

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

Q4 2018 Supplemental — Information

Fourth Quarter and Full Year, December 31, 2018

Brookfield

Cautionary Statement Regarding Forward-Looking Statements

This Supplemental Information contains forward-looking information within the meaning of Canadian provincial securities laws and “forward-looking statements” within the meaning of certain securities laws including Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations. We may make such statements in this report, in other filings with Canadian regulators or the SEC or in other communications. The words “expect”, “target”, “believe”, “objective”, “anticipate”, “plan”, “estimate”, “growth”, “increase”, “return”, “expand”, “maintain”, derivatives thereof and other expressions of similar import, or the negative variations thereof, and similar expressions of future or conditional verbs such as “will”, “may”, “should”, “could”, which are predictions of or indicate future events, trends or prospects and which do not relate to historical matters, identify forward-looking statements. Forward-looking statements in this Supplemental Information include among others, statements with respect to our assets tending to appreciate in value over time, current and proposed growth initiatives in our assets and operations, increases in FFO per unit and resulting capital appreciation, returns on capital and on equity, increasing demand for commodities and global movement of goods, volume increases in the businesses in which we operate, expected capital expenditures, the impact of planned capital projects by customers of our businesses, the extent of our corporate, general and administrative expenses, our ability to close acquisitions and the expected timing thereof, our capacity to take advantage of opportunities in the marketplace, the future prospects of the assets that Brookfield Infrastructure operates or will operate, ability to identify, acquire and integrate new acquisition opportunities, long-term targeted returns on our assets, sustainability of distribution levels, the level of distribution growth and payout ratios over the next several years and our expectations regarding returns to our unitholders as a result of such growth, operating results and margins for our business and each of our operations, future prospects for the markets for our products, Brookfield Infrastructure’s plans for growth through internal growth and capital investments, ability to achieve stated objectives, ability to drive operating efficiencies, return on capital expectations for the business, contract prices and regulated rates for our operations, our expected future maintenance and capital expenditures, commissioning of capital from our backlog, ability to deploy capital in accretive investments, impact on the business resulting from our view of future economic conditions, our ability to maintain sufficient financial liquidity, our ability to draw down funds under our bank credit facilities, our ability to secure financing through the issuance of equity or debt, expansions of existing operations, financing plans for operating companies, foreign currency management activities and other statements with respect to our beliefs, outlooks, plans, expectations and intentions. Although we believe that Brookfield Infrastructure’s anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Brookfield Infrastructure to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include: general economic and financial conditions in the countries in which we do business which may impact market demand for our products and services, foreign currency risk, the level of government regulation affecting our businesses, the outcome and timing of various regulatory, legal and contractual issues, global credit and financial markets, the competitive business environment in the industries in which we operate, the competitive market for acquisitions and other growth opportunities, availability of equity and debt financing, the completion of various large capital projects by customers of our businesses which themselves rely on access to capital and continued favorable commodity prices, weakening of demand for products and services in the markets for the commodities that underpin demand for our infrastructure, our ability to complete transactions in the competitive infrastructure space (including the transactions referred to in this presentation, some of which remain subject to the satisfaction of conditions precedent, and the inability to reach final agreement with counterparties to transactions referred to in this presentation as being currently pursued, given that there can be no assurance that any such transaction will be agreed to or completed) and to integrate acquisitions into existing operations, our ability to complete large capital expansion projects on time and within budget, our ability to achieve the milestones necessary to deliver targeted returns to our unitholders, including targeted distribution growth, ability to negotiate favorable take-or-pay contractual terms, traffic volumes on our toll roads, our ability to obtain relevant regulatory approvals and satisfy conditions precedent required to complete acquisitions, acts of God, weather events, or similar events outside of our control, and other risks and factors detailed from time to time in documents filed by Brookfield Infrastructure with the securities regulators in Canada and the United States, including Brookfield Infrastructure’s most recent Annual Report on Form 20-F under the heading “Risk Factors”.

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

CAUTIONARY STATEMENT REGARDING USE OF NON-IFRS, ACCOUNTING MEASURES

Although our financial results are determined in accordance with International Financial Reporting Standards (IFRS), the basis of presentation throughout much of this report differs from IFRS in that it is organized by business segment and utilizes, funds from operations (FFO), adjusted funds from operations (AFFO), adjusted EBITDA and invested capital as important measures. This is reflective of how we manage the business and, in our opinion, enables the reader to better understand our affairs. We provide a reconciliation to the most directly comparable IFRS measure on pages 40-50 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.

2018 HIGHLIGHTS

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KEY PERFORMANCE METRICS

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

US\$ MILLIONS, EXCEPT PER UNIT INFORMATION, UNAUDITED	12 months ended December 31	
	2018	2017
Funds from operations (FFO)	\$ 1,231	\$ 1,170
Per unit FFO ¹	3.11	3.11
Distributions	1.88	1.74
Payout ratio ²	75%	68%
Growth of per unit FFO	—%	14%
Adjusted funds from operations (AFFO)	982	941
Return on Invested Capital (ROIC) ³	11%	13%
Net income ⁴	410	125
Net income (loss) per limited partner unit ⁵	0.59	(0.04)
Adjusted Earnings	509	569
Adjusted Earnings per unit ¹	1.29	1.51

KEY BALANCE SHEET METRICS

US\$ MILLIONS, UNAUDITED	As of	
	Dec 31, 2018	Dec 31, 2017
Total assets	\$ 36,580	\$ 29,477
Corporate borrowings	1,993	1,944
Invested capital	8,156	7,599

1. Average units for the 12 month period ended December 31, 2018 of 395.4 million (2017: 376.8 million)
2. Payout ratio defined as distributions paid (inclusive of GP incentive and preferred unit distributions) divided by FFO
3. Return on invested capital is calculated as AFFO, adjusted for an estimate of returns of capital of \$87 million for the year ended December 31, 2018 (\$68 million in 2017), divided by average invested capital
4. Includes amounts attributable to non-controlling interests—Redeemable Partnership Units held by Brookfield, general partner and limited partners
5. Average limited partnership units for 2018 of 276.9 million (2017: 264.6 million). Results in a loss on a per unit basis as allocation of net income is reduced by preferred unit and incentive distributions.

\$1,231

million of FFO

\$1.88

Distributions per unit

PERFORMANCE HIGHLIGHTS

- FFO increased 5% to \$1,231 million as a result of solid organic growth of 8% and the initial contribution from capital invested into our utilities, transport and energy operating segments during the year
 - Results were partially offset by a stronger U.S. dollar which reduced FFO by approximately ~\$100 million
- Total distributions paid in 2018 of \$1.88 per unit represents a payout ratio of 75%
 - Adjusting for the impact of foreign exchange would lead to a payout ratio of 69%
- ROIC lower than the prior year due to the timing of capital redeployment following the sale of our Chilean electricity transmission business; removing this impact would increase returns to 13% for the year
- Net income of \$410 million compared to \$125 million in prior year
 - Increase attributable to higher earnings across a majority of our operations, a gain recognized on the sale of our investment in a Chilean electricity transmission business and contributions from recent acquisitions, partially offset by higher depreciation, a one-time charge in our transport segment and the impact of foreign exchange
- Total assets increased primarily as a result of acquisitions made during the year which added \$9.7 billion of assets, partially offset by the sale of our Chilean electricity transmission business and the impact of foreign exchange

OPERATIONS

- Deployed ~\$800 million in growth capital expenditures in 2018, predominantly in our Utilities segment to increase rate base and in our Transport segment to add capacity and ease congestion
- Added over \$800 million to capital investment backlog across all segments in 2018; total capital to be commissioned in the next two to three years is ~\$2.2 billion. New projects secured during the year include:
 - Our U.K. regulated distribution business achieved another record year across all key performance indicators, including 300,000 new sales representing a 6% increase compared to the prior year
 - Secured our fourth contract to build a fiber-to-the-home network for up to 220,000 households at our French communications infrastructure business
 - Our North American gas transmission business secured the second phase of its Gulf Coast expansion project
 - Won a large build-to-suit customer contract at our European telecommunications infrastructure operation requiring ~\$35 million capital investment and is expected to generate levered returns in excess of 20%
- The first phase of our Gulf Coast expansion project was put into service at our North American natural gas transmission business; the project was completed on-time and under budget and will contribute \$48 million of annual EBITDA (\$24 million net to BIP)
- Average container volumes in our ports segment increased by 3%
 - Secured three new contracts at our Australian port business, contributing 300,000 additional lifts and over \$30 million of annual EBITDA (\$4 million net to BIP)

