

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

Q2 2019 Supplemental --- Information

Second Quarter, June 30, 2019

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 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 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 favourable 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 34-43 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.

Q2 2019 HIGHLIGHTS

Brookfield

KEY PERFORMANCE METRICS

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

US\$ MILLIONS, EXCEPT PER UNIT INFORMATION, UNAUDITED	Three Months Ended June 30		Six Months Ended June 30	
	2019	2018	2019	2018
Funds from operations (FFO)	\$ 337	\$ 294	\$ 688	\$ 627
Per unit FFO ¹	0.85	0.75	1.73	1.60
Distributions	0.50	0.47	1.00	0.94
Payout ratio ²	74%	78%	73%	73%
Growth of per unit FFO	13%	(6)%	8%	6%
Adjusted funds from operations (AFFO)	264	236	561	520
Return of Invested Capital (ROIC) ³	12%	11%	12%	12%
Net income ⁴	98	125	128	334
Net income per limited partner unit ⁵	0.12	0.21	0.07	0.63
Adjusted Earnings	145	140	309	294
Adjusted Earnings per unit ¹	0.36	0.36	0.77	0.75

KEY BALANCE SHEET METRICS

US\$ MILLIONS, UNAUDITED	As of	
	June 30, 2019	Dec. 31, 2018
Total assets	\$ 41,465	\$ 36,580
Corporate borrowings	1,546	1,993
Invested capital	8,204	8,156

1. Average units for the three and six-month period ended June 30, 2019 of 398.5 million and 398.6 million (2018: 394.1 million and 394.1 million for the three and six-month periods)

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 \$27 million and \$53 million for the three and six-month period ended June 30, 2019 (2018: \$22 million and \$47 million for the three and six-month periods), 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 and six-month periods ended June 30, 2019 of 279.7 million and 278.9 million (2018: 276.7 million and 276.6 million for the three and six-month periods).

\$337

million of FFO

\$0.5025

Distributions per unit

PERFORMANCE HIGHLIGHTS

- Generated FFO of \$337 million during the second quarter due to strong organic growth of 10% and contributions from capital deployed across each of our operating segments in the last year
 - Reflects the full benefit of the most recent phase of our asset rotation strategy; added FFO per unit of \$0.05
 - Increase was partially offset by a stronger U.S. dollar, which reduced FFO by \$6 million
- Distributions of \$0.5025 per unit represents payout ratio of 74%
 - Adjusting for the impact of foreign exchange would lead to a year-to-date payout ratio of 71%
- ROIC increased compared to the prior year as contributions from new investments and organic growth were partially offset by the impact of foreign exchange
- Net income of \$98 million in the period decreased from \$125 million in prior year
 - Higher earnings across the majority of our operations and contributions from capital expenditures and new investments, predominantly in our energy segment, completed in the past 12 months were offset by movements in our corporate hedging program
- Total assets increased primarily as a result of acquisitions completed during the year, which increased total assets by \$3.0 billion
 - Also, adoption of a new accounting standard for leases (IFRS 16) resulted in recognition of \$1.2 billion of consolidated assets

OPERATIONS

- Deployed \$230 million in growth capital expenditures, predominantly in our Utilities segment to increase rate base and in our Transport and Energy segments to add capacity
- Added ~\$200 million to capital investment backlog across our business; total capital to be commissioned over the next three years is ~\$2.2 billion
- Acquired remaining 50% interest in 500 km of operating electricity transmission lines in Brazil for ~\$20 million (BIP's share - ~\$5 million)
 - Recently secured another government mandate to build an additional 900 km of Brazilian electricity transmission lines
- Progressed the build-out of several new sites at our South American data centers business underpinned by attractive long-term contracts
 - We have commissioned four new centers adding 21 MW of capacity and anticipate adding an additional 18 MW of capacity by year-end; once complete, they will contribute ~\$85 million of EBITDA per annum (BIP's share - \$10 million)
- Completed a tuck-in acquisition at our North American residential energy infrastructure business to add over 12,000 heating, ventilation and air conditioning (HVAC) customers in the U.S.
- Port revenues increased 10%, primarily driven by container volumes exceeding the prior year by 5% at our U.K. port operation and higher average tariffs across our global portfolio
- Commenced construction on a large thermal storage site to expand the deep-lake water cooling system at our Toronto district energy operations; expected to be commissioned in 2021

BUSINESS DEVELOPMENT

- Brookfield, along with a strategic partner, acquired a co-controlling interest in Vodafone New Zealand for ~\$700 million (BIP's share - ~\$200 million) on July 31, 2019
- In July 2019, Brookfield, along with an institutional partner, agreed to acquire Genesee & Wyoming Inc., the largest short haul rail operator in North America for ~\$5 billion in a take-private transaction (BIP's share - ~\$500 million)
 - Transaction remains subject to shareholder and regulatory approval; expected close in Q4 2019
- In mid-July, Brookfield agreed to acquire a co-controlling interest in two operational natural gas pipelines in Mexico for ~\$550 million (BIP's share - ~\$150 million); transaction remains subject to customary regulatory approvals and is expected to close in Q4 2019
- Phase two of our Western Canadian Midstream energy acquisition is on track (BIP's share - \$250 million); closing is subject to regulatory approval, which we expect to receive in 2019

FINANCING AND LIQUIDITY

- In June 2019, completed the sale of a 40% interest in a bulk European port operation for after-tax proceeds of \$140 million
- Raised ~\$825 million of proceeds through a unit offering completed in July 2019
 - Following the offering, our total liquidity is \$3.9 billion, including \$2.7 billion at the corporate level
- Continue to progress next phase of our capital recycling program; targeting approximately \$700 million of after-tax proceeds to be generated in the next six months

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
- FFO is used to assess our operating performance and can be used on a per unit basis as a proxy for future distribution growth over the long-term

