LETTER TO UNITHOLDERS

OVERVIEW

We are pleased to report that Brookfield Infrastructure posted record funds from operations ("FFO") for the second quarter in a row. Our financial performance continues to be enhanced by the diversification of our business and the regulated and contractual nature of our cash flows. The majority of our operating platforms posted results that were ahead of expectations, and our outlook remains positive for the balance of the year.

We generated FFO of $210 million in the period, or $0.91 on a per unit basis, which is up from $178 million or $0.85 per unit in the same period of 2014. Results benefitted from the contribution from our newly acquired communications infrastructure assets and solid organic growth across the business. This was offset by the impact of foreign exchange which reduced our results by $23 million. On a same store constant currency basis, we generated a 13% increase in FFO compared to the prior year, a testament to the excellent operating businesses we own.

Our current liquidity position has never been higher. Our ability to access significant amounts of capital earlier in the year enabled us to move quickly to secure several exciting investment opportunities. In August, we presented a funding plan for the various transactions that we had announced. Subsequent to period end, we executed the final component of this plan by completing a C$500 million corporate bond issuance bringing our total liquidity to approximately $3.3 billion. While our high liquidity currently acts as a partial drag on our results, once these funds are deployed into our various initiatives, we will generate meaningful growth in our FFO per unit.

OPERATIONS

Utilities

Our Utilities segment generated FFO of $99 million in the quarter, which is $6 million higher than the prior year. These results were driven by record connections activity at our UK regulated distribution operations, incremental earnings on growth capital commissioned into our rate base and inflation indexation across a number of our businesses.

We continue to drive near-term growth in this segment through the pursuit of organic growth. During the quarter we increased our capital backlog by 6%. This increase was the result of the expansion and upgrade projects awarded in our Chilean transmission business, and the growing backlog of connections at our UK regulated distribution operation. Our total backlog for this segment stands at over $540 million which we expect to commission into our rate base in the next two to three years.

Transport

Our Transport segment generated FFO of $103 million, which was roughly in line with results in the comparable period in 2014. Our results benefitted from tariff growth across the majority of our operations, higher volumes at our rail logistics business in Brazil and cost savings at our Australian rail operation. These positive results were affected by a strong U.S. dollar, which reduced results in this segment by $20 million.

In our rail platform, we continue to be pleased with the performance of our Brazilian rail logistics business that we acquired in the third quarter of last year. On a local currency basis, the business has achieved year-on-year EBITDA growth of 20%, driven by increased agricultural volumes and improved margins. We expect to see continued EBITDA growth in this business as our investments in network upgrades come online over the next several years. These include a major expansion project at the TIPLAM port in Santos, now 60% complete, as well as upgrades to our various inland terminals and rolling stock. These projects will support significantly higher volumes through the system. Our Australian rail operations also performed well during the quarter, continuing to benefit from steady volumes across most of its major business lines including alumina, iron ore, grain and interstate freight. This led to an increase in same store revenues of approximately 5% and an EBITDA increase of approximately 10%, on a constant currency basis.

Our toll road platform has continued to perform well operationally, with EBITDA increasing by 7% in local currency terms. We benefitted from inflationary increases in addition to strong light vehicle volumes, which more than offset lower heavy vehicle volumes in our Brazilian operations.

In our ports platform, we achieved volume increases across most of our major business lines during the quarter. Our West coast container terminal experienced a 25% increase in volumes, and an 11% reduction in costs per move year-over-year, as a result of the completion of the first phase of its automation project. We are also continuing to see stronger container volumes in our UK port operation, which are up 7% year to date compared to the prior year. Partially offsetting the growth in our container terminal activities was the loss of a bulk commodity customer at our UK port operation during the quarter. This customer contributed less than 1% of our overall EBITDA and our management team is working hard to progress several new bulk opportunities that we expect will replace these foregone volumes in the near future.

Energy

Our Energy segment generated FFO of $19 million this period, compared to $10 million in the prior year. Results were higher due to increased volumes at our North American gas transmission operation and the addition of new district energy businesses.

During the quarter, our North American gas transmission business continued to advance its growth projects. Most significantly, it announced a 20-year agreement to provide southbound natural gas to a major LNG project on the Gulf Coast. This contract will underpin the first phase of a reversal project on the company's Gulf Coast line, which will deliver gas from its Rocky Mountain Express interconnection. We also continue to advance our strategic review of this business and hope to be in a position to disclose the results of that review by the end of the year.

Our district energy platform, which is becoming a more meaningful part of our overall business, posted growth in its results and continued to progress a multi-dimensional growth strategy. During the quarter, we signed agreements to add four new commercial clients, connected 355 residential customers to our systems and renewed two contracts at favourable rates.

Communications Infrastructure

Our French telecom infrastructure business, acquired in March of this year, delivered FFO of $20 million for the quarter. This is consistent with the prior quarter and is slightly ahead of underwriting.