BUSINESS DEVELOPMENT

- Invested ~\$1.3 billion across each of our operating groups:
 - North American residential energy infrastructure business for ~\$2.2 billion (BIP's equity share - ~\$660 million)
 - The provincially regulated portion of Western Canadian midstream energy business for ~\$975 million (BIP's share - ~\$280 million)
 - U.S. data center business for \$560 million (BIP's share - \$160 million)
 - Colombian regulated gas distribution business for ~\$310 million (BIP's share - ~\$90 million)
 - Two additional toll roads in India for ~\$250 million (BIP share - ~\$70 million)
- Additionally, we secured the following transactions in 2018:
 - A co-controlling interest in a leading hyperscale data center operator in South America for \$750 million (BIP's share - ~\$200 million)
 - An Asia Pacific based data center business for \$180 million (BIP's share - \$50 million)
 - ~1,500 km gas pipeline in India that spans the country from east to west for \$1 billion (BIP's share - \$235 million)

FINANCING AND LIQUIDITY

- Sale of a Chilean electricity transmission business for net proceeds \$1.1 billion
- Raised over ~\$800 million in net proceeds at the corporate level:
 - ~\$230 million exchangeable unit issuance in association with the acquisition of Enercare Inc.
 - C\$450 million preferred unit issuance
 - C\$500 million medium term note issuance
- Ended the year with total liquidity of \$3.4 billion
- Signed definitive agreements to sell a portion of our Chilean toll road business for after-tax proceeds of ~\$700 million (BIP's share - ~\$365 million)

OUR MISSION

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

PERFORMANCE TARGETS AND KEY MEASURES

- Target a 12% to 15% total annual return on invested capital measured over the long term
- Expect to generate returns from in-place cash flows plus growth through investments in upgrades and expansions of our asset base
- Growth in FFO per unit is one of the key performance metrics that we use to assess our ability to sustainably increase distributions in future periods

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

Our payout ratio is determined based on the amount of cash flow generated in our businesses that is available for distribution

- Objective is to pay a distribution that is sustainable on a long-term basis while retaining sufficient liquidity within our operations to fund recurring growth capital expenditures and general corporate requirements
- We fund all of our growth initiatives through a combination of issuances of common equity, preferred equity and corporate debt, proceeds from asset sales and retained internally generated cash flow
 - Available funding and assessment of corporate liquidity is undertaken prior to committing to all new investments and capital projects
- Distributions are determined on the basis of the proportionate cash flow generating capacity of our businesses. We monitor proportionate cash flow from operations rather than focusing exclusively on its consolidated equivalent, since we exercise co-control or significant influence over decision-making with respect to distributions from our unconsolidated subsidiaries:
 - Each of our businesses is required to distribute all of its available cash (generally defined as cash on hand less any amounts reserved for committed growth projects)
 - Our governance arrangements over these businesses effectively provide us with a veto over any decision not to distribute all available cash flow. That is, any decision not to distribute available cash flow in these businesses requires our consent

BIP has a conservative payout ratio underpinned by stable, highly regulated or contracted cash flows generated from operations

- We believe that a payout of 60-70% of FFO is appropriate
- Targeting 5% to 9% annual distribution growth, in light of expected per unit FFO growth
- Distribution payout is reviewed with the Board of Directors in the first quarter of each year
- The Board of Directors has declared a quarterly distribution in the amount of \$0.5025 per unit, payable on March 29, 2019 to unitholders of record as at the close of business on February 28, 2019. This quarterly distribution represents an 7% increase compared to the prior year
 - Distributions have grown at a **compound annual growth rate of 10%** since inception of the partnership in 2008
- Below is a summary of our distribution history since the spin-off

US\$, UNAUDITED	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019F
Annual Distribution ¹	\$0.59 ²	\$0.71	\$0.73	\$0.88	\$1.00	\$1.15	\$1.28	\$1.41	\$1.55	\$1.74	\$1.88	\$2.01
Growth	N/A	—%	4%	20%	14%	15%	12%	10%	10%	12%	8%	7%

1. Annual distribution amounts have been adjusted for 3-for-2 stock split effective September 14, 2016
 2. 2008 distribution was prorated from spin-off

Over the last five years, the Partnership has been able to achieve its target payout ratio of 60-70% of funds from operations while increasing its distribution by an average of 9%

- Based on our distribution track record, the Partnership's average distribution payout ratio for the last five years is 68% of FFO, as shown below

US\$ MILLIONS, UNAUDITED	2018	2017	2016	2015	2014	Total 2014–2018
Funds from Operations (FFO)	\$ 1,231	\$ 1,170	\$ 944	\$ 808	\$ 724	\$ 4,877
Adjusted Funds from Operations (AFFO)	982	941	771	672	593	3,959
Distributions	919	794	628	546	448	3,335
FFO payout ratio	75%	68%	67%	68%	62%	68%
AFFO payout ratio	94%	84%	81%	81%	76%	84%

- Own and operate a diversified portfolio of high-quality, long-life utilities, transport, energy and data infrastructure assets
- Generate stable cash flows with ~95% of adjusted EBITDA supported by regulated or long-term contracts
- Leverage Brookfield's best in-class operating segments to extract additional value from investments

SEGMENT	DESCRIPTION	ASSET TYPE	PRIMARY LOCATION
Utilities	Regulated or contractual businesses which earn a return on their asset base	<ul style="list-style-type: none"> • Regulated Transmission • Regulated Distribution • Regulated Terminal 	<ul style="list-style-type: none"> • North & South America • Europe & South America • Asia Pacific
Transport	Provide transportation for freight, bulk commodities and passengers	<ul style="list-style-type: none"> • Rail • Toll Roads • Ports 	<ul style="list-style-type: none"> • Asia Pacific & South America • Asia Pacific & South America • Europe, North America & Asia Pacific
Energy	Systems that provide energy transmission, gathering, processing and storage services	<ul style="list-style-type: none"> • Natural Gas Midstream • Distributed Energy Control Infrastructure 	<ul style="list-style-type: none"> • North America • North America & Asia Pacific
Data Infrastructure	Provide critical infrastructure and services to global communication companies	<ul style="list-style-type: none"> • Telecommunications and Fiber • Data Storage 	<ul style="list-style-type: none"> • Europe • North & South America, Asia Pacific, Europe

Selected Income Statement and Balance Sheet Information

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

STATEMENTS OF OPERATIONS

US\$ MILLIONS, UNAUDITED	12 months ended December 31,	
	2018	2017
Net income (loss) by segment		
Utilities	\$ 258	\$ 313
Transport	12	139
Energy	39	32
Data Infrastructure	6	11
Corporate	95	(370)
Net income	\$ 410	\$ 125
Adjusted EBITDA by segment		
Utilities	\$ 733	\$ 738
Transport	682	694
Energy	328	281
Data Infrastructure	93	90
Corporate	(223)	(239)
Adjusted EBITDA	\$ 1,613	\$ 1,564
FFO by segment		
Utilities	\$ 576	\$ 610
Transport	518	532
Energy	269	209
Data Infrastructure	77	76
Corporate	(209)	(257)
FFO	\$ 1,231	\$ 1,170

STATEMENTS OF FINANCIAL POSITION

US\$ MILLIONS, UNAUDITED	As of	
	Dec 31, 2018	Dec 31, 2017
Net assets by segment		
Utilities	\$ 4,864	\$ 6,542
Transport	6,424	6,990
Energy	4,722	3,134
Data Infrastructure	1,446	1,049
Corporate	(929)	(1,083)
Total assets	\$ 16,527	\$ 16,632
Net debt by segment		
Utilities	\$ 3,077	\$ 3,252
Transport	2,797	2,874
Energy	1,905	1,328
Data Infrastructure	564	435
Corporate	1,755	1,739
Net debt	\$ 10,098	\$ 9,628
Partnership capital by segment		
Utilities	\$ 1,787	\$ 3,290
Transport	3,627	4,116
Energy	2,817	1,806
Data Infrastructure	882	614
Corporate	(2,684)	(2,822)
Partnership capital	\$ 6,429	\$ 7,004



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 Transmission – ~2,000 km of regulated natural gas pipelines in Brazil, ~2,200 km of transmission lines in North and South America along with ~2,700 km of greenfield electricity transmission developments in South America
- Regulated Distribution – ~6.6 million electricity and natural gas connections and ~1.1 million installed smart meters
- Regulated Terminal – one of the world’s largest coal export terminals in Australia, with ~85 Mtpa of capacity

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

US\$ MILLIONS, UNAUDITED	12 months ended December 31	
	2018	2017
Rate base	\$ 4,511	\$ 5,638
Funds from operations (FFO)	\$ 576	\$ 610
Maintenance capital	(17)	(15)
Adjusted funds from operations (AFFO)	\$ 559	\$ 595
Return on rate base ^{1,2}	11%	11%