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 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 of asset sales and retained 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 as over 40% of our FFO is generated by investments that are not consolidated in our financial statements
- The partnership invests in joint ventures or consortiums to provide it with access to partners with local strategic expertise and substantial amounts of capital. When investing in such arrangements, the partnership maintains joint control or significant influence over the business, and is therefore, not a passive investor. We structure governance arrangements taking into account the following:
 - 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 September 30, 2019 to unitholders of record as at the close of business on August 30, 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 breakdown of distribution history

US\$, UNAUDITED	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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%

The Partnership's average distribution payout ratio for the last five years is within target as shown below

For the year ended December 31							Total
US\$ MILLIONS, UNAUDITED	2014	2015	2016	2017	2018	2014-2018	
Funds from Operations (FFO)	\$ 724	\$ 808	\$ 944	\$ 1,170	\$ 1,231	\$ 4,877	
Adjusted Funds from Operations (AFFO)	593	672	771	941	982	3,959	
Distributions	448	546	628	794	919	3,335	
FFO payout ratio	62%	68%	67%	68%	75%	68%	
AFFO payout ratio	76%	81%	81%	84%	94%	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 	<ul style="list-style-type: none"> • North America & Asia Pacific • North America & Asia Pacific
Data Infrastructure	Provide critical infrastructure and services to global communication companies	<ul style="list-style-type: none"> • Data Transmission & Distribution • Data Storage 	<ul style="list-style-type: none"> • Europe, Asia Pacific • North & South America, Asia Pacific

Selected Income Statement and Balance Sheet Information

Brookfield

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	
	2019	2018	2019	2018
Net income (loss) by segment				
Utilities	\$ 116	\$ 74	\$ 184	\$ 123
Transport	9	24	23	36
Energy	9	(5)	41	8
Data Infrastructure	(10)	3	(9)	4
Corporate	(26)	29	(111)	163
Net income	\$ 98	\$ 125	\$ 128	\$ 334

Adjusted EBITDA by segment

Utilities	\$ 190	\$ 177	\$ 371	\$ 380
Transport	184	173	373	351
Energy	123	69	250	148
Data Infrastructure	39	23	75	46
Corporate	(64)	(54)	(125)	(112)
Adjusted EBITDA	\$ 472	\$ 388	\$ 944	\$ 813

FFO by segment

Utilities	\$ 143	\$ 139	\$ 280	\$ 308
Transport	135	133	274	270
Energy	96	54	203	120
Data Infrastructure	30	19	58	38
Corporate	(67)	(51)	(127)	(109)
FFO	\$ 337	\$ 294	\$ 688	\$ 627

STATEMENTS OF FINANCIAL POSITION

US\$ MILLIONS, UNAUDITED	As of	
	June 30, 2019	Dec. 31, 2018
Assets by segment		
Utilities	\$ 4,981	\$ 4,864
Transport	6,203	6,424
Energy	5,211	4,722
Data Infrastructure	1,804	1,446
Corporate	(1,965)	(929)
Total assets	\$ 16,234	\$ 16,527

Net debt by segment

Utilities	\$ 3,131	\$ 3,077
Transport	2,718	2,797
Energy	2,109	1,905
Data Infrastructure	668	564
Corporate	1,228	1,755
Net debt	\$ 9,854	\$ 10,098

Partnership capital by segment

Utilities	\$ 1,850	\$ 1,787
Transport	3,485	3,627
Energy	3,102	2,817
Data Infrastructure	1,136	882
Corporate	(3,193)	(2,684)
Partnership capital	\$ 6,380	\$ 6,429



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 ~3,600 km of greenfield electricity transmission developments in South America
- Regulated Distribution – ~6.8 million electricity and natural gas connections and ~1.2 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	Three Months Ended June 30		Six Months Ended June 30	
	2019	2018	2019	2018
Rate base	\$ 4,770	\$ 4,583	\$ 4,770	\$ 4,583
Funds from operations (FFO)	\$ 143	\$ 139	\$ 280	\$ 308
Maintenance capital	(5)	(4)	(8)	(9)
Adjusted funds from operations (AFFO)	\$ 138	\$ 135	\$ 272	\$ 299
Return on rate base ^{1,2}	12%	11%	12%	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 U.K. regulated distribution business, a return of capital component from earnings generated at our Brazilian regulated gas transmission business and foreign exchange

- FFO of \$143 million in Q2'19 compared to \$139 million in prior year
 - Results benefited from 10% organic growth primarily due to inflation-indexation and capital commissioned in the last 12 months at our U.K. regulated distribution business
 - Offsetting these positive factors were increased borrowing costs from a R\$5 billion financing completed last year at our Brazilian regulated transmission business and foreign exchange which lowered results by \$6 million

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	
	2019	2018	2019	2018
Revenue	\$ 250	\$ 217	\$ 493	\$ 463
Connections revenue	28	28	54	54
Cost attributable to revenues	(88)	(68)	(176)	(137)
Adjusted EBITDA	190	177	371	380
Interest expense	(38)	(30)	(72)	(61)
Other expenses	(9)	(8)	(19)	(11)
Funds from operations (FFO)	143	139	280	308
Depreciation and amortization	(44)	(43)	(89)	(101)
Deferred taxes and other items	17	(22)	(7)	(84)
Net income	\$ 116	\$ 74	\$ 184	\$ 123

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$190 million and \$143 million, respectively, versus \$177 million and \$139 million, respectively, in the prior year
 - Regulated Transmission: Adjusted EBITDA has increased due to the benefits of inflation-indexation, partially offset by the impact of foreign exchange
 - FFO decreased as the increases to EBITDA were more than offset by incremental interest expense associated with the financing at our Brazilian regulated transmission business
 - Regulated Distribution: Adjusted EBITDA and FFO increased compared to the prior year due to inflation-indexation and contributions from new connections and smart meters adopted in the last 12 months at our U.K. regulated distribution business
 - Regulated Terminal: Results increased versus the prior year as we benefited from inflation-indexation and the positive impact of higher hedge rates on our Australian dollar contracts

