BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

Q4 2016 Supplemental Information

Fourth Quarter and Full Year, December 31, 2016

Brookfield

Cautionary Statement Regarding Forward-Looking Statements

Brookfield

This Supplemental Information contains forward-looking information within the meaning of Canadian provincial securities laws and "forward-looking statements" within the meaning of certain securities laws including Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations. We may make such statements in this report, in other filings with Canadian regulators or the SEC or in other communications. The words "continue", "expect", "target", "believe", "objective", "anticipate", "plan", "estimate", "growth", "increase", "return", "expand", "maintain", "enhance", derivatives thereof and other expressions of similar import, or the negative variations thereof, and similar expressions of future or conditional verbs such as "will", "may", "should", "could", which are predictions of or indicate future events, trends or prospects and which do not relate to historical matters, identify forward-looking statements. Forward-looking statements in this Supplemental Information include among others, statements with respect to our assets tending to appreciate in value over time, current and proposed growth initiatives in our assets and operations, increases in FFO per unit and resulting capital appreciation, returns on capital and on equity, increasing demand for commodities and global movement of goods, expected capital expenditures, the impact of planned capital projects by customers of our businesses, the extent of our corporate, general and administrative expenses, our ability to close acquisitions 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, distribution growth and payout ratios, 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 acquisitions and large capital expansion projects on time and within budget, our ability to achieve the milestones necessary to deliver targeted returns to our unitholders, including targeted distribution growth, ability to negotiate favourable take-or-pay contractual terms, traffic volumes on our toll roads, our ability to obtain relevant regulatory approvals 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 36-45 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.

2016 HIGHLIGHTS

Brookfield

$944
million of FFO or $2.72 per unit

14%
FFO per unit growth

$1.55
per unit distribution

KEY PERFORMANCE METRICS

See "Reconciliation of Non-IFRS Measures" on page 36

US$ MILLIONS, EXCEPT PER UNIT INFORMATION, UNAUDITED	12 months ended December 31 **2016**	2015
Funds from operations (FFO)	**$ 944**	$ 808
Per unit FFO[1,2]	**2.72**	2.39
Distributions[2]	**1.55**	1.41
Payout ratio[3]	**67%**	68%
Growth of per unit FFO	**14%**	4%
Adjusted funds from operations (AFFO)	**771**	672
Net income[4]	**474**	298
Net income per limited partner unit[2]	**1.13**	0.69

KEY BALANCE SHEET METRICS

US$ MILLIONS, UNAUDITED	As of **Dec 31, 2016**	Dec 31, 2015
Total assets	**$ 21,275**	$ 17,735
Corporate borrowings	**1,002**	1,380
Partnership capital[5]	**6,498**	5,379

1. *Average units for the 12 month period ended December 31, 2016 of 347.2 million (2015: 337.4 million)*
2. *Adjusted for 3-for-2 stock split effective September 14, 2016*
3. *Payout ratio defined as distributions paid (inclusive of GP incentive and preferred unit distributions) divided by FFO*
4. *Includes net income attributable to non-controlling interests–Redeemable Partnership Units held by Brookfield, general partner and limited partners*
5. *Includes partnership capital attributable to non-controlling interests–Redeemable Partnership Units held by Brookfield, general partner and limited partners*

PERFORMANCE HIGHLIGHTS

- FFO increased 17% to $944 million reflecting strong organic growth and contribution from new investments, which more than offset the impact of foreign exchange
  - 'Same-store' FFO growth of 10%, on a constant currency basis
  - FFO/unit of $2.72, a 14% increase from 2015
- Annualized quarterly distribution of $0.3933 per unit, represents an 11% increase over prior year
  - Total 2016 distribution paid of $1.55 per unit represents payout ratio of 67%
  - Within 60-70% long-term target range
- Current year net income of $474 million compared to $298 million in 2015
  - Increase in net income is attributable to higher earnings from operations and gains of $190 million which were partially offset by higher depreciation associated with new investments
- Total assets increased as a result of recent acquisitions in our transport and energy segments and the increase in PP&E from asset appreciation during the year, partially offset by the impact of foreign exchange

2016 Highlights (cont'd)

Brookfield

OPERATIONS

- Deployed ~$850 million in growth capital expenditures in 2016
  - ~$430 million invested across Utilities segment to increase rate base
  - ~$320 million in Transport projects to increase capacity and ease congestion
- Added ~$1.4 billion to capital investment backlog across all segments; total capital to be commissioned in the next two to three years currently stands at ~$2.3 billion
  - Experienced another record year of connections sales in our UK regulated distribution business with 263,000, 8% above prior year, increasing total order book to over 800,000 connections at year end
  - Secured ~4,200 km of greenfield electricity transmission projects during 2016; expect to deploy ~$300 million
  - Added over $500 million to our transport backlog due to additional road expansion requirements at our Brazilian toll roads and the development of our toll road portfolio in Peru
- South American toll road operations continue to benefit from inflationary tariff increases and improved traffic levels with local currency EBITDA improving by ~9% compared to prior year
- French communications infrastructure operation completed a tuck-in acquisition to further build out its tower and rooftop business (BIP share - $40 million)
- North American natural gas transmission business benefitted from increased transportation volumes from LNG terminals on the Gulf Coast and completed the Chicago Market Expansion Project in Q4'16 which will contribute FFO of ~$20 million per annum (BIP share - ~$10 million) on a full year run-rate basis

BUSINESS DEVELOPMENT

- Completed the following transactions in 2016:
  - Acquisition of Australian ports business for $880 million (BIP share - $350 million)
  - Niska Gas Storage Partners acquisition for $440 million (BIP share - $180 million)
  - Toll roads in Peru and India for a total of $530 million (BIP share - $170 million)
- Signed binding commitment to acquire 100% interest in an Indian telecommunication infrastructure business for ~$600 million (BIP share - ~$200 million)
- Progressing acquisition of 90% stake in NTS, a system of natural gas transmission assets in Brazil, for ~$5.3 billion (BIP commitment will be ~30% of the total transaction, or ~$1.3 billion of consideration payable on closing); expected to close in Q1'17

FINANCING AND LIQUIDITY

- Raised ~$1 billion in net proceeds during the year:
  - $750 million unit issuance
  - C$250 million in preferred units
- Completed C$300 million preferred L.P. unit issuance at a rate of 5% with five-year rate resets subsequent to year-end
- Total liquidity of $3.9 billion as at December 31, 2016 ($4.1 billion on a pro-forma basis reflecting January 2017 preferred unit issuance)
- Completed sale of Ontario electricity transmission business and European energy distribution business during 2016 for net proceeds of ~$300 million as part of our capital recycling program
- Locked in 75% of our foreign denominated FFO for the next 24 months

Our Business

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 also a key performance metric as it is a proxy for our ability to increase distributions

BASIS OF PRESENTATION

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

Distribution Profile

Brookfield

- Objective is to pay a distribution that is sustainable on a long-term basis while retaining sufficient liquidity within operations to fund recurring growth capital expenditures and general corporate requirements
- We believe that a payout of 60-70% of FFO is appropriate
- Targeting 5% to 9% annual distribution growth, in light of expected per unit FFO growth
- Distribution payout is reviewed with the Board of Directors in the first quarter of each year
- The Board of Directors has declared a quarterly distribution in the amount of $0.435 per unit, payable on March 31, 2017 to unitholders of record as at the close of business on February 28, 2017. This quarterly distribution represents an 11% increase since our mid-year distribution increase in 2016
  - Distributions have grown at a **compound annual growth rate of 12%** since inception of the partnership in 2008
- Below is a breakdown of distribution history since the spin-off