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

2. Return on rate base excludes impact of connections revenue at our UK regulated distribution business, a return of capital component from earnings generated at our Brazilian regulated gas transmission business and foreign exchange

- FFO of \$576 million in 2018 compared to \$610 million in prior year
 - FFO benefitted from a full year contribution of our regulated gas transmission business in Brazil, strong connections activity at our U.K. regulated distribution business, inflation-indexation and capital commissioned into rate base
 - These increases were more than offset by the impact of the sale of our Chilean electricity transmission business, a debt financing at our Brazilian regulated gas transmission business and the impact of foreign exchange which reduced U.S. dollar earnings by over \$60 million

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

US\$ MILLIONS, UNAUDITED	12 months ended December 31	
	2018	2017
Revenue	\$ 944	\$ 891
Connections revenue	111	97
Cost attributable to revenues	(322)	(250)
Adjusted EBITDA	733	738
Interest expense	(127)	(114)
Other expenses	(30)	(14)
Funds from operations (FFO)	576	610
Depreciation and amortization	(187)	(186)
Deferred taxes and other items	(131)	(111)
Net income	\$ 258	\$ 313

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

12 months ended December 31	Adjusted EBITDA		FFO	
	2018	2017	2018	2017
US\$ MILLIONS, UNAUDITED				
Regulated Transmission	\$ 324	\$ 352	\$ 266	\$ 308
Regulated Distribution	304	282	242	235
Regulated Terminal	105	104	68	67
Total	\$ 733	\$ 738	\$ 576	\$ 610

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$733 million and \$576 million, respectively, versus \$738 million and \$610 million, respectively, in the prior year
 - Regulated Transmission: Results benefited from organic growth associated with inflation indexation and additions to rate base, offset by the impacts of the sale of our Chilean electricity transmission operation, the R\$5.2 billion financing at our Brazilian regulated gas transmission business and the impact of foreign exchange
 - Regulated Distribution: Results increased compared to the prior year as the benefits of an increased rate base, higher connections income and inflation-indexation at our U.K. regulated distribution business, and the initial contribution from our recently acquired Colombian natural gas distribution business were partially offset by the impact of lower pound sterling hedge rates in the current period
 - Regulated Terminal: FFO increased versus the prior year due the benefits of inflation indexation and additions to rate base, partially offset by the impact of lower hedge rates on our Australian dollar FX contracts

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

US\$ MILLIONS, UNAUDITED	12 months ended December 31	
	2018	2017
Capital backlog, start of period	\$ 1,140	\$ 761
Impact of asset sales	(124)	—
Additional capital project mandates	365	776
Less: capital expenditures	(402)	(449)
Foreign exchange and other	(164)	52
Capital backlog, end of period	815	1,140
Construction work in progress	190	310
Total capital to be commissioned	\$ 1,005	\$ 1,450

US\$ MILLIONS, UNAUDITED	12 months ended December 31	
	2018	2017
Rate base, start of period	\$ 5,638	\$ 3,788
Acquisitions	63	1,498
Impact of asset sales	(969)	—
Capital expenditures commissioned	395	305
Inflation and other indexation	65	34
Regulatory depreciation	(68)	(48)
Foreign exchange and other	(613)	61
Rate base, end of period	\$ 4,511	\$ 5,638

CAPITAL BACKLOG

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

- Ended the period with ~\$1.0 billion of total capital to be commissioned into rate base; a 31% decrease compared to the prior year
 - Capital project additions relate to ~300,000 new connections added to our backlog and the addition of ~320,000 smart meter installations awarded during the year at our U.K. regulated distribution business
 - Our U.K. regulated distribution business and Brazilian electricity transmission business are the largest contributors to capital to be commissioned with ~\$700 million, and ~\$250 million, respectively

RATE BASE

- Our rate base has decreased from the prior year as the benefits from the acquisition of our Colombian regulated natural gas business, new connections at our UK regulated distribution business and the commissioning of 1,600 kilometers of electricity transmission lines in Brazil were more than offset by the impacts of the sale of our Chilean electricity transmission operation 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 ~5,500 km of track and operator of ~4,800 km of rail in South America
- Toll Roads – ~4,200 km of motorways in Brazil, Chile, Peru and India
- Ports – 37 terminals in North America, UK, Australia and across Europe

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

US\$ MILLIONS, UNAUDITED	12 months ended December 31	
	2018	2017
Growth capital expenditures	\$ 208	\$ 326
Adjusted EBITDA margin ¹	42%	44%
Funds from operations (FFO)	518	532
Maintenance capital	(155)	(133)
Adjusted funds from operations (AFFO)	\$ 363	\$ 399

1. EBITDA margin is calculated net of construction revenues and costs of \$3 million which were incurred at our Peruvian toll road operation during the year ended December 31, 2018 (2017 - \$6 million)

- FFO of \$518 million in 2018 compared to \$532 million in 2017
 - Underlying results on a constant currency basis grew by 5% as a result of inflationary tariff increases at each of our operating groups, GDP-linked volume growth driven by solid economic fundamentals in the majority of our operating regions, and the initial contribution from our recently acquired toll roads in India
 - Offsetting these positive factors were the impact of lower volumes from our minerals customers on our Australia rail network, the expiry of one of our state concessions in our Brazilian toll road business, and the impact of the foreign exchange which lowered results by approximately \$40 million

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

US\$ MILLIONS, UNAUDITED	12 months ended December 31	
	2018	2017
Revenue	\$ 1,612	\$ 1,589
Cost attributable to revenues	(930)	(895)
Adjusted EBITDA	682	694
Interest expense	(166)	(158)
Other income (expenses)	2	(4)
Funds from operations (FFO)	518	532
Depreciation and amortization	(345)	(312)
Deferred taxes and other items	(161)	(81)
Net income	\$ 12	\$ 139

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

12 months ended December 31 US\$ MILLIONS, UNAUDITED	Adjusted EBITDA		FFO	
	2018	2017	2018	2017
Rail	\$ 261	\$ 262	\$ 196	\$ 192
Toll Roads	319	333	238	257
Ports	102	99	84	83
Total	\$ 682	\$ 694	\$ 518	\$ 532

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$682 million and \$518 million, respectively, versus \$694 million and \$532 million, respectively, in the prior year
 - Rail: Results were relatively consistent with the prior year as inflationary tariff increases in Brazil and higher agricultural volumes across our operations were partially offset by the loss of two mineral customer contracts in the first half of the year
 - Toll roads: Adjusted EBITDA and FFO decreased compared to the prior year as inflationary tariff and traffic increases in Chile and Brazil were more than offset by the expiry of one of our state concessions at our Brazilian operation and the strengthening of the U.S. dollar relative to the Brazilian real
 - Ports: Adjusted EBITDA and FFO increased compared to the prior year due to the benefit of higher volumes predominantly at our Australian container terminal and our U.K. port operation, partially offset by the impact of a weaker pound sterling and Australian dollar hedge rates

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	12 months ended December 31	
	2018	2017
Capital backlog, start of period	\$ 637	\$ 721
Additional capital project mandates	174	303
Less: capital expenditures	(208)	(326)
Foreign exchange and other	(103)	(61)
Capital backlog, end of period	\$ 500	\$ 637
Construction work in progress	162	113
Total capital to be commissioned	\$ 662	\$ 750

- Consists of the following types of projects:
 - Rail: Upgrading and expanding our network to capture volume growth from incremental activity in the sectors we serve
 - Toll roads: Increasing the capacity of our roads by increasing and widening lanes on certain routes to support traffic growth
 - Ports: Increasing capacity of our terminals by deepening the berths and enhancing and modernizing our existing infrastructure
- Largest contributors to capital to be commissioned over the next two to three years are our South American toll road businesses and Brazilian rail operation with ~\$560 million and ~\$70 million, respectively

SEGMENT OVERVIEW

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

OBJECTIVES

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

OPERATIONS

- Natural Gas Midstream and Storage:
 - ~15,000 km of transmission pipelines
 - 600 billion cubic feet of natural gas storage in the U.S. and Canada
 - 13 natural gas processing plants with ~1.0 Bcf per day of total processing capacity and ~1,200 km of raw gas gathering pipelines in Canada
- Distributed Energy Control Infrastructure:
 - Delivers 3,380,000 pounds per hour of heating and 336,000 tons of cooling capacity and services ~24,900 natural gas, water and wastewater connections
 - Provides residential energy infrastructure services to ~1.6 million customers in the U.S. and Canada and delivers ~270,000 contract sub-metering services within Canada

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

US\$ MILLIONS, UNAUDITED	12 months ended December 31	
	2018	2017
Growth capital expenditures	\$ 135	\$ 76
Adjusted EBITDA margin ¹	49%	50%
Funds from operations (FFO)	269	209
Maintenance capital	(64)	(70)
Adjusted funds from operations (AFFO)	\$ 205	\$ 139