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

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	
	2019	2018	2019	2018	2019	2018	2019	2018
Regulated Transmission	\$ 77	\$ 74	\$ 153	\$ 182	\$ 59	\$ 61	\$ 117	\$ 157
Regulated Distribution	85	77	162	145	66	61	127	117
Regulated Terminal	28	26	56	53	18	17	36	34
Total	\$ 190	\$ 177	\$ 371	\$ 380	\$ 143	\$ 139	\$ 280	\$ 308

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

US\$ MILLIONS, UNAUDITED	For the three-month period ended June 30, 2019	For the six-month period ended June 30, 2019	For the 12-month period ended December 31, 2018
Capital backlog, start of period	\$ 844	\$ 815	\$ 1,140
Impact of asset sales	—	—	(124)
Additional capital project mandates	167	299	365
Less: capital expenditures	(100)	(192)	(402)
Foreign exchange and other	(57)	(68)	(164)
Capital backlog, end of period	854	854	815
Construction work in progress	251	251	190
Total capital to be commissioned	\$ 1,105	\$ 1,105	\$ 1,005

US\$ MILLIONS, UNAUDITED	For the three-month period ended June 30, 2019	For the six-month period ended June 30, 2019	For the 12-month period ended December 31, 2018
Rate base, start of period	\$ 4,728	\$ 4,511	\$ 5,638
Acquisitions	—	—	63
Impact of asset sales	—	—	(969)
Capital expenditures commissioned	66	130	395
Inflation and other indexation	15	139	65
Regulatory depreciation	(11)	(22)	(68)
Foreign exchange and other	(28)	12	(613)
Rate base, end of period	\$ 4,770	\$ 4,770	\$ 4,511

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 ~\$1.1 billion of total capital to be commissioned into rate base; 10% increase compared to year-end
 - Total capital commissioned increased as a result of new connections and smart meters awarded at our U.K. regulated distribution business and the addition of 900 km of greenfield electricity transmission lines in Brazil, partially offset by the impact of foreign exchange
 - Our U.K. regulated distribution business and Brazilian electricity transmission business are the largest contributors to our total capital expected to be commissioned to rate base; comprised of ~\$700 million and ~\$330 million of total projects, respectively

RATE BASE

- Our rate base has increased compared to year-end as a result of new connections at our U.K. regulated distribution business, inflation-indexation at our regulated Brazilian regulated gas transmission business and the impact of foreign exchange

SEGMENT OVERVIEW

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

OBJECTIVES

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

OPERATIONS

- Rail – sole provider of rail network in southern half of 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 – 13 terminals in North America, U.K., and Australia

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	
	2019	2018	2019	2018
Growth capital expenditures	\$ 41	\$ 41	\$ 94	\$ 85
Adjusted EBITDA margin ¹	48%	42%	48%	42%
Funds from operations (FFO)	135	133	274	270
Maintenance capital	(40)	(36)	(81)	(72)
Adjusted funds from operations (AFFO)	\$ 95	\$ 97	\$ 193	\$ 198

1. EBITDA margin is calculated net of construction revenues and costs of \$1 million and \$3 million which were incurred at our Peruvian toll road operation during the three and six-month period ended June 30, 2019 (2018: \$nil and \$1 million for the three and six-month periods)

- FFO of \$135 million in Q2'19 compared to \$133 million in Q2'18
 - Results for the segment benefited from organic growth of 8% due to increased agricultural volumes in Australia, GDP-linked volume growth at our port operations, and higher traffic and tariffs across our global toll road portfolio
 - These positive factors were more than offset by the impacts of the expiry of a state concession at our Brazilian toll road business, the sale of a 33% interest in our Chilean toll road operation and an 8% depreciation of the Brazilian real

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	
	2019	2018	2019	2018
Revenue	\$ 386	\$ 410	\$ 775	\$ 834
Cost attributable to revenues	(202)	(237)	(402)	(483)
Adjusted EBITDA	184	173	373	351
Interest expense	(51)	(40)	(100)	(83)
Other income	2	—	1	2
Funds from operations (FFO)	135	133	274	270
Depreciation and amortization	(94)	(85)	(185)	(184)
Deferred taxes and other items	(32)	(24)	(66)	(50)
Net income	\$ 9	\$ 24	\$ 23	\$ 36

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$184 million and \$135 million, respectively, versus \$173 million and \$133 million, in the prior year
 - Rail: Results benefited from higher agricultural volumes in Australia, lower tariff relief provided to customers due to improved iron ore prices, and higher hedge rates on our Australian dollar contracts
 - These positive impacts were more than offset by the loss of two mineral customer contracts in the prior year, lower agricultural volumes in Brazil due to the timing of the harvest and the impact of a weaker Brazilian real
 - Toll roads: Adjusted EBITDA and FFO were in-line with prior year as the benefits from inflationary tariff increases and traffic growth across our portfolio were more than offset by the impacts of the expiry of one of our Brazilian state concessions, the sale of a partial interest in our Chilean operation and the impact of foreign exchange
 - Ports: Adjusted EBITDA and FFO increased compared to prior year as volumes benefited from strong container levels at our U.K. operation and the contribution from newly secured services in Australia

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

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	
	2019	2018	2019	2018	2019	2018	2019	2018
Rail	\$ 72	\$ 72	\$ 144	\$ 139	\$ 55	\$ 56	\$ 110	\$ 107
Toll Roads	75	75	154	165	54	55	110	122
Ports	37	26	75	47	26	22	54	41
Total	\$ 184	\$ 173	\$ 373	\$ 351	\$ 135	\$ 133	\$ 274	\$ 270