Subsequent to period end, we successfully refinanced €600 million of the €1.4 billion acquisition facility raised to acquire the business. This debt, which was issued in the European bond market, has a seven-year term and priced at an all-in rate of 2.9%, in-line with our underwriting assumptions. We continue to monitor the debt markets in Europe closely as we plan to refinance the €800 million that remains in the facility in 2016.

DIVERSIFICATION STRATEGY – OUR APPROACH TO BUILDING VALUE

In early October, we held an investor day in New York where we outlined why we believe Brookfield Infrastructure is a unique and attractive investment opportunity. We highlighted four major components that we believe differentiate us from our peers, namely (i) our high quality assets, (ii) our global business development platform, (iii) our secure and stable cash flows and (iv) our diversification strategy. For those of you who have not yet seen the presentation, you can obtain a copy on our website at www.brookfieldinfrastructure.com.

At inception, we set forth a number of strategic goals that remain unchanged today. Our objective is to build a world class infrastructure business that is diversified by sector and geography, and consists of high quality assets with significant barriers to entry and strong organic growth potential. We believe that with these types of assets we can deliver stable and growing distributions for our unitholders. To date we have been successful in achieving these goals by sticking to our disciplined investing philosophy.

When we first spun off Brookfield Infrastructure in 2008, we had two operating segments, consisting of a total of five businesses in North and South America. Over the past seven years, we have evolved significantly, where we currently have four large segments, comprised of 30 businesses across five continents. Our market capitalization has increased from $500 million to close to $10 billion. While growing the overall business has been a great accomplishment, our ability to increase value on a per unit basis during this period of growth is the greater achievement. Since 2009, FFO and distributions per unit have increased by 23% and 12%, respectively, on a CAGR basis.

The strategic path forward for Brookfield Infrastructure is very clear. We intend to follow the exact same roadmap that has proved to be successful to date, which is to (i) build out our current operating platforms, and (ii) acquire businesses on a value basis. Our current strategic focus is summarized as follows:

- **Build out platforms:** We are focused on growing our platforms in four key areas. First, by leveraging customer relationships and deploying industry-leading technology, we seek to globalize our port business. Second, we are looking to add to our toll road footprint, not only in South America where we already have a strong presence, but also in India and Europe. Third, we will continue to execute on our district energy roll-up plan. We made seven acquisitions in this space over the last year and we have plans for further consolidation of this highly fragmented sector in North America, Europe and Australia. Finally, we see opportunities to build out our transmission platform in the U.S. and South America where we can participate as a developer of transmission systems.
- **Buy for value:** As we look to make value investments, we believe there is a once in a lifetime opportunity to invest in Brazil – a country where we are seen as a local player. Another area of interest is energy infrastructure. With the rerating of many MLPs following a 32% drop in the index year-over-year, there are a number of good companies that have been dragged down with the tide. In addition, certain E&P companies may have to delever their balance sheets in this new commodity environment by selling midstream assets to focus on their core business. Lastly, there are high quality assets available from a number of utility, construction and mining companies looking to dispose of their non-core infrastructure assets to reduce debt.

Along these lines, we currently have a number of strategic initiatives underway.

- **Australian Transport** – In August, we announced a binding agreement, together with our institutional partners, to acquire Asciano Limited (ASX: AIO), a high quality rail and port logistics company in Australia with an enterprise value of ~A$12 billion. The transaction received the unanimous support of the Asciano Board of Directors and we are in the process of seeking approval from Asciano shareholders and Australian regulators. As is commonplace in public-to-private transactions, we are facing a number of hurdles. We remain highly committed to the transaction and are optimistic that we can complete an attractive transaction for BIP unitholders.
- **Investment in India Transport** – In August, we agreed to acquire a portfolio of six roads located in India from Gammon Infrastructure for approximately $230 million (our share, $92 million). While Brookfield has had an operating presence in India for several years, this transaction marks Brookfield Infrastructure's first foray into the country and provides us with an exciting opportunity to further expand our toll road platform globally. Our first investment in India is intentionally modest in size relative to other transactions that we are pursuing. Importantly, once this transaction closes, we will be an approved owner and operator of infrastructure assets within the country. This transaction also enables us to expand our toll road platform to a new market that we believe has significant growth prospects. The transaction is subject to customary closing conditions, including government and other consents, and we expect to complete this investment by the end of 2015.

- **Gas Storage** – You may recall that in June, along with our institutional partners, we signed definitive agreements to acquire all of the outstanding common units of Niska Gas Storage Partners LLC ("Niska"). The total equity investment for the Brookfield Consortium will be $175 million of which Brookfield Infrastructure will invest approximately $70 million for an effective 40% ownership stake. We are currently progressing the required regulatory approvals and other customary closing conditions and expect that the transaction will close in the first half of 2016.