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

- FFO of \$269 million in 2018 compared to \$209 million in 2017
 - FFO benefitted from strong transportation volumes from new contracts and capital commissioned during the year at our North American natural gas operation and the initial contribution from our recently acquired North American residential infrastructure and Canadian natural gas midstream businesses
 - These positive results were partially offset by lower spreads at our gas storage businesses

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

US\$ MILLIONS, UNAUDITED	12 months ended December 31	
	2018	2017
Revenue	\$ 668	\$ 559
Cost attributable to revenues	(340)	(278)
Adjusted EBITDA	328	281
Interest expense	(81)	(87)
Other income	22	15
Funds from operations (FFO)	269	209
Depreciation and amortization	(154)	(151)
Deferred taxes and other items	(76)	(26)
Net income	\$ 39	\$ 32

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

US\$ MILLIONS, UNAUDITED	12 months ended December 31		Adjusted EBITDA		FFO	
	2018	2017	2018	2017	2018	2017
Natural Gas Midstream and Storage	\$ 257	\$ 228	\$ 206	\$ 165		
Distributed Energy Control Infrastructure	71	53	63	44		
Total	\$ 328	\$ 281	\$ 269	\$ 209		

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$328 million and \$269 million, respectively, versus \$281 million and \$209 million, respectively, in the prior year
 - Natural Gas Midstream and Storage: Adjusted EBITDA and FFO increased over the prior year due to a 16% increase in gas transport volumes on the back of production growth and the initial contribution from the first phase of a Gulf Coast expansion project at our North American natural gas transmission business and the initial contribution from our Canadian midstream energy operation acquired in the fourth quarter
 - Distributed Energy Control Infrastructure: Adjusted EBITDA and FFO increased versus the prior year due to 24 new customer connections during the year at our North America district energy operation and the initial contribution from our North American residential energy infrastructure business acquired in October

Capital Backlog

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

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

US\$ MILLIONS, UNAUDITED	12 months ended December 31	
	2018	2017
Capital backlog, start of period	\$ 143	\$ 147
Impact of acquisitions	102	—
Additional capital project mandates	195	61
Less: capital expenditures	(135)	(76)
Foreign exchange and other	(15)	11
Capital backlog, end of period	\$ 290	\$ 143
Construction work in progress	72	71
Total capital to be commissioned	\$ 362	\$ 214

- 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 ~\$270 million within our Natural Gas Midstream and Storage operations and ~\$90 million in our Distributed Energy Control Infrastructure segment
 - Natural Gas Midstream & Storage projects primarily relate to the second phase of the Gulf Coast Reversal project which is anchored by a 20-year, 300,000 dekatherms per day contract with a large LNG operator
 - During the quarter the first phase of Gulf Coast Reversal project was placed into service (~\$90 million)
 - Distributed Energy Control Infrastructure projects include ~\$15 million for an energy network and district water expansions in Australia, and ~\$75 million of expansionary projects in North American

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

- Telecommunications and Fiber – ~7,000 multi-purpose towers and active rooftop sites and 5,500 km of fiber backbone located in France
- Data Storage – 33 data centers, with ~1.3 million square feet of raised floors and 103 megawatts of critical load capacity

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

US\$ MILLIONS, UNAUDITED	12 months ended December 31	
	2018	2017
Growth capital expenditures	\$ 52	\$ 42
Adjusted EBITDA margin ¹	55%	55%
Funds from operations (FFO)	77	76
Maintenance capital	(13)	(11)
Adjusted funds from operations (AFFO)	\$ 64	\$ 65

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

- FFO of \$77 million in 2018 relatively consistent compared to \$76 million in 2017
- Successfully completed the carve-out acquisition of AT&T's large-scale U.S. data center business for \$560 million (BIP's share - \$160 million)
- Successfully acquired a controlling interest in two Asia Pacific based data centers for \$180 million (BIP's share - \$50 million)

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

US\$ MILLIONS, UNAUDITED	12 months ended December 31	
	2018	2017
Revenue	\$ 170	\$ 165
Cost attributable to revenues	(77)	(75)
Adjusted EBITDA	93	90
Interest expense	(12)	(12)
Other expenses	(4)	(2)
Funds from operations (FFO)	77	76
Depreciation and amortization	(72)	(77)
Deferred taxes and other items	1	12
Net income	\$ 6	\$ 11

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

US\$ MILLIONS, UNAUDITED	12 months ended December 31,		Adjusted EBITDA		FFO	
	2018	2017	2018	2017	2018	2017
Telecommunications and Fiber	\$ 93	\$ 90	\$ 77	\$ 76		
Data Storage	—	—	—	—		
Total	\$ 93	\$ 90	\$ 77	\$ 76		

FINANCIAL RESULTS

- Adjusted EBITDA and FFO increased from the prior year to \$93 million and \$77 million, respectively, versus \$90 million and \$76 million, respectively, in the prior year
 - Telecommunications and Fiber: Adjusted EBITDA and FFO benefited from the contribution of ~250 new points-of-presence (PoP) added to our existing tower portfolio and the roll-out of our build-to-suit strategy targeted towards our telecommunication customers
- Total capital to be commissioned stands at ~\$210 million, predominantly relating to our fiber-to-the-home roll-out and the addition of further sites associated with minimum coverage requirements
 - Continuing to progress our fiber-to-the-home network, with over 20,000 plugs built to date; targeting commercialization by mid-2019

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

US\$ MILLIONS, UNAUDITED	12 months ended December 31	
	2018	2017
General and administrative costs	\$ (9)	\$ (9)
Base management fee	(214)	(230)
Adjusted EBITDA	(223)	(239)
Other income	72	45
Financing costs	(58)	(63)
Funds from operations (FFO)	(209)	(257)
Deferred taxes and other items	304	(113)
Net income (loss)	\$ 95	\$ (370)

FINANCIAL RESULTS

- General and administrative costs were relatively consistent with prior year
 - Anticipate corporate and administrative costs of \$8 to \$10 million per year, excluding base management fee
- We pay Brookfield an annual base management fee equal to 1.25% of our market value, plus recourse debt net of cash
 - Decreased from prior year due to a lower unit price and additional cash on hand throughout the year following the sale of our Chilean transmission business in March
- Other income includes interest and dividend income, as well as realized gains or losses earned on corporate financial assets
 - Other income increased relative to the prior year due to higher cash and financial asset portfolio balances throughout the year
- Corporate financing costs include interest expense and standby fees on committed credit facility, less interest earned on cash balances

Total liquidity was \$3.4 billion at December 31, 2018, comprised of the following:

US\$ MILLIONS, UNAUDITED	As of	
	Dec 31, 2018	Dec 31, 2017
Corporate cash and financial assets	\$ 238	\$ 205
Committed corporate credit facility	1,975	1,975
Subordinated corporate credit facility	500	500
Draws under corporate credit facility	(510)	(789)
Commitments under corporate credit facility	(47)	(47)
Proportionate cash retained in businesses	404	392
Proportionate availability under subsidiary credit facilities	817	629
Total liquidity	\$ 3,377	\$ 2,865

- We maintain sufficient liquidity at all times to participate in attractive opportunities as they arise, withstand sudden adverse changes in economic circumstances and maintain our targeted payout of our FFO to unitholders
- Principal sources of liquidity are cash flows from operations, undrawn credit facilities, proceeds from capital recycling 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 December 31, 2018, scheduled principal repayments over the next five years are as follows:

US\$ MILLIONS, UNAUDITED	Average Term (years)	2019	2020	2021	2022	2023	Beyond	Total
Recourse borrowings								
Net corporate borrowings	5	\$ —	\$ 275	\$ —	\$ 330	\$ 510	\$ 878	\$ 1,993
Total recourse borrowings	5	—	275	—	330	510	878	1,993
Non-recourse borrowings								
Utilities								
Regulated Transmission	6	30	18	5	6	381	112	552
Regulated Distribution	11	15	7	24	79	271	1,210	1,606
Regulated Terminal	4	—	149	290	171	149	218	977
	8	45	174	319	256	801	1,540	3,135
Transport								
Rail	5	37	104	114	164	178	457	1,054
Toll Roads	8	151	195	178	192	133	660	1,509
Ports	3	100	236	98	11	12	47	504
	6	288	535	390	367	323	1,164	3,067
Energy								
Natural Gas Midstream	8	3	9	27	352	160	833	1,384
Distributed Energy Control Infrastructure	7	—	85	—	60	154	257	556
	8	3	94	27	412	314	1,090	1,940
Data Infrastructure								
Telecommunications and Fiber	5	—	107	—	145	—	193	445
Data Storage	7	2	2	2	2	4	148	160
	5	2	109	2	147	4	341	605
Total non-recourse borrowings	7	338	912	738	1,182	1,442	4,135	8,747
Total borrowings	7	\$ 338	\$ 1,187	\$ 738	\$ 1,512	\$ 1,952	\$ 5,013	\$ 10,740
Total net debt		3%	11%	7%	14%	18%	47%	100%