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	For the three-month period ended June 30, 2019	For the six-month period ended June 30, 2019	For the 12-month period ended December 31, 2018
Capital backlog, start of period	\$ 431	\$ 500	637
Additional capital project mandates	4	8	174
Less: capital expenditures	(41)	(94)	(208)
Foreign exchange and other	(7)	(27)	(103)
Capital backlog, end of period	\$ 387	\$ 387	500
Construction work in progress	193	193	162
Total capital to be commissioned	\$ 580	\$ 580	662

- 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 ~\$520 million and ~\$30 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:
 - ~16,500 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:
 - Delivers 3,192,000 pounds per hour of heating and 305,000 tons of cooling capacity and services ~27,000 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	Three Months Ended June 30		Six Months Ended June 30	
	2019	2018	2019	2018
Growth capital expenditures	\$ 61	\$ 34	\$ 83	\$ 49
Adjusted EBITDA margin ¹	48%	52%	50%	52%
Funds from operations (FFO)	96	54	203	120
Maintenance capital	(26)	(15)	(34)	(20)
Adjusted funds from operations (AFFO)	\$ 70	\$ 39	\$ 169	\$ 100

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

- FFO of \$96 million in Q2'19 increased from \$54 million in prior year
 - FFO benefited from strong transportation volumes and capital commissioned at our North American natural gas transmission business, contributions from two North American energy businesses acquired in 2018 and a recently acquired natural gas pipeline in India
 - These positive impacts were partially offset by the impact of lower spreads at our gas storage 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	
	2019	2018	2019	2018
Revenue	\$ 256	\$ 137	\$ 501	\$ 290
Cost attributable to revenues	(133)	(68)	(251)	(142)
Adjusted EBITDA	123	69	250	148
Interest expense	(33)	(18)	(61)	(36)
Other income	6	3	14	8
Funds from operations (FFO)	96	54	203	120
Depreciation and amortization	(65)	(38)	(124)	(71)
Deferred taxes and other items	(22)	(21)	(38)	(41)
Net income	\$ 9	\$ (5)	\$ 41	\$ 8

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

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	
	2019	2018	2019	2018	2019	2018	2019	2018
Natural Gas Midstream and Storage	\$ 81	\$ 54	\$ 178	\$ 122	\$ 60	\$ 41	\$ 143	\$ 97
Distributed Energy	42	15	72	26	36	13	60	23
Total	\$ 123	\$ 69	\$ 250	\$ 148	\$ 96	\$ 54	\$ 203	\$ 120

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$123 million and \$96 million, respectively, versus \$69 million and \$54 million, in the prior year
 - Natural Gas Midstream and Storage: Adjusted EBITDA and FFO increased versus prior year due to strong transportation volumes, the contribution from the Gulf Coast expansion project at our North American natural gas transmission business and the contributions from the provincially regulated portion of our Western Canadian midstream energy business and the natural gas pipeline in India
 - These positive factors were partially offset by lower spreads at our gas storage operations
 - Distributed Energy: Results increased versus prior year benefiting from the contribution of our North American residential energy infrastructure business acquired in October of last year and new customer connections completed in the last 12 months at our North American district energy operations

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	For the three-month period ended June 30, 2019	For the six-month period ended June 30, 2019	For the 12-month period ended December 31, 2018
Capital backlog, start of period	\$ 256	\$ 290	143
Impact of acquisitions	—	—	102
Additional capital project mandates	30	34	195
Less: capital expenditures	(61)	(83)	(135)
Foreign exchange and other	(2)	(18)	(15)
Capital backlog, end of period	\$ 223	\$ 223	290
Construction work in progress	85	85	72
Total capital to be commissioned	\$ 308	\$ 308	362

- 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 ~\$235 million within our Natural Gas Midstream and Storage operations and ~\$75 million in our Distributed Energy segment
 - Transmission & Storage projects primarily relate to first and second phases of the Gulf Coast Reversal project, which are anchored by two 20-year, 300,000-385,000 dekatherms per day contracts with a large LNG operator
 - Distributed Energy projects include ~\$25 million for our HVAC and water heater order book at our North American residential energy infrastructure business, and ~\$50 million of expansionary projects in North American district energy 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

- Data Transmission & Distribution – ~7,000 multi-purpose towers and active rooftop sites and 10,000 km of fiber backbone located in France
- Data Storage – 49 data centers, with ~1.5 million square feet of raised floors and 160 megawatts of critical load capacity

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

US\$ MILLIONS, UNAUDITED	Three Months Ended June 30		Six Months Ended June 30	
	2019	2018	2019	2018
Growth capital expenditures	\$ 28	\$ 11	\$ 41	\$ 23
Adjusted EBITDA margin ¹	58%	51%	58%	52%
Funds from operations (FFO)	30	19	58	38
Maintenance capital	(2)	(3)	(4)	(6)
Adjusted funds from operations (AFFO)	\$ 28	\$ 16	\$ 54	\$ 32

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

- FFO of \$30 million in Q2'19 compared to \$19 million in prior year
 - Results benefited from organic growth of 11% due to the contribution from capital expenditure projects commissioned and inflationary price increases at our French telecom business
 - The current period also benefited from the initial contributions from recently acquired data centers in Brazil, Asia Pacific and the United States

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

US\$ MILLIONS, UNAUDITED	Three Months Ended June 30		Six Months Ended June 30	
	2019	2018	2019	2018
Revenue	\$ 67	\$ 45	\$ 129	\$ 88
Cost attributable to revenues	(28)	(22)	(54)	(42)
Adjusted EBITDA	39	23	75	46
Interest expense	(10)	(3)	(19)	(6)
Other income (expenses)	1	(1)	2	(2)
Funds from operations (FFO)	30	19	58	38
Depreciation and amortization	(30)	(17)	(55)	(37)
Deferred taxes and other items	(10)	1	(12)	3
Net income	\$ (10)	\$ 3	\$ (9)	\$ 4

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$39 million and \$30 million, respectively, versus \$23 million and \$19 million, respectively, in the prior year
 - Data Transmission & Distribution: Adjusted EBITDA and FFO increased compared to the prior year due the benefits of inflationary price increases, new points-of-presence added to our existing tower portfolio and the roll-out of our build-to-suit strategy targeted at large telecom customers
 - Data Storage: Results include the initial contributions from recently completed data center acquisitions in Brazil, Asia Pacific and the U.S.

