	—	1	4	(8)	(1)	8	(1)
Mark-to-market on hedging items and other	(15)	(23)	(10)	—	37	(11)	37	13	39
Share of earnings from associates	—	—	—	—	—	—	37	—	37
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(23)	(23)
Net income (loss) attributable to partnership <sup>1</sup>	\$ 80	\$ 70	\$ 19	\$ 5	\$ (24)	\$ 150	\$ —	\$ —	\$ 150

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 JUNE 30, 2016

US\$ MILLIONS, UNAUDITED	Total
Partnership capital	\$ 5,554
Cumulative differences <sup>1</sup>	1,105
Maintenance capital expenditures	(66)
Non-cash statement of operating results items	230
Accumulated other comprehensive income and other	(908)
Invested capital	\$ 5,915
Weighted average invested capital	
– three months ended June 30, 2016	\$ 5,941
– six months ended June 30, 2016	\$ 5,819

## RECONCILIATION OF PARTNERSHIP CAPITAL TO INVESTED CAPITAL – AS AT JUNE 30, 2015

US\$ MILLIONS, UNAUDITED	Total
Partnership capital	\$ 5,405
Cumulative differences <sup>1</sup>	1,075
Maintenance capital expenditures	(57)
Non-cash statement of operating results items	244
Accumulated other comprehensive income	(848)
Invested capital	\$ 5,819
Weighted average invested capital	
– three months ended June 30, 2015	\$ 5,339
– six months ended June 30, 2015	\$ 5,320

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 OF JUNE 30, 2016

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 <sup>1</sup>
	Utilities	Transport	Energy	Comm. Infrastructure	Other	Brookfield Infrastructure				
<b>Total assets</b>	\$4,729	\$6,472	\$2,553	\$853	\$(269)	\$14,338	\$(2,943)	\$5,592	\$3,456	\$20,443

## RECONCILIATION OF PROPORTIONATE ASSETS TO CONSOLIDATED ASSETS – AS OF DECEMBER 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 <sup>1</sup>
	Utilities	Transport	Energy	Comm. Infrastructure	Other	Brookfield Infrastructure				
<b>Total assets</b>	\$4,723	\$5,338	\$2,744	\$824	\$(196)	\$13,433	\$(3,795)	\$4,298	\$3,799	\$17,735

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	
	June 30, 2016	Dec 31, 2015
Consolidated debt	\$ 8,948	\$ 7,232
Add: proportionate share of debt of investment in associates		
Utilities	674	643
Transport	1,084	764
Energy	1,148	1,462
Communications Infrastructure	432	423
Add: proportionate share of debt directly associated with assets held for sale	116	206
Less: debt attributable to non-controlling interest	(2,252)	(1,662)
Premium on debt and cross currency swaps	(515)	(471)
Proportionate debt	\$ 9,635	\$ 8,597

- **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, the closest measures determined under IFRS on pages 29 and 34, 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
- **Invested capital** is meant to track the initial investment that we make in a business plus all cash flow that we re-invest in the business