Proportionate Net Debt

The following table presents proportionate net debt by operating segment:

US\$ MILLIONS, UNAUDITED	As of	
	Dec 31, 2018	Dec 31, 2017
Non-recourse borrowings		
Utilities	\$ 3,135	\$ 3,331
Transport	3,067	3,114
Energy	1,940	1,369
Data Infrastructure	605	467
Corporate	1,993	1,944
Total borrowings	\$ 10,740	\$ 10,225
Cash retained in businesses		
Utilities	\$ 58	\$ 79
Transport	270	240
Energy	35	41
Data Infrastructure	41	32
Corporate	238	205
Total cash retained	\$ 642	\$ 597
Net debt		
Utilities	\$ 3,077	\$ 3,252
Transport	2,797	2,874
Energy	1,905	1,328
Data Infrastructure	564	435
Corporate	1,755	1,739
Total net debt	\$ 10,098	\$ 9,628

- Weighted average cash interest rate is 5.0% for the overall business, in which our utilities, transport, energy, data infrastructure and corporate segments were 4.3%, 6.8%, 5.3%, 3.6%, and 3.9%, respectively

The following table presents supplemental measures to assist users in understanding and evaluating the partnership's capital structure

US\$ MILLIONS, UNAUDITED	As of	
	Dec 31, 2018	Dec 31, 2017
Partnership units outstanding, end of period	399.2	394.0
Price	\$ 34.53	\$ 44.81
Market Capitalization	13,784	17,655
Preferred units	936	595
Proportionate net debt	10,098	9,628
Enterprise Value (EV)	\$ 24,818	\$ 27,878
Proportionate Net Debt to Capitalization (based on market value)	41%	35%
Proportionate Net Debt to Capitalization (based on invested capital)	55%	56%
Corporate Borrowings to Capitalization (based on invested capital)	15%	13%

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

US\$ MILLIONS, UNAUDITED	Three months ended December 31		12 months ended December 31	
	2018	2017	2018	2017
FFO	\$ 326	\$ 313	\$ 1,231	\$ 1,170
Maintenance Capital	(73)	(64)	(249)	(229)
Return of Capital	(19)	(12)	(87)	(68)
Adjusted AFFO	234	237	895	873
Weighted average Invested Capital	\$ 8,150	\$ 7,595	\$ 7,858	\$ 6,885
Return on Invested Capital (ROIC) ¹	12%	13%	11%	13%

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

Supplemental Measures (cont'd)

The following table summarizes the sources of capital used to fund the Partnership's acquisitions and growth capital expenditures since inception

For the year ended December 31											
US\$ MILLIONS, UNAUDITED	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Capital deployed in new investments	\$ 344	\$ 941	\$ —	\$ 160	\$ 1,332	\$ 569	\$ 539	\$ 1,673	\$ 1,476	\$ 1,902	\$ 1,040
Growth capital expenditures (net of non-recourse debt financing)	28	35	130	395	128	216	272	233	383	420	441
	372	976	130	555	1,460	785	811	1,906	1,859	2,322	1,481
Total capital market activity											
Equity issuance, net of repurchases	221	929	5	658	497	338	2	865	749	992	(16)
Preferred units issuance, net of repurchases	—	—	—	—	—	—	—	189	186	220	341
Corporate debt issuance, net of repayments	—	—	—	—	408	—	—	738	—	129	283
	221	929	5	658	905	338	2	1,792	935	1,341	608
Proceeds from asset sales	—	275	—	20	320	1,097	—	28	1,317	—	1,033
	221	1,204	5	678	1,225	1,435	2	1,820	2,252	1,341	1,641
Net funding from retained cash flows and credit facility draws	\$ 151	\$ (228)	\$ 125	\$ (123)	\$ 235	\$ (650)	\$ 809	\$ 86	\$ (393)	\$ 981	\$ (160)

- Since inception, the Partnership has deployed \$12.6 billion in acquisitions and organic growth initiatives of which \$11.8 billion has been funded through capital market issuances and proceeds from capital recycling with the remaining predominantly through operating cash flows generated and retained in the business and draws on our corporate credit facility
 - Since inception, the Partnership has generated and retained \$800 million of operating cash flows which represented approximately 12%-15% of our funds from operations generated during the same period

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

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

The following table presents our hedged position in foreign currencies as at December 31, 2018:

US\$ MILLIONS, UNAUDITED	Net Investment Hedges											
	USD	AUD	GBP	BRL	CLP ¹	CAD ²	EUR	COP	PEN	INR		
Net equity investment – US\$	\$ 146	\$ 1,323	\$ 1,310	\$ 2,307	\$ 58	\$ 1,002	\$ 861	\$ 138	\$ 116	\$ 104		
FX contracts – US\$	4,910	(1,323)	(1,310)	—	(340)	(1,002)	(861)	(63)	(11)	—		
Net unhedged – US\$	\$ 5,056	\$ —	\$ —	\$ 2,307	\$ (282)	\$ —	\$ —	\$ 75	\$ 105	\$ 104		
% of equity investment hedged	N/A	100%	100%	—%	100%	100%	100%	46%	9%	—%		

1. CLP net equity investment is presented at amortized cost and therefore not reflective of fair value

2. CAD net equity investment excludes \$936 million of preferred shares

- As at December 31, 2018, 70% of overall net equity is USD functional
- We have implemented a strategy to hedge all of our expected FFO generated in AUD, GBP, EUR, CAD, CLP, COP and PEN for the next 24 months
- For the 12 months ended December 31, 2018, 17%, 19%, 17%, 32% and 15% of our pre-corporate FFO was generated in USD, AUD, GBP, BRL, and other, respectively
- Due to our FFO hedging program, 65% of our pre-corporate FFO for the 12 months ended December 31, 2018 was effectively generated in, or hedged back to, U.S. dollars, with our only material unhedged foreign currency exposure relating to Brazil

Capital Reinvestment

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

US\$ MILLIONS, UNAUDITED	12 months ended December 31	
	2018	2017
Funds from operations (FFO)	\$ 1,231	\$ 1,170
Maintenance capital	(249)	(229)
Funds available for distribution (AFFO)	982	941
Distributions paid	(919)	(794)
Funds available for reinvestment	63	147
Growth capital expenditures	(797)	(893)
Debt funding of growth capex	356	473
Non-recourse debt issuances (repayments)	209	(118)
Proceeds from capital recycling	1,033	—
New investments	(1,040)	(1,902)
(Repayments) draws on corporate credit facility	(279)	789
Partnership unit issuances, net of repurchases	(16)	1,212
Proceeds from debt issuances, net of repayments	283	129
Proceeds from preferred unit issuances	341	—
Impact of foreign currency movements	(164)	(137)
Changes in working capital and other	56	65
Change in proportionate cash	45	(235)
Opening, proportionate cash	597	832
Closing, proportionate cash	\$ 642	\$ 597

- 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	12 months ended December 31	
	2018	2017
Growth capital expenditures by segment		
Utilities	\$ 402	\$ 449
Transport	208	326
Energy	135	76
Data Infrastructure	52	42
Total	\$ 797	\$ 893

US\$ MILLIONS, UNAUDITED	12 months ended December 31	
	2018	2017
Maintenance capital expenditures by segment		
Utilities	\$ 17	\$ 15
Transport	155	133
Energy	64	70
Data Infrastructure	13	11
Total	\$ 249	\$ 229

- In 2018 we acquired five new businesses which we estimate will require between \$40-70 million of on-going annual maintenance capital expenditures
- We estimate annual maintenance capital expenditures for the upcoming year will be \$20-25 million, \$170-180 million, \$110-120 million and \$10-15 million for our utilities, transport, energy and data infrastructure segments, respectively, for a total range of \$310-340 million

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

MILLIONS OF PARTNERSHIP UNITS, UNAUDITED	As of	
	Dec 31, 2018	Dec 31, 2017
Redeemable partnership units	115.8	115.8
Limited partnership units	276.1	276.6
Issued exchangeable limited partnership units ¹	5.7	—
General partnership units	1.6	1.6
Total partnership units	399.2	394.0

1. As at December 31, 2018, 1.2 million exchangeable limited partnership units had been exchanged into limited partnership units