US$, UNAUDITED	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017F
Annual Distribution[1]	$ 0.59*	$ 0.71	$ 0.73	$ 0.88	$ 1.00	$ 1.15	$1.28	$1.41	$1.55	$1.74
Growth	N/A	—	4%	20%	14%	15%	12%	10%	11%[2]	11%[3]

** 2008 distribution was prorated from spin-off*
1 Annual distribution amounts have been adjusted for 3-for-2 stock split effective September 14, 2016
2 Distribution growth reflects increase in Q4 2016 distribution paid of $0.3933 per unit compared to $0.3533 per unit in the prior year
3 Distribution growth calculated based on quarterly distribution declared of $0.435 per unit compared to $0.3933 per unit paid in the fourth quarter of 2016

Our Operations

Brookfield

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

SEGMENT	DESCRIPTION	ASSET TYPE	PRIMARY LOCATION
Utilities	Regulated or contractual businesses which earn a return on their asset base	• Regulated Distribution • Electricity Transmission • Regulated Terminal	• Europe & South America • North & South America • Asia Pacific
Transport	Provide transportation for freight, bulk commodities and passengers	• Rail • Toll Roads • Ports	• Asia Pacific & South America • South America & Asia Pacific • Europe, North America & Asia Pacific
Energy	Systems that provide energy transmission, distribution and storage services	• Energy Transmission, Distribution & Storage • District Energy	• North America • North America & Asia Pacific
Communications Infrastructure	Provide essential services and critical infrastructure to the media broadcasting and telecom sectors	• Tower Infrastructure Operations	• Europe

Selected Income Statement and Balance Sheet Information

Brookfield

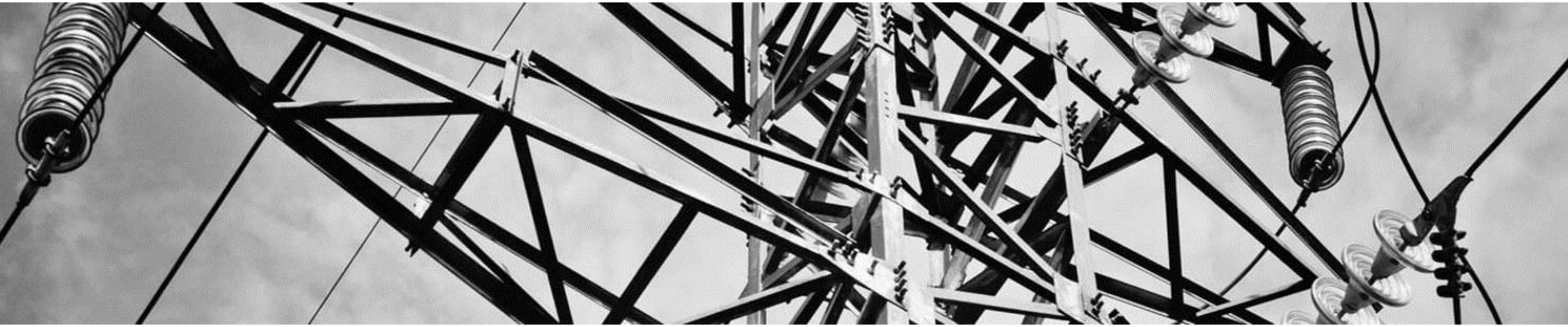
The following tables present selected income statement and balance sheet information by operating segment on a proportionate basis:

STATEMENTS OF OPERATIONS

US$ MILLIONS, UNAUDITED	12 months ended December 31 2016	2015
Net income by segment		
Utilities	$ **162**	$ 210
Transport	**206**	135
Energy	**90**	—
Communications Infrastructure	**27**	15
Corporate and other	**(11)**	(62)
Net income	$ **474**	$ 298
Adjusted EBITDA by segment		
Utilities	$ **524**	$ 524
Transport	**597**	555
Energy	**276**	166
Communications Infrastructure	**91**	66
Corporate and other	**(166)**	(134)
Adjusted EBITDA	$ **1,322**	$ 1,177
FFO by segment		
Utilities	$ **399**	$ 387
Transport	**423**	398
Energy	**175**	90
Communications Infrastructure	**77**	60
Corporate and other	**(130)**	(127)
FFO	$ **944**	$ 808

STATEMENTS OF FINANCIAL POSITION

US$ MILLIONS, UNAUDITED	As of Dec 31, 2016	Dec 31, 2015
Utilities	$ **4,605**	$ 4,723
Transport	**6,160**	5,338
Energy	**3,032**	2,744
Communications Infrastructure	**933**	824
Corporate and other	**(510)**	(196)
Total assets	$ **14,220**	$ 13,433
Net debt by segment		
Utilities	$ **2,798**	$ 2,721
Transport	**2,611**	2,118
Energy	**1,468**	1,735
Communications Infrastructure	**392**	386
Corporate and other	**453**	1,094
Net debt	$ **7,722**	$ 8,054
Partnership capital by segment		
Utilities	$ **1,807**	$ 2,002
Transport	**3,549**	3,220
Energy	**1,564**	1,009
Communications Infrastructure	**541**	438
Corporate and other	**(963)**	(1,290)
Partnership capital	$ **6,498**	$ 5,379



OPERATING SEGMENTS

Utilities Operations

Brookfield

SEGMENT OVERVIEW

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

OBJECTIVES

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

OPERATIONS

- Regulated distribution – ~2.8 million electricity and natural gas connections and 434,000 installed smart meters
- Electricity transmission – ~11,200 km of transmission lines in North and South America along with ~4,200 km of greenfield electricity transmission developments in South America
- Regulated terminal – one of the world's largest coal export terminals in Australia, with ~85 Mtpa of capacity

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

	12 months ended December 31	
US$ MILLIONS, UNAUDITED	**2016**	2015
Rate base	**$ 3,788**	$ 4,018
Funds from operations (FFO)	**$ 399**	$ 387
Maintenance capital	**(15)**	(13)
Adjusted funds from operations (AFFO)	**$ 384**	$ 374
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.*

- FFO of $399 million in 2016 compared to $387 million in 2015
  - FFO benefitted from strong connection activity at our UK regulated distribution business, inflation indexation and capital commissioned into rate base, partially offset by a lower regulated return following the rate reset at our regulated terminal, the sale of our Ontario electricity transmission business and the impact of foreign exchange

Utilities Operations (cont'd)

Brookfield

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

US$ MILLIONS, UNAUDITED	12 months ended December 31 2016		2015	
Revenue	$	**602**	$	612
Connections revenue		**82**		86
Cost attributable to revenues		**(160)**		(174)
Adjusted EBITDA		**524**		524
Interest expense		**(130)**		(142)
Other income		**5**		5
Funds from operations (FFO)		**399**		387
Depreciation and amortization		**(154)**		(153)
Deferred taxes and other items		**(83)**		(24)
Net income	$	**162**	$	210