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

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	
	2019	2018	2019	2018	2019	2018	2019	2018
Data Transmission & Distribution	\$ 25	\$ 23	\$ 50	\$ 46	\$ 21	\$ 19	\$ 42	\$ 38
Data Storage	14	—	25	—	9	—	16	—
Total	\$ 39	\$ 23	\$ 75	\$ 46	\$ 30	\$ 19	\$ 58	\$ 38

Capital Backlog

Additions and improvements to our networks and sites over the next two or three years that are expected to accommodate growing data consumption, leading to cash flow growth over the long term

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

US\$ MILLIONS, UNAUDITED	For the three-month period ended June 30, 2019	For the six-month period ended June 30, 2019	For the 12-month period ended December 31, 2018
Capital backlog, start of period	\$ 165	\$ 200	198
Impact of acquisitions	—	—	—
Additional capital project mandates	23	23	109
Less: capital expenditures	(28)	(41)	(52)
Foreign exchange and other	1	(21)	(55)
Capital backlog, end of period	\$ 161	\$ 161	200
Construction work in progress	33	33	14
Total capital to be commissioned	\$ 194	\$ 194	214

- Consists of the following projects:
 - Data Transmission & Distribution: Primarily relates to our fiber-to-the-home roll-out and the addition of further sites associated with minimum coverage requirements
 - Data Storage: Increasing the capacity of our data storage network with the build-out of new sites or expansion of existing data centers, which are all underpinned by attractive long-term contracts

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

US\$ MILLIONS, UNAUDITED	Three Months Ended June 30		Six Months Ended June 30	
	2019	2018	2019	2018
General and administrative costs	\$ (2)	\$ (2)	\$ (4)	(4)
Base management fee	(62)	(52)	(121)	(108)
Adjusted EBITDA	(64)	(54)	(125)	(112)
Other income	19	16	40	33
Financing costs	(22)	(13)	(42)	(30)
Funds from operations (FFO)	(67)	(51)	(127)	(109)
Deferred taxes and other items	41	80	16	272
Net (loss) income	\$ (26)	\$ 29	\$ (111)	163

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
 - Increase from prior year due to a higher share price and additional recourse debt and preferred shares issued in the past 12 months
- Other income includes interest and dividend income, as well as realized gains or losses earned on corporate financial assets
- Corporate financing costs include interest expense and standby fees on our committed credit facility, less interest earned on cash balances

Total liquidity was \$3.0 billion at June 30, 2019, comprised of the following:

US\$ MILLIONS, UNAUDITED	As of	
	June 30, 2019	Dec. 31, 2018
Corporate cash and financial assets	\$ 318	\$ 238
Committed corporate credit facility	1,975	1,975
Subordinated corporate credit facility	500	500
Draws under corporate credit facility	—	(510)
Commitments under corporate credit facility	(48)	(47)
Deposit from parent ¹	(823)	—
Proportionate cash retained in businesses	391	404
Proportionate availability under subsidiary credit facilities	735	817
Total liquidity	\$ 3,048	\$ 3,377

1. Brookfield Infrastructure, from time to time, will place deposits with, or receive deposits from, Brookfield. The deposit bears interest at market rates and was provided to Brookfield Infrastructure to utilize excess cash held by the parent to repay Brookfield Infrastructure's draws on the corporate credit facility.

- We maintain sufficient liquidity at all times to participate in attractive opportunities as they arise, withstand sudden adverse changes in economic circumstances and maintain a relatively high payout of our FFO to unitholders
- Principal sources of liquidity are cash flows from operations, undrawn credit facilities and access to public and private capital markets
- We may, from time to time, invest in financial assets comprised mainly of liquid equity and debt infrastructure securities in order to earn attractive short-term returns and for strategic purpose
- The partnership issued ~20 million units in July 2019 for net proceeds of ~\$825 million, bringing out total liquidity to \$3.9 billion, including \$2.7 billion at the corporate level

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 June 30, 2019, 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	\$ —	\$ 286	\$ —	\$ 344	\$ —	\$ 916	\$ 1,546
Total recourse borrowings	5	—	286	—	344	—	916	1,546
Utilities								
Regulated Transmission	6	30	52	7	7	384	125	605
Regulated Distribution	10	11	10	21	131	269	1,204	1,646
Regulated Terminal	3	—	149	288	172	149	217	975
	7	41	211	316	310	802	1,546	3,226
Transport								
Rail	4	20	104	114	164	179	466	1,047
Toll Roads	7	107	189	170	183	122	774	1,545
Ports	4	49	47	56	58	11	93	314
	6	176	340	340	405	312	1,333	2,906
Energy								
Energy Transmission, Distribution & Storage	7	1	9	8	353	160	1,065	1,596
Distributed Energy	7	—	87	—	62	174	262	585
	7	1	96	8	415	334	1,327	2,181
Data Infrastructure								
Data Transmission & Distribution	4	—	106	—	144	—	191	441
Data Storage	5	1	2	46	20	45	149	263
	5	1	108	46	164	45	340	704
Total non-recourse borrowings	7	219	755	710	1,294	1,493	4,546	9,017
Total borrowings	6	\$ 219	\$ 1,041	\$ 710	\$ 1,638	\$ 1,493	\$ 5,462	\$ 10,563
		2%	10%	7%	16%	14%	51%	100%