- On October 15, 2018, the partnership issued 5.7 million Exchangeable limited partnership units associated with the Enercare Inc. acquisition for total proceeds of \$232 million
- Repurchased 0.9 million of our units at an average unit price of \$34.43 under our normal course issuer bid for an aggregate of \$30 million
- The general partner may be entitled to incentive distribution rights, as follows:
 - To the extent distributions on partnership units are greater than \$0.203, the general partner is entitled to 15% of incremental distributions above this threshold until distributions reach \$0.22 per unit
 - To the extent distributions on partnership units are greater than \$0.22, the general partner is entitled to 25% of incremental distributions above this threshold
- Incentive distributions of \$140 million were paid during the year versus \$113 million in the prior year as a result of the 8% increase in our distribution on partnership units since 2017
- 50 million preferred units outstanding at December 31, 2018, were issued at par value of C\$25 per unit
 - Distributions of \$41 million were paid during the year



REVIEW OF FOURTH QUARTER PERFORMANCE

Q4 2018 HIGHLIGHTS

Brookfield

KEY PERFORMANCE METRICS

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

US\$ MILLIONS, EXCEPT PER UNIT INFORMATION, UNAUDITED	Three months ended December 31	
	2018	2017
Funds from operations (FFO)	\$ 326	\$ 313
Per unit FFO ¹	0.82	0.80
Distributions	0.47	0.435
Payout ratio ²	72%	67%
Growth of per unit FFO	3%	16%
Adjusted funds from operations (AFFO)	253	249
Return on Invested Capital (ROIC) ³	12%	13%
Net income ⁴	71	71
Net income per limited partner unit ⁵	0.06	0.09
Adjusted Earnings	114	142
Adjusted Earnings per unit ¹	0.29	0.36

1. Average units for the three month period ended December 31, 2018 of 399.1 million (2017: 393.9 million)

2. Payout ratio defined as distributions paid (inclusive of GP incentive and preferred unit distributions) divided by FFO

3. Return on invested capital is calculated as AFFO, adjusted for an estimate of returns of capital of \$19 million for the three months ended December 31, 2018 (2017: \$12 million), divided by average invested capital

4. Includes amounts attributable to non-controlling interests—Redeemable Partnership Units held by Brookfield, general partner and limited partners

5. Average limited partnership units for the three month period ended December 31, 2018 of 277.5 million (2017: 276.5 million). Net income per LP unit is reduced by preferred unit and incentive distributions paid

\$326
million of FFO

3%
FFO per unit growth

PERFORMANCE HIGHLIGHTS

- FFO increased 4% to \$326 million reflecting solid organic growth, the initial contribution from our recently acquired North American energy businesses and the first phase of our Gulf Coast expansion project was placed into service, partially offset by foreign exchange movements
 - Organic FFO growth of 9%, on a constant currency basis
- FFO/unit of \$0.82, a 3% increase from prior year
- Distribution of 0.47 per unit, an increase of 8% compared to the prior year
- Payout ratio of 72%; slightly above our target range of 60-70%
 - Removing the impact of foreign exchange would lower the ratio to 66%
- Net income of \$71 million consistent with prior year
 - Net income remained consistent as the contributions from recent acquisitions were offset by higher depreciation and the impact of foreign exchange which lowered U.S. dollar earnings

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 December 31	
	2018	2017
Net income (loss) by segment		
Utilities	\$ 68	\$ 88
Transport	22	36
Energy	26	10
Data Infrastructure	(1)	4
Corporate	(44)	(67)
Net income	\$ 71	\$ 71
Adjusted EBITDA by segment		
Utilities	\$ 181	\$ 205
Transport	173	179
Energy	107	70
Data Infrastructure	24	22
Corporate	(54)	(66)
Adjusted EBITDA	\$ 431	\$ 410
FFO by segment		
Utilities	\$ 138	\$ 172
Transport	129	139
Energy	90	56
Data Infrastructure	20	19
Corporate	(51)	(73)
FFO	\$ 326	\$ 313

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

US\$ MILLIONS, UNAUDITED	Three months ended December 31	
	2018	2017
Revenue	\$ 239	\$ 245
Connections revenue	29	28
Cost attributable to revenues	(87)	(68)
Adjusted EBITDA	181	205
Interest expense	(33)	(28)
Other expenses	(10)	(5)
Funds from operations (FFO)	138	172
Depreciation and amortization	(44)	(39)
Deferred taxes and other items	(26)	(45)
Net income	\$ 68	\$ 88

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

US\$ MILLIONS, UNAUDITED	Three months ended December 31		Adjusted EBITDA		FFO	
	2018	2017	2018	2017	2018	2017
Regulated Transmission	\$ 73	\$ 106	\$ 56	\$ 95		
Regulated Distribution	82	72	65	60		
Regulated Terminal	26	27	17	17		
Total	\$ 181	\$ 205	\$ 138	\$ 172		

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$181 million and \$138 million, respectively, versus \$205 million and \$172 million, respectively, in the prior year
 - Regulated Transmission: Results decreased as the benefits of inflation indexation and additions to rate base were more than offset by the impacts of the sale of our Chilean transmission operation, incremental interest expense associated with the financing at our Brazilian regulated transmission business and foreign exchange
 - Regulated Distribution: Adjusted EBITDA and FFO increased due to the benefits of inflation indexation, new connections and smart meters adopted in the last twelve months at our UK regulated distribution business and the initial contribution from our Colombian gas distribution business, partially offset by the impact of lower pound sterling hedge rates
 - Regulated Terminal: Adjusted EBITDA and FFO were relatively consistent with the prior year as the benefits of inflation-indexation and additions to rate base 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 December 31	
	2018	2017
Revenue	\$ 393	\$ 408
Cost attributable to revenues	(220)	(229)
Adjusted EBITDA	173	179
Interest expense	(43)	(40)
Other expenses	(1)	—
Funds from operations (FFO)	129	139
Depreciation and amortization	(80)	(79)
Deferred taxes and other items	(27)	(24)
Net income	\$ 22	\$ 36

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

Three months ended December 31	Adjusted EBITDA		FFO	
	2018	2017	2018	2017
Rail	\$ 61	\$ 62	\$ 44	\$ 45
Toll Roads	79	90	60	72
Ports	33	27	25	22
Total	\$ 173	\$ 179	\$ 129	\$ 139

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$173 million and \$129 million, respectively, versus \$179 million and \$139 million, respectively, in the prior year
 - Rail: Adjusted EBITDA and FFO were relatively consistent with the prior year as the benefits of lower tariff relief extended to one of our clients and record grain volumes in Australia were more than offset by the impacts of lower iron ore volumes following the termination of two tasks at our Australian operation and foreign exchange
 - Toll roads: Adjusted EBITDA and FFO decreased as the benefits from inflationary tariff increases in Chile and Peru were more than offset by the expiry of a concession related to one of our Brazilian state roads and the strengthening of the U.S. dollar relative to the Brazilian real
 - Ports: Adjusted EBITDA and FFO increased due to higher tariffs and a 9% increase in moves in Australia, strong container volumes in the U.K. and a one-time payment received related to backdated rents

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

US\$ MILLIONS, UNAUDITED	Three months ended December 31	
	2018	2017
Revenue	\$ 234	\$ 161
Cost attributable to revenues	(127)	(91)
Adjusted EBITDA	107	70
Interest expense	(26)	(18)
Other income	9	4
Funds from operations (FFO)	90	56
Depreciation and amortization	(44)	(47)
Deferred taxes and other items	(20)	1
Net income	\$ 26	\$ 10

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

US\$ MILLIONS, UNAUDITED	Adjusted EBITDA		FFO	
	2018	2017	2018	2017
Natural Gas Midstream and Storage	\$ 78	\$ 58	\$ 64	\$ 46
Distributed Energy Control Infrastructure	29	12	26	10
Total	\$ 107	\$ 70	\$ 90	\$ 56

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$107 million and \$90 million, respectively, versus \$70 million and \$56 million, respectively, in the prior year
 - Natural Gas Midstream and Storage: Adjusted EBITDA and FFO increased due to the initial contribution from the provincially regulated portion of our Canadian midstream energy business and the first phase of the Gulf Coast expansion project which was placed into service at our North American natural gas transmission operation
 - Distributed Energy Control Infrastructure: Adjusted EBITDA and FFO benefitted from the initial contribution from our North American residential infrastructure business and a 13% increase in heating volumes associated with new customer connections in our North American district energy operation

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

US\$ MILLIONS, UNAUDITED	Three months ended December 31	
	2018	2017
Revenue	\$ 42	\$ 43
Cost attributable to revenues	(18)	(21)
Adjusted EBITDA	24	22
Interest expense	(3)	(3)
Other expenses	(1)	—
Funds from operations (FFO)	20	19
Depreciation and amortization	(17)	(22)
Deferred taxes and other items	(4)	7
Net (loss) income	\$ (1)	\$ 4