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

12 months ended December 31	Adjusted EBITDA				FFO			
US$ MILLIONS, UNAUDITED	**2016**		2015		**2016**		2015	
Regulated Distribution	$	**257**	$	228	$	**213**	$	183
Electricity Transmission		**135**		140		**105**		112
Regulated Terminal		**132**		156		**81**		92
Total	$	**524**	$	524	$	**399**	$	387

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were $524 million and $399 million, respectively, versus $524 million and $387 million, respectively, in the prior year
  - Regulated Distribution: Adjusted EBITDA and FFO increased versus prior year as strong performance at our UK regulated distribution business driven by an increased rate base, inflation indexation and contribution from smart meters acquired during the year were partially offset by the impact of foreign exchange
  - Electricity Transmission: Adjusted EBITDA and FFO decreased as inflation indexation and additions to rate base were partially offset by the impact of foreign exchange and the sale of our New England and Ontario electricity transmission businesses in Q3'15 and Q4'16, respectively
  - Regulated Terminal: Adjusted EBITDA and FFO decreased versus prior year as the benefit of inflation indexation and higher rate base were offset by the impact of the regulatory rate reset effective July 1, 2016 and foreign exchange

Utilities Operations (cont'd)

Brookfield

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

US$ MILLIONS, UNAUDITED		12 months ended December 31 2016		2015
Capital backlog, start of period	$	**452**	$	397
Additional capital project mandates		**793**		341
Less: capital expenditures		**(428)**		(258)
Foreign exchange and other		**(56)**		(28)
Capital backlog, end of period		**761**		452
Construction work in progress		**225**		124
Total capital to be commissioned	$	**986**	$	576

US$ MILLIONS, UNAUDITED		12 months ended December 31 2016		2015
Rate base, start of period	$	**4,018**	$	4,118
Impact of asset sales		**(162)**		(38)
Capital expenditures commissioned		**226**		234
Inflation and other indexation		**63**		97
Regulatory depreciation		**(44)**		(53)
Foreign exchange and other		**(313)**		(340)
Rate base, end of period	$	**3,788**	$	4,018

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 year with ~$1 billion of total capital to be commissioned into rate base; a 71% increase from December 31, 2015
  - Capital project additions during the year include smart meter installations and connections added to our backlog at our UK regulated distribution business, 4,200 km of greenfield transmission lines awarded in Brazil, and system upgrades and expansions at our Chilean electricity transmission business
  - Our UK regulated distribution business, Chilean electricity transmission operations and Brazilian electricity transmission business are the largest contributors to capital to be commissioned with ~$530 million, ~$210 million, and ~$230 million, respectively

RATE BASE

- Our rate base has decreased from prior year as new connections at our UK Regulated Distribution business, commissioning of 11 projects in our Chilean transmission system and the benefit of inflation indexation were more than offset by regulatory depreciation, the impact of foreign exchange and the sale of our Ontario electricity transmission business in Q4'16

Transport Operations

Brookfield

SEGMENT OVERVIEW

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

OBJECTIVES

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

OPERATIONS

- Rail – sole provider of rail network in Southwestern Western Australia with ~5,100 km of track and operator of ~4,800 km of rail in South America
- Toll Roads – ~3,600 km of motorways in Brazil, Chile, Peru and India
- Ports – 36 terminals in North America, UK, Australia and across Europe

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

	12 months ended December 31	
US$ MILLIONS, UNAUDITED	**2016**	2015
Growth capital expenditures	**$ 319**	$ 297
Adjusted EBITDA margin[1]	**48%**	49%
Funds from operations (FFO)	**423**	398
Maintenance capital	**(88)**	(72)
Adjusted funds from operations (AFFO)	**$ 335**	$ 326

1. *EBITDA margin is calculated based on net of construction revenues and costs which are incurred at our Peruvian toll road operation during the construction of our toll roads.*

- FFO of $423 million in 2016 compared to $398 million in 2015
  - FFO benefitted from inflationary tariff increases at our toll road businesses, the expansion of our toll road operations and contribution from our Australian ports business acquired in Q3’16, partially offset by the impact of foreign exchange, tariff relief extended to a customer of our rail business in Australia and lower agricultural volumes at our Brazilian rail operations

Transport Operations (cont'd)

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

US$ MILLIONS, UNAUDITED	12 months ended December 31 2016	2015
Revenue	**$ 1,247**	$ 1,143
Cost attributable to revenues	**(650)**	(588)
Adjusted EBITDA	**597**	555
Interest expense	**(157)**	(142)
Other expenses	**(17)**	(15)
Funds from operations (FFO)	**423**	398
Depreciation and amortization	**(253)**	(217)
Deferred taxes and other items	**36**	(46)
Net income	**$ 206**	$ 135

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

12 months ended December 31	Adjusted EBITDA		FFO	
US$ MILLIONS, UNAUDITED	**2016**	2015	**2016**	2015
Rail	**$ 270**	$ 292	**$ 206**	$ 231
Toll Roads	**239**	180	**152**	111
Ports	**88**	83	**65**	56
Total	**$ 597**	$ 555	**$ 423**	$ 398

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were $597 million and $423 million, respectively, versus $555 million and $398 million, respectively, in the prior year
  - Rail: Adjusted EBITDA and FFO were lower compared to prior year as the benefit of increased tariffs in South America were offset by lower agricultural volumes, the impact of the tariff relief extended to one of our clients in Australia and foreign exchange movements
  - Toll roads: Adjusted EBITDA and FFO increased versus prior year due to an 11% increase in average tariffs, increased ownership in our Brazilian toll road business, strong traffic volumes on our Chilean toll roads, and contributions from our new investments in Peru and India, partially offset by foreign exchange movements
  - Ports: Adjusted EBITDA and FFO increased versus prior year due to the acquisition of our Australian ports business acquired in August 2016 and new contracts signed at our UK port terminal, partially offset by lower volumes at our European port operations

Transport Operations (cont'd)

Brookfield

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:

	12 months ended December 31			
US$ MILLIONS, UNAUDITED		**2016**		2015
Capital backlog, start of period	**$**	**467**	$	655
Additional capital project mandates		**533**		316
Less: capital expenditures		**(319)**		(297)
Foreign exchange and other		**40**		(207)
Capital backlog, end of period	**$**	**721**	$	467
Construction work in progress		**349**		110
Total capital to be commissioned	**$**	**1,070**	$	577

- 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

Energy Operations

Brookfield

SEGMENT OVERVIEW

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

OBJECTIVES

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

OPERATIONS

- Energy Transmission, Distribution & Storage – ~15,000 km of transmission pipelines and 600 billion cubic feet of natural gas storage in the U.S. and Canada
- District Energy – Delivers 2,870,000 pounds per hour of heating and 259,000 tons of cooling capacity to North American customers, as well as in Australia where we provide heating, cooling and distributed water and sewage services to ~3,000 customers

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

		12 months ended December 31		
US$ MILLIONS, UNAUDITED		**2016**		2015
Growth capital expenditures	$	**67**	$	27
Adjusted EBITDA margin[1]		**56%**		48%
Funds from operations (FFO)		**175**		90
Maintenance capital		**(61)**		(45)
Adjusted funds from operations (AFFO)	$	**114**	$	45