- **Brazilian Transport Initiatives** – Our court approved, debtor in possession ("DIP") loan to OAS, a large Brazilian construction company, is currently pending as it is subject to ratification at an upcoming OAS creditors meeting. As you may recall, OAS holds a 24% stake in a large toll road, airport and urban mobility company called Invepar. Subsequent to funding the DIP loan, we will be well positioned to launch a bid to acquire the equity interest in Invepar. While our loan is outstanding, we will earn a minimum return of 15% in U.S. dollars. Also during the quarter, an independent valuation was published for our Brazilian toll roads and a tender offer circular was filed with the Brazilian securities and exchange commission in accordance with local take-private rules. The offer is now going through a customary review period and we expect to obtain minority shareholder and other approvals to complete the transaction by January 2016.

- **Capital Recycling** – As a key component of our overall strategy, we have continued to progress several capital recycling initiatives. First, we completed the sale of our New England electricity transmission operation during the quarter. We also launched a sale process on two additional assets that together should generate approximately $300 million in net proceeds in 2016.

OUTLOOK

We continue to believe that the long-term outlook for the global economy is positive but we are positioning the business to withstand potential periods of volatility. While fears surrounding the sovereign debt crisis in Greece appear to have subsided, uncertainty related to the massive influx of refugees into Europe and a slowdown in China's economic growth, now dominate the headlines. This has contributed to significant volatility in the commodity and capital markets.

In an environment where there is a flight to quality by investors, Brookfield Infrastructure is able to distinguish itself. We have a strong balance sheet, operations that are well diversified and cash flow streams that are predominantly regulated and contractual. Our diversification strategy also helps us in deploying capital, as it expands our investable universe and allows us to invest in a number of markets where we see good value and where we can get the best risk-adjusted returns. That being said, our defensive characteristics are only one of the attractions to our business. We think that the significant recurring growth generated by our operating platforms provides a total return that is attractive to investors on a long-term basis.

For the balance of the year, our primary focus is to complete the various strategic initiatives that we have announced. These acquisitions will significantly expand the scale of our transport and energy segments and will meaningfully add to our overall cash flows in the first half of 2016 and beyond.

On behalf of the board and management of Brookfield Infrastructure, I would like to thank all our unitholders for your ongoing support. I look forward to updating you on our progress in the coming periods.

Sincerely,

"signed"

Sam Pollock
Chief Executive Officer
Brookfield Infrastructure Group L.P.

Note: This letter to unitholders contains forward-looking information within the meaning of Canadian provincial securities laws and "forward-looking statements" within the meaning of 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. The words, "will", "continue", "believe", "growth", "potential", "prospect", "expect", "should", "look forward", "future", "could", "plan", "seek", "outlook", "focus", "optimistic", "can", "increase", derivatives thereof and other expressions which are predictions of or indicate future events, trends or prospects and which do not relate to historical matters identify the above mentioned and other forward-looking statements. Forward-looking statements in this letter to unitholders include statements regarding the likelihood and timing of successfully completing the acquisitions and other growth initiatives referred to in this letter to unitholders, the future performance of those acquired businesses and growth projects, financial and operating performance of Brookfield Infrastructure and some of its businesses, availability of investment opportunities, market demand for the products and services we provide, ability to access capital, the continued growth of Brookfield Infrastructure and its businesses in a competitive infrastructure sector, and future revenue and distribution growth prospects in general. Although Brookfield Infrastructure believes that these forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on them, or any other forward looking statements or information in this letter. The future performance and prospects of Brookfield Infrastructure are subject to a number of known and unknown risks and uncertainties. Factors that could cause actual results of the Partnership and Brookfield Infrastructure to differ materially from those contemplated or implied by the statements in this letter to unitholders include general economic conditions in the jurisdictions in which we operate and elsewhere which may impact the markets for our products or services, the ability to achieve growth within Brookfield Infrastructure's businesses, some of which depends on access to capital and continuing favourable commodity prices, the impact of market conditions on our businesses, the fact that success of Brookfield Infrastructure is dependent on market demand for an infrastructure company, which is unknown, the availability of equity and debt financing for Brookfield Infrastructure, the ability to effectively complete new acquisitions in the competitive infrastructure space (including the potential acquisitions referred to in this letter to unitholders, 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 letter to unitholders 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, the market conditions of key commodities, the price, supply or demand for which can have a significant impact upon the financial and operating performance of our business, regulatory decisions affecting our regulated businesses, weather events affecting our business, traffic volumes on our toll road businesses and other risks and factors described in the documents filed by Brookfield Infrastructure with the securities regulators in Canada and the United States including under "Risk Factors" in Brookfield Infrastructure's most recent Annual Report on Form 20-F and other risks and factors that are described therein. Except as required by law, Brookfield Infrastructure undertakes no obligation to publicly update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.