Proportionate Net Debt

The following table presents proportionate net debt by operating segment:

US\$ MILLIONS, UNAUDITED	As of	
	June 30, 2019	Dec. 31, 2018
Non-recourse borrowings		
Utilities	\$ 3,226	\$ 3,135
Transport	2,906	3,067
Energy	2,181	1,940
Data Infrastructure	704	605
Corporate	1,546	1,993
Total borrowings	\$ 10,563	\$ 10,740
Cash retained in businesses		
Utilities	\$ 95	\$ 58
Transport	188	270
Energy	72	35
Data Infrastructure	36	41
Corporate	318	238
Total cash retained	\$ 709	\$ 642
Net debt		
Utilities	\$ 3,131	\$ 3,077
Transport	2,718	2,797
Energy	2,109	1,905
Data Infrastructure	668	564
Corporate	1,228	1,755
Total net debt	\$ 9,854	\$ 10,098

- The weighted average interest rate payable was 5.1% for the overall business, in which our utilities, transport, energy, data infrastructure and corporate segments were 4.3%, 6.6%, 5.9%, 3.5%, and 4.0%, respectively

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

US\$ MILLIONS, UNAUDITED	As of	
	June 30, 2019	Dec. 31, 2018
Partnership units outstanding, end of period	398.5	399.2
Price	\$ 42.94	\$ 34.53
Market Capitalization	17,112	13,784
Preferred units	1,007	936
Proportionate net debt	9,854	10,098
Enterprise Value (EV)	\$ 27,973	\$ 24,818
Proportionate Net Debt to Capitalization (based on market value)	35%	41%
Proportionate Net Debt to Capitalization (based on invested capital)	55%	55%
Corporate Borrowings to Capitalization (based on invested capital)	16%	15%

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

US\$ MILLIONS, UNAUDITED	Three Months Ended June 30		Six Months Ended June 30	
	2019	2018	2019	2018
FFO	\$ 337	\$ 294	\$ 688	\$ 627
Maintenance Capital	(73)	(58)	(127)	(107)
Return of Capital	(27)	(22)	(53)	(47)
Adjusted AFFO	237	214	508	473
Weighted average Invested Capital	\$ 8,202	\$ 7,760	\$ 8,192	\$ 7,738
Return on Invested Capital (ROIC) ¹	12%	11%	12%	12%

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 over \$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 June 30, 2019:

US\$ MILLIONS, UNAUDITED	Net Investment Hedges										
	USD	AUD	GBP	BRL	CLP ¹	CAD ²	EUR	COP	PEN	INR	
Net equity investment – US\$	\$ (21)	\$ 1,343	\$ 1,344	\$ 2,366	\$ 53	\$ 1,033	\$ 690	\$ 135	\$ 121	\$ 323	
FX contracts – US\$	4,619	(1,212)	(1,344)	—	(228)	(1,033)	(690)	(99)	(13)	—	
Net unhedged – US\$	\$ 4,598	\$ 131	\$ —	\$ 2,366	\$ (175)	\$ —	\$ —	\$ 36	\$ 108	\$ 323	
% of equity investment hedged	N/A	90%	100%	—%	100%	100%	100%	73%	11%	—%	

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

2. CAD net equity investment excludes \$1,007 million of preferred shares

- As at June 30, 2019, 62% 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 three months ended June 30, 2019, 15%, 19%, 16%, 28% and 22% of our pre-corporate FFO was generated in USD, AUD, GBP, BRL, and other, respectively
- Due to our FFO hedging program approximately 65% of our pre-corporate FFO is effectively generated in USD and the balance in BRL and INR

Capital Reinvestment

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

US\$ MILLIONS, UNAUDITED	Three Months Ended June 30		Six Months Ended June 30	
	2019	2018	2019	2018
Funds from operations (FFO)	\$ 337	\$ 294	\$ 688	\$ 627
Maintenance capital	(73)	(58)	(127)	(107)
Funds available for distribution (AFFO)	264	236	561	520
Distributions paid	(251)	(229)	(501)	(457)
Funds available for reinvestment	13	7	60	63
Growth capital expenditures	(230)	(182)	(410)	(356)
Debt funding of growth capex	74	97	153	210
Non-recourse debt (repayments) issuances	(34)	410	(82)	373
Proceeds from capital recycling	137	—	502	1,033
New investments	—	(86)	(474)	(97)
Repayments on corporate credit facility	(965)	—	(510)	(789)
Partnership unit issuances (repurchases)	2	4	(24)	8
Preferred unit and preferred shares issued, net of repurchases	—	—	72	157
Deposit from parent	823	—	823	—
Impact of foreign currency movements	38	(65)	10	(136)
Changes in working capital and other	(30)	(282)	(54)	(127)
Change in proportionate cash	(172)	(97)	66	339
Opening, proportionate cash	880	1,033	642	597
Closing, proportionate cash	\$ 708	\$ 936	\$ 708	\$ 936

- 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	
	2019	2018	2019	2018
Growth capital expenditures by segment				
Utilities	\$ 100	\$ 96	\$ 192	\$ 199
Transport	41	41	94	85
Energy	61	34	83	49
Data Infrastructure	28	11	41	23
Total	\$ 230	\$ 182	\$ 410	\$ 356

US\$ MILLIONS, UNAUDITED	Three Months Ended June 30		Six Months Ended June 30	
	2019	2018	2019	2018
Maintenance capital expenditures by segment				
Utilities	\$ 5	\$ 4	\$ 8	\$ 9
Transport	40	36	81	72
Energy	26	15	34	20
Data Infrastructure	2	3	4	6
Total	\$ 73	\$ 58	\$ 127	\$ 107