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

- FFO of $175 million in 2016 compared to $90 million in 2015
  – FFO benefitted from an increased ownership interest, lower interest expense and higher transportation volumes at our North American natural gas transmission business, as well as the recent expansion of our North American gas storage platform

Energy Operations (cont'd)

Brookfield

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

US$ MILLIONS, UNAUDITED		12 months ended December 31 2016		2015
Revenue	$	**496**	$	349
Cost attributable to revenues		**(220)**		(183)
Adjusted EBITDA		**276**		166
Interest expense		**(109)**		(79)
Other income		**8**		3
Funds from operations (FFO)		**175**		90
Depreciation and amortization		**(128)**		(90)
Deferred taxes and other items		**43**		—
Net income	$	**90**	$	—

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

12 months ended December 31	Adjusted EBITDA				FFO			
US$ MILLIONS, UNAUDITED		**2016**		2015		**2016**		2015
Energy Transmission, Distribution & Storage	**$**	**225**	$	118	**$**	**131**	$	49
District Energy		**51**		48		**44**		41
Total	**$**	**276**	$	166	**$**	**175**	$	90

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were $276 million and $175 million, respectively, versus $166 million and $90 million, respectively, in the prior year
  - Energy Transmission, Distribution & Storage: Adjusted EBITDA and FFO increased versus prior year as result of our increased ownership, the impact of deleveraging and higher transportation volumes, all at our North American natural gas transmission operation, as well as the contribution from our acquisition of Niska in our gas storage platform
  - District Energy: Adjusted EBITDA and FFO increased compared to prior year benefitting from the addition of over 1,400 residential connections and the contribution from a tuck-in acquisition completed in Houston during the second half of 2016

Energy Operations (cont'd)

Brookfield

Capital Backlog

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

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

US$ MILLIONS, UNAUDITED	12 months ended December 31			
		2016		2015
Capital backlog, start of period	**$**	**181**	$	73
Additional capital project mandates		**37**		151
Less: capital expenditures		**(67)**		(27)
Foreign exchange and other		**(4)**		(16)
Capital backlog, end of period	**$**	**147**	$	181
Construction work in progress		**37**		37
Total capital to be commissioned	**$**	**184**	$	218

- 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 ~$100 million within our Energy Transmission, Distribution & Storage operations and ~$80 million in our District Energy segment
  - Transmission, Distribution & Storage projects primarily relate to the first phase of the Gulf Coast Reversal project which is anchored by a 20-year, 385,000 dekatherms per day contract with a large LNG operator
  - District Energy projects include ~$60 million for an energy network and district water expansions in Australia, and ~$20 million of expansionary projects in North American systems

Communications Infrastructure Operations

Brookfield

SEGMENT OVERVIEW

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

OBJECTIVES

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

OPERATIONS

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

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

	12 months ended December 31	
US$ MILLIONS, UNAUDITED	**2016**	2015
Growth capital expenditures	**$ 29**	$ 15
Adjusted EBITDA margin[1]	**56%**	54%
Funds from operations (FFO)	**77**	60
Maintenance capital	**(9)**	(6)
Adjusted funds from operations (AFFO)	**$ 68**	$ 54

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

- FFO of $77 million in 2016 compared to $60 million in 2015
  - FFO benefitted from a full year of ownership (business acquired at the end of Q1’15) and inflationary revenue increases, partially offset by an increase in interest expense as a result of the long-term capital structure put in place during the first half of 2016

Communications Infrastructure Operations (cont'd)

Brookfield

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

US$ MILLIONS, UNAUDITED	12 months ended December 31 **2016**	2015
Revenue	**$ 163**	$ 123
Cost attributable to revenues	**(72)**	(57)
Adjusted EBITDA	**91**	66
Interest expense	**(12)**	(6)
Other expenses	**(2)**	—
Funds from operations (FFO)	**77**	60
Depreciation and amortization	**(74)**	(46)
Deferred taxes and other items	**24**	1
Net income	**$ 27**	$ 15

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were $91 million and $77 million, respectively, versus $66 million and $60 million, respectively, in the prior year
  - Adjusted EBITDA increased compared to prior year due to a full year contribution of the business acquired at the end of Q1'15, the benefit of additional points of presence on our infrastructure in the second half of 2016 and inflationary revenue increases
  - FFO increased compared to the prior year as the full year contribution of the business and the benefit of the addition of new points of presence was partially offset by higher interest costs associated with the long-term financing put in place in the first half of 2016
- Organic growth opportunities in this segment include further site roll-outs associated with minimum coverage requirements, acquiring additional sites from customers looking to enhance liquidity and network densification
  - Current capital project backlog for this segment is ~$40 million, reflecting more than 700 towers to be constructed over the next 12 months
  - Recently selected as preferred bidder to deploy a fibre-to-the-home network outside of Paris for up to 85,000 households

Corporate and Other

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

US$ MILLIONS, UNAUDITED	12 months ended December 31 2016		2015	
General and administrative costs	**$**	**(8)**	$	(8)
Base management fee		**(158)**		(126)
Adjusted EBITDA		**(166)**		(134)
Other income		**84**		34
Financing costs		**(48)**		(27)
Funds from operations (FFO)		**(130)**		(127)
Deferred taxes and other items		**119**		65
Net loss	**$**	**(11)**	$	(62)

FINANCIAL RESULTS

- General and administrative costs were in-line 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
  - Increased from prior year due to a higher market capitalization as a result of capital raised in the last 12 months to finance acquisitions and an increase in unit price
- Other income includes interest and distribution income, as well as realized gains earned on corporate financial assets
  - Other income increased compared to the prior year due to investments made in higher yielding financial assets
- Corporate financing costs include interest expense and standby fees on committed credit facility, less interest earned on cash balances
  - Financing costs increased compared to the prior year due to increased borrowings to finance new investments
- Deferred taxes and other items in 2016 includes a gain on the sale of our Asciano toe-hold investment, partially offset by the impact of foreign exchange from our hedging program compared to last year

Liquidity

Total liquidity was $3.9 billion at December 31, 2016, comprised of the following:

US$ MILLIONS, UNAUDITED	As of Dec 31, 2016	As of Dec 31, 2015	Pro-forma[1]
Corporate cash and financial assets	**$ 549**	$ 286	769
Committed corporate credit facility	**1,975**	1,875	1,975
Subordinated corporate credit facility	**500**	500	500
Draws under corporate credit facility	**—**	(407)	—
Commitments under corporate credit facility	**(46)**	(83)	(46)
Proportionate cash retained in businesses	**283**	257	283
Proportionate availability under subsidiary credit facilities	**634**	472	634
Total liquidity	**$ 3,895**	$ 2,900	4,115

1. Includes ~$220 million from preferred units issuance completed in January 2017, net of fees

- We maintain sufficient liquidity at all times to participate in attractive opportunities as they arise, withstand sudden adverse changes in economic circumstances and maintain a relatively high payout of our FFO to unitholders
- Principal sources of liquidity are cash flows from operations, undrawn credit facilities and access to public and private capital markets
    - Subsequent to year-end, completed C$300 million preferred L.P. unit issuance at a rate of 5.00% with a five-year rate reset at the greater of the five-year Government of Canada bond yield plus 3.78% and 5.00%
- 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