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

US\$ MILLIONS, UNAUDITED	Three months ended December 31,		Adjusted EBITDA		FFO	
	2018	2017	2018	2017	2018	2017
Telecommunications and Fiber	\$ 24	\$ 22	\$ 20	\$ 19		
Data Storage	—	—	—	—		
Total	\$ 24	\$ 22	\$ 20	\$ 19		

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$24 million and \$20 million, respectively, versus \$22 million and \$19 million, respectively, in the prior year
 - Adjusted EBITDA and FFO increase due to the benefit of new points-of-presence (PoP) added to our existing tower portfolio and the roll-out of our build-to-suit strategy targeted towards our telecommunication customers

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

US\$ MILLIONS, UNAUDITED	Three months ended December 31	
	2018	2017
General and administrative costs	\$ (3)	\$ (2)
Base management fee	(51)	(64)
Adjusted EBITDA	(54)	(66)
Other income	19	10
Financing costs	(16)	(17)
Funds from operations (FFO)	(51)	(73)
Deferred taxes and other items	7	6
Net loss	\$ (44)	\$ (67)

FINANCIAL RESULTS

- General and administrative costs were relatively consistent with prior year
 - Anticipate corporate and administrative costs of \$8 to \$10 million per year, excluding base management fee
- We pay Brookfield an annual base management fee equal to 1.25% of our market value, plus recourse debt net of cash
 - Decreased from prior year due to a lower unit price and additional liquidity provided by our capital recycling program
- Other income includes interest and dividend income, as well as realized gains or losses earned on corporate financial assets
 - Other income increased relative to the prior year due to higher financial asset balances and realized gains recorded in 2018
- Corporate financing costs include interest expense and standby fees on committed credit facility, less interest earned on cash balances
 - Financing costs decreased compared to the prior year due to lower average net debt balances



APPENDIX – RECONCILIATION OF NON-IFRS FINANCIAL MEASURES

Reconciliation of Non-IFRS Measures to IFRS Measures

RECONCILIATION OF NET INCOME TO FUNDS FROM OPERATIONS

US\$ MILLIONS, UNAUDITED	Three months ended December 31		12 months ended December 31	
	2018	2017	2018	2017
Net income attributable to partnership ¹	\$ 71	\$ 71	\$ 410	\$ 125
Add back or deduct the following:				
Depreciation and amortization	185	187	758	726
Deferred income taxes	(10)	(7)	(12)	7
Mark-to-market on hedging items	80	62	284	312
Gain on sale of associates	—	—	(209)	—
FFO	326	313	1,231	1,170
Maintenance capital expenditures	(73)	(64)	(249)	(229)
AFFO	\$ 253	\$ 249	\$ 982	\$ 941

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

RECONCILIATION OF NET INCOME ADJUSTED EARNINGS

US\$ MILLIONS, UNAUDITED	Three months ended December 31		12 months ended December 31	
	2018	2017	2018	2017
Net income attributable to partnership ¹	\$ 71	\$ 71	\$ 410	\$ 125
Add back or deduct the following:				
Depreciation and amortization expense due to application of revaluation model and acquisition accounting	87	90	343	352
Mark-to-market on hedging items	(44)	(5)	(35)	106
Gain on sale of subsidiaries or ownership changes and other	—	(14)	(209)	(14)
Adjusted Earnings	\$ 114	\$ 142	\$ 509	\$ 569

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

- Adjusted Earnings provides a supplemental understanding of the performance of our underlying operations and also gives users enhance comparability of our ongoing performance relative to peers; defined as net income attributable to our partnership, excluding the following:
 - Incremental depreciation and amortization expense associated with the revaluation of our property, plant and equipment and the impact of purchase price accounting to reflect historical depreciation levels
 - Non-cash fair value changes relating to hedging activities, as we believe these items are not reflective of the ongoing performance of our operations
 - Disposition gains or losses recorded in net income as these items by definition are non-recurring in nature
 - The current year reflects a gain recognized on the sale of our investment in our Chilean electricity transmission business

RECONCILIATION OF NET INCOME ADJUSTED EARNINGS PER UNIT

US\$ MILLIONS, UNAUDITED	Three months ended December 31		12 months ended December 31	
	2018	2017	2018	2017
Net income (loss) per limited partnership unit ¹	\$ 0.06	\$ 0.09	\$ 0.59	\$ (0.04)
Add back or deduct the following:				
Depreciation and amortization expense due to application of revaluation model and acquisition accounting	0.22	0.23	0.87	0.93
Mark-to-market on hedging items	0.01	(0.01)	0.36	0.29
Gain on sale of subsidiaries or ownership changes and other	—	0.05	(0.53)	0.33
Adjusted Earnings per unit ²	\$ 0.29	\$ 0.36	\$ 1.29	\$ 1.51

1. Average limited partnership units for the three and 12 month periods ended December 31, 2018 of 277.5 million and 276.9 million, respectively (2017: 276.5 million and 264.6 million for both the three and 12 month periods). Net income per LP unit is reduced by preferred unit and incentive distributions paid
2. Average units for the three and 12 month periods ended December 31, 2018 of 399.1 million and 395.4 million, respectively (2017: 393.9 million and 376.8 million for both the three and 12 month periods)

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

Brookfield

RECONCILIATION OF PROPORTIONATE OPERATING RESULTS TO CONSOLIDATED OPERATING RESULTS

Brookfield Infrastructure's Share

FOR 12 MONTHS ENDED
DECEMBER 31, 2018
US\$ MILLIONS, UNAUDITED

	Utilities	Transport	Energy	Data Infrastructure	Corporate	Total	Contribution from investments in associates	Attributable to non-controlling interest	As per IFRS financials
Revenues	\$ 1,055	\$ 1,612	\$ 668	\$ 170	\$ —	\$ 3,505	\$ (1,524)	\$ 2,671	\$ 4,652
Costs attributed to revenues	(322)	(930)	(340)	(77)	—	(1,669)	833	(1,372)	(2,208)
General and administrative costs	—	—	—	—	(223)	(223)	—	—	(223)
Adjusted EBITDA	733	682	328	93	(223)	1,613	(691)	1,299	
Other (expense) income	(30)	2	22	(4)	72	62	11	(107)	(34)
Interest expense	(127)	(166)	(81)	(12)	(58)	(444)	134	(245)	(555)
FFO	576	518	269	77	(209)	1,231	(546)	947	
Depreciation and amortization	(187)	(345)	(154)	(72)	—	(758)	370	(413)	(801)
Deferred taxes	(49)	47	(3)	7	10	12	(44)	(14)	(46)
Mark-to-market on hedging items and other	(82)	(208)	(73)	(6)	85	(284)	233	(124)	(175)
Gain on sale of associates	—	—	—	—	209	209	—	—	209
Share of earnings from associates	—	—	—	—	—	—	(13)	—	(13)
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(396)	(396)
Net income attributable to partnership¹	\$ 258	\$ 12	\$ 39	\$ 6	\$ 95	\$ 410	\$ —	\$ —	\$ 410

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

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

Brookfield

RECONCILIATION OF PROPORTIONATE OPERATING RESULTS TO CONSOLIDATED OPERATING RESULTS

Brookfield Infrastructure's Share

FOR 12 MONTHS ENDED DECEMBER 31, 2017 US\$ MILLIONS, UNAUDITED	Utilities	Transport	Energy	Data Infrastructure	Corporate	Total	Contribution from investments in associates	Attributable to non-controlling interest	As per IFRS financials
Revenues	\$ 988	\$ 1,589	\$ 559	\$ 165	\$ —	\$ 3,301	\$ (1,624)	\$ 1,858	\$ 3,535
Costs attributed to revenues	(250)	(895)	(278)	(75)	—	(1,498)	861	(872)	(1,509)
General and administrative costs	—	—	—	—	(239)	(239)	—	—	(239)
Adjusted EBITDA	738	694	281	90	(239)	1,564	(763)	986	
Other (expense) income	(14)	(4)	15	(2)	45	40	7	(108)	(61)
Interest expense	(114)	(158)	(87)	(12)	(63)	(434)	172	(166)	(428)
FFO	610	532	209	76	(257)	1,170	(584)	712	
Depreciation and amortization	(186)	(312)	(151)	(77)	—	(726)	382	(327)	(671)
Deferred taxes	(52)	(1)	11	21	14	(7)	(22)	(38)	(67)
Mark-to-market on hedging items and other	(59)	(80)	(37)	(9)	(127)	(312)	106	102	(104)
Share of earnings from associates	—	—	—	—	—	—	118	—	118
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(449)	(449)
Net income (loss) attributable to partnership¹	\$ 313	\$ 139	\$ 32	\$ 11	\$ (370)	\$ 125	\$ —	\$ —	\$ 125