- 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	
	June 30, 2019	Dec. 31, 2018
Redeemable partnership units	115.8	115.8
Limited partnership units	279.8	276.1
Issued exchangeable limited partnership units ¹	1.3	5.7
General partnership units	1.6	1.6
Total partnership units	398.5	399.2

1. As at June 30, 2019, 4.4 million exchangeable limited partnership units had been exchanged into limited partnership units

- 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 \$38 million were paid during the quarter versus \$34 million in the prior year as a result of the 7% increase in our distribution on partnership units since 2018
- 54 million preferred units outstanding at June 30, 2019, were issued at par value of C\$25 per unit
 - During the three ended June 30, 2019, preferred unit distributions of \$13 million were paid
- In July 2019, the partnership issued 13.5 million limited partnership units and 6.1 million redeemable partnership units for proceeds of \$825 million



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 June 30		Six Months Ended June 30	
	2019	2018	2019	2018
Net income attributable to partnership ¹	\$ 98	\$ 125	\$ 128	\$ 334
Add back or deduct the following:				
Depreciation and amortization	234	183	454	393
Deferred income taxes	19	13	21	15
Mark-to-market on hedging items and other	(14)	(27)	85	223
Gain on sale of associates	—	—	—	(338)
FFO	337	294	688	627
Maintenance capital expenditures	(73)	(58)	(127)	(107)
AFFO	\$ 264	\$ 236	\$ 561	\$ 520

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

RECONCILIATION OF NET INCOME TO ADJUSTED EARNINGS

US\$ MILLIONS, UNAUDITED	Three Months Ended June 30		Six Months Ended June 30	
	2019	2018	2019	2018
Net income attributable to partnership ¹	\$ 98	\$ 125	\$ 128	\$ 334
Add back or deduct the following:				
Depreciation and amortization expense due to application of revaluation model and acquisition accounting	104	86	206	171
Mark-to-market on hedging items and other	(36)	(71)	(4)	127
Gain on sale of subsidiaries or ownership changes	(21)	—	(21)	(338)
Adjusted Earnings	\$ 145	\$ 140	\$ 309	\$ 294

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 enhanced 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

RECONCILIATION OF NET INCOME TO ADJUSTED EARNINGS PER UNIT

US\$ MILLIONS, UNAUDITED	Three Months Ended June 30		Six Months Ended June 30	
	2019	2018	2019	2018
Net (loss) income per limited partnership unit ¹	\$ 0.12	\$ 0.21	\$ 0.07	\$ 0.63
Add back or deduct the following:				
Depreciation and amortization expense due to application of revaluation model and acquisition accounting	0.26	0.22	0.52	0.44
Mark-to-market on hedging items	0.03	(0.07)	0.23	0.54
Gain on sale of subsidiaries or ownership changes and other	(0.05)	—	(0.05)	(0.86)
Adjusted Earnings per unit ²	\$ 0.36	\$ 0.36	\$ 0.77	\$ 0.75

1. Average limited partnership units for the three and six-month periods ended June 30, 2019 of 279.7 million and \$278.9 million (2018: 276.7 million and \$276.6 million for the three and six-month periods). Net income per LP unit is reduced by preferred unit and incentive distributions paid
2. Average units for the three and six-month period ended June 30, 2019 of 398.5 million and 398.6 million (2018: 394.1 million and 394.1 million for the three and six-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 THE THREE MONTHS ENDED
JUNE 30, 2019
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	\$ 278	\$ 386	\$ 256	\$ 67	\$ —	\$ 987	\$ (369)	\$ 1,067	\$ 1,685
Costs attributed to revenues	(88)	(202)	(133)	(28)	—	(451)	180	(569)	(840)
General and administrative costs	—	—	—	—	(64)	(64)	—	—	(64)
Adjusted EBITDA	190	184	123	39	(64)	472	(189)	498	
Other (expense) income	(9)	2	6	1	19	19	(1)	(15)	3
Interest expense	(38)	(51)	(33)	(10)	(22)	(154)	46	(133)	(241)
FFO	143	135	96	30	(67)	337	(144)	350	
Depreciation and amortization	(44)	(94)	(65)	(30)	(1)	(234)	105	(194)	(323)
Deferred taxes	(27)	5	3	(1)	1	(19)	14	6	1
Mark-to-market on hedging items and other	44	(37)	(25)	(9)	41	14	(9)	(6)	(1)
Share of earnings from associates	—	—	—	—	—	—	34	—	34
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(156)	(156)
Net income (loss) attributable to partnership¹	\$ 116	\$ 9	\$ 9	\$ (10)	\$ (26)	\$ 98	\$ —	\$ —	\$ 98