Maturity Profile

Brookfield

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, 2016, scheduled principal repayments over the next five years are as follows:

US$ MILLIONS, UNAUDITED	Average Term (years)	2017	2018	2019	2020	2021	Beyond	Total
Recourse borrowings								
Net corporate borrowings	3	$ 297	$ 93	$ —	$ 279	$ —	$ 333	**$ 1,002**
Total recourse borrowings	3	297	93	—	279	—	333	**1,002**
Utilities								
Regulated Distribution	11	—	—	—	40	—	1,098	**1,138**
Electricity Transmission	12	31	4	5	4	4	679	**727**
Regulated Terminal	5	—	—	53	152	296	477	**978**
	9	31	4	58	196	300	2,254	**2,843**
Transport								
Rail	7	37	13	22	91	112	753	**1,028**
Toll Roads	9	228	108	114	81	58	701	**1,290**
Ports	5	60	20	95	172	57	65	**469**
	8	325	141	231	344	227	1,519	**2,787**
Energy								
Energy Transmission, Distribution & Storage	5	630	75	378	—	—	229	**1,312**
District Energy	11	38	2	2	2	—	156	**200**
	6	668	77	380	2	—	385	**1,512**
Communications Infrastructure								
Telecommunications Infrastructure	7	—	37	—	62	—	311	**410**
	7	—	37	—	62	—	311	**410**
Total non-recourse borrowings	8	1,024	259	669	604	527	4,469	**7,552**
Total borrowings	8	$ 1,321	$ 352	$ 669	$ 883	$ 527	$ 4,802	**$ 8,554**
		15%	4%	8%	10%	6%	57%	**100%**

Proportionate Net Debt

Brookfield

The following table presents proportionate net debt by operating segment:

		As of		
US$ MILLIONS, UNAUDITED		**December 31, 2016**		December 31, 2015
Non-recourse borrowings				
Utilities	**$**	**2,843**	$	2,758
Transport		**2,787**		2,275
Energy		**1,512**		1,761
Communications Infrastructure		**410**		423
Corporate & Other		**1,002**		1,380
Total borrowings	**$**	**8,554**	$	8,597
Cash retained in businesses				
Utilities	**$**	**45**	$	37
Transport		**176**		157
Energy		**44**		26
Communications Infrastructure		**18**		37
Corporate & Other		**549**		286
Total cash retained	**$**	**832**	$	543
Net debt				
Utilities	**$**	**2,798**	$	2,721
Transport		**2,611**		2,118
Energy		**1,468**		1,735
Communications Infrastructure		**392**		386
Corporate & Other		**453**		1,094
Total net debt	**$**	**7,722**	$	8,054

- Weighted average cash interest rate is 5.3% for the overall business, in which our utilities, transport, energy, communications infrastructure and corporate segments were 4.0%, 7.4%, 7.0%, 2.6%, and 3.4%, respectively

Foreign Currency Hedging Strategy

Brookfield

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, 2016:

	Net Investment Hedges									
US$ MILLIONS, UNAUDITED	USD	AUD	GBP	BRL	CLP	CAD	EUR	COP	PEN	INR
Net equity investment – US$	$ 1,476	$ 1,532	$ 1,019	$ 1,724	$ 95	$ (288)	$ 725	$ 64	$ 114	$ 37
FX contracts – US$	3,251	(1,532)	(1,019)	—	—	(87)	(613)	—	—	—
Net unhedged – US$	$ 4,727	$ —	$ —	$ 1,724	$ 95	$ (375)	$ 112	$ 64	$ 114	$ 37
% of equity investment hedged	N/A	100%	100%	—%	—%	N/A	85%	—%	—%	—%

- As at December 31, 2016, 73% of overall net equity is USD functional
- We have implemented a strategy to hedge approximately 75% of our expected FFO generated in foreign currencies for the next 24 months
- For the 12 months ended December 31, 2016, 23%, 24%, 21%, 16% and 16% of our pre-corporate FFO was generated in USD, AUD, GBP, BRL, and other, respectively
- Due to our FFO hedging program, 79%, —%, 1%, 16% and 4% of our pre-corporate FFO for the 12 months ended December 31, 2016 was effectively generated in USD, AUD, GBP, BRL, and other, respectively

Capital Reinvestment

Brookfield

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

US$ MILLIONS, UNAUDITED	12 months ended December 31 2016	2015
Funds from operations (FFO)	**$ 944**	$ 808
Maintenance capital	**(173)**	(136)
Funds available for distribution (AFFO)	**771**	672
Distributions paid	**(628)**	(546)
Funds available for reinvestment	**143**	126
Growth capital expenditures	**(843)**	(597)
Debt funding of growth capex	**460**	364
Asset level financings (repayments)	**33**	(243)
New investments, net of disposals	**(159)**	(1,669)
(Repayments) draws on corporate credit facility	**(407)**	161
Partnership unit issuances, net of repurchases	**749**	889
Proceeds from debt issuance	**—**	738
Proceeds from preferred shares issuance	**186**	189
Changes in working capital and other	**127**	(112)
Change in proportionate cash	**289**	(154)
Opening, proportionate cash	**543**	697
Closing, proportionate cash	**$ 832**	$ 543

- 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

Capital Reinvestment (cont'd)

Brookfield

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

US$ MILLIONS, UNAUDITED	12 months ended December 31			
		2016		2015
Growth capital expenditures by segment				
Utilities	**$**	**428**	$	258
Transport		**319**		297
Energy		**67**		27
Communications Infrastructure		**29**		15
Total	**$**	**843**	$	597

US$ MILLIONS, UNAUDITED	12 months ended December 31			
		2016		2015
Maintenance capital expenditures by segment				
Utilities	**$**	**15**	$	13
Transport		**88**		72
Energy		**61**		45
Communications Infrastructure		**9**		6
Total	**$**	**173**	$	136

- We estimate annual maintenance capital expenditures of $10-15 million, $115-125 million, $65-75 million and $5-10 million for our utilities, transport, energy and communications infrastructure segments, respectively, for a total range of $195-225 million

Partnership Capital

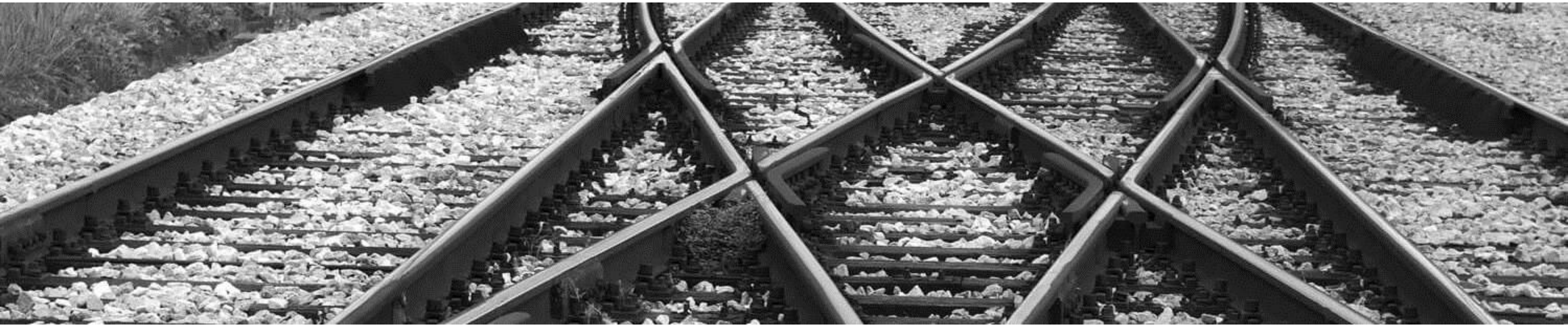
The total number of partnership units outstanding consisted of the following:

MILLIONS OF PARTNERSHIP UNITS, UNAUDITED	As of Dec 31, 2016	Dec 31, 2015[2]
Redeemable partnership unit	**108.4**	100.3
Limited partnership unit	**259.5**	243.2
General partnership unit	**1.6**	1.6
Total partnership units[1]	**369.5**	345.1

1. Partnership units reflect 23.8 million units issued in December 2016
2. Adjusted for three-for-two unit split effective September 14, 2016

- 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 \$80 million were paid during the year versus \$64 million in the prior year as a result of the 11% increase in our distribution on partnership units since 2015
- 20 million preferred limited partnership units outstanding at December 31, 2016, issued at par value of C\$25 per unit
  - Distributions of \$13 million were paid during the year
  - Subsequent to year-end, the partnership issued 12,000,000 Series 7 Preferred Units at par value of C\$25 per unit

Brookfield



REVIEW OF FOURTH QUARTER PERFORMANCE

Q4 2016 Highlights

Brookfield

$245
million of FFO

$0.69
per unit FFO

$0.39
per unit quarterly distribution

KEY PERFORMANCE METRICS

See "Reconciliation of Non-IFRS Measures" on page 36

	Three months ended December 31	
US$ MILLIONS, EXCEPT PER UNIT INFORMATION, UNAUDITED	**2016**	2015
Funds from operations (FFO)	**$ 245**	$ 204
Per unit FFO[1,2]	**0.69**	0.59
Distributions[2]	**0.39**	0.35
Payout ratio[3]	**66%**	68%
Growth of per unit FFO	**17%**	3%
Adjusted funds from operations (AFFO)	**190**	164
Net income[4]	**162**	25
Net income per limited partner unit[2]	**0.40**	0.02

1. *Average units outstanding during the three months ended December 31, 2016 of 353.3 million (2015: 345.0 million).*
2. *Adjusted for 3-for-2 stock split effective September 14, 2016*
3. *Payout ratio is defined as distributions paid (inclusive of GP incentive and preferred unit distributions) divided by FFO*
4. *Includes net income attributable to non-controlling interests–Redeemable Partnership Units held by Brookfield, general partner and limited partners*

PERFORMANCE HIGHLIGHTS

- FFO increased by 20% to $245 million reflecting strong organic growth and contribution from new investments, which was partially offset by the impact of foreign exchange and increased management fees
  - 'Same-store' FFO growth of 8%, on a constant currency basis
  - FFO/unit of $0.69, a 17% increase from prior year
- Distribution of $0.3933 per unit, an 11% increase over prior year, represents payout ratio of 66%
  - Within 60-70% long-term target range
- Net income of $162 million versus $25 million in 2015
  - Increase in net income is attributable to higher earnings from operations, a gain of ~$70 million and the positive impact of our foreign currency hedging program compared to the prior year

Selected Income Statement Information

Brookfield

The following table presents selected income statement information by operating segment on a proportionate basis:

STATEMENTS OF OPERATIONS

US$ MILLIONS, UNAUDITED	Three months ended December 31 **2016**	2015
Net income by segment		
Utilities	**$ 49**	$ 60
Transport	**28**	30
Energy	**75**	(17)
Communications Infrastructure	**24**	8
Corporate and other	**(14)**	(56)
Net income	**$ 162**	$ 25
Adjusted EBITDA by segment		
Utilities	**$ 125**	$ 133
Transport	**156**	131
Energy	**74**	42
Communications Infrastructure	**24**	22
Corporate and other	**(44)**	(35)
Adjusted EBITDA	**$ 335**	$ 293
FFO by segment		
Utilities	**$ 97**	$ 100
Transport	**115**	95
Energy	**52**	20
Communications Infrastructure	**20**	20
Corporate and other	**(39)**	(31)
FFO	**$ 245**	$ 204

Utilities Operations

Brookfield

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

US$ MILLIONS, UNAUDITED	Three months ended December 31 2016		2015	
Revenue	$	**143**	$	151
Connections revenue		**20**		27
Cost attributable to revenues		**(38)**		(45)
Adjusted EBITDA		**125**		133
Interest expense		**(29)**		(35)
Other income		**1**		2
Funds from operations (FFO)		**97**		100
Depreciation and amortization		**(38)**		(38)
Deferred taxes and other items		**(10)**		(2)
Net income	$	**49**	$	60

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

Three months ended December 31	Adjusted EBITDA				FFO			
US$ MILLIONS, UNAUDITED		**2016**		2015		**2016**		2015
Regulated Distribution	$	**65**	$	63	$	**54**	$	51
Electricity Transmission		**30**		32		**23**		26
Regulated Terminal		**30**		38		**20**		23
Total	$	**125**	$	133	$	**97**	$	100

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were $125 million and $97 million, respectively, versus $133 million and $100 million, respectively, in the prior year
  - Regulated Distribution: Adjusted EBITDA and FFO increased versus prior year as strong performance at our UK regulated distribution business driven by an increased rate base, inflation indexation and contribution from smart meters acquired during the year were partially offset by lower connections installed and the impact of foreign exchange
  - Electricity Transmission: Adjusted EBITDA and FFO decreased as inflation indexation and additions to rate base were partially offset by the impact of foreign exchange and the sale of our Ontario electricity transmission business in October of this year
  - Regulated Terminal: Adjusted EBITDA and FFO decreased versus prior year as inflation indexation and the benefit of additions to rate base were offset by the impact of the regulatory rate reset effective July 1, 2016 and lower hedge rates compared to the prior year

Transport Operations

Brookfield

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

US$ MILLIONS, UNAUDITED	Three months ended December 31 2016		2015	
Revenue	**$**	**353**	$	272
Cost attributable to revenues		**(197)**		(141)
Adjusted EBITDA		**156**		131
Interest expense		**(41)**		(32)
Other expenses		**—**		(4)
Funds from operations (FFO)		**115**		95
Depreciation and amortization		**(70)**		(52)
Deferred taxes and other items		**(17)**		(13)
Net income	**$**	**28**	$	30

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

Three months ended December 31	Adjusted EBITDA				FFO			
US$ MILLIONS, UNAUDITED	**2016**		2015		**2016**		2015	
Rail	**$**	**61**	$	69	**$**	**46**	$	56
Toll Roads		**70**		42		**49**		26
Ports		**25**		20		**20**		13
Total	**$**	**156**	$	131	**$**	**115**	$	95