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

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

Brookfield

RECONCILIATION OF PROPORTIONATE OPERATING RESULTS TO CONSOLIDATED OPERATING RESULTS

Brookfield Infrastructure's Share

FOR THREE MONTHS ENDED
DECEMBER 31, 2018
US\$ MILLIONS, UNAUDITED

	Utilities	Transport	Energy	Data Infrastructure	Corporate	Total	Contribution from investments in associates	Attributable to non-controlling interest	As per IFRS financials
Revenues	\$ 268	\$ 393	\$ 234	\$ 42	\$ —	\$ 937	\$ (374)	\$ 865	\$ 1,428
Costs attributed to revenues	(87)	(220)	(127)	(18)	—	(452)	202	(479)	(729)
General and administrative costs	—	—	—	—	(54)	(54)	—	—	(54)
Adjusted EBITDA	181	173	107	24	(54)	431	(172)	386	
Other (expense) income	(10)	(1)	9	(1)	19	16	2	(26)	(8)
Interest expense	(33)	(43)	(26)	(3)	(16)	(121)	33	(88)	(176)
FFO	138	129	90	20	(51)	326	(137)	272	
Depreciation and amortization	(44)	(80)	(44)	(17)	—	(185)	81	(128)	(232)
Deferred taxes	(11)	7	2	4	8	10	(9)	6	7
Mark-to-market on hedging items and other	(15)	(34)	(22)	(8)	(1)	(80)	42	(48)	(86)
Gain on sale of associates	—	—	—	—	—	—	—	—	—
Share of earnings from associates	—	—	—	—	—	—	23	—	23
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(102)	(102)
Net income (loss) attributable to partnership¹	\$ 68	\$ 22	\$ 26	\$ (1)	\$ (44)	\$ 71	\$ —	\$ —	\$ 71

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

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

Brookfield

RECONCILIATION OF PROPORTIONATE OPERATING RESULTS TO CONSOLIDATED OPERATING RESULTS

Brookfield Infrastructure's Share

FOR THREE MONTHS ENDED
DECEMBER 31, 2017
US\$ MILLIONS, UNAUDITED

	Utilities	Transport	Energy	Data Infrastructure	Corporate	Total	Contribution from investments in associates	Attributable to non-controlling interest	As per IFRS financials
Revenues	\$ 273	\$ 408	\$ 161	\$ 43	\$ —	\$ 885	\$ (433)	\$ 532	\$ 984
Costs attributed to revenues	(68)	(229)	(91)	(21)	—	(409)	237	(226)	(398)
General and administrative costs	—	—	—	—	(66)	(66)	—	(1)	(67)
Adjusted EBITDA	205	179	70	22	(66)	410	(196)	305	
Other (expense) income	(5)	—	4	—	10	9	(5)	(77)	(73)
Interest expense	(28)	(40)	(18)	(3)	(17)	(106)	40	(47)	(113)
FFO	172	139	56	19	(73)	313	(161)	181	
Depreciation and amortization	(39)	(79)	(47)	(22)	—	(187)	109	(52)	(130)
Deferred taxes	(19)	(11)	12	13	12	7	(21)	(22)	(36)
Mark-to-market on hedging items and other	(26)	(13)	(11)	(6)	(6)	(62)	38	64	40
Share of earnings from associates	—	—	—	—	—	—	35	—	35
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(171)	(171)
Net income (loss) attributable to partnership¹	\$ 88	\$ 36	\$ 10	\$ 4	\$ (67)	\$ 71	\$ —	\$ —	\$ 71

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

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

RECONCILIATION OF PARTNERSHIP CAPITAL TO INVESTED CAPITAL

US\$ MILLIONS, UNAUDITED	For the three months ended December 31,				For the 12 months ended December 31,			
	Partnership Capital		Invested Capital		Partnership Capital		Invested Capital	
	2018	2017	2018	2017	2018	2017	2018	2017
Opening balance ¹	\$ 6,041	\$ 6,947	\$ 7,953	\$ 7,595	\$ 7,004	\$ 6,498	\$ 7,599	\$ 6,387
Changes in accounting policies	—	—	—	—	6	—	—	—
Adjusted balance	\$ 6,041	\$ 6,947	\$ 7,953	\$ 7,595	\$ 7,010	\$ 6,498	\$ 7,599	\$ 6,387
Items impacting Partnership Capital								
Net income	71	\$ 71	—	—	410	125	—	—
Other comprehensive income	346	190	—	—	(288)	183	—	—
Distributions to unitholders	(233)	(208)	—	—	(919)	(794)	—	—
Items impacting Invested Capital								
Preferred units offerings, net	—	—	(1)	—	—	—	341	220
Items impacting both metrics								
Equity issuances, net	204	4	204	4	216	992	216	992
Ending balance	\$ 6,429	\$ 7,004	\$ 8,156	\$ 7,599	\$ 6,429	\$ 7,004	\$ 8,156	\$ 7,599
Weighted averaged Invested Capital	\$ —	\$ —	\$ 8,150	\$ 7,595	\$ —	\$ —	\$ 7,858	\$ 6,885

1. Invested Capital includes cumulative opening balance differences of \$1,912 million and \$595 million for the three and 12 month periods ended December 31, 2018, respectively (2017: \$648 million and \$(111) million for both three and 12 month periods) due to maintenance capital expenditures, other comprehensive income and non-cash statement of operating results items since inception of the partnership.

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

Brookfield

RECONCILIATION OF PROPORTIONATE ASSETS TO CONSOLIDATED ASSETS – AS OF DECEMBER 31, 2018

Total Attributable to Brookfield Infrastructure							Contribution from investment in associates	Attributable to non-controlling interest	Working capital adjustment	As per IFRS financials ¹
US\$ MILLIONS, UNAUDITED	Utilities	Transport	Energy	Data Infrastructure	Corporate	Brookfield Infrastructure				
Total assets	\$4,864	\$6,424	\$4,722	\$1,446	\$(929)	\$16,527	\$(2,350)	\$17,545	\$4,858	\$36,580

RECONCILIATION OF PROPORTIONATE ASSETS TO CONSOLIDATED ASSETS – AS OF DECEMBER 31, 2017

Total Attributable to Brookfield Infrastructure							Contribution from investment in associates	Attributable to non-controlling interest	Working capital adjustment	As per IFRS financials ¹
US\$ MILLIONS, UNAUDITED	Utilities	Transport	Energy	Data Infrastructure	Corporate	Brookfield Infrastructure				
Total assets	\$6,542	\$6,990	\$3,134	\$1,049	\$(1,083)	\$16,632	\$(3,134)	\$11,668	\$4,311	\$29,477

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	
	Dec 31, 2018	Dec 31, 2017
Consolidated debt	\$ 15,106	\$ 10,164
Add: proportionate share of debt of investment in associates		
Utilities	180	837
Transport	1,330	1,291
Energy	929	929
Data Infrastructure	445	467
Less: debt attributable to non-controlling interest ¹	(6,346)	(3,028)
Premium on debt and cross currency swaps	(904)	(435)
Proportionate debt	\$ 10,740	\$ 10,225

1. Includes draws made under Brookfield's private funds credit facility used to bridge acquisitions over year-end. Borrowings made under the facility are secured by limited partner commitments and are non-recourse to the Partnership

- **Funds from operations (FFO), adjusted funds from operations (AFFO), adjusted EBITDA, adjusted earnings, invested capital** and their per share equivalents, where applicable, are non-IFRS measures which do not have any standard meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies
 - FFO, AFFO, adjusted earnings and invested capital are reconciled to Net Income and Partnership capital, respectively, the closest measures determined under IFRS on pages 41, 42 and 48, respectively
- **FFO** is defined as net income excluding the impact of depreciation and amortization, deferred income taxes, breakage and transaction costs, and non-cash valuation gains or losses
 - Brookfield Infrastructure uses FFO to assess its operating results
- **Adjusted EBITDA** is defined as FFO excluding the impact of interest expense, and other income or expenses
 - Brookfield Infrastructure uses Adjusted EBITDA as a measure of operating performance
- **Adjusted Earnings** is defined as net income attributable to our partnership, excluding the impact of depreciation and amortization expense from revaluing property, plant and equipment and the effects of purchase price accounting, mark-to-market on hedging items and disposition gains or losses
- **AFFO** is a measure of our long-term sustainable performance and is calculated as FFO less capital expenditures required to maintain the current performance of our operations (maintenance capital expenditures)
- **Invested capital** is meant to track the initial investment that we make in a business plus all cash flow that we re-invest in the business