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 THE THREE MONTHS ENDED
JUNE 30, 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	\$ 245	\$ 410	\$ 137	\$ 45	\$ —	\$ 837	\$ (368)	\$ 575	\$ 1,044
Costs attributed to revenues	(68)	(237)	(68)	(22)	—	(395)	211	(283)	(467)
General and administrative costs	—	—	—	—	(54)	(54)	—	—	(54)
Adjusted EBITDA	177	173	69	23	(54)	388	(157)	292	
Other (expense) income	(8)	—	3	(1)	16	10	4	(26)	(12)
Interest expense	(30)	(40)	(18)	(3)	(13)	(104)	30	(51)	(125)
FFO	139	133	54	19	(51)	294	(123)	215	
Depreciation and amortization	(43)	(85)	(38)	(17)	—	(183)	91	(96)	(188)
Deferred taxes	(12)	(1)	(1)	—	1	(13)	(3)	(10)	(26)
Mark-to-market on hedging items and other	(10)	(23)	(20)	1	79	27	34	(15)	46
Gain on sale of associates	—	—	—	—	—	—	—	—	—
Share of losses from associates	—	—	—	—	—	—	1	—	1
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(94)	(94)
Net income (loss) attributable to partnership¹	\$ 74	\$ 24	\$ (5)	\$ 3	\$ 29	\$ 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 THE SIX MONTHS ENDED
JUNE 30, 2019
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	\$ 547	\$ 775	\$ 501	\$ 129	\$ —	\$ 1,952	\$ (737)	\$ 2,063	\$ 3,278
Costs attributed to revenues	(176)	(402)	(251)	(54)	—	(883)	357	(1,112)	(1,638)
General and administrative costs	—	—	—	—	(125)	(125)	—	—	(125)
Adjusted EBITDA	371	373	250	75	(125)	944	(380)	951	
Other (expense) income	(19)	1	14	2	40	38	2	(53)	(13)
Interest expense	(72)	(100)	(61)	(19)	(42)	(294)	87	(246)	(453)
FFO	280	274	203	58	(127)	688	(291)	652	
Depreciation and amortization	(89)	(185)	(124)	(55)	(1)	(454)	203	(364)	(615)
Deferred taxes	(40)	11	1	3	4	(21)	10	—	(11)
Mark-to-market on hedging items and other	33	(77)	(39)	(15)	13	(85)	26	3	(56)
Share of earnings from associates	—	—	—	—	—	—	52	—	52
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(291)	(291)
Net income (loss) attributable to partnership¹	\$ 184	\$ 23	\$ 41	\$ (9)	\$ (111)	\$ 128	\$ —	\$ —	\$ 128

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 THE SIX MONTHS ENDED JUNE 30, 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	\$ 517	\$ 834	\$ 290	\$ 88	\$ —	\$ 1,729	\$ (791)	\$ 1,119	\$ 2,057
Costs attributed to revenues	(137)	(483)	(142)	(42)	—	(804)	431	(503)	(876)
General and administrative costs	—	—	—	—	(112)	(112)	—	—	(112)
Adjusted EBITDA	380	351	148	46	(112)	813	(360)	616	
Other (expense) income	(11)	2	8	(2)	33	30	4	(51)	(17)
Interest expense	(61)	(83)	(36)	(6)	(30)	(216)	72	(95)	(239)
FFO	308	270	120	38	(109)	627	(284)	470	
Depreciation and amortization	(101)	(184)	(71)	(37)	—	(393)	202	(190)	(381)
Deferred taxes	(27)	12	(3)	2	1	(15)	(12)	(14)	(41)
Mark-to-market on hedging items and other	(57)	(62)	(38)	1	(67)	(223)	98	(54)	(179)
Gain on sale of associates	—	—	—	—	338	338	—	—	338
Share of losses from associates	—	—	—	—	—	—	(4)	—	(4)
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(212)	(212)
Net income attributable to partnership¹	\$ 123	\$ 36	\$ 8	\$ 4	\$ 163	\$ 334	\$ —	\$ —	\$ 334

1. Includes net income 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 PARTNERSHIP CAPITAL TO INVESTED CAPITAL

US\$ MILLIONS, UNAUDITED	For the three months ended June 30				For the six months ended June 30			
	Partnership Capital		Invested Capital		Partnership Capital		Invested Capital	
	2019	2018	2019	2018	2019	2018	2019	2018
Opening balance ¹	\$ 6,541	\$ 7,016	\$ 8,202	\$ 7,760	\$ 6,429	\$ 7,004	\$ 8,156	\$ 7,599
Changes in accounting policies	—	—	—	—	—	6	—	—
Adjusted balance	\$ 6,541	\$ 7,016	\$ 8,202	\$ 7,760	\$ 6,429	\$ 7,010	\$ 8,156	\$ 7,599
Items impacting Partnership Capital								
Net income	98	125	—	—	128	334	—	—
Other comprehensive (loss) income	(18)	(517)	—	—	(14)	(496)	—	—
Ownership changes and other	8	—	—	—	362	—	—	—
Distributions to unitholders	(251)	(229)	—	—	(501)	(457)	—	—
Items impacting Invested Capital								
Preferred unit issuances, net	—	—	—	—	—	—	72	157
Items impacting both metrics								
Equity issuances, net	2	4	2	4	(24)	8	(24)	8
Ending balance	\$ 6,380	\$ 6,399	\$ 8,204	\$ 7,764	\$ 6,380	\$ 6,399	\$ 8,204	\$ 7,764
Weighted averaged Invested Capital	\$ —	\$ —	\$ 8,202	\$ 7,760	\$ —	\$ —	\$ 8,192	\$ 7,738

1. Invested Capital includes a cumulative opening balance difference of \$1,661 million and \$1,727 million for the three and six-month period ended June 30, 2019 (2018: \$744 million and \$595 million for the three and six-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 JUNE 30, 2019

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	\$4,981	\$6,203	\$5,211	\$1,804	\$(1,965)	\$16,234	\$(2,324)	\$21,064	\$6,491	\$41,465

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

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, 2019	Dec. 31, 2018
Consolidated debt	\$ 15,746	\$ 15,106
Add: proportionate share of debt of investment in associates		
Utilities	198	180
Transport	1,169	1,330
Energy	929	929
Data Infrastructure	515	445
Less: debt attributable to non-controlling interest ¹	(7,524)	(6,346)
Premium on debt and cross currency swaps	(470)	(904)
Proportionate debt	\$ 10,563	\$ 10,740

1. Includes draws made under Brookfield's private funds credit facility used to bridge acquisitions over period-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 34, 35 and 41, 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)
- **Organic Growth** is a measure of growth in our business that removes the impact of acquisitions and dispositions made in the period, as well as changes in foreign currency exchange rates relative to the comparative period
- **Invested capital** tracks the initial investment that we make in a business plus all cash flow that we re-invest in the business