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were $156 million and $115 million, respectively, versus $131 million and $95 million, respectively, in the prior year
  - Rail: Adjusted EBITDA and FFO were lower compared to prior year as inflationary tariff increases in South America were offset by lower agricultural volumes, the impact of the tariff relief extended to one of our clients in Australia and foreign exchange movements
  - Toll roads: Adjusted EBITDA and FFO increased versus prior year due to a 12% increase in average tariffs, increased ownership in our Brazilian toll road business, strong traffic volumes on our Chilean toll roads and the expansion of our toll road operations into Peru and India, partially offset by lower vehicle traffic in Brazil
  - Ports: Adjusted EBITDA and FFO increased versus prior year due to the initial contribution from a new customer at our UK port operation and the acquisition of our Australian ports business, partially offset by the impact of foreign exchange

Energy Operations

Brookfield

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

US$ MILLIONS, UNAUDITED	Three months ended December 31			
		2016		2015
Revenue	**$**	**131**	$	90
Cost attributable to revenues		**(57)**		(48)
Adjusted EBITDA		**74**		42
Interest expense		**(27)**		(23)
Other income		**5**		1
Funds from operations (FFO)		**52**		20
Depreciation and amortization		**(36)**		(57)
Deferred taxes and other items		**59**		20
Net income (loss)	**$**	**75**	$	(17)

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

Three months ended December 31	Adjusted EBITDA				FFO			
US$ MILLIONS, UNAUDITED		**2016**		2015		**2016**		2015
Energy Transmission, Distribution & Storage	**$**	**61**	$	29	**$**	**41**	$	9
District Energy		**13**		13		**11**		11
Total	**$**	**74**	$	42	**$**	**52**	$	20

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were $74 million and $52 million, respectively, versus $42 million and $20 million, respectively, in the prior year
  - Energy Transmission, Distribution & Storage: Adjusted EBITDA and FFO increased versus prior year as result of our increased ownership, the impact of deleveraging and higher transportation volumes, all at our North American natural gas transmission operation, as well as the recent expansion of our gas storage platform
    - Adjusted EBITDA at our North American natural gas transmission operation increased 22% compared to the prior year as transport volumes were 12% higher due to the commissioning of $75 million capital expansion project and new contracts coming on-line in November
  - District Energy: Adjusted EBITDA and FFO were flat compared to prior year as the benefit of inflationary revenue increases and the contribution from a tuck-in acquisition made in Houston were offset by the impact of foreign exchange

Communications Infrastructure Operations

Brookfield

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

US$ MILLIONS, UNAUDITED	Three months ended December 31			
		2016		2015
Revenue	**$**	**40**	$	41
Cost attributable to revenues		**(16)**		(19)
Adjusted EBITDA		**24**		22
Interest expense		**(3)**		(2)
Other expenses		**(1)**		—
Funds from operations (FFO)		**20**		20
Depreciation and amortization		**(17)**		(15)
Deferred taxes and other items		**21**		3
Net income	**$**	**24**	$	8

FINANCIAL RESULTS

- Adjusted EBITDA and FFO were $24 million and $20 million, respectively, versus $22 million and $20 million, respectively, in the prior year
  - Adjusted EBITDA increased 16% in local currency compared to the prior year as a result of the addition of new points of presence on our infrastructure from the tuck-in acquisition completed in the fourth quarter
  - FFO was flat as compared to the prior year as EBITDA growth was offset by higher interest costs associated with the long-term financing put in place

Corporate and Other

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

US$ MILLIONS, UNAUDITED	Three months ended December 31			
		2016		2015
General and administrative costs	**$**	**(2)**	$	(2)
Base management fee		**(42)**		(33)
Adjusted EBITDA		**(44)**		(35)
Other income		**17**		13
Financing costs		**(12)**		(9)
Funds from operations (FFO)		**(39)**		(31)
Deferred taxes and other items		**25**		(25)
Net loss	**$**	**(14)**	$	(56)

FINANCIAL RESULTS

- We pay Brookfield an annual base management fee equal to 1.25% of our market value, plus recourse debt net of cash
  - Increased from prior year due to a higher market capitalization as a result of capital raised from December 2016 equity issuance and an increase in unit price
- Other income includes interest and distribution income, as well as realized gains or losses earned on corporate financial assets
  - Other income increased compared to the prior year due to investments made in higher yielding financial assets
- Corporate financing costs include interest expense and standby fees on committed credit facility, less interest earned on cash balances
  - Financing costs increased compared to the prior year due to higher recourse debt used to finance new investments

APPENDIX – RECONCILIATION OF NON-IFRS FINANCIAL MEASURES

Reconciliation of Non-IFRS Measures to IFRS Measures

Brookfield

RECONCILIATION OF NET INCOME TO FUNDS FROM OPERATIONS

US$ MILLIONS, UNAUDITED	Three months ended December 31		12 months ended December 31	
	2016	2015	**2016**	2015
Net income attributable to partnership[1]	**$ 162**	$ 25	**$ 474**	$ 298
Add back or deduct the following:				
Depreciation and amortization	**161**	162	**609**	506
Deferred income taxes	**26**	(50)	**(5)**	(53)
Mark-to-market on hedging items and other	**(104)**	67	**(134)**	57
FFO	**245**	204	**944**	808
Maintenance capital expenditures	**(55)**	(40)	**(173)**	(136)
AFFO	**$ 190**	$ 164	**$ 771**	$ 672

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 PROPORTIONATE OPERATING RESULTS TO CONSOLIDATED OPERATING RESULTS

FOR THE 12 MONTHS ENDED DECEMBER 31, 2016 US$ MILLIONS, UNAUDITED	Brookfield Infrastructure's Share								
	Utilities	Transport	Energy	Comm. Infrastructure	Other	Total	Contribution from investments in associates	Attributable to non-controlling interest	As per IFRS financials
Revenues	$ 684	$ 1,247	$ 496	$ 163	$ —	$ 2,590	$ (1,311)	$ 836	$ 2,115
Costs attributed to revenues	(160)	(650)	(220)	(72)	—	(1,102)	651	(612)	(1,063)
General and administrative costs	—	—	—	—	(166)	(166)	—	—	(166)
Adjusted EBITDA	524	597	276	91	(166)	1,322	(660)	224	
Other income (expense)	5	(17)	8	(2)	84	78	16	1	95
Interest expense	(130)	(157)	(109)	(12)	(48)	(456)	190	(126)	(392)
FFO	399	423	175	77	(130)	944	(454)	99	
Depreciation and amortization	(154)	(253)	(128)	(74)	—	(609)	328	(166)	(447)
Deferred taxes	5	26	(38)	29	(17)	5	9	4	18
Mark-to-market on hedging items and other	(88)	10	81	(5)	136	134	(131)	117	120
Share of earnings from associates	—	—	—	—	—	—	248	—	248
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(54)	(54)
Net income (loss) attributable to partnership[1]	$ 162	$ 206	$ 90	$ 27	$ (11)	$ 474	$ —	$ —	$ 474

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

FOR THE 12 MONTHS ENDED DECEMBER 31, 2015 US$ MILLIONS, UNAUDITED	Brookfield Infrastructure's Share								
	Utilities	Transport	Energy	Comm. Infrastructure	Other	Total	Contribution from investments in associates	Attributable to non-controlling interest	As per IFRS financials
Revenues	$ 698	$ 1,143	$ 349	$ 123	$ —	$ 2,313	$ (1,044)	$ 586	$ 1,855
Costs attributed to revenues	(174)	(588)	(183)	(57)	—	(1,002)	546	(342)	(798)
General and administrative costs	—	—	—	—	(134)	(134)	—	—	(134)
Adjusted EBITDA	524	555	166	66	(134)	1,177	(498)	244	
Other income (expense)	5	(15)	3	—	34	27	13	(4)	36
Interest expense	(142)	(142)	(79)	(6)	(27)	(396)	144	(115)	(367)
FFO	387	398	90	60	(127)	808	(341)	125	
Depreciation and amortization	(153)	(217)	(90)	(46)	—	(506)	246	(115)	(375)
Deferred taxes	(8)	21	14	14	12	53	(41)	14	26
Mark-to-market on hedging items and other	(16)	(67)	(14)	(13)	53	(57)	67	66	76
Share of earnings from associates	—	—	—	—	—	—	69	—	69
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(90)	(90)
Net income (loss) attributable to partnership[1]	$ 210	$ 135	$ —	$ 15	$ (62)	$ 298	$ —	$ —	$ 298

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

FOR THE THREE MONTHS ENDED DECEMBER 31, 2016 US$ MILLIONS, UNAUDITED	Brookfield Infrastructure's Share								
	Utilities	Transport	Energy	Comm. Infrastructure	Other	Total	Contribution from investments in associates	Attributable to non-controlling interest	As per IFRS financials
Revenues	$ 163	$ 353	$ 131	$ 40	$ —	$ 687	$ (352)	$ 342	$ 677
Costs attributed to revenues	(38)	(197)	(57)	(16)	—	(308)	176	(264)	(396)
General and administrative costs	—	—	—	—	(44)	(44)	—	—	(44)
Adjusted EBITDA	125	156	74	24	(44)	335	(176)	78	
Other income (expense)	1	—	5	(1)	17	22	1	1	24
Interest expense	(29)	(41)	(27)	(3)	(12)	(112)	49	(35)	(98)
FFO	97	115	52	20	(39)	245	(126)	44	
Depreciation and amortization	(38)	(70)	(36)	(17)	—	(161)	91	(43)	(113)
Deferred taxes	11	4	(47)	22	(16)	(26)	24	(15)	(17)
Mark-to-market on hedging items and other	(21)	(21)	106	(1)	41	104	(95)	30	39
Share of earnings from associates	—	—	—	—	—	—	106	—	106
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(16)	(16)
Net income (loss) attributable to partnership[1]	$ 49	$ 28	$ 75	$ 24	$ (14)	$ 162	$ —	$ —	$ 162

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

FOR THE THREE MONTHS ENDED DECEMBER 31, 2015 US$ MILLIONS, UNAUDITED	Brookfield Infrastructure's Share								
	Utilities	Transport	Energy	Comm. Infrastructure	Other	Total	Contribution from investments in associates	Attributable to non-controlling interest	As per IFRS financials
Revenues	$ 178	$ 272	$ 90	$ 41	$ —	$ 581	$ (266)	$ 140	$ 455
Costs attributed to revenues	(45)	(141)	(48)	(19)	—	(253)	139	(85)	(199)
General and administrative costs	—	—	—	—	(35)	(35)	—	—	(35)
Adjusted EBITDA	133	131	42	22	(35)	293	(127)	55	
Other income (expense)	2	(4)	1	—	13	12	5	3	20
Interest expense	(35)	(32)	(23)	(2)	(9)	(101)	37	(30)	(94)
FFO	100	95	20	20	(31)	204	(85)	28	
Depreciation and amortization	(38)	(52)	(57)	(15)	—	(162)	102	(22)	(82)
Deferred taxes	13	14	11	9	3	50	(27)	7	30
Mark-to-market on hedging items and other	(15)	(27)	9	(6)	(28)	(67)	(4)	(5)	(76)
Share of earnings from associates	—	—	—	—	—	—	14	—	14
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	(8)	(8)
Net income (loss) attributable to partnership[1]	$ 60	$ 30	$ (17)	$ 8	$ (56)	$ 25	$ —	$ —	$ 25

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 PARTNERSHIP CAPITAL TO INVESTED CAPITAL – AS AT DECEMBER 31, 2016

US$ MILLIONS, UNAUDITED		Total
Partnership capital	**$**	**6,498**
Cumulative differences[1]		**1,448**
Maintenance capital expenditures		**(173)**
Non-cash statement of operating results items		**470**
Accumulated other comprehensive income and other		**(1,525)**
Invested capital	**$**	**6,718**
Weighted average invested capital		
– three months ended December 31, 2016	**$**	**6,334**
– 12 months ended December 31, 2016	**$**	**5,822**

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

US$ MILLIONS, UNAUDITED		Total
Partnership capital	$	5,379
Cumulative differences[1]		1,075
Maintenance capital expenditures		(136)
Non-cash statement of operating results items		510
Accumulated other comprehensive income		(1,013)
Invested capital	$	5,815
Weighted average invested capital		
– three months ended December 31, 2015	$	5,344
– 12 months ended December 31, 2015	$	4,973

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

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

Brookfield

RECONCILIATION OF PROPORTIONATE ASSETS TO CONSOLIDATED ASSETS – AS OF DECEMBER 31, 2016

	Total Attributable to Brookfield Infrastructure									
US$ MILLIONS, UNAUDITED	Utilities	Transport	Energy	Comm. Infrastructure	Other	Brookfield Infrastructure	Contribution from investment in associates	Attributable to non-controlling interest	Working capital adjustment	As per IFRS financials [1]
Total assets	**$4,605**	**$6,160**	**$3,032**	**$933**	**$(510)**	**$14,220**	**$(2,996)**	**$6,496**	**$3,555**	**$21,275**

RECONCILIATION OF PROPORTIONATE ASSETS TO CONSOLIDATED ASSETS – AS OF DECEMBER 31, 2015

	Total Attributable to Brookfield Infrastructure									
US$ MILLIONS, UNAUDITED	Utilities	Transport	Energy	Comm. Infrastructure	Other	Brookfield Infrastructure	Contribution from investment in associates	Attributable to non-controlling interest	Working capital adjustment	As per IFRS financials [1]
Total assets	$4,723	$5,338	$2,744	$824	$(196)	$13,433	$(3,795)	$4,298	$3,799	$17,735

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

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

Brookfield

RECONCILIATION OF CONSOLIDATED DEBT TO PROPORTIONATE DEBT

	As of			
US$ MILLIONS, UNAUDITED		**Dec 31, 2016**		Dec 31, 2015
Consolidated debt	**$**	**8,236**	$	7,232
Add: proportionate share of debt of investment in associates				
Utilities		**727**		643
Transport		**1,083**		764
Energy		**1,146**		1,462
Communications Infrastructure		**410**		423
Add: proportionate share of debt directly associated with assets held for sale		—		206
Less: debt attributable to non-controlling interest		**(2,619)**		(1,662)
Premium on debt and cross currency swaps		**(429)**		(471)
Proportionate debt	**$**	**8,554**	$	8,597

Use of Non-IFRS Measures

Brookfield

- ***Funds from operations (FFO), adjusted funds from operations (AFFO), adjusted EBITDA, invested capital*** and their per share equivalents, where applicable, are non-IFRS measures which do not have any standard meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies
  - FFO, AFFO and invested capital are reconciled to Net Income and Partnership capital, respectively, the closest measures determined under IFRS on pages 37 and 42, 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
